Schneider Electric

WE ARE YOUR

Energy Technology Partner

Advancing
Energy Tech

Financial and Sustainable Development Report

2025 Universal Registration Document

OUR GOAL IS TO TURN

Innovation

INTO

Connection

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

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INTRODUCTION

Planet. People. Business
All matter. All thrive on Energy

Energy powers our lives. Energy is essential to progress. Energy Technology advances industry, drives innovation, and connects communities.

We are your Energy Technology Partner.

OUR PERFORMANCE

2025 was a milestone year, with record revenues, expansion of adjusted EBITA margin despite volatility, and generation of our highest-ever free cash flow. These results reflect strong execution across the Group, particularly in H2, while also delivering a strong Schneider Sustainability Impact score.

READ MORE P.19 ⟶

Strategy Overview

Driving more electrification, automation, and digitalization across our four end-markets, through our three strategic pillars: Technology Leadership, Customer Differentiation, and Operational Excellence, and supported by our two foundations: people and sustainability.

Read more: p49

Mega-trends

Three major mega-trends are reshaping the global landscape: the new energy landscape, digitalization and the rapid rise of artificial intelligence, and the emergence of a more decentralized, multi-polar world.

Read more: p51

FINANCIAL KPIS

Revenues

€40.2B

+8.9% organic

Adjusted EBITA margin

18.7%

+50bps organic

Net Income (Group share)

€4.2B

-2%

Free Cash Flow

€4.6B

111% conversion rate(1)

Adjusted Earnings Per Share

€8.59

+3%

Proposed Dividend per Share(2)

€4.20

+8%

(1) Conversion of FCF / Net Income (Group share).
(2) Subject to shareholder approval on May 7, 2026.
(3) More details on the SSI performance on **page 36.**

OUR IMPACT

Impact revenues

75%

+1% vs. 2024

CO_2 emissions reduced by

56%

from top 1,000 suppliers' operations

People with access to green electricity

61.7M

since 2009

Schneider Sustainability Impact score(3)

8.86/10

vs. 7.55/10 in 2024

Tonnes of CO_2 emissions saved and avoided

862M

to our customers since 2018

People trained in energy management

1M+

since 2009

About Schneider Electric

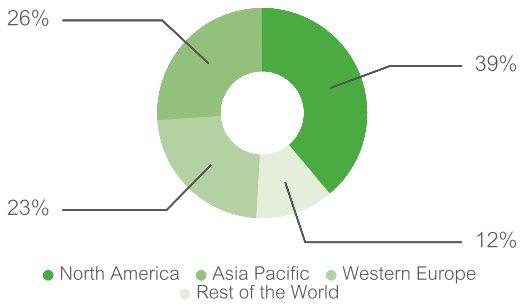
We **electrify**, **automate** and **digitalize** every industry, business and home, driving efficiency and sustainability for all.

Our business

Revenue

€40.2bn

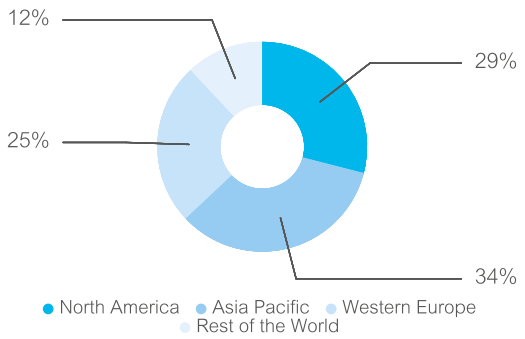
Revenue by geography in 2025



Employees

163k

Total employees by geography in 2025(1)



(1) The average headcount has been restated to exclude non-employee interim workers, who were previously included in the Group's total headcount, and to include certain missing headcount figures resulting from a scope adjustment. Based on this methodology, 2024 would have been 159k employees.

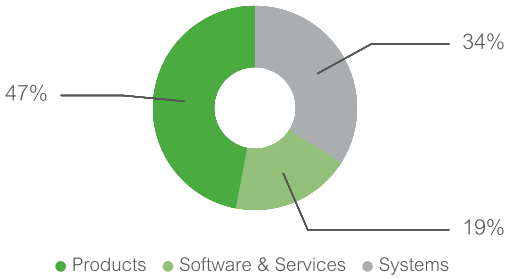
What differentiates Schneider Electric

Across our global organization and extensive market coverage, we operate as One Schneider, delivering integrated solutions from our comprehensive portfolio and a strong digital customer experience, supported by a strong foundation based on people and sustainability.

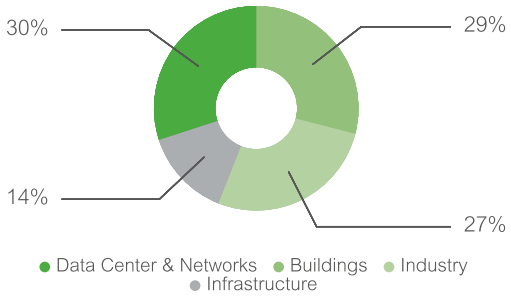
Balanced Exposure

Over the years, we have built a balanced exposure across business models, end markets, geographies, and our global employee footprint, driving resilience across the cycle. Our multi-hub approach is set up to impact at both global and local levels.

Business models(1)



End markets(2)



Portfolio and Innovation

Complete offer portfolio across the lifecycle, combining complementary technologies of Energy Management and Industrial Automation. Across Products, Systems, Software and Services, we are Advancing Energy Tech to the next level of intelligence.

One Schneider

Creating more value for all stakeholders: customers, employees, shareholders.
To enhance the customer experience through local proximity, we have unified our sales force, created a unique digital experience alongside human interaction, established a global services organization, and built an integrated global supply chain.

Market Coverage

Extensive geographical coverage through a comprehensive partner network and addressing our end-users installed base. We have built a unique global ecosystem by connecting panel builders, integrators, distributors and partners who are assembling and distributing all our technologies.

People and Sustainability

Committed to People and Sustainability, driving stronger engagement and impact. What sets Schneider Electric apart is our deep focus on developing people and building diverse teams worldwide, fostering innovation and strength. We believe responsibility and sustainability go hand in hand, creating long-term value for both society and investors.

(1) FY 2025 Group revenues %.
(2) FY 2025 Group orders %.

Advancing Energy Technology

The global shift toward electrification, automation and digitalization is reshaping every segment in which we operate. By advancing Energy Tech to the next level of Intelligence, we drive innovation that enables smarter, more efficient, and more resilient systems. Focused on technology leadership, customer differentiation and operational excellence, we are positioned to deliver sustainable growth and long-term value.

Three mega-trends impacting our market

Three major mega-trends are reshaping the global landscape: the accelerating shift toward electrification and digitalization; the rapid rise of artificial intelligence across personal and industrial domains; and the emergence of a more decentralized, multipolar world. Electrification is expanding across sectors and driving more efficient, flexible, and distributed energy architectures, while Digitalization & AI is creating unprecedented compute needs. At the same time, geopolitical fragmentation is prompting re-shoring, localized investments, and greater focus on technological and cloud sovereignty, bringing both new opportunities and added complexity.

1. New Energy Landscape **2. Digitalization & AI** **3. Multi-Polar World**

See Chapter 1 on **page 51** to find out more.

Energy Tech as a catalyst to drive market growth opportunities

The end markets we serve remain in an accelerated growth phase as a function of the three mega-trends. Our addressable market is set to grow at a compound annual growth rate (CAGR) of between +6% and +7% between 2025 and 2030, to reach in excess of around EUR 600 billion by 2030.

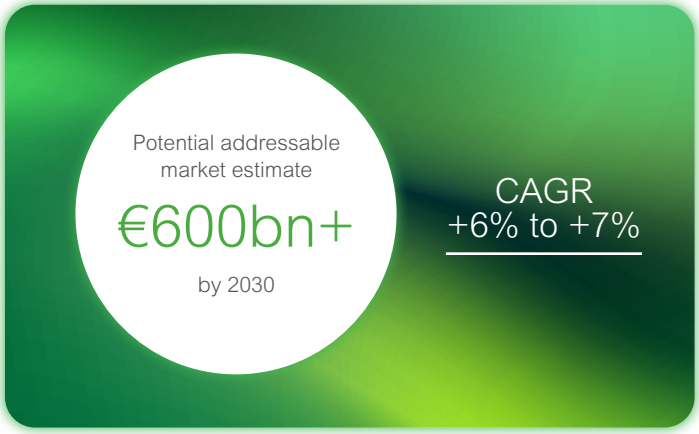
1. New Energy Landscape
2. Digitalization & AI
3. Multi-Polar World

Driving more

Electrification, Automation & Digitalization

Across our four end markets

Data Center & Networks | Buildings | Industry | Infrastructure



Advancing Energy Tech to the Next Level of Intelligence

Built on a resilient model, balanced exposure, and strong market leadership, the Group is focusing its strategy on three pillars: technology leadership, customer differentiation, and operational excellence, all powered by the two foundations of people and sustainability. This framework strengthens competitiveness, improves efficiency and drives long-term value.

Three strategic pillars:

Energy & Industrial Intelligence

Technology Leadership

EcoStruxure creates a unique value proposition to our customers across the lifecycle. Our comprehensive portfolio brings value to life by creating one unified customer experience. This portfolio gives us a unique opportunity to go to the next level of Energy & Industrial Intelligence.

Regionalization

Customer Differentiation

We aim to be the most customer-centric company. Expectations are evolving, and to keep winning we must differentiate by partnering closely across our entire ecosystem and delivering superior value that meets current and future customer needs.

Cost competitiveness & Scalability

Operational Excellence

Focus on cost discipline and operational efficiency to support performance and scalability. By enhancing the way we operate and embedding efficiency across the organization, we reinforce our competitiveness and maintain capacity to invest in strategic priorities.

See Chapter 1 on **page 57** to find out more.

Powered by two foundations:

People-Centric by design

The Group's performance relies on the strength of its diverse and highly engaged teams. Supported by the One Schneider model, employees benefit from global mobility, shared processes and an integrated culture that fosters commitment across all regions. To support the next strategic cycle, the Group is evolving its ways of working toward more mission-based and performance-driven management, enabling faster execution and greater organizational agility.

Sustainability in action

Sustainability has been embedded in the Group's strategy for more than two decades, consistently combining financial performance with positive environmental and social impact within a robust governance framework. The Group continues to integrate responsibility across all dimensions of its operations, working to reduce emissions across its ecosystem while supporting the global transition toward more electrified, efficient and digitalized energy systems.

Driving impact. Transforming our ecosystem.

2030 Sustainability ambition

We electrify the world
towards decarbonization

We reinvent our industry
towards innovation

We unlock human potential
towards equal opportunities

We empower local communities
towards action and care

Our business model

We have curated a unique portfolio; by combining strong resources, deep expertise, and a unified technology platform, we create sustained value for our customers, partners, and shareholders.

Our advantages and resources

We are advocates of open standards and partnership ecosystems that are passionate about our shared values enabling positive impact.

People

163k

employees worldwide, in 100+ countries(1)

Innovation

5.9%

R&D cost ratio on Group revenues 2025 (cash basic)

Our expertise

Our integrated approach allows us to provide our customers with a complete plug and play integrated solution.

ELECTRIFICATION

- End-to-end energy technology from grid-to-plug and chip-to-chiller
- Leader in software defined innovation and AI-powered energy intelligence
- Unparalleled global network of partners

AUTOMATION

- Industrial Intelligence leadership across process and discrete domains
- AI-enabled operational excellence and industry-leading open, software-defined automation
- Process safety, cybersecurity and compliance excellence

DIGITALIZATION

- Cross-domain unified AI platforms
- Agentic AI workflows driving autonomous energy management and industrial optimization
- Full lifecycle digital twins with AVEVA and ETAP ecosystems

DATA CENTER & NETWORKS

BUILDINGS

INDUSTRY

INFRASTRUCTURE

Energy Technology Partner

For our customers

+9%

Group revenues FY25 organic growth

Partners and suppliers

56%

performance of the Zero Carbon Project

(1) The average headcount has been restated to exclude non-employee interim workers, who were previously included in the Group's total headcount, and to include certain missing headcount figures resulting from a scope adjustment. Based on this methodology,2024 would have been 159k employees.

Environment

195

Number of zero-CO_2 sites

Partner network

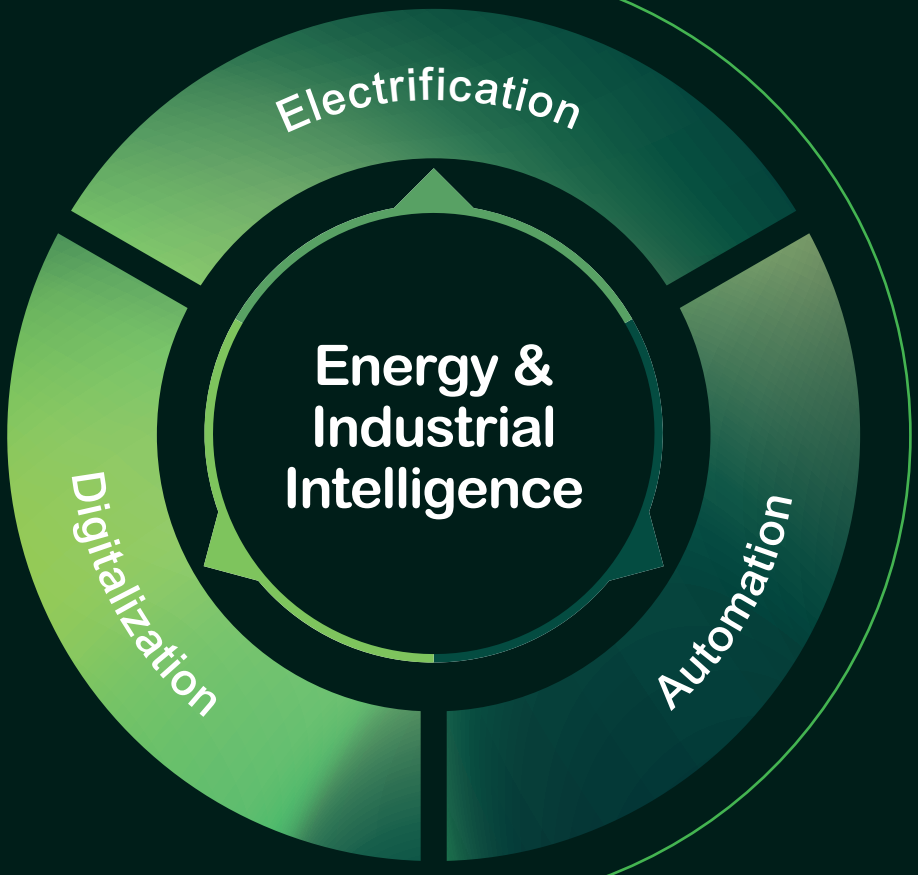
>1.4M

Contractors and electricians

Financial strength

A/A-1 and A2

strong investment grade credit rating



The planet and local communities

61.7M

people provided access to green electricity since 2009

For our employees

63%

of eligible employees benefiting from 2025 share plan

For our shareholders

+89%

3-year Total Shareholder Return(1)

(1) From January 1, 2023 to December 31, 2025.

Data Center & Networks end market

Digitalization and AI mega-trends are driving unprecedented changes and opportunities to the Data Center & Networks end market with increased needs for both Energy Management and software offers. Strong future growth is expected, with critical needs for electrical content and cooling boosted by this turning point in technology. Through our best-in-class electrification and liquid cooling portfolio, reinforced by the acquisition of Motivair, we help data centers design, build, operate, and maintain highly efficient and resilient AI-ready infrastructure across the entire lifecycle.

End market exposure

30%

of 2025 orders

Market position

#1

in electrical distribution

#1

Most complete portfolio including liquid cooling

Market CAGR 2025–2030

>10%

Key Drivers

Artificial Intelligence

Key trends

- Surge in computing power demand
- 800V DC
- Power & Liquid cooling efficiency
- Convergence White/Grey space

Customer example – Vantage Data Centers

VANTAGE™ DATA CENTERS

Goal

Vantage Data Centers aimed to continue scaling globally and deliver hyperscale and AI-ready data centers quickly while maintaining operational excellence.

Challenge

Power grid development timelines were much longer than data center build schedules, creating delays. Rapid technology evolution and diverse regional regulations added complexity, while supply chain coordination was critical to meet hyperscalers' demands.

Solution

Vantage developed standardized platform designs and supply-chain partnerships to accelerate deployment. To enable this, Vantage works with strategic technology partners such as Schneider Electric, who plays a critical role in supporting the execution of Vantage's platform strategy. Schneider collaborated with Vantage on engineering development, provided insight into emerging technologies, and supported supply-chain planning and capacity reservation to ensure predictable delivery. Schneider also enabled consistent execution across regions by aligning with Vantage's modular, pre-engineered platform designs through both direct and indirect procurement models.

Result

Vantage now has 41 campuses that are operational or under development across five continents with nearly 9 GW of capacity. This partnership - from design and innovation to supply chain certainty and deployment flexibility - has enabled Vantage to differentiate through speed and operational excellence and positioned them as a leader in AI infrastructure with a clear roadmap for future innovation.

Buildings end market

Strong mega-trends are driving growth for the Buildings end market. On one hand, the growing population and increasing urbanization in emerging economies is driving the need for construction with a rise in first time demand together with increased digitalization. On the other hand, there is a need for existing infrastructure refresh, particularly in mature economies where radical acceleration with retrofit is required in order to meet decarbonization commitments, supported by government investment.

End market exposure

29%

of 2025 orders

Market position

#1

in electrical distribution

1/4

Present within 1 out of 4 buildings

Market CAGR 2025–2030

+4% to +5%

Key Drivers

Efficiency & Smart buildings

Key trends

- Increase of Electrification
- Need for more Energy Efficiency
- Convergence of Power & Building management

Customer example – Sidara:

Sidara

Goal

Sidara wanted its new London headquarters at 150 Holborn to unite over 20 brands under one roof, create an innovative and collaborative environment, and showcase sustainability and technology leadership.

Challenge

Smart building concepts were unclear in 2016, and Sidara needed a future-proof solution to integrate multiple systems, collect and normalize data, and minimize facility management overhead. COVID-19 added complexity, requiring flexibility for safe return-to-office.

Solution

Sidara partnered with Schneider Electric to deliver an open, integrated architecture that could evolve with technology. Schneider's EcoStruxure platform enabled seamless integration of building systems and provided the foundation for advanced meeting room automation, energy optimization, and data collection. Schneider also deployed Building Advisor for predictive maintenance and fault detection, and its sensors contributed to occupant comfort and well-being. The partnership ensured future-proofing through open architecture and normalized data via the Building Data Platform (BDP), which now feeds Sidara's own digitial tools - including its award-winning digital twin and building analytics platform PARA OS - for asset and navigation intelligence.

Result

The flagship building, opened in 2023, has delivered outstanding outcomes. Office attendance is up 35% compared to initial expectations, energy use in meeting rooms has been reduced by 22%, and facility management efficiency has significantly improved thanks to Schneider's Building Advisor. The building has hosted over 18,000 visitors and generated new business opportunities. It has achieved top certifications, including BREEAM Outstanding and SmartScore Platinum, with 58% of the criteria met through Schneider technology. Schneider's contribution was pivotal in making 150 Holborn a benchmark for smart, sustainable buildings, and positioning Sidara as an industry innovator.

Industry end market

Within the Industry end market we target electro-intensive industrial companies in multiple segments including Energies & Chemicals, Consumer Packaged Goods, and OEMs. We bring our complementary Energy Management and Industrial Automation offers together to fulfill the needs for energy efficiency, increased automation, and sustainability. The Industry end market is driven by the acceleration of digitalization and process electrification coupled with trends of reshoring and supply chain resilience.

End market exposure

27%

of 2025 orders

Market position

#1

in electrical distribution

#1

in industrial data and safety

Market CAGR 2025–2030

+4% to +5%

Key Drivers

Reshoring & Supply Chain Resilience

Key trends

- Process electrification
- Industrial data
- Advanced monitoring and optimization

Customer example – Evonik:

EVONIK
Leading Beyond Chemistry

Goal

Evonik aims to digitalize thermoplastic processing at its pilot plant in Essen to further improve the generation of reliable, well-documented insights on the performance of its additives. A special focus is on recycling applications and to accelerate innovation, improve the quality and consistency of recyclates, and support circularity across the plastics value chain.

Challenge

Variability in feedstock, diverse processing technologies, and partially stand-alone machinery make it difficult to achieve stable and repeatable results in thermoplastic recycling. Limited digital visibility slows down analysis and reduces the customer's ability to use additives at optimized conditions.

Solution

Evonik partnered with Schneider Electric to digitalize its pilot plant through an open, software-defined automation approach, leveraging AVEVA, Foxboro, Triconex, ETAP, and microgrid optimization. By connecting all machines, sensors, and devices to a unified digital platform, the solution reduces manual effort, improves data quality, and strengthens operational resilience. Real-time control of critical parameters optimizes energy use and process performance, accelerating time-to-value. The collaboration combines Evonik's chemical expertise with Schneider Electric's digital capabilities to modernize the workflows and scale advanced additive solutions efficiently.

Result

The digitalized environment improves the quality and repeatability of recyclates and shortens innovation cycles. The pilot plant delivers more consistent results and supports customers with deeper process insights. The project demonstrates how chemistry and digitalization work together to transform recycling processes and highlights the role of open automation in more sustainable manufacturing.

Infrastructure end market

Within the infrastructure end market we primarily address the needs from grid, transportation and water and wastewater segments. The grid is going through a structural transformation as it represents a bottleneck to the energy transition. Increased power requirement, resiliency, and safety needs are driving investments around grid modernization, grid extension for extended power reach, and grid digitalization for increased efficiency and sustainability.

End market exposure

14%

of 2025 orders

Market position

#1	#1	#1
in electrical distribution	in industrial data	in grid

Market CAGR 2025–2030

+5% to +7%

Key Drivers

Modernization & Resilience

Key trends

- Power generation supporting electrification
- Integration of renewables & flexibility
- Safeguarding critical infrastructure
- Digitalize for efficiency

Customer example – ElektroDistribucija Srbije:

ЕЛЕКТРОДИСТРИБУЦИЈА СРБИЈЕ

Goal

The goal of the collaboration between Elektrodistribucija Srbije and Schneider Electric is to modernize Serbia's medium-voltage distribution network to support the country's renewable energy ambitions. The partnership aims to enhance grid reliability for 3.8 million customers while enabling large-scale integration of renewable energy sources across the national grid.

Challenge

The key challenges include integrating increasing volumes of variable renewable energy while maintaining grid stability, shifting from reactive to proactive network management, and improving operational efficiency. In parallel, Elektrodistribucija Srbije is striving to reduce network losses and CO_2 emissions, and deliver greater energy savings and cost efficiency across its distribution system.

Solution

To address these challenges, Elektrodistribucija Srbije partnered with Schneider Electric to deploy a modernized distribution architecture. This includes the reconstruction and development of substations, the rollout of advanced software platforms for real-time operational and technical process integration, and the adoption of flexible, future-ready grid management tools. Together, these solutions support renewable energy integration, strengthen system resilience, and improve network performance across all five regional subsidiaries.

Result

As a result, the project enables faster responses to energy interruptions, improve efficiency, and reduce network disruptions across the country. Real-time data analysis will support renewable prosumers and optimize energy use, while greater grid flexibility will help lower CO_2 emissions and attract new investments. The modernization should also deliver 10–15% loss reduction and provides a solid foundation for Serbia's 2030 energy transition goals, including the target of 45% clean energy generation.

“Looking ahead, I am confident that Schneider Electric is entering this next phase with strong positioning, a robust organization, and a leadership team well equipped to address a fast-growing market and multiple opportunities.”

Jean-Pascal Tricoire
Chairman

Dear Shareholders,

2025 marked a new inflection point for both our industry and Schneider Electric. Artificial intelligence has moved to the forefront of the global agenda. AI needs energy, and energy increasingly needs AI – not only in data centers, but wherever energy is generated, distributed, and consumed. AI is becoming a key driver of efficiency, reliability, security, and sustainability. As it advances energy technologies, it reinforces a defining reality of our time: every new technology is powered by electricity and enabled by digitalization. Attention is therefore increasingly focused on the systems that underpin this transformation and on those that connect the digital and physical worlds safely and efficiently. In this context, AI represents a major accelerator of electrification and digitalization, the two pillars of our company.

Operating at the intersection of physical infrastructure and digital intelligence, Schneider Electric has built its capabilities over more than two decades to serve this environment. Through sustained innovation and long-term investment, the Company has developed deep expertise across electrification, automation, and digital technologies – from products to solutions to services – at global scale. Schneider Electric relies on its extensive ecosystem of trusted partners to deploy these capabilities locally, with strong application expertise, in support of customers’ innovation and performance objectives.

During the year, I engaged with a wide range of stakeholders, including investors, customers, technology partners, policymakers, industry peers, and our teams across regions. Expectations are consistent and clear: resilient infrastructure capable of meeting rapidly growing energy needs; reliable, secure, and transparent digital technologies deployed at scale in real world and real time environments; and companies demonstrating strategic clarity, disciplined execution, and robust long-term governance. Schneider Electric’s portfolio and global footprint are well aligned with these expectations.

In 2025, the Board of Directors remained focused on supporting the Executive team in defining and deploying the Company’s strategy for the next cycle. This work was supported by regular and constructive interactions between the Board, the Chief Executive Officer, and the Executive Committee. Discussions addressed performance, strategic direction, and long-term priorities, informed by regional perspectives and external insights. As in previous years, this work culminated in a multi-day strategy deep dive, which supported the preparation and launch of the new Company program developed and now deployed by Olivier Blum and his team.

The Board also continued to strengthen its composition and competencies, particularly in digital, software and technology, while maintaining high standards of independence, diversity and international representation. As of January 2026, the Board comprised directors of 11 nationalities, with a strong majority of independent members and balanced gender representation.

Looking ahead, I am confident that Schneider Electric is entering this next phase with strong positioning, a robust organization, and a leadership team well equipped to address a fast-growing market and multiple opportunities. The Company benefits from a clear strategic direction, differentiated capabilities across electrification, automation, and digital systems, and a governance framework designed to support performance, resilience, and responsibility over time. Its multi-hub operating model further strengthens its ability to operate effectively in an increasingly complex environment over the long term.

On behalf of the Board of Directors, I thank our customers for their trust and partnership, our employees for their professionalism and engagement, our shareholders for their investment and continued support, and our broader ecosystem for the strength and multiplicity of our collaborations.

In a rapidly changing world, Schneider Electric is committed to advancing energy technologies to support progress and sustainability for all.

Jean-Pascal Tricoire
Chairman

See more about our governance on **page 405.**

A message from the CEO, Olivier Blum

"We are our customers' trusted energy technology partner, electrifying, automating, and digitalizing industries, businesses, and homes to drive efficiency and sustainability for all."

Olivier Blum
CEO

Dear Shareholders,

Despite a volatile macroeconomic environment, 2025 was a milestone year for Schneider Electric. The Company delivered record revenue exceeding EUR 40 billion, generated its highest free cash flow to date, and achieved solid margin progression. This performance reflects the resilience of our operating model, the performance of our portfolio and our overall balanced market and geographic exposure.

The year also marked profound shifts across the global industrial landscape. Energy systems are becoming more digital, data driven, and interconnected. Electrification and digitalization continue to accelerate, while artificial intelligence is rapidly becoming a defining force creating immense opportunities to deliver more intelligence to our customers.

As the operating environment becomes more complex and more fragmented, success will require greater agility, speed, and execution rigor.

To this end, we worked relentlessly throughout 2025 to define where Schneider Electric should be positioned for 2026 and beyond. We closed the year with a clear mission: to Advance Energy Tech. We are our customers' trusted energy technology partner, electrifying, automating, and digitalizing industries, businesses, and homes to drive efficiency and sustainability for all.

To deliver on this mission, we launched a company-wide program built on three pillars, which inform our 2026 priorities:

1. Technology leadership: We are sharpening our roadmap to advance energy and industrial intelligence by scaling software defined, AI enabled platforms across our portfolio. At the core of this strategy is our Data Cube – a unified data foundation integrating device, operational, and ecosystem data across domains and across the full lifecycle, from design and build through operation and maintenance. This enables foundational energy and industrial models that combine physical and digital intelligence, delivering predictive and actionable insights, creating a unified customer experience, and improving both CapEx and OpEx performance.

2. Customer differentiation: We are taking regionalization to the next level – across commercial execution, supply chain, and R&D – while remaining anchored on strong global strategic principles. By moving closer to our customers and strengthening local partner ecosystems, we are able to give more to them: more relevant innovation, faster execution, and solutions better aligned with local needs. This proximity reduces complexity and delivers greater value across the full customer journey.

3. Operational excellence: We are strengthening cost competitiveness and scalability by simplifying the organization, streamlining decision making, and improving productivity across product design, sourcing, and operations.

Over the past decade, we have built a strong foundation through differentiated technology, expanded software, digital, and services capabilities, and increased portfolio resilience. We enter 2026 from a position of strength, ready to scale the next phase of energy and industrial intelligence at speed.

We do not forget our foundation: people, sustainability, and trust. We continue to invest in skills for our people – particularly in digital and AI – and to evolve our operating model and leadership practices to move faster and work in a more mission-based way. Our people make the difference every day and we are committed to offer equal opportunities for all, whatever their background, nationality or gender.

In 2025, we closed our 2021-25 Schneider Sustainability Impact program having enabled in particular our customers to save and avoid 862 million tonnes of CO_2, supported a 56% reduction in operational emissions across our top 1,000 suppliers, and expanded access to green electricity to more than 60 million people worldwide. Building on this progress, we are launching a new sustainability program to 2030, reinforcing our conviction that performance and positive impact go hand in hand.

This journey is enabled by trust – earned through uncompromising standards in ethics, safety, cybersecurity, quality, and compliance – as we operate critical infrastructure, deploy AI responsibly, and build long term strategic partnerships.

I am excited to enter this new era of energy and intelligence, and to share our continued success with you. At Schneider, we are committed to Advance Energy Tech to power progress for all!

Olivier Blum
CEO, Schneider Electric

See more about our strategy on **page 49**.

An interview with Chief Financial Officer, Hilary Maxson

“2025 was a year of record performance. We are entering the next cycle with strong momentum in both businesses.”

Hilary Maxson
Chief Financial Officer

2025 was a record year with all-time high revenues and free cash flow. How would you characterize the company’s overall performance and the key drivers behind it?

2025 was a milestone year, with revenues up +9% organic, crossing EUR 40 billion for the first time. Energy Management grew its revenues double-digit for the 5th year in a row, up +10% organic, while Industrial Automation returned to growth up +3% organic. We saw accelerating demand across our end-markets throughout the year, led by Data Center & Networks, and we closed the year with record-high level of backlog at EUR 25 billion. This backlog not only supports our growth commitments for 2026 and beyond, it also gives us unprecedented visibility as key customers shift to treating Schneider as a trusted partner to support their future ambitions in digitalization and AI.

Profitability expanded for the 5th year in a row, with adjusted EBITA reaching EUR 7.5 billion, up +12% organic, driven by volume, improved operating leverage and continued cost discipline. Gross margin evolution remained slightly negative organically, as expected, with a pickup in pricing and industrial productivity in the second half of the year.

Free cash flow reached EUR 4.6 billion, our highest ever, supported by operational improvements, strong EBITDA growth, and improved working capital management.

How did the expansion of Schneider Electric’s digital portfolio alongside targeted portfolio moves and the progress on organizational simplification shape 2025?

Our digital portfolio scaled significantly. The Digital Flywheel grew +15% organically, to reach 62% of full year 2025 Group revenues. Recurring revenue as a percentage of total revenue reached 79% in our agnostic software(1) businesses as we move into the final stages of the transition to subscription particularly at AVEVA.

In terms of portfolio, we further enhanced our technology leadership with Motivair, an acquisition in liquid cooling to advance our offering for AI datacenters, and we took majority ownership at Planon, expanding our smart-building software offering. In 2026 we also acquired the remaining 35% stake of Schneider Electric India Private Limited (“SEIPL”) from Temasek. This strategic investment supports our focus on India as both an attractive domestic growth market and unlocks further flexibility as one of the four hubs in our multi-hub strategy.

We also made progress in organizational simplification, reducing Support Function Costs (SG&A) as a percentage of revenue. These efficiencies enabled continued investment in technology, R&D, and commercial capabilities, including targeted deployment of AI tools. R&D remained close to 6% of revenues and we expect to further progress R&D spending towards 7% of revenues to support our key pillar of technology leadership.

You hosted Schneider Electric’s Capital Markets Day on December 11, 2025 at the McLaren Technology Centre. What were the key messages you shared with investors and analysts?

At our Capital Markets Day, we showcased our strategy of Advancing Energy Tech to the next level of intelligence through three pillars of technology leadership, customer differentiation, and operational excellence. We are uniquely positioned in structurally growing markets and expect to deliver differentiated growth and margin expansion through this strategy.

We presented our medium term ambitions from 2026 to 2030, including +7 to +10% organic revenue growth CAGR, +250 bps of adjusted EBITA margin organic expansion and a sustained free cash flow conversion ratio of around 100%.

Finally, we outlined our disciplined capital allocation priorities: maintaining strong A-category credit ratings, delivering a progressive dividend annually to our shareholders, driving value through active portfolio management and strategic partnerships, and undertaking a systematic share buyback.

We believe our strategy of Advancing Energy Tech, the three clear pillars we have defined through which to execute that strategy, our medium-term financial commitments and disciplined capital allocation priorities will deliver strong returns to our shareholders over the short, medium and long-term.

(1) Agnostic Software comprises AVEVA, ETAP and RIB software.

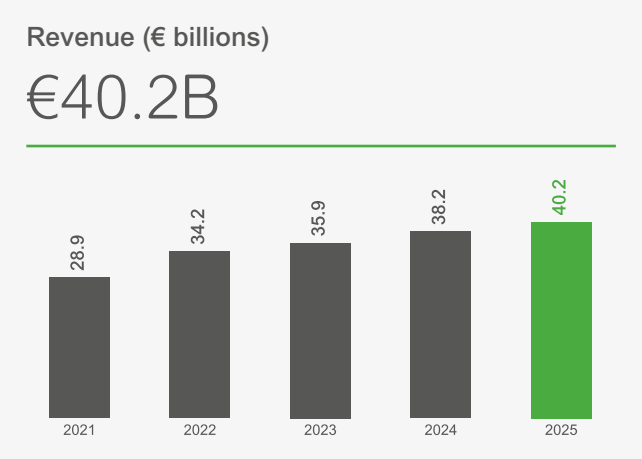
Financial performance highlights

2025 was a milestone year, with record revenues, expansion of adjusted EBITA margin despite volatility, and generation of our highest-ever free cash flow. These results reflect strong execution across the Group, particularly in H2.

Revenue Performance

Consolidated revenue totaled EUR 40,152 million for the year ended December 31, 2025, up +8.9% organic and up +5.2% on a reported basis. Organic growth was led by strong sales of the Group's Systems offers, notably in the Data Center and Infrastructure end-markets. The Group also saw strong growth in Services linked to digital offers and trends of renovation and modernization. The Group's agnostic software assets continued their transition to a subscription revenue model, mechanically impacting organic growth as expected, while displaying good underlying evolution. There was positive contribution to sales growth from Products, with growth in sales of electrical distribution products across many end-markets and segments, while sales into the Residential market declined. The expected progressive demand recovery in Discrete automation continued to play out, reflected in sales growth in the second half of the year. Product sales growth was supported by both volume and price with pricing led by North America in response to tariffs and supported by Rest of the World in response to inflation, partly offset by deflation in China.

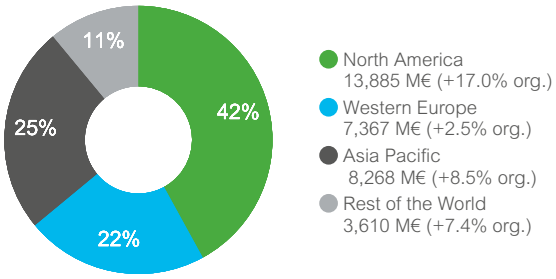
FX impacts were -4.1% mainly driven by the weakening of the U.S. Dollar, Indian Rupee, and Chinese Yuan vs. the Euro. There was a net positive impact of +0.8% from acquisitions and disposals, primarily representing the acquisitions of Planon and Motivair partly offset by some small disposals.



Energy Management

Energy Management generated revenues of EUR 33,130 million, equivalent to 83% of the Group's revenues and was up +10.3% organic. The Group benefitted from continued market demand, particularly for Systems offers in the Data Center and Infrastructure end-markets, and despite continued softness in the Residential buildings market. North America grew +17% organic led by strong Systems and Services growth primarily in the Data Center end-market while Products growth was muted with declines in the Residential buildings market. Western Europe grew +2.5% organic with mixed performance across the five major economies of the region. France delivered good growth, with Spain up mid-single digit, while Italy grew slightly and Germany and the U.K. both declined. Across the region, the sales performance was impacted by bottlenecks such as power availability on Data Center projects and some softness in Residential buildings. Asia Pacific grew +8.5% organic, led by double-digit growth in India reflecting the strength of the Group across end-markets and the continuing success of its multi-brand strategy in the country.

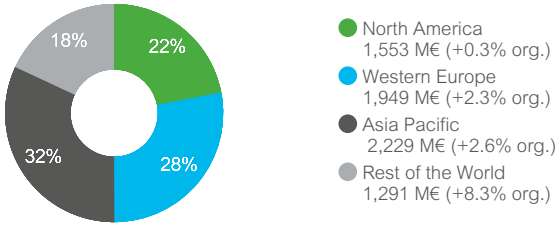
China was up low-single digit with growth led by the Data Center end-market, while the Buildings end-market was weak. Australia was up double-digit, led by project execution in the Data Center end-market. Rest of the World was up +7.4% organic, led by double-digit growth in the Middle East & Africa driven by execution on Systems and supported by mid-single digit growth in South America.



Industrial Automation

Industrial Automation generated revenues of EUR 7,022 million, equivalent to 17% of the Group's revenues and was up +3.0% organic. The Group's agnostic industrial software offers from AVEVA delivered good growth in Annualized Recurring Revenue (ARR), up +12% as of December 31, 2025, with the ongoing transition to a subscription revenue model remaining on-track. The expected progressive demand recovery in Discrete automation continued to play out, reflected in sales growth in the second half of the year and resulting in low-single digit sales growth on a full-year basis. Sales into Process & Hybrid markets were slightly down, impacted by an environment of increased uncertainty and volatile commodity prices leading to delayed investment decisions at customers. North America was up +0.3% organic with growth in sales for Industrial Software at AVEVA and Discrete automation offset by declines in Process & Hybrid markets. Western Europe was up +2.3% organic, with Italy and Spain up mid-single digit while the U.K. and Germany were around flat benefitting respectively from Software and Discrete automation, while Process & Hybrid markets were weak. France declined overall due to weakness both in Discrete automation and Software.

Asia Pacific was up +2.6% organic with China up low-single digit, delivering positive sales growth into Discrete automation markets, but offset by weakness in Process & Hybrid. India was up mid-single digit with both Discrete automation and Process & Hybrid markets growing. The rest of the region was up low-single digit in aggregate. Rest of the World was up +8.3% organic, led by strong growth in the Process & Hybrid markets in the Middle East and South America, and for industrial Software at AVEVA, with sales growth into Discrete automation markets up in aggregate across the region.

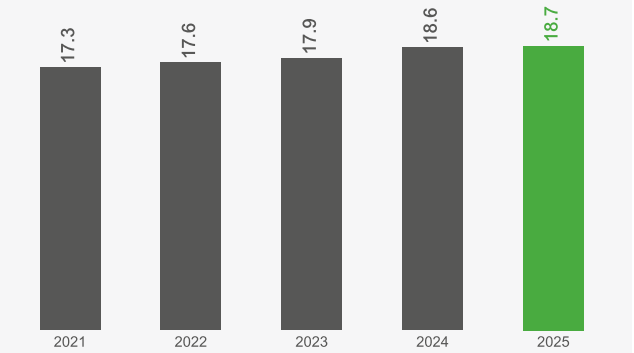


Summarized financial results

€ million	2024 FY	2025 FY	Reported change	Organic change
Revenues	**38,153**	**40,152**	**+5.2%**	**+8.9%**
Gross Profit	**16,268**	**16,895**	**+3.9%**	**+7.6%**
Gross profit margin	42.6%	42.1%	-50bps	-40bps
Support Function Costs	**(9,185)**	**(9,375)**	**+2.1%**	**+4.2%**
SFC ratio (% of revenues)	-24.1%	-23.3%	+80bps	+90bps
Adjusted EBITA	**7,083**	**7,520**	**+6.2%**	**+12.3%**
Adjusted EBITA margin	18.6%	18.7%	+10bps	+50bps
Restructuring costs	(141)	(287)		
Other operating income & expenses	(87)	(77)		
EBITA	**6,855**	**7,156**	**+4%**	
Amortization & impairment of purchase accounting intangibles	(406)	(457)		
Net financial income/(loss)	(409)	(519)		
Income tax expense	(1,398)	(1,455)		
Profit/(loss) of associates and non-controlling interests	(153)	(174)		
Impairment of investments in associates	(220)	(388)		
Net Income (Group share)	**4,269**	**4,163**	**-2%**	
Adjusted Net Income (Group share)	**4,664**	**4,829**	**+4%**	**+13.9%**
Adjusted EPS (€)	**8.32**	**8.59**	**+3%**	**+13.6%**
Free Cash Flow	**4,216**	**4,635**	**+10%**	

Adjusted EBITA margin

18.7% +50 bps org. in 2025



Adjusted EBITA margin at 18.7%, up +50 bps organic, impacted by lower Gross Margin offset by a reduction in SFC/ Sales ratio

Gross profit was up **+7.6%** organic with Gross margin down **-40bps** organic, to be at **42.1%** in FY25. The Group delivered strong levels of industrial productivity and saw an acceleration in product pricing in Q4, however this was insufficient to fully offset the Gross margin headwinds from Mix, reflective of continued strong growth in Systems, and raw material cost inflation inclusive of tariffs.

2025 Adjusted EBITA reached **€7,520 million**, increasing organically by **+12.3%** and the Adjusted EBITA margin improved by **+50bps** organic to **18.7%** as a consequence of good control over the Group's discretionary costs despite the negative Gross Margin evolution. SFC costs decreased as a percentage of revenues by +80bps to 23.3%, with a positive organic evolution of +90bps partly offset by FX headwinds.

The key drivers contributing to the earnings change were the following:

€ million	Adj. EBITA	YoY change	Comments
Adj. EBITA FY 2024	**7,083**		
Volume impact		**+1,355**	Positive impact from higher sales volumes.
Industrial productivity		**+596**	The Group's industrial productivity was +€596m in FY25 showing a strong sequential improvement in H2 against a low base of comparison due to investment in the Group's supply chain, primarily in North America and India in H2'24, combined with focused execution and improved volumes in H2'25.
Net price[1]		**-179**	The net price impact was negative at -€179m in FY25. Gross pricing on products was positive at +€76m having seen an acceleration in Q4, while in total, RMI was a headwind at -€255m, including raw material cost inflation and a tariff impact of c.-€160m. As previously communicated, the Group maintains an ambition of flat to positive net pricing over the cycle (offsetting tariffs and inflation).
Gross pricing on products		+76	
Raw Material Impact		-255	
Cost of Goods Sold inflation		**-89**	Cost of Goods Sold inflation was -€89m in FY25, of which the production labor cost and other cost inflation was -€102m, and the decrease in R&D in Cost of Goods Sold was +€13m. The overall investment in R&D, including in support function costs remained at 5.6% of FY25 revenue (vs. 5.6% in FY24).
Production labor cost and other cost inflation		-102	
R&D in Cost of Goods Sold		+13	
Support function costs		**-376**	Support Function Costs increased organically by -€376m, or +4.2% org. in FY25. The Group was impacted by inflation for -€310m and continued to focus on its strategic priorities with investments of -€438m mainly linked to R&D, services commercial footprint, digital tools and systems, and AI to drive efficiency. The Group delivered +€349m of cost savings, mainly linked to headcount simplification initiatives. Other cost decreases were +€23m.
Mix		**-243**	FY25 performance resulted in an adverse mix effect of -€243m due to the relatively faster growth of Systems revenues compared to Products and Software.
Foreign currency impact[2]		**-482**	The impact of foreign currency decreased the adjusted EBITA by -€482m, or around -50bps of adj. EBITA margin in FY25.
Scope and Others		**-145**	The impact from scope & others was -€145m in FY25, with net Scope impacts representing a +10bps adj. EBITA margin tailwind. Others consists of miscellaneous small items.
Adj. EBITA FY 2025	**7,520**		

Energy Management

21.8%

Adjusted EBITA margin, around flat organically.

Industrial Automation

14.2%

Adjusted EBITA margin, up c.+10 bps organic.

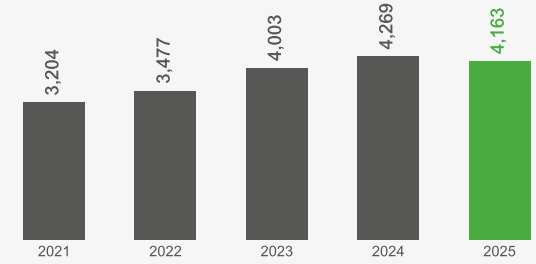
(1) Price on products and raw material impact.
(2) For those currencies meeting the criteria to be considered hyperinflationary under IAS 29, such as Argentina and Türkiye, an IFRS technical adjustment for hyperinflation impact is reflected as FX and therefore excluded from the organic growth calculation. The effect of operational actions taken in these countries such as increased pricing to mitigate the inflationary impact is reflected as part of the organic growth.

Net income down -2%

€ million	2024 FY	**2025 FY**	Comments
Adj. EBITA	**7,083**	**7,520**	
Other operating income and expenses	(87)	(77)	Other operating income and expenses were -€77m in FY25, consisting mainly of M&A and integration costs and some legal provisions. FY24 included items of a similar nature.
Restructuring costs	(141)	(287)	Restructuring costs were -€287m in FY25, €146m higher than FY24 aligned with the expectation set out in the Group's 2025 CMD, to drive operational excellence.
Amortization and impairment of purchase accounting intangibles	(406)	(457)	Amortization and impairment of intangibles linked to acquisitions was -€457m, €51m higher than the previous year, primarily due to amortization of intangible assets associated with the Planon and Motivair acquisitions and the eStar joint venture.
Net financial income/(loss)	(409)	(519)	Net financial expenses were -€519m, €110m higher than the previous year. The increase primarily relates to higher interest expense on bonds following refinancing and some adverse FX differences.
Income tax expense	(1,398)	(1,455)	Income tax amounted to -€1,455m, higher than last year by €57m. The Effective Tax Rate was 23.5%, in line with the expected range of 23-25% for FY25, and 0.4pts higher than the FY24 ETR of 23.1%.
Profit/(loss) of associates and non-controlling interests	(153)	(174)	Share of profit on associates was +€14m, down -€3m compared to 2024. Amounts attributable to non-controlling interests increased to -€188m compared to -€170m in 2024, mainly due to the strong performance of Schneider Electric India Private Limited in which Schneider completed the purchase of the minority shares in Dec 2025.
Impairment of investments in associates	(220)	(388)	Impairment of investment in associates was -€388m in FY25, primarily relating to an impairment of the Group's equity investment in Uplight and associated convertible loan notes.
Net Income (Group share)	**4,269**	**4,163**	Net Income (Group share) was €4,163m in FY25, down -2% vs. last year.
Adjusted Net Income (Group share)	**4,664**	**4,829**	Adjusted Net Income was €4,829m in FY25, up +4% vs. FY24 impacted by FX headwinds; up +14% at constant currency.

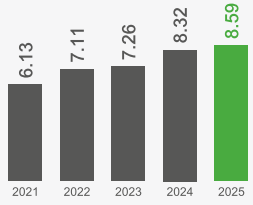
Net income (Group share) (€ millions)

€4,163M



Adjusted Earnings Per Share (€)

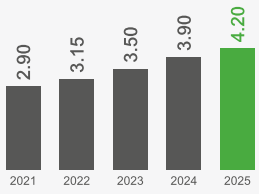
€8.59



Proposed Dividend Per Share (€)(1)

€4.20

Progressive dividend for 16th year in a row



(1) Subject to shareholder approval on May 7, 2026.

Free cash flow of €4.6 Billion

The Group delivered Free Cash Flow of **€4,635 million** in FY25.

Operating cash flow was strong at €6,748 million, up +€440 million vs. FY24 primarily due to the strong growth in EBITDA in FY25. The operating cash flow included R&D cash costs of €2,380 million, which remained stable at 5.9% of 2025 revenue.

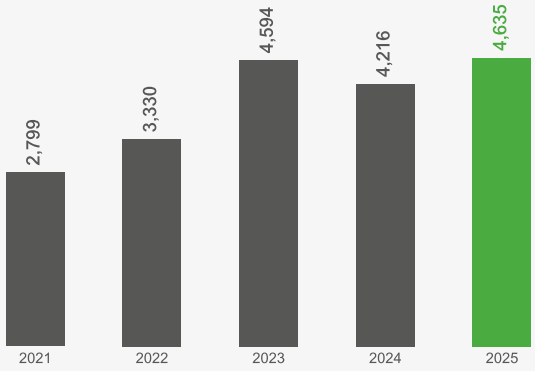
Net capital expenditure increased to -€1,496 million (€132 million higher than in FY24) representing around 3.7% of revenues, with 2.5% relating to net tangible capex and 1.2% to intangible capex (mainly capitalized development costs), as the Group continues to invest in its global supply chain and focus on innovation.

Trade working capital buildup impacted the free cash flow in 2025 by -€360 million (compared to -€594 million in FY24). DSO improved by 2 days compared to December 2024 due to strong cash collection, while DPO improved by 1 day. DIN improved by 3 days vs. December 2024 supported by structured actions to reduce closing inventories to an appropriate level as part of the Group's focus on rigorous working capital management.

Non-trade working capital impacted the free cash flow in 2025 by -€257 million (compared to -€134 million in FY24) with the year-on-year variance primarily due to a fine of -€207 million paid in 2025 in relation to a previously disclosed legal case in France, partly offset by lower bonus accruals.

Free Cash Flow (€ millions)

€4,635M



Balance Sheet Remains Strong

€ million	Dec. 31, 2024	Dec. 31, 2025
Total current and non-current financial liabilities	14,831	17,880
– of which Bonds	12,650	15,752
Cash and cash equivalents	(6,887)	(4,634)
Net financial debt excluding purchase commitments over non-controlling interests	**7,944**	**13,246**
Non-current purchase commitments over non-controlling interests	19	278
Current purchase commitments over non-controlling interests	184	197
Net financial debt including purchase commitments over non-controlling interests	**8,147**	**13,721**

Schneider Electric SE issued bonds totaling €5,000 million during 2025.

Schneider Electric's net debt at December 31, 2025 amounted to **€13,721 million** (up from €8,147 million at December 31, 2024) after payment of -€2.3 billion to fulfill the 2024 dividend, a net impact from acquisitions and disposals of -€1.2 billion, transactions with non-controlling interests for -€5.8 billion (of which -€5.5 billion relating to the purchase of the remaining minority interests in SEIPL) and payment of -€0.3 billion in relation to share buyback, offset by the strong Free Cash Flow performance of +€4.6 billion.

The Group remains committed to retaining its A-grade credit ratings.

Financial Strength

A/A-1

Standard & Poor's

S&P Global Ratings

A2

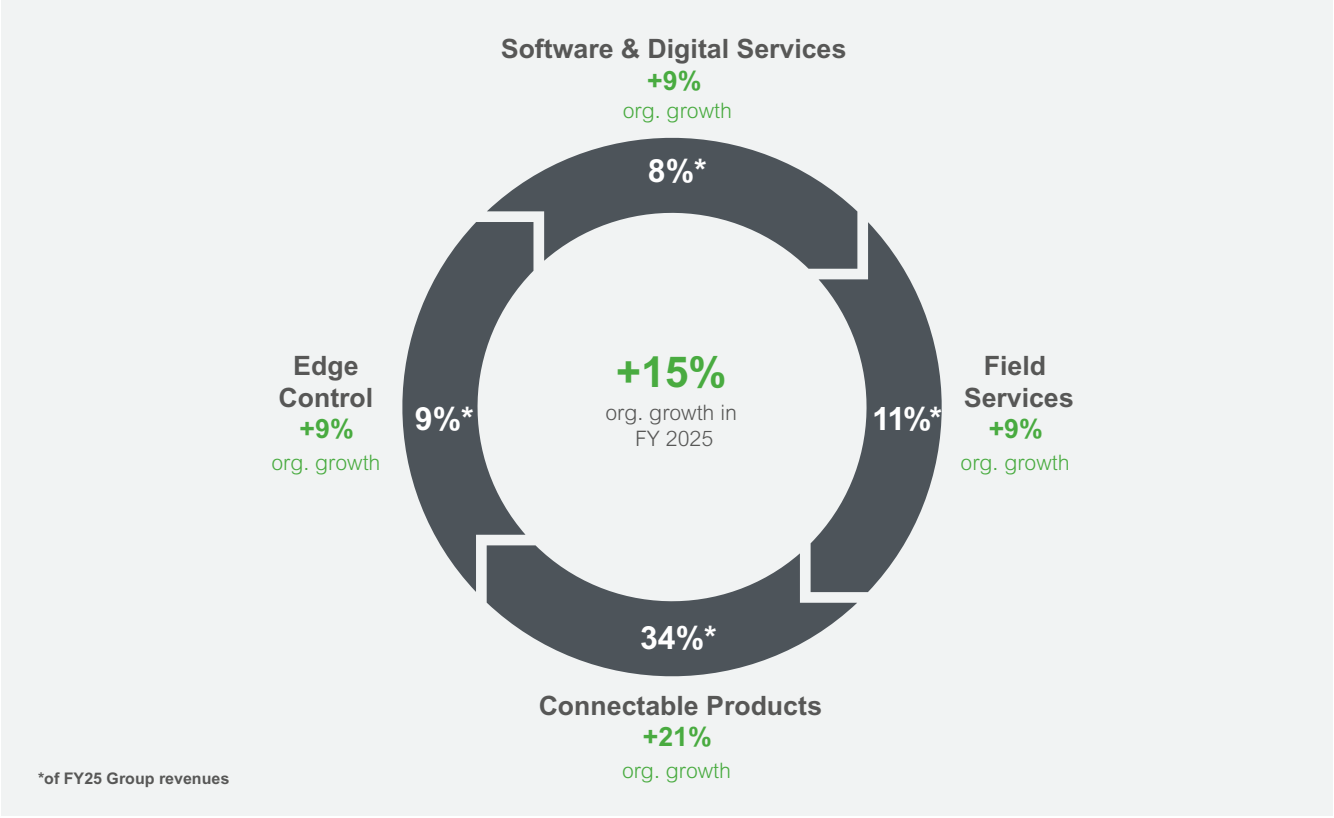
Moody's

MOODY'S RATINGS

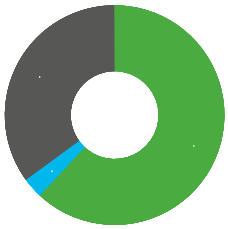
Digital update

In 2025, the Digital Flywheel represented 62% of Group revenues (vs. 57% in 2024), showing strong progress towards a target of >70% by 2030, growing at +15% in 2025. All four elements of the Digital Flywheel made a strong contribution to the growth, led by Connectable Products as the Group continues to generate value for customers through the digitalization of its product offering, as a foundation for Advancing Energy Tech. Overall, Software & Services represented 19% of Group revenues in 2025, with an ambition for this representation to reach c.25% by 2030. Digital Services grew strongly, while the Group's agnostic software offers also made a strong contribution despite their ongoing transition to a subscription model. Recurring revenues within agnostic software increased to 79% (vs. 77% in 2024), led by AVEVA, which achieved close to 85% as outlined in the Group's 2025 Capital Markets Day. The Group aims to double the weightage of total recurring revenues by 2030.

Digital flywheel progresses to 62% of FY Group revenues



Moving towards 60% to 65% of Group revenues by 2027

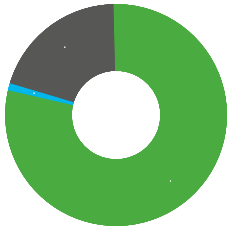


FY 2025 revenues

62%

- % of Group revenues
- 60% to 65% by 2027 ambition

Recurring revenue in Agnostic Software[1] to increase to c.80% by 2027



FY 2025 revenues

79%

- % of agnostic software revenues
- c.80% by 2027 ambition

Key achievements of 2025:

- Innovation driving strong double-digit growth in **Connectable Products**
- Growth in **Edge control** driven by Energy Management offers and recovery on Discrete automation market
- **AVEVA** ARR growth at +12%
- +2pt YoY increase in recurring revenues in **agnostic Software** [1] reaching **79%**
- Strong growth in **Field Services** supported by increasing installed-base, notably from Data Center

(1) Agnostic Software comprises AVEVA, ETAP and RIB Software.

Outlook and targets

Expected Trends In 2026

- Strong market demand to drive growth, with positive contribution from all four end-markets
- Data Center & Networks to lead growth based on strong demand in 2025; Industry and Infrastructure to accelerate; Buildings to improve contribution, aligned with macroeconomic trends
- Systems to lead growth; Products to show improved contribution with continued recovery in Discrete
- Strong growth in Software and Services, with key focus on driving more recurring revenues
- All four regions to contribute to growth (North America, Europe, China & East Asia, South Asia & International), led by U.S. and India
- The Group expects to be Net Price positive in value (price to offset raw material impact and tariffs), ramping up throughout the year
- The Group expects the other drivers of adj. EBITA margin expansion to be aligned with those set out in its recent Capital Markets Day

2026 Target

The Group sets its 2026 financial target as follows:

2026 Adjusted EBITA growth of between +10% and +15% organic.

The target would be achieved through a combination of organic revenue growth and margin improvement, currently expected to be:

- Revenue growth of **+7% to +10%** organic
- Adjusted EBITA margin up **+50bps to +80bps** organic

This implies Adjusted EBITA margin of around **19.1% to 19.4%** (including scope based on transactions completed to-date and FX based on current estimation).

2026–2030 Financial targets as announced in 2025 Capital Markets Day

Based on its current view and assuming no major changes to the macroeconomic and geopolitical environment, Schneider Electric announced its medium-term financial targets as follows:

Organic revenue growth of between
+7% to +10%
CAGR, 2025-2030(1)

Adjusted EBITA margin target:
+250bps
organic expansion cumulatively, 2026-2030

Cash conversion:
~100%
FCF conversion as % of Net Income (Group share) 2026-2030

(1) 5-year CAGR.

Driving strong shareholder value with consistent capital allocation for the next cycle

Our capital allocation strategy remains disciplined, maintaining a strong A-category credit rating, delivering progressive dividends, driving value through active portfolio management and strategic partnerships, and undertaking a systematic share buyback.

01. Strong Investment Grade Credit Ratings

We are committed to retaining category A credit ratings.

02. Continued focus on Progressive Dividends

We have delivered sixteen consecutive years of progressive dividends and remain committed to this policy.

03. Active Portfolio Management

We apply a disciplined approach to value creation through acquisitions, disposals and partnerships.

04. Share Buyback

We plan to undertake a systematic share buyback program of between EUR 2.5 billion and EUR 3.5 billion through 2030.

Key achievements of 2025

January

World Economic Forum recognizes Schneider Electric's Wuxi, China factory as a Sustainability Lighthouse

Designated an Advanced Lighthouse in 2021, this latest recognition for Wuxi specifically acknowledges the factory's advanced solutions to reduce its environmental impact. Schneider Electric now has the highest number of Sustainability Lighthouses of any company with four of the 25 globally including Hyderabad, India, Lexington, Kentucky, and Le Vaudreuil, France.

Learn more about this story on **se.com**

February

Schneider Electric completes transaction to acquire Motivair Corporation

Schneider Electric has completed the previously announced transaction to acquire a controlling interest in Motivair Corporation, a company specialized in liquid cooling and advanced thermal management solutions for high performance computing systems. Under the terms of the transaction, Schneider Electric has acquired an initial 75% controlling interest.

Learn more about this story on **se.com**

motivair™ by Schneider Electric

March

ETAP and Schneider Electric Unveil World's First Digital Twin to Simulate AI Factory Power Requirements from Grid-to-Chip Level Using NVIDIA Omniverse

The collaboration is set to transform AI Factory design and operations by providing enhanced insight and control over the electrical systems and power requirements, presenting an opportunity for significant efficiency, reliability and sustainability gains.

Learn more about this story on **se.com**

April

Schneider Electric Signs a New Contract with the Ministry of Electricity and Egyptian Electricity Holding Company to Digitally Transform Sharm El-Sheikh Control Center

The agreement aims to digitally transform the Sharm El-Sheikh Control Center as part of the project's second phase, which also includes two distribution control centers in Minya, serving Upper Egypt, and additional centers serving the South Delta region.

Learn more about this story on **se.com**

May

The rating agency Moody's has upgraded the credit rating assigned to Schneider Electric from A3 with Positive Outlook to A2 with Stable Outlook

This follows the upgrade by S&P to A/A1 with a stable outlook in April 2024.

Learn more about this story on **se.com**

MOODY'S RATINGS

June

Schneider Electric Named the World's Most Sustainable Company by TIME Magazine and Statista

This is Schneider Electric's second consecutive year atop the list, which ranks 500 of the World's Most Sustainable Companies.

This follows the Corporate Knights Global 100 recognition, as Schneider Electric named The World's Most Sustainable Corporation for a second time, in January 2025.

Learn more about this story on **se.com**

TIME WORLD'S MOST SUSTAINABLE COMPANIES statista 2025

July

Schneider Electric reinforces its India hub strategy with the acquisition of remaining 35% stake in existing JV

Schneider Electric announced that it has signed an agreement to acquire the remaining 35% stake of Schneider Electric India Private Limited ("SEIPL") from Temasek to reach full ownership.

Learn more about this story on **se.com**

Lauritz Knudsen
Electrical & Automation

September

Schneider Electric Ranks #1 In the Gartner® Top 25 Supply Chain for the Third Consecutive Year

Schneider Electric has placed first in the 2025 Gartner Top 25 Supply Chain for the third consecutive year.

The Gartner Supply Chain Top 25 ranking comprises two main components: business performance and community opinion.

Learn more about this story on **se.com**

November

Schneider Electric's AirSeT Honored by World Economic Forum for Excellence in Sustainable Design

The World Economic Forum recognizes AirSeT as a benchmark in sustainable innovation for medium-voltage switchgear, eliminating SF_6 gas and reducing Scope 3 emissions.

Learn more about this story on **se.com**

August

Schneider Electric received WiredScore SmartScore Platinum Certification for Dubai HQ 'The NEST'

Schneider Electric has received the coveted WiredScore SmartScore Platinum certification for 'The NEST', the first rollout of its Impact Buildings Program. Achieving a perfect score of 100, the accreditation from WiredScore, the global certification body for smart buildings, validates the sustainable office space that hosts and supports over 1,000 employees across 10,000 square meters.

Learn more about this story on **se.com**

October

Introducing SE Advisory Services

Schneider Electric announced the launch of SE Advisory Services, its flagship global consulting brand.

SE Advisory Services provides a broad range of solutions tailored to help organizations and individuals solve complex challenges in energy efficiency, sustainability, and technology through electrification, automation, and digitalization.

Learn more about this story on **se.com**

SE ADVISORY SERVICES

December

Schneider Electric hosted a Capital Markets Day for investors and financial analysts from the McLaren Technology Centre in Woking

Schneider Electric showcased how the Group is Advancing Energy Tech to the Next Level of Intelligence, its strategic positioning, its differentiated value proposition and its plans for the next cycle.

The Group also announced the first Energy & Industrial foundational model that utilizes the Data Cube and its Data Ecosystem.

Learn more about this story on **se.com**

Governance

The governance structure

Jean-Pascal Tricoire
Chairman of the Board of Directors
62 years, French

- Organizes and directs work of Board, presides over Annual General Meetings.
- Supports the Company in its high-level relations with select stakeholders (notably in Asia), in coordination with the Chief Executive Officer.
- Promotes the Company's values and culture, in particular in relation to environmental, social and governance (ESG).
- Advises CEO, notably on strategic, human capital, and leadership development matters.

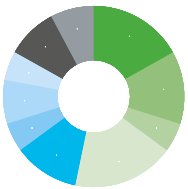
Fred Kindle
Vice-Chairman & Lead Independent Director
67 years, Swiss

- Consulted by the Chairman on agenda and sequence of events for Board meetings.
- Has the ability to require that the Chairman convene a Board meeting.
- Deals with any possible conflicts of interest.
- Carries out annual assessments of the Board.

Olivier Blum
Chief Executive Officer
55 years, French

- Has sole authority to bind the Company with third parties.
- Defines and proposes the strategy.
- Manages the Company.
- Runs the business.
- Develops human capital and leadership.

Board expertise



- Public company management (13)
- Corporate finance (10)
- Accounting, audit & risk (4)
- International markets (14)
- Industry knowledge (9)
- Employee perspective & knowledge of the Group (4)
- Digital & software (6)
- Environment/Climate (4)
- Social (7)
- Governance, law, ethics & compliance (6)

Our Board of Directors

As of March 27, 2026, the Board of Directors consisted of 15 Directors. Mrs. Ellyn Shook was appointed as an Observer by the Board of Directors on July 30, 2025, in effect from October 15, 2025, with the intent to propose her appointment as a Director to the Annual Shareholders' Meeting to be held on May 7, 2026.

Jean-Pascal Tricoire
Chairman of the Board of Directors

Fred Kindle
Vice-Chairman & Lead Independent Director

Nive Bhagat
Independent Director

Giulia Chierchia
Independent Director

Clotilde Delbos
Independent Director

Laura Ding
Employee Shareholder Director

Rita Félix
Employee Director

Philippe Knoche
Independent Director

Linda Knoll
Independent Director

Jill Lee
Independent Director

Anna Ohlsson-Leijon
Independent Director

Abhay Parasnis
Independent Director

Anders Runevad
Independent Director

Lip-Bu Tan
Independent Director

Bruno Turchet
Employee Director

Ellyn Shook
Observer

- **3 Employee Directors**
- **92% Independent Directors***
- **54% women Directors****
- **80% non-French Directors**
- **11 nationalities from 3 continents**

Board committees

Audit & Risks Committee
7 meetings***
4 members
100% independent
96% average attendance

Governance, Nominations & Sustainability Committee
8 meetings***
6 members
83% independent
98% average attendance

Human Capital & Remunerations Committee
4 meetings***
6 members
100% independent*
100% average attendance

Investment Committee
5 meetings
6 members
80% independent*
100% average attendance

Digital Committee
7 meetings***
5 members
75% independent*
91% average attendance

Committee Chair

* Excluding the Director representing the employee shareholders and Directors representing the employees unlike the ratio disclosed in **section 2.2.1.1.2** of Chapter 2 of this Universal Registration Document.
** Excluding the Directors representing the employees unlike the ratio disclosed in **section 2.2.1.1.2** of Chapter 2 of this Universal Registration Document.
***Including joint meetings with other committees.

Skills within the Board of Directors

Benchmarked Skills	Jean-Pascal Tricoire	Fred Kindle	Nive Bhagat	Giulia Chierchia	Clotilde Delbos	Laura Ding	Rita Félix	Philippe Knoche	Linda Knoll	Jill Lee	Anna Ohlsson-Leijon	Abhay Parasnis	Anders Runevad	Lip-Bu Tan	Bruno Turchet	Ellyn Shook	Total
Public company management	●	●	●	●	●			●	●	●	●	●	●	●		●	13
Corporate finance	●	●	●	●	●			●		●	●		●	●			10
Accounting, audit & risk			●		●					●	●						4
International markets	●	●	●	●	●	●		●	●	●	●	●	●	●		●	14
Industry knowledge	●	●		●		●		●		●			●	●	●		9
Employee perspective & knowledge of the Group	●					●	●								●		4
Digital & software	●		●			●		●				●		●			6
Environment/Climate	●			●	●								●				4
Social	●	●						●	●				●	●		●	7
Governance, law, ethics & compliance	●	●		●	●			●			●						6

Activities of the Board in 2025

There were seven meetings (including a Strategy session of four days) with 100% average attendance.

Business and financial results
Ongoing business, financial statements and information delivered to the market, and ESG strategy.

Strategy and investment
Review of strategic priorities, including during the Strategy session, and authorization of significant acquisitions and disposals (over EUR 250 million).

Sustainability, risks and compliance
Sustainability (CSRD) reporting, risk mapping, business continuity plan, and ethics and compliance framework.

Corporate governance
Succession plan for Corporate Officers, composition of the Board and its committees, compensation of Corporate Officers, long-term incentive plan, preparation of the Annual General Meeting.

Our Executive Committee

As of March 27, 2026, the Executive Committee was chaired by the Chief Executive Officer and meets monthly. Its mission is to conduct Schneider Electric business in line with the strategy defined by the Board of Directors.

Olivier Blum
Chief Executive Officer
55 years, French

Hervé Coureil
Chief Governance Officer & Secretary General
55 years, French

Esther Finidori
Chief Sustainability Officer,
40 years, French

Charise Le
Chief Human Resources Officer, 53 years, Chinese

Hilary Maxson
Chief Financial Officer
48 years, American

Jing Ren
Executive Vice-President Strategy, Innovation & Communications
45 years, Chinese

Mourad Tamoud
Executive Vice-President Global Supply Chain,
54 years, French

Peter Weckesser
Chief Digital Officer
57 years, German

Laurent Bataille
Executive Vice-President Europe Operations
47 years, French

Manish Pant
Executive Vice-President International Operations
56 years, Indian

Aamir Paul
Executive Vice-President North America Operations
48 years, American

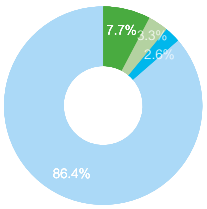
Zheng Yin
Executive Vice-President China & East Asia Operations
54 years, Chinese

Gwenaelle Avice-Huet
Executive Vice-President Industrial Automation
46 years, French

Frédéric Godemel
Executive Vice-President Energy Management
62 years, French

Caspar Herzberg
Executive Vice-President
Chief Executive Officer – AVEVA
53 years, German

Our shareholders



- Public (86.4%)
- Treasury shares (2.6%)
- Employees (3.3%)
- BlackRock, Inc. (7.7%)

- **33% women**
- **53% non-French members**
- **5 different nationalities from 3 different continents**

Key
Global functions
Operations
Business

Our Executive compensation

The general principles underlying the compensation policy for Corporate Officers and the analysis of their contribution to the Group's performance are reviewed and approved by the Board of Directors based on the recommendation of the Human Capital & Remunerations Committee. Executive compensation set by the Board of Directors is aligned with the Group's global strategy and is based on **three pillars** divided into **seven principles**:

Pay for Performance

- **Principle 1:** Prevalence of variable components: *circa* 80% for the Chief Executive Officer (at target).
- **Principle 2:** Performance is evaluated *via* economic and measurable criteria.
- **Principle 3:** Financial and sustainability objectives are fairly balanced and distributed between short-term (annual variable compensation) and medium-term (long-term incentive) components.

Alignment with shareholders' interest

- **Principle 4:** Significant proportion of the total compensation delivered in shares.
- **Principle 5:** Performance conditions support Schneider Electric's strategic priorities and are aligned with shareholders' expectations.

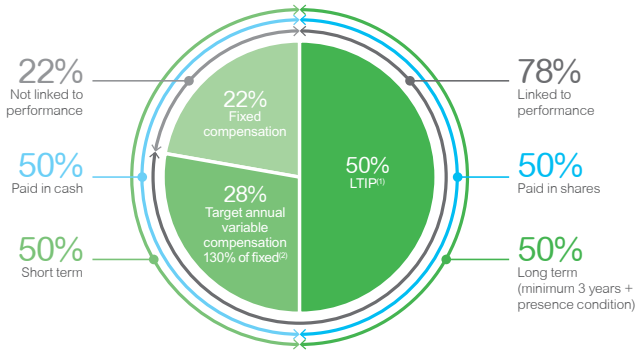
Competitiveness

- **Principle 6:** To benchmark the Corporate Officers' compensation package "at target" in the median range of the Company's updated peer group.
- **Principle 7:** To reference the CAC 40 third quartile and the STOXX Europe 50 median.

Aligned with those principles, the compensation of the Chief Executive Officer is made of the following components: for the variable component of the compensation, the Board upon recommendation of the Human Capital & Remunerations Committee, chooses the performance conditions directly linked to the Group's priorities. The Schneider Sustainability Impact (SSI) which includes a climate target is used as a criterion in the annual variable compensation of the Chief Executive Officer and that of the 80,000 employees benefiting from such compensation. In the same way, the Carbon reduction targets criterion will be used for the long-term incentive plan granted to more than 4,700 employees including the Corporate Officer.

For more information, see **section 2.1.1** of Chapter 2 of this Universal Registration Document

Balance between compensation elements



(1) Estimated value, in accordance with IFRS standards, of the LTIP to be granted during 2026 fiscal year.
(2) Between 0% and 200%.

Group's strategic priorities

- Organic growth
- Value for customers
- Sustainability
- Continuous efficiency
- Value & returns to shareholders

How the strategy links to the Corporate Officers' variable compensation

Annual incentive plan

Delivering strong execution and creating value for customers and shareholders every year to contribute to Schneider Electric's long-term success

Group organic sales growth	Group Adjusted EBITA margin improvement (organic)	Group cash conversion rate	Net Satisfaction Score	Schneider Sustainability Impact
35%	25%	10%	10%	20%

Long-term incentive plan

Building an integrated and leading company with strong sustainability focus and attractive returns to shareholders

Adjusted Earnings per Share	Relative Total Shareholder Return	Carbon emissions reduction targets
40%	35%	25%

Our Enterprise Risk Management

Schneider Electric places a significant importance on resilience within the values and principles which guide its actions, as a key element for sustainable growth which is part of the Group's Sustainability value.

An Enterprise Risk Management based on the three lines of defense model

Schneider Electric uses a hybrid risk management model with central functions and experts in charge of setting risk management mechanisms, establishing policies, and other activities, while the ownership of the risks belongs to the Business Units, Operating Divisions, or Global Functions who are responsible for deploying the central framework to manage their risks.

Key Risks

The key risks selected and presented in the adjacent table are the risks considered by the Group as specific to its business and identified as having the potential to affect its activity, its image, its financial situation, its results, or the achievement of its objectives.

However, the Group may be exposed to other non-specific risks, or risks of which it may not be aware, or risks of which it may be underestimating the potential consequences, or other risks that may not have been considered by the Group as being likely to have a material adverse impact on the Group, its business, financial condition, reputation, or outlook.

In each category, risks are assessed in terms of potential impact for the Group according to three levels (red, orange, and green), with red being the most likely to affect the Group.

	Categories and Risks	Potential net impact
1	**Event triggered risks**	
1.1	Cybersecurity on Schneider Electric infrastructure and its digital ecosystem (including connected products used as a gateway to attack Group's customers and partners)	●
1.2	Export controls	●
1.3	Safety, quality and reliability of Offers	●
1.4	Competition laws	●
1.5	Corruption linked to B2B and project business	●
1.6	Human rights and safety issues through the value chain	●
1.7	Counterparty risk	●
1.8	Currency exchange risk	●
2	**Trend driven risks**	
2.1	Technology evolutions (Generative AI)	●
2.2	Operational disruption due to global political and economical disruptions	●
2.3	New competitive landscape and business models in energy	●
2.4	Supply chain resilience	●
2.5	Group offer evolution and innovation	●
2.6	Attracting and developing talent with a focus on critical skills	●
2.7	Failure to achieve our long-term sustainability commitments and comply with regulatory requirements	●
2.8	Business disruption due to environment-related risks	●
3	**Management practice risks**	
3.1	Inappropriate Data Management	●
3.2	IT systems management	●
3.3	M&A and integration	●
3.4	Projects acceptance and outcomes	●
3.5	Procurement and Supplier relations	●

Key to symbols ● High impact ● Medium impact ● Low impact

Schneider Electric's vigilance plan

Schneider Electric started in 2017 the implementation of a vigilance plan covering its business activities as well as those of its suppliers and subcontractors in order to prevent negative impacts on people or the planet within its value chain. Since then, this vigilance plan has been continuously reinforced, aiming to expand further towards communities.

An end-to-end, risk-based mitigation plan

The Group's vigilance plan complies with the provisions of the 2017 French law on corporate duty of vigilance and includes:

- A risk analysis specific to risks that Schneider Electric poses or may pose on its ecosystem and environment;
- A review of the key actions implemented to remediate or mitigate these risks;
- An alert system (Trust Line); and
- Governance specific to vigilance.

In this Universal Registration document, Schneider Electric presents the results of the risk assessment, and the subsequent mitigation actions. A synthesis of key risks and actions is presented below.

The plan is governed by the Duty of Vigilance Committee, set up in 2017. The committee meets twice a year, and has met 19 times since its inception.

Risk areas	Main risk identified	Main mitigation actions	Risk level
Schneider Electric sites	• **Cybersecurity:** only high risk for the Group's sites, as Schneider Electric is a supplier of connected and digital solutions, thus a potential target for cyberattacks aimed at its customers' systems.	Training sessions Cybersecurity Leaders Incentive for plant managers Annual review of policies Cyber Badges Read more on cybersecurity **p.258**	●
Suppliers	• **Human rights:** most frequent issues concern decent working hours, paid leave, and proper resting time. • **CO_2 emissions:** notably coming from the transformation and transportation of raw materials. • **Pollution:** for some categories of substances purchased, such as solvents.	Supplier Code of Conduct Supplier Vigilance Plan (SSE #17) ISO 26000 assessments The Zero Carbon Project (SSI #3) Green materials (SSI #4) Decent Work program (SSI #6) Sustainable Packaging (SSI #5) Read more on suppliers' programs **p.223**	●
Contractors	• **Health and safety:** physical injuries that can happen during construction, or when doing services and maintenance operations. • **Business ethics:** mostly related to potential corruption, conflict of interest, and integrity due to the contractual nature of this activity.	On-site audits Training on anti-corruption and Business Agent Policies Project follow-up Selection process adapted to our Vigilance Plan Read more on contractors **p.227**	●
Local communities	• Communities living around Schneider Electric's sites (factories, offices, etc.) have a limited risk exposure because operations are usually located in large, well-structured urban areas. • A large majority of Schneider Electric's customers' projects are having limited impact on local communities, and only a minority of projects involve significant on-site civil engineering works, that could affect the local environment or local communities.	Vigilance risks assessments Project reviewed according to involvement and mitigation capabilities Read more on communities **p.234**	●

Risk level: Low to Medium ● Medium to High ● High ●

Read more about Schneider's Vigilance Plan on **page 394**.

2025 achievements

Top 25%

in external ratings for Cybersecurity performance

400,000+

employees of our suppliers with better working conditions thanks to the 'Vigilance Program' for suppliers since 2017

4,348

suppliers assessed under our Vigilance Plan since 2018

Proud to be one of the most ethical companies

Present in over 100 countries with diverse standards, values, and practices, Schneider Electric is committed to behaving responsibly in relation to all its stakeholders. Convinced that its responsibility extends beyond regulatory compliance, the Group is committed to doing business ethically and sustainably, running all its business actions and decisions on trust.

Trust Charter, Schneider Electric's Code of Conduct

Schneider Electric Trust Charter demonstrates its commitment to ethics, safety, sustainability, quality, and cybersecurity. Schneider Electric believes that trust is a foundational value. It is earned. It serves as a compass, showing the true north in an ever more complex world and the Group considers it to be core to its environment, sustainability, and governance commitments.

Trust powers all Schneider Electric's interactions with stakeholders and all relationships with customers, shareholders, employees, and the communities they serve, in a meaningful, inclusive, and positive way. It is implemented via the Ethics & Compliance program with responsibilities at Board, executive, corporate, and operational levels.

Read our Trust Charter on **se.com** and on **page 106** of this report.

Access our Trust Line on **www.se.com**

Our Speak Up Mindset

Schneider Electric employees must feel free and psychologically safe to share their ideas, opinions, and concerns, without fear of retaliation – this is the basis of our Speak Up mindset. All stakeholders may report concerns either by contacting an appropriate person internally or by using the Trust Line, our whistleblowing system, which is available online globally, at all times, and protects the anonymity of the whistleblower.

To ensure the effectiveness of that Speak Up mindset and related whistleblowing system, the Group created two specific committees: the Group Operational Compliance Committee (GOCC), which detects and manages cases of non-compliance and reviews monthly the effectiveness of the system, and the Group Disciplinary Committee, which levies sanctions and remediation actions on serious non-compliance cases to guarantee a fair and transparent disciplinary policy.

All employees are invited to express whether they are comfortable to "report an instance of unethical conduct without fear" each year. In 2025, 85% of employee answered "yes", a 2 point progress versus 2024.

Training and empowering all employees

A global annual campaign of mandatory trainings, available in 18 languages, is run for all employees. In 2025, the trainings focused on Trust, Cybersecurity, and AI, along with additional courses based on employees function or location. Other trainings are provided to specific businesses or service teams according to their roles and positions, such as anti-corruption. The course dedicated to Trust was completed at 99%, and the course on Anti-Corruption at 98%.

In 2025, a global internal communications initiative called Trust Moments was deployed. The campaign included several global live webinars, articles, and videos, alongside additional local events, showcasing the Group's pillars of integrity, transparency, and resilience. The events drew thousands of employees across the globe.

2025 achievements

40+

languages in which the Trust Charter is available

99%

of all employees completed the Schneider Essentials training on Trust

85%

of employees are confident to report unethical conduct

2025 WORLD'S MOST ETHICAL COMPANIES® ETHISPHERE 14 TIME HONOREE

Recognized one of the World's Most Ethical Companies by Ethisphere Institute for the 15th year in 2025

Powering sustainability for all

For over 20 years, sustainability has been at the core of Schneider Electric's transformation journey. The Group is recognized as a world corporate leader in sustainability and a critical partner for its customers, suppliers, investors, NGOs, and other stakeholders using its services and products to accelerate their own energy efficiency and sustainability transition. Committed to People and Sustainability, Schneider Electric drives stronger engagement and impact to bridge progress and sustainability for all.

At Schneider Electric, we pride ourselves on being an Impact Company, because sustainability does not only inform what we do, it drives corporate decision making. This entails a responsibility to share learnings and keep raising the bar.

We are convinced that to do good, we need to do well, and vice-versa. To deliver sustainability impact, the Group must combine solid profitability with leading practice on all environmental, social, and governance (ESG) dimensions. At the same time, this positive impact supports the long-term resilience of the Company as it attracts new customers, investors, and talents.

Schneider Electric's sustainability and business impacts converge to act for a climate positive and socially equitable world, while delivering solutions to its customers for sustainability and efficiency.

The Company brings everyone along in its ecosystem, from employees to supply chain partners, customers, as well as local communities and institutions. Building on a foundation of trust, its unique operating model with a multi-hub approach is set up to impact at both global and local levels. Its culture builds on strong people and leadership values empowering all Schneider Electric's people to make a great company.

1. Do well to do good and vice versa

Performance
The foundation for doing good

Business
Part of the solution

All ESG
Dimensions

2. Bring everyone along

Model & culture
Set up for global and local impact

All stakeholders
in the ecosystem

An approach recognized in external ratings

Schneider Electric ranked 1st in the TIME magazine and Statista's World's Most Sustainable Companies, for the second consecutive year

The only company in its sector listed as A List 15 years in a row

Ranked 1st in Corporate Knights' Europe 50 Most Sustainable Corporations

In top 1% performance among 100,000+ companies, obtaining a Platinum medal for the sixth consecutive year

Recognized as an Industry Top-Rated ESG Performer, ranking 1st in its industry group, confirming its inclusion in key ESG indices.

See our recognitions on the Awards page at **www.se.com**

Our 2025 sustainability commitments

With less than 5 years left to reach the 17 United Nations Sustainable Development Goals (SDGs), Schneider Electric has accelerated its impact and is making new, bold commitments to drive meaningful impact within the framework of its business activity. Schneider Electric's 6 long-term commitments are to:

Act for a climate-positive world	by continuously investing in and developing innovative solutions that deliver immediate and lasting decarbonization in line with our Net-Zero Commitment.
Be efficient with resources	by behaving responsibly and making the most of digital technology to preserve our planet.
Live up to our principles of trust	by upholding ourselves and all around us to high social, governance, and ethical standards.
Create equal opportunities	by ensuring all employees are uniquely valued 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.

Our unique transformation tool

Since 2005, Schneider Electric measures and demonstrates progress against its sustainability goals with a unique transformation dashboard today called Schneider Sustainability Impact (SSI).

The SSI is the translation of the Group six long-term commitments into 11 highly transformative and innovative programs, executing the 2021 – 2025 sustainability strategy. It has been designed to focus on the most material issues, leveraging internal and external stakeholders' feedback.

Every quarter, the SSI provides, on a scoring scale of 10, an overall measure of all the programs' progress, which is shared with all our stakeholders together with financial results.

At the end of the year, 80,000 employees of the Group are rewarded for the progress achieved as the SSI constitutes 20% of their short-term incentive plans' collective share (STIP).

To ensure robustness, the SSI performance and monitoring systems are audited annually by an independent third party and obtain a limited assurance, in accordance with (revised) ISAE 3000 assurance standard (except for SSI #+1).

2021 – 2025
SCHNEIDER SUSTAINABILITY IMPACT

1. **Focused**
   on material issues
2. **Disrupting**
   the *status quo*
3. **Transparent**
   quarterly disclosure
4. **Robust**
   assured by an independent third party
5. **Rewarding**
   employees for performance

Read more about Schneider Sustainability Impact and Schneider Sustainability Essentials in chapter 2, on **pages 79 to 88.**

Read more about our contributions the United Nations Sustainable Development Goals on **page 80.**

2021–2025 sustainability achievements

5 years ago, Schneider committed to take concrete actions to co-create a brighter future aligned with the United Nations SDGs, and to measure its impact with transparency. The Schneider Sustainability Impact (SSI) 2025 results demonstrates that rapid and disruptive changes for a more sustainable world are possible across diverse, complex topics.

In 2025, the SSI 2021–2025 ended on a score of 8.86/10. This result represents the average progress of 11 SSI programs (excluding SSI #+1). The Group has exceeded several of its 2025 ambitions, both those aimed at supporting the decarbonization of its customers and suppliers, and those related to the development of people and access to energy around the world.

SCHNEIDER SUSTAINABILITY IMPACT

8.86/10

vs. an annual target(1) of 8.88/10, and a 7.55/10 score in 2024

Schneider Sustainability Impact 2021–2025

6 Long-term Commitments aligned to UN SDGs	11+1 Programs	Baseline(2)		2025 Progress(3)	2025 Ambition
Climate	**1.** Grow Schneider Impact revenues(4)	**2019: 70%**	0%	75%	**80%**
	2. Help our customers save and avoid millions of tonnes of CO_2 emissions	**2020: 263M**	0	862M	**800M**
	3. Reduce CO_2 emissions from top 1,000 suppliers' operations	**2020: 0%**	0%	56%	**50%**
Resources	**4.** Increase green material content in our products	**2020: 7%**	0%	48%	**50%**
	5. Primary and secondary packaging free from single-use plastic, using recycled cardboard	**2020: 13%**	0%	85%	**100%**
Trust	**6.** Strategic suppliers who provide decent work to their employees	**2022: 1%**	0%	98%	**100%**
	7. Level of confidence of our employees to report unethical conduct	**2021: 81%**	0%	85%	**91%**
Equal	**8.** Increase gender diversity(1) in: hiring (50%),	**2020 : 41%**	0%	37%	**50%**
	front-line management (40%),	**2020 : 23%**	0%	32%	**40%**
	and leadership teams (30%)	**2020 : 24%**	0%	32%	**30%**
	9. Provide access to green electricity to 50M people	**2020: 30M**	0	61.7M	**50M**
Generations	**10.** Double hiring opportunities for interns, apprentices and fresh graduates	**2019: 4,939**	x1	X1.75	**x2**
	11. Train people in energy management	**2020: 281,737**	0	1,090,569	**1M**
Local	**+1** Country and Zone Presidents with local commitments that impact their communities	**2020: 0%**	0%	100%	**100%**

(1) From 2025 onwards, diversity targets are excluded from SSI score calculation for all employees, as it shall not impact incentives in countries or entities prohibiting the establishment of such targets. The global SSI target has been restated accordingly. The gender balance metric is a global strategic ambition. It does not apply to territories that prohibit such ambition. The Schneider Electric policy is to always select the best candidate for any position based on skills, experience and potential (irrespective of their gender, age, origin, disability, appearance, etc...).

(2) The baseline year is indicated in front of each SSI baseline performance.

(3) Each year, one of Schneider Electric's statutory auditors performs a "limited" assurance engagement on all SSI and SSE indicators (except SSI #+1 in 2025), in accordance with (revised) ISAE 3000 assurance standard (see the assurance report on page **336**). Please refer to page **314** for the methodological presentation of each indicator.

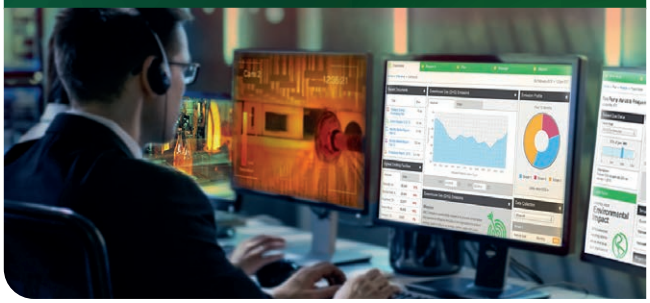
(4) Per Schneider Electric definition and methodology. Note that for the reporting requirements under the European Taxonomy Regulation, please refer to pages **177** to **187.**

Climate

Scaling up supply chain decarbonization
Schneider Electric reinforces collective action through updated tools, expanded suite of educational resources, and new multi-buyer consortia to procure renewable energy, helping over 2,700 suppliers cut their Scope 1 and 2 emissions since the launch of the programs.

Resources

Unlocking environmental data for sustainable designs
Schneider Electric has shared the Product Environmental Profiles for over 50,000 of its electrical products with "One Click LCA" platform, facilitating project life cycle assessments in the architecture, engineering and construction industry.



Trust

Forming a coalition for smarter energy demand
Schneider Electric and Bloomberg New Economy have launched the Energy Technology Coalition to accelerate the adoption of demand-side technologies, such as AI-enabled grid management and digital twins, to make energy use more efficient, resilient, and responsive.

Equal

Boosting rural energy resilience
In 2025, Schneider Electric continued scaling up its Climate Smart Village initiative in rural Jharkhand (India), in partnership with NGO PRADAN, leveraging solar energy and smart power management to improve local livelihoods.

Generations

Promoting excellence in sustainability for youth
Schneider Electric, together with its Foundation and Asia Society for Social Improvement and Sustainable Transformation, inaugurated a new Center of Excellence in Vietnam to equip students and educators with advanced skills in smart manufacturing, smart buildings, and renewable energy.

Local

Inspiring young innovators in the U.K.
Schneider Electric and the Tottenham Hotspur Foundation launched a program in Science, Technology, Engineering, and Mathematics (STEM) for 12 local primary schools to spark curiosity and build essential skills in areas like robotics, sustainable energy and e-mobility, supported by digital learning tools, mentoring, and practical sessions.

Sustainability Impact 2030

Advancing Energy Tech to power progress for all

We electrify the world

towards decarbonization

By continuously investing in breakthrough solutions, we lead the energy tech transition through electrification and digitalization. Starting with ourselves, scaling for all.

EFFICIENCY FORWARD

80%

Schneider Impact Revenues

1.5bn

MWh energy saved or electrified with our solutions, 2026-2030

100%

of applicable SE software deliver advanced energy and carbon insights for customers

TOWARDS NET-ZERO

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

-90%

reduction of Scopes 1 and 2 CO_2 emissions, absolute vs. 2017

-25%

reduction of Scope 3 CO_2 emissions, absolute vs. 2021

1.5Gt

CO_2 saved and avoided by customers with SE solutions, 2018-2030

SCHOOL OF ENERGY TECH

Electrical experts trained to bridge the energy tech skill gap (in progress)

We reinvent our industry

towards innovation

By rethinking how we design, source and promote, we engage and elevate our entire value chain – reshaping our ecosystem and setting new standards in our industry.

FUTURE-DESIGNED

100%

of major offers in design demonstrate circular and environmental excellence

INDUSTRY CATALYZER

1,500

suppliers on a Zero Carbon Pathway to decarbonize the supply chain

100%

of strategic suppliers are engaged to implement advanced Decent Work practices

50%

of materials selected to provide superior environmental and social value

LONGER, BETTER

x2

growth of circular services for longer and better usage

We unlock human potential

towards equal opportunities

By securing energy access for all and investing in people opportunities, we open the way to progress and shared prosperity.

INCLUSION FOR ALL

100%
of senior talents engaged in their own development or the development of others

40%
of women in leadership*

POWER PROGRESS

100M
people with access to sustainable electricity to power progress

3M
people upskilled through educational programs, including those from vulnerable communities

We empower local communities

towards action and care

By investing in local ecosystems and amplifying grassroots voices, we turn every site – from offices to factories – into a community anchor and an agent of change.

IMPACT STARTS WITH US

>30%
of employees volunteering to be change agents, in their communities and homes

100
sites designed to care for people, nature and communities

* The gender balance metric is a global strategic ambition. It does not apply to territories that prohibit such ambition. The Schneider Electric policy is to always select the best candidate for any position based on skills, experience and potential (irrespective of their gender, age, origin, disability, appearance, etc.).

Sharing sustainable value with our stakeholders

Schneider Electric is committed to open and continuous communication with its ecosystem and uses the feedback to analyze its market and define areas of progress. The Company aims to enhance its positive impact on the planet and society at large by promoting responsible growth that is shared with all its stakeholders.

Stakeholders in our ecosystem

By building long-term partnerships with a wide range of global and local players, Schneider works directly with many types of suppliers, contractors, and end-customers, and has developed the industry's largest network of distributors. The Group is continually strengthening its local connections in all regions to deliver the best customer experience and co-develop sustainable effective solutions. Alongside business partners, the Group is involved in various local and international organizations that promote sustainability alongside key stakeholders from its ecosystem.

Suppliers

The Group established an ambitious sustainable procurement strategy providing guidelines to its 50,000 suppliers to promote their alignment with the Group's ambitions to build an inclusive and decarbonized world, where ecosystems and resources are preserved, and people have access to economic opportunities and decent lives.

Customers and end-users

Customers are offered efficient, safe, and decarbonized solutions through digitalization and electrification, providing them with high environmental performance products and full transparency on environmental impact. The Group insists on high quality and strong cybersecurity to deliver on customer experience.

Employees and social partners

Schneider Electric empowers its people across regions and generations by striving for equal opportunities across the Group, motivating its employees and promoting their involvement by making the most of diversity, supporting professional development, and ensuring safe, healthy working conditions.

Schneider Electric

Communities and civil society

Schneider Electric acts to empower local communities by promoting local initiatives and enabling individuals and partners to make sustainability a reality for all, everywhere. The Group strives to have a positive impact by delivering education on energy management and through investments supporting high social and environmental impact.

Financial partners

Schneider Electric's sustainability-focused business model delivers consistent, sustainable, and strong financial performance, offering its financial partners attractive returns.

Institutions and technical bodies

The Group is involved in various local and international organizations supporting sustainability. Schneider Electric makes it its priority to maintain a transparent and constructive dialogue with policymakers and regulators so that its views are represented on issues affecting its industry.

Stakeholders' top expectations

The four following main concerns of Schneider Electric's stakeholders were used by the Group to build its 2021 – 2025 sustainability objectives. Their inputs are being used in the same manner to develop the next cycle of sustainability programs, starting in 2026.

1. Schneider Electric's leading climate action in its ecosystem with the Group's partners.
2. Pioneering circular economy and being efficient with resources.
3. Ensuring a fair transition and guaranteeing high ethical, social and environmental standards along the Group's value chains.
4. Leveraging digital in cybersecure solutions to boost positive impact.

Committed with our partners

Schneider Electric is an active member of the World Business Council for Sustainable Development (WBCSD), participating in its 3 main Imperatives: People, Climate and Nature. The Group is highly engaged with the Business Commission to Tackle Inequality (BCTI) and is actively involved in WBCSD's initiatives on supply chain decarbonization with The Climate Drive, Scope 3 and Climate Transparency with the Partnership for Carbon Transparency (PACT), and avoided emissions. Amongst WBCSD members, only 20% of companies fulfill the 5 membership criteria, including Schneider.

Schneider Electric joined the UN Global Compact (UNGC) in 2002, and its Chairman was a Board Member from 2018 to 2024. The Group aligns its sustainability strategy with the UN's 10 principles on human rights, labor, environment and anti-corruption. As a signatory, Schneider Electric upholds its responsibility to act and aims to contribute to all 17 UN Sustainable Development Goals. The Group is a sponsor of the UNGC Labour and Decent Work and Climate initiatives.

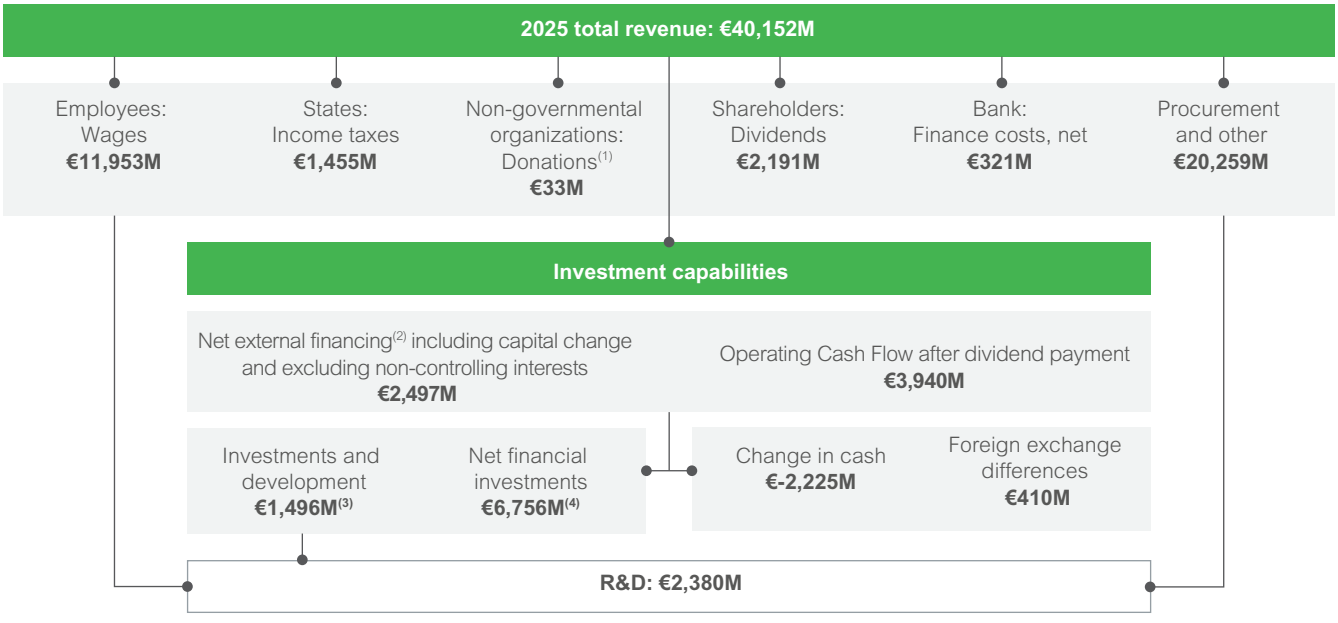
Since 2017, Schneider Electric is a Strategic Partner of the World Economic Forum, where the Group's CEO is a member of the International Business Council and of the Alliance of CEO Climate Leaders, and the Group's Chairman is a member of the Community of Chairpersons since 2023. Schneider Electric engages with a wide range of partners to progress on common world challenges, by joining public-private dialogues and peer-to-peer workgroups, sharing insights and use-cases, leading to new frameworks and toolboxes.

The Schneider Electric Foundation renewed its commitment to the Solar Impulse Foundation in 2025. The foundation selects more than 1,000 clean and profitable solutions that contribute to the achievement of at least five SDGs. These solutions are then promoted to corporate and political leaders worldwide, and are selected based on their technical feasibility, environmental benefits, and economic viability. In 2025, the Schneider Electric Foundation published a report with the Solar Impulse Foundation (SIF) on SMEs' competitiveness, was also a jury member of the SIF Pioneers Forum and jointly participated in panels at COP30.

Read more on Schneider Electric's dialogue with stakeholders on **page 113.**

Revenue breakdown by stakeholder

Every year for the last 20 years, Schneider Electric has published a diagram showing its revenue distribution and financial flow for its various stakeholders.



(1) Unaudited declarative amount.
(2) Borrowings, capital increases, treasury stock disposals and buybacks.
(3) Of which €367 million in R&D.
(4) Of which €54 million for long-term pension assets and €5,535 million of transactions with non-controlling interests.

Impact starts with us

The world is transforming at an unprecedented speed and there is a greater need for us at Schneider Electric to play to the emerging opportunities. "Impact starts with us" is a promise the company makes to each of its employees, and it is also an invitation for outside talent to join the Company and make an impact on the world we share.

Our Culture

2025 was a pivotal year for Schneider Electric as the Group advanced its strategic program and accelerated cultural transformation. Its ambition is clear: to build a culture anchored in performance, simplicity, and speed, always with people at the center of everything that is undertaken. This cultural evolution strengthens Schneider's ability to deliver on its evolving company's purpose – to be the Energy Technology Partner for customers, electrifying, automating and digitalizing every industry, business and home, and driving efficiency and sustainability for all.

Culture is the foundation of how Schneider operates and succeeds. It defines how the Group leads, collaborates, and innovates. At Schneider Electric, every aspect of its work – from how it interacts with customers to how it makes decisions – is shaped by its shared IMPACT Values and Leader Code commitments.

IMPACT Values

Values anchor the way collaborators work at Schneider Electric and help bring its growth culture and Employee Value Proposition promise to life. Schneider's six IMPACT Values are derived from its ambitions, People Strategy, and the voice of its employees and customers:

- **Inclusion:** We embrace diverse perspectives, co-creating a place where everyone belongs and thrives.
- **Mastery:** We count on our expertise and know-how to deliver the highest quality innovations.
- **Purpose:** We aspire to build a sustainable future for our people, customers, communities, and planet.
- **Action:** We get things done with accountability, speed and integrity, always with the customer in mind.
- **Curiosity:** We love to think deeply and differently, challenging the status quo and learning every day.
- **Teamwork:** We achieve together with our teams, collaborating with trust and openness.

Leadership

Schneider Electric's leaders play a critical role, as they are the architects of the Group's business and culture. They drive this transformation through the IMPACT Leader Code, which emphasizes inventing the future, delivering the mission together, and building great teams. By living these commitments, Schneider accelerates decisions, fosters collaboration, and delivers better and faster outcomes for its customers and stakeholders.

Read more about our people programs on **page 188**.

2025 achievements

81%

of employees feel they have the flexibility to modify their work arrangements as needed (stable since 2022)

x1.75

hiring opportunities for interns, apprentices, and fresh graduates

81%

employees' received digital upskilling thanks to the Digital citizenship program

63%

subscription in our yearly Worldwide Employee Share Ownership Plan (WESOP)

Sustainable relations with suppliers

With a network of more than 50,000 suppliers around the world, Schneider Electric is committed to developing lasting relationships, while supporting its partners to progress and embrace more sustainable social and environmental practices.

Supply chain and procurement vision

Our world-class supply chain is driven by the following principles and objectives:

- Customer satisfaction and quality are our number one priority. Our supply chain is market driven and tailored to the customer.
- Sustainability is at the core of procurement actions with focus on the impact that the operations of our suppliers generate on the environment and society.
- Competitive landed costs and optimized cash, driving a high level of productivity and Schneider Electric's top-line growth and margin.
- An agile and secure supply chain, that is a competitive advantage in the market, throughout the product lifecycle.
- World-class competencies and talents with values of accountability, collaboration, and simplification.

Read more about our sustainable relationships with suppliers on **page 223**.

Building a sustainable procurement strategy

Schneider Electric aims to collaborate with its global supplier network for an inclusive and decarbonized world, where ecosystems and resources are preserved, and people get access to economic opportunities and decent lives. To achieve this, the Group:

- Provides a Supplier Code of Conduct with fundamental requirements that all suppliers delivering goods or services to Schneider Electric are expected to adhere to.
- Integrates sustainability criteria in day-to-day operational procurement actions. The qualification process focuses on people, social responsibility, and environmental management. Sustainability criteria accounts for a significant part of the evaluation. These criteria were revised and enhanced in 2023, in line with the latest and most demanding internal requirements.
- Has set ambitious targets for the suppliers as part of a five year engagement plan, based on their progress in each of the following areas:
  - Climate action, addressed by The Zero Carbon Project (SSI #3), aiming to reduce operational emissions from top 1,000 suppliers;
  - Enhancement of circular supply chain by increasing the use of green materials (SSI #4) and sustainable packaging (SSI #5)
  - Upholding of social commitment related to conflict minerals and extended minerals (cobalt and mica);
  - Upholding of human rights and inclusive workplaces by implementing best-in-class practices through the Decent Work program (SSI #6).

Holistic monitoring approach

To complete the Group's commitment to environmental and social topics, it established a transversal governance mechanism to proactively screen, identify, and mitigate sustainability risk from suppliers and embed preventive controls into the procurement processes and integrate these controls in day-to-day operations.

Strategic suppliers are subject to the Group's ambition to promote continuous improvement based on the ISO 26000 standard evaluation, and our Vigilance program which enabled the audit of 4,348 high-risk suppliers in 2025.

On their side, suppliers can report any misconduct from the Group through Schneider Electric's alert system, the Trust Line, which will be thoroughly and confidentially investigated.

2025 achievements

56%

operational CO_2 emission reduction in the Zero Carbon Project (vs. 40% in 2024)

+2.5pts

increase of suppliers' ISO 26000 score vs. 2024 (+12.1pts since 2019)

98%

strategic suppliers conform to Schneider's Decent Work requirements (vs. 63% in 2024)

85%

primary and secondary packaging is free from single-use plastic and uses recycled cardboard

Sustainability for Customers

As the digital partner of its customers for Sustainability and Efficiency, Schneider Electric delivers products and services, empowering customers to make the most of their energy and resources. To do so, the Group relies on the highest standards of product quality and safety, as well as digital trust and security.

Strive for environmental transparency

In 2024, Schneider Electric launched the Environmental Data Program, its product environmental transparency framework designed to measure, categorize, and compare the environmental attributes and footprint of our products.

The Environmental Data Program has been built on the foundation of Schneider Electric's former Green Premium™ label and is the testimony of 15 years of experience in product environmental data management, connecting innovation by design and environmental transparency. The Environmental Data Program is available online on se.com for all Schneider Electric products and in a digital format using our Partner API.

In 2025, Schneider Electric strengthened the Program through active engagement with partners and international standard-setting bodies to advance alignment, with a focus on product carbon footprint and lifecycle assessment.

This Program is Schneider Electric's commitment to be the most transparent company in the industry and empower customers to make better-informed decisions.

Strive for premium quality

Schneider Electric's priority is to delight customers with an outstanding end-to-end experience. Its ambition is to earn the reputation as the safest supplier in its industry. This vision is built on trust; the Group is committed to ensuring the safest experiences for its customers and believes this is the personal responsibility of every employee. Safety is at the heart of innovation at Schneider. Industry standards are not the goal – they are the baseline.

Schneider innovates beyond standards and believes that technology helps people work safer. Safety demands active engagement of all, without exception. The Group rises to new challenges. Moreover, to better fulfill customers' needs and improve their satisfaction, Schneider Electric relies increasingly on data analytics and digital interlocks to secure a zero-defect mindset at the core of our processes from design, to execution and services. The Group's commitment to quality and customer satisfaction is illustrated in its focus to maintain very low level of safety recalls: Schneider moved from 24 recalls in 2022 to only 3 in 2025.

From 2022, Schneider has introduced a Customer First performance criteria in the incentive goals for Group executives, measured with its Net Satisfaction Score (NSS) through real-time digital customer surveys covering six critical touchpoints as part of its customer operational interactions. In 2025, the NSS once again reached a record-level of 63, confirmed by a continuous improvement performance in most of critical touchpoints, showcasing a +4.3 growth vs. 2024 in Net Satisfaction Score for our customers. All results are available in the Customer Feedback Management Platform where all employees are engaged to act on the customer experience.

Strive for resiliency

Resiliency is the capacity to quickly recover from difficulty. Schneider uses a risk centric framework to reduce our exposure to technological, environmental, process, geopolitical, and health risks that might disrupt its business. Schneider Electric has standardized issue-escalation processes in place, as well as risk assessment and business impact analysis, and is prepared to manage any crisis with disaster recovery and business continuity plans, if needed. The Group's local leaders are empowered to assess risks, increase their preparedness, and handle all types of crises with a rapid and effective response, thanks to processes and tools in place to support them.

Strive for trust in cybersecurity, data privacy and protection

Schneider Electric's cybersecurity strategy encompasses people, processes, and technology across the operational lifecycle. By following globally recognized standards and complying with certified "secure by design" development processes, the Group safeguards the digital ecosystem and delivers secure offers, systems, solutions, and services.

The right to privacy and protection of personal information is a fundamental human right. Schneider considers fairness, transparency, data integrity, quality, security, and trust as core principles of how it handles data and uses it in the products, systems, and services they deliver. In 2025, the Group was awarded a Platinum Medal in CyberVadis' assessment, underlining its commitment to cybersecurity. By leveraging digital technologies based on human centered design with a "do no harm" oversight, Schneider's solutions benefit customers' sustainable future.

2025 achievements

862M

tonnes of CO_2 saved and avoided for customers since 2018 (+183M vs. 2024)

PLATINUM (2026 cybervadis)

rated Platinum by CyberVadis as part of 2025 assessment

100%

of Schneider Electric products included in the Environmental Data Program

3

safety recalls (vs. 5 in 2024)

Acting for a decarbonized world and preserving resources

Climate change and nature loss are two of the greatest global challenges of the 21st century. They are inextricably linked and require joint efforts and solutions to tackle them. Schneider Electric's climate and resources strategies converge to minimize its environmental footprint and to maximize the environmental benefits its offers bring.

Climate and resources strategy

Urgent action and a system-wide transformation are needed to deliver the enormous emission cuts necessary to limit greenhouse gas (GHG) emissions. With its climate programs, the Group aims to limit its carbon emissions by implementing its own Energy Management and Industrial Automation solutions by developing offers that help its customers do the same.

Schneider Electric was one of the first companies to have its Net-Zero targets validated by the Science Based Target initiative (SBTi), in alignment with its "Corporate Net-Zero Standard". The Group is committed to be "Net-Zero Ready" in its operations and to reduce its Scope 3 emissions by 25% by 2030, and to be Net-Zero across its full value chain by 2050. In addition, as of 2025 the Group is addressing all ongoing operational emissions (Scope 1 and 2) on its journey to "Net-Zero ready", by financing and contributing to projects that avoid or remove carbon.

With its resource programs, the Group aims to minimize the volume of resources it needs and optimize the use of these resources. The existing systems and infrastructure are not adequate to maintain, collect, and redistribute materials effectively for a global circular economy. As a result, waste, including plastics and e-waste, pollutes our land, and the world continues to deplete the limited natural resources. Schneider Electric embraces circular economy principles all along the lifecycle of products and offers.

A keystone of Schneider's circularity approach is to apply ecodesign to the development of new products. It enables the right trade-offs between the environmental impact along the lifecycle of products, allowing to co-ordinate the efforts over the whole value chain.

Ongoing operational emissions 100% addressed — **2025**

"Net-Zero ready" in operations 25% GHG absolute reduction across the value chain — **2030**

Net-Zero value chain with 90% GHG absolute reduction — **2050**

2021 – 2025 initiatives to act for climate and preserve resources

	Suppliers	Operations	Customers/Society
	SSI #3 Reduce CO_2 from suppliers operations **SSE #4** Improve CO_2 efficiency in transportation	**SSE #1** Transition to Zero-CO_2 sites **SSE #3** Source renewable electricity **SSE #5** Improve energy efficiency **SSE #7** Switch to electrical vehicles	**SSI #1** Grow our impact revenues **SSI #2** Save and avoid CO_2 emissions for customers **SSE #2** Substitute products using SF_6
	SSI #4 Use green materials in our product **SSI #5** Switch to sustainable packaging **SSE #10** Avoid primary resource use	**SSE #8** Deploy local biodiversity programs **SSE #9** Make waste a resource **SSE #11** Deploy water conservation action plans	**SSE #6** Product revenues covered by Green Premium™ eco-label

2025 achievements

75%

of Schneider Electric's revenues are impact revenues (vs. 74% in 2024)

85%

of primary and secondary packaging are free from single-use plastic and use recycled cardboard (vs. 78% in 2024)

Climate A

part of CDP Climate A List for the 15th year in a row

195

Zero-CO_2 sites helping decarbonize Schneider's operations (vs. 154 in 2024)

Delivering social impact for a fair transition

Around the world, Schneider Electric gives people access to energy and education through initiatives that combine training, technological innovation, social innovation, and entrepreneurship. This means thinking about the world of tomorrow by empowering everyone, regardless of origin, gender, or socio-economic level, to build a fair future for individuals and families worldwide.

Improving lives through access to green electricity

Today, around one and half billion people have little or no access to electricity, representing one in four of the world's population. For Schneider Electric, access to energy is both a fundamental right and a means for social and economic development. Specifically, access to green electricity offers a chance to live a better life, as it can have a positive multiplier effect on all socio-economic dimensions of the individual or community, including livelihood, health, education, security, and empowerment of women, while fighting against climate change by replacing fossil solutions.

At Schneider this is called "Electricity for Life" and "Electricity for Livelihood":

- "Electricity for Life" means delivering access to green electricity as a fundamental right, answering to essential needs (such as lighting, social connection, or education) for off-grid households, small businesses, and the humanitarian sector.
- "Electricity for Livelihood" means delivering access to green electricity as a driver of economic development and poverty reduction for households connected to an unreliable grid, and for productive businesses. In fact, many farms, schools, and health centers in rural areas currently depend on an intermittent grid and are in need of quality energy with back-up solutions based on solar energy.

Between 2009 and 2025, Schneider's Access to Energy solutions benefited more than 60 million people, exceeding the Group's 2025 ambition.

Empowering youth through education and entrepreneurship

For over 20 years, training and entrepreneurship have been the historical mission of the Schneider Electric Foundation, under the aegis of Fondation de France. In 2025, the Group's exceeded its ambition to train one million people in energy management. The Youth Education & Entrepreneurship program aims to give all young people the means to build solutions for a better life, contribute to a fairer, low carbon society, and transform the world.

By providing funding, its expertise, volunteering its time, and collaborating with its partners on the ground, Schneider is empowering younger generations and the broader community to achieve a better future through sustainable development.

Its work is divided into three main areas:

1. Support access to qualitative jobs through vocational and entrepreneurship training in the energy field.
2. Learn new skills for the future, technical and soft, giving younger generations the boost they need to succeed and build the world of tomorrow.
3. Create the right ecosystem to spread entrepreneurial spirit and encourage innovation, enhancing younger generations to define their future and take part in social and environmental challenges.

To do this, the Schneider Electric Foundation draws on a network of around 80 delegates across 100 countries, that was renewed in 2023. Its role is to select local partners in the fields of vocational training in the energy sector, to support entrepreneurship and sustainability awareness. The Foundation also leverages its "VolunteerIn" digital platform to empower employees to be local actors and ambassadors of the Group's societal commitments through volunteering initiatives, particularly around social mentorship.

Read more about our social impact on **page 286.**

2025 achievements

93,000+
volunteering days since 2017 (+18,000 days vs. 2024)

1M+
young people trained in energy related professions since 2009 (+175,600 vs. 2024)

60M+
people connected to green electricity since 2009 (+6.6M vs. 2024)

€95.8 M
engaged by Schneider Electric in Impact Investing Funds since 2009

Local sustainability commitments

As part of the 2021–2025 Schneider Sustainability Impact, Schneider promotes local initiatives and enables individuals and its partners to make sustainability a reality for everyone, everywhere.

100% of Schneider Electric's Country and Zone Presidents have defined local commitments that impact their communities in line with the Group's sustainability transformation, leading to the deployment of over 500 local programs since 2021. Here are a few examples of initiatives being implemented to drive impactful changes at the local level.

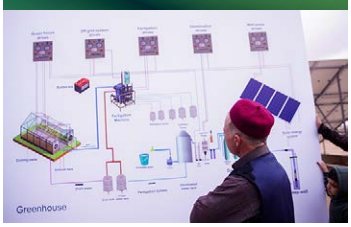
Canada
Schneider Electric and Habitat for Humanity have partnered to provide construction kits for sustainable and energy-resilient homes in Canada. In 2025, 18 kits were shipped to help reduce household operating expenses and lower CO_2 emissions in homes.

Denmark
Schneider Electric's employees are contributing to preserve nature around their sites by volunteering in environmental clean-up initiatives. Biodiversity plans have been launched in Ringsted, Ballerup, and Kolding, resulting in 102 kg of trash collected in 2025.

Spain
In 2025, Schneider Electric in Spain donated 24,053 surplus units to schools and non-profits for training purpose through their local market place "CircularPlace", of which 20,000 went to schools and installer associations in response to the Valencia floods.

Chile, Peru and Bolivia
Schneider Electric empowers women in Chile, Peru, and Bolivia with training in energy management and electrical installation. In 2025, over 190 women have been trained to promote inclusion and diversity in the energy sector.

North East Africa and Levant
In 2025, Schneider Electric and local partners implemented projects to address food, energy, and water challenges across Jordan, Lebanon, and Egypt, reaching over 110,000 people through initiatives focused on water pumping, desalination, and agricultural water recycling.



Philippines
In the Philippines, Schneider Electric's employees reached over 431 youths across schools nationwide, through mentorship and equipment donations, while promoting sustainability and ESG awareness through dedicated events.

Check our local commitments on **www.se.com**

Ambition INTO Impact

01. Group Strategy

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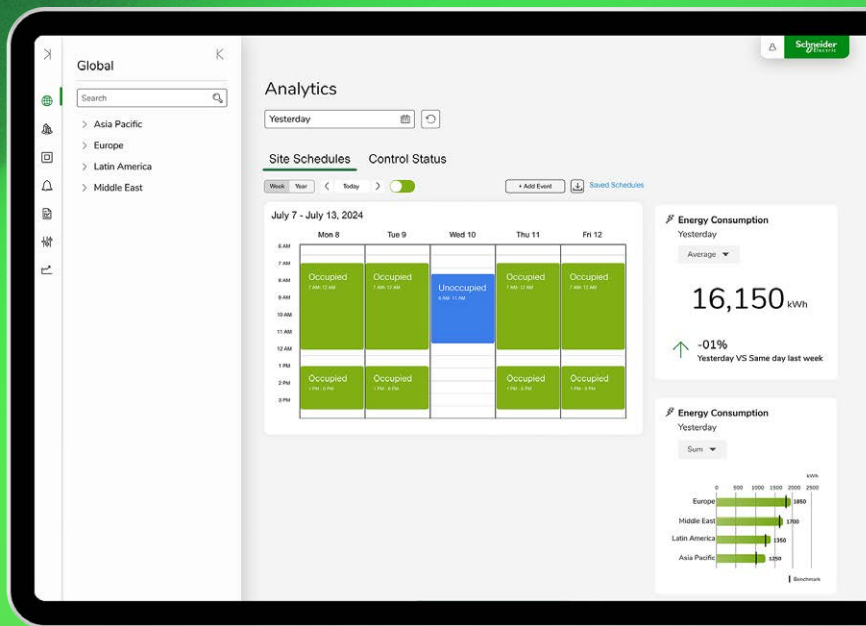
ECOSTRUXURE BUILDING ACTIVATE

EcoStruxure Building Activate is an AI-powered platform for small and mid-size buildings that monitors utilities and optimizes HVAC and lighting by occupancy, schedule, and weather to reduce energy and carbon emissions.

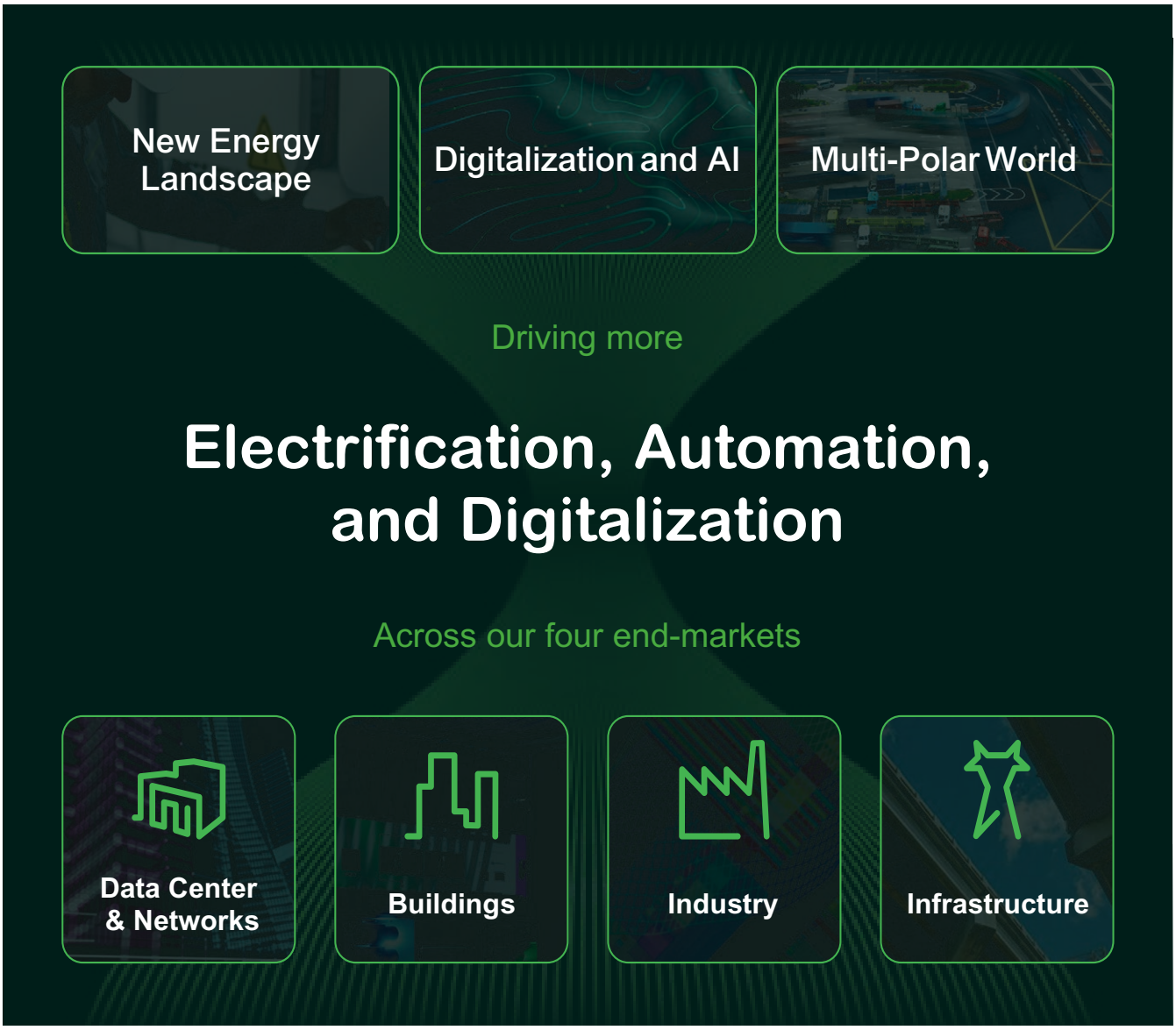


1.1 Strategy Overview

We are living through a time of profound global transformation shaped by unprecedented technological, environmental, and geopolitical forces. The pressures acting upon our civil infrastructure, energy systems, and supply chains impact all aspects of society and the global economy. These aren't just disruptions to manage, but signals that our industry must evolve.

Three "mega-trends" are accelerating and shaping our end markets over the next decade: acceleration of the **New Energy Landscape**, rapid development and adoption of **Digitalization and AI** technologies, and a shift towards a **Multi-Polar World**. Studying these trends has allowed us to sharpen the focus of our mission. At this critical moment, we want to be the company that advances energy technology; the company which will electrify, automate and digitalize every industry, business, and home, driving efficiency and sustainability for all.

The portfolio we have created combines energy management, industrial automation, and software capabilities to deliver unique value across our four end markets. It facilitates the realization of our mission by laying the foundation for digital innovation with seamlessly integrated data center power, cooling, software, and services. It also unifies building systems for smarter, faster decision-making; transforming industries, from Food and Beverage and Life Sciences to critical infrastructure and process operations, with open, software-defined automation. In addition, it deploys resilient and scalable electrification for grids, mobility, and semiconductor industries.



In this period, there is both challenge and opportunity. The challenge is great, but the opportunity is even greater. Our energy technology enables our partners, customers, and industry to not just adapt, but to thrive in this new era. Schneider Electric doesn't react to change, we lead it.

1.2 Mega-trends

There is no shortage of predictions on how the world will evolve over the next decade, Schneider Electric has focused on those market signals that have the greatest potential to influence our operating environment and our strategic priorities.

A "mega-trend" is a long-term pattern that will have significant impact on all aspects of society and the global economy. In the context of Schneider Electric, we use mega-trend analysis to develop our corporate, business unit, and zone strategies. They account for a wide range of factors, including political, economic, social, technological, legal, and environmental.

By understanding and preparing for these mega-trends, Schneider Electric can align its strategy with market demands, anticipate customer needs, adapt to changing landscapes, and provide innovative solutions that address the challenges and opportunities arising from these trends. This holistic approach enables Schneider Electric to stay ahead of the curve, deliver sustainable and efficient solutions, and maintain a competitive edge in the market.

Let's take a closer look at these critical mega-trends and the "driving trends" within each that will directly influence their impact and longevity.

(1) World Bank, Webpage, "World's population will reach nearly 10 billion by 2050", July 2019.

1.2.1 New Energy Landscape

Securing, decarbonizing, and modernizing the world's energy infrastructure

The New Energy Landscape mega-trend is a story of providing energy access to all people on Earth, through a resilient power grid that is decentralized and decarbonized. In 2010, more than 1.4 billion people did not have access to electricity. This number dropped below 1 billion in 2017 and is down to 713 million in 2025, a historically low number(1). Unfortunately, most of those who still lack electricity live in Sub-Saharan Africa, the region projected to have the highest birth rate in the coming decades. These regions are also among the most impacted by climate change driven by rising global emissions. At the same time, we're seeing a major shift toward electrification; homes moving from gas boilers to heat pumps, transport shifting to EVs, and industry adopting process electrification. Together, these changes are unlocking the most efficient form of energy we have.

Beyond the energy demands of a growing global population, we are also experiencing a boom in data center energy demand. The explosion of generative AI applications and associated model training requirements is driving this demand. An unintended consequence of this surge could be an increase in emissions. As a result, major cloud service providers are considering a variety of dedicated power solutions, including small modular nuclear reactors to meet their energy needs.

In discussing the New Energy Landscape, it is vital to highlight the significance of "resilience". Power grids must withstand challenges such as extreme weather, cyber-attacks, and other disruptions. According to the International Energy Agency (IEA), global grid generation will grow by 61%, from 28 petawatt-hours (PWh) in 2023 to an estimated 45 PWh in 2040(2). The grid of the future must become resilient to the point of anti-fragility, using failure events as opportunities to redesign and prevent similar issues. It must be more flexible, decentralized, and democratic, enabling consumers to participate in energy prosumerism alongside regional utility companies.

61%

Growth in global grid generation from 2023 to 2040*

2x

Length of global transmission and distribution network in 2040 relative to 2025 baseline**

3x

Increase in variable renewable energy capacity from 2023 to 2030***

Driving trends to watch

- Increasing density and decreasing cost of electric energy storage solutions
- Increasing national-level adoption of green energy policies
- Modernizing and decarbonizing grid infrastructure
- Increasing percentage of global energy production mix coming from no/low emission fuel sources
- Increasing GHG emissions, notably CO_2 and CH4, coupled with decreasing capacity of natural systems that sequester CO_2

* International Energy Agency (IEA), report, "World Energy Outlook 2024", October 2024.
** International Energy Agency (IEA), report, "Electricity Grids and Secure Energy Transitions", 2023.
*** International Energy Agency (IEA), report, "Renewables 2024", October 2024.

(1) International Energy Agency (IEA) Laura Cozzi, Nouhoun Diarra, Arthur Roge, Bruno Idini, Arthur Jongejans, report, "Access to electricity stagnates, leaving globally 730 million in the dark", October 2025.
(2) International Energy Agency (IEA), report, "World Energy Outlook 2024", October 2024.

1.2.2 Digitalization and AI

Harnessing the power of data management, machine learning, automation, and software-defined everything

Advancements in artificial intelligence, robotics, and other digital technologies, along with increasing ubiquity of data(1), are having profound consequences for the global economy and society. AI is transforming industry, enabling new manufacturing and operating models through robotics and automation. These advancements have the potential to boost productivity everywhere, by making powerful capabilities such as Large Language Models available to all, but they require a robust state-of-the-art global IT infrastructure.

In the past 20 years, we have seen the growth of streaming media and gaming, the rise of blockchain, and now the explosion of generative AI, putting a strain on major cloud service providers' energy sources. With this massive increase in demand for data centers comes the responsibility and opportunity for Schneider Electric to lead sustainable data center infrastructure solutions.

AI has gone through many cycles of advancement and stagnation. In this current period of rapid growth, global AI spending is being driven by the compelling value AI offers and the readiness of digital infrastructure to support software-based technologies delivered as "as-a-service."

Beyond generative AI, capabilities are being embedded in consumer products, from home appliances to automobiles, through agentic AI. Gartner predicts that by 2028, 15% of day-to-day work decisions could be made by agentic AI, helping organizations improve decision processes and automate workflows(2). Schneider leverages AI in its customer solutions, helping customers reduce their energy consumption and costs.

4x
Growth in global demand for data center capacity from 2023 to 2030*

80%
Of common customer service interaction will be resolved autonomously by agentic AI in 2029**

94%
Of business leaders are investing in analytics, sensors, AI, automation and blockchain to stay competitive***

Driving trends to watch

- Increasing incorporation of AI-enabled features into products and services, coupled with democratized AI development tools
- Increasing ability and demand for automation and robotics to augment human labor
- Increasing demand for data center services
- Increasing criticality of cybersecurity for data privacy regulatory compliance and industrial infrastructure operations
- Providing ubiquitous connectivity from the ocean floor to low earth orbit

* World Economic Forum, webpage, "How tech can help businesses balance profit and purpose", November 2019.
** McKinsey & Company, article, "AI power: Expanding data center capacity to meet growing demand", October 2024.
***Gartner, press release, "Gartner Predicts Agentic AI Will Autonomously Resolve 80% of Common Customer Service Issues Without Human Intervention by 2029", March 2025.

(1) IDC & Statista, report, "Volume of data/information created, captured, copied, and consumed worldwide", November 2025.
(2) Gartner, press release, "Gartner Predicts Over 40% of Agentic AI Projects Will be Cancelled by End of 2027", June 2025.

1.2.3 Multi-Polar World

Redesigning manufacturing and supply chains to be resilient

Globalization is characterized by the free movement of goods, services, capital, people, and information across international borders, with the intention to foster economic and political collaboration between corporations and nations. It has been a pillar of geopolitics for the past eighty years. However, since 2007 the KOF Swiss Economic Institute's "Economic Globalization Index" has indicated that economic globalization has plateaued.(1)

Over the past twenty years, there has been a geopolitical realignment to where we now see a multi-polar world. Recent events, notably the COVID-19 pandemic, regional military conflicts, and critical material shortages, have spurred trade barriers, protectionism, and a supply chain crisis with far-reaching implications.

Reshoring of critical industries has become both a business and a national security priority. Executives and politicians alike are closely scrutinizing the countries which they operate and updating their strategic plans to reconfigure their supply chains for greater resilience.

97%

Of supply chain leaders plan to re-engineer some or all of their supply chain within the next two years*

-18%

Projected decline in global trade due to active and proposed re-localization measures**

$8.5 trillion

Of revenue losses each year by 2030 due to workforce shortages***

Driving trends to watch

- Shifting geopolitical landscape – from unipolar to multi-polar
- Intertwining of supply chain policies and national priorities, notably in the semiconductor and critical materials segments
- Increasing threat and occurrence of armed conflicts that disrupt, or even prevent, business operations
- Diverging demographics and workforce composition between developed and developing nations, combined with political impediments to cross-border migration
- Increasing number of countries implementing domestic manufacturing requirements

* R.R. Donnelley & Sons Company, report, "Future-Ready Supply Chain Report", 2024.
** OECD, report, "OECD Supply Chain Resilience Review", June 2025
*** Korn Ferry, report, "Future of Work: The Global Talent Crunch", 2018

(1) KOF Swiss Economic Institute, index , "KOF Globalization Index 2024", 2024.

1.3 Vision and Mission

Energy matters to the planet, people, and business. It powers our lives and is essential to progress.

Schneider Electric has always been at the forefront of energy technology. We electrify, automate and digitalize every industry, business and home, driving efficiency and sustainability for all.

1.3.1 An Electrified, Automated, and Digitalized World

To seize the opportunities presented by the mega-trends, we must make each of our end markets future-ready. This means data centers that sustainably manage energy and water resources, buildings and homes that produce more energy than they consume, industry that is intelligent and autonomous, and infrastructure that is resilient and interconnected.

We have a compelling vision of what the world must look like in the next ten years. **It will be an Electrified, Automated, and Digitalized world.**

Electrified:

Replacing fossil fuel-based systems with electricity, the most efficient form of energy, helps cut greenhouse gas emissions. Electricity demand is growing worldwide, driven by population growth, urbanization, and expanding access to energy. We will enable this transition by delivering solutions that make clean, reliable electricity accessible and scalable.

Automated:

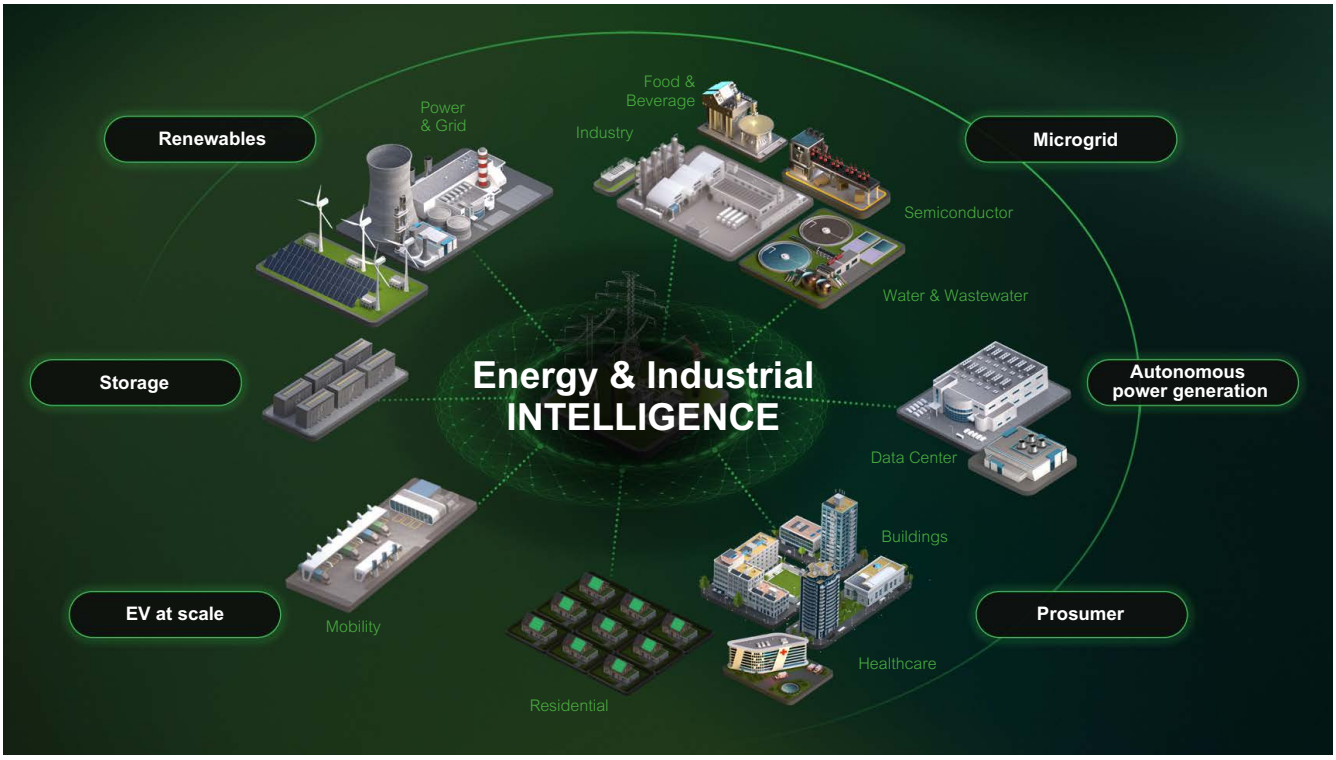
The backbone of industrial production at scale, especially as industries face pressure to accelerate and operate more sustainably. But traditional automation systems are often closed and built for a pre-digital era. We offer open, software-defined automation that promotes interoperability and provides the flexibility businesses need to adapt quickly and thrive.

Digitalized:

Both energy and industry are being transformed by advanced digital technologies. They are changing how decisions are made, optimizing processes, and unlocking new levels of efficiency, resilience, and innovation. We help customers harness data to maximize the potential of digitalization through sustainable, high-performance data center infrastructure.

1.3.2 Energy Technology Partner

The path to realizing our vision is through Energy Technology. This is not a single technology, but instead a broad suite of hardware and software that facilitates Energy and Industrial Intelligence.



Schneider Electric is your Energy Technology partner. Our business is built on the strong foundation of electrification. We add more value by deepening our automation capabilities and unlocking even greater potential through the power of digital transformation.

This mission applies to all end markets, providing our customers with AI-powered, software-defined platforms that deliver energy and industrial intelligence. Our digital platform, EcoStruxure, supports this approach and is central to our Technology Leadership strategic pillar. We solve real problems. As the world changes faster than ever, we're ready to shape what's next, together.

That's our mission. **And every worthwhile mission requires a bold strategy.**

1.4 Strategy Pillars and Foundation

In a world where electrification, automation, and digitalization are reshaping industries, Schneider Electric stands at a pivotal crossroads. Our unique strategic positioning and globally trusted brand have historically set us apart as a market leader, but the rapid pace of change requires even the most successful companies to continuously evolve.

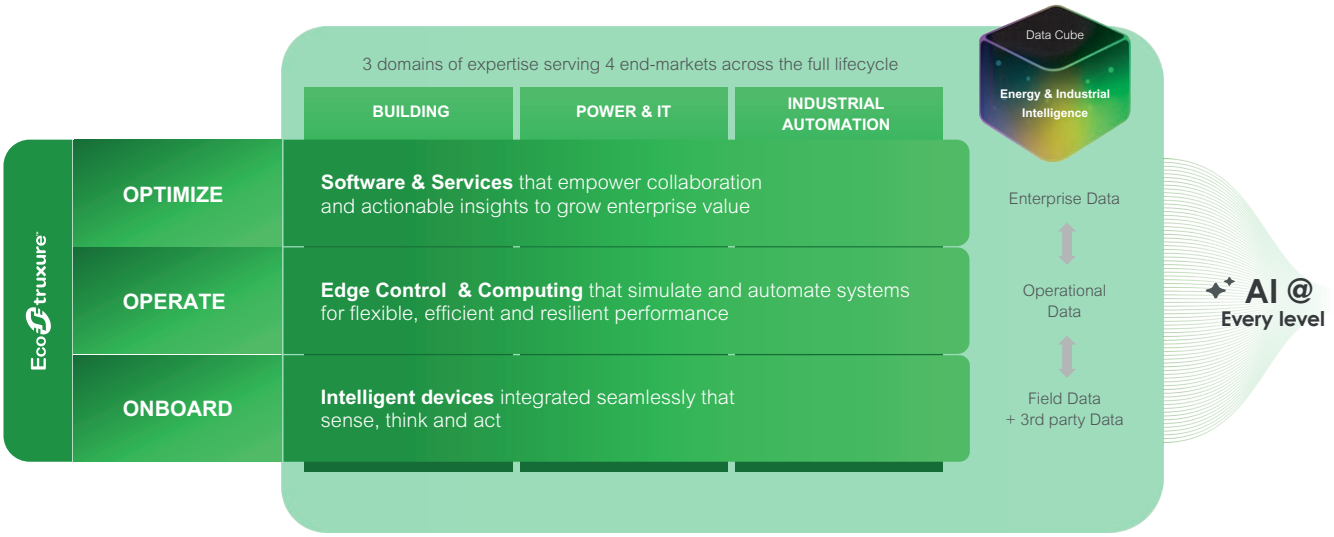
To remain at the forefront, our strategy must be ambitious and our transformations swift. That's why we're focusing on three pillars:

Technology Leadership, Customer Differentiation, and Operational Excellence; supported by our foundation of being a People-& Sustainability-centric company. This strategy aligns our businesses and employees with the priorities necessary to invent the future and drives us towards our next chapter through a selection of transformations and initiatives. It is about collectively building today what will strategically differentiate us tomorrow.

1.4.1 Technology Leadership Pillar

Our Technology Leadership pillar is the portion of our strategy that defines how we will create the future by evolving our EcoStruxure platform, deploying the "Data Cube", and expanding our technology partnership network. These technology strategy components intersect and allow us to advance our state-of-the-art energy technology.

Our Energy Technology Approach



Evolving EcoStruxure

EcoStruxure is Schneider Electric's AI-powered, software-defined platform creating energy and industrial intelligence. Since its inception in 2007, EcoStruxure has laid the foundation for connected, efficient and sustainable operations. Nearly 20 years later, the accelerating energy transition, the emergence of a new energy landscape, disruptive technologies, and evolving customer expectations demand a new paradigm. To stay ahead, our EcoStruxure architecture must evolve, guided by our five design principles.

The design principles of EcoStruxure are not all that's evolving. In the spirit of customer-centricity we have realigned EcoStruxure's architectural layers from their historical technology focus (i.e. product, edge, and cloud) to a clear customer outcome focus (i.e. onboard, operate, optimize). We onboard and seamlessly integrate intelligent devices to solve customer problems, ensuring secure and autonomous operation. Next, we help customers operate efficiently using edge computing to orchestrate and control connected devices in real-time, driving reliability and performance through dynamic, secure execution environments. Finally, we optimize outcomes by capturing and leveraging data to generate strategic insights for efficiency, collaboration, and continuous improvement.

5 Design Principles at the heart of EcoStruxure's evolution

Autonomous

AI That Acts for You
Predicts, adapts and takes action to keep operations running smoothly

Human + AI collaboration
To augment your team

Instant Insights
Turns complex data into decisions in real time

Smart at the Edge
Intelligence where your data lives for faster and safe responses

Trusted

Security Everywhere
Protects your systems across cloud, edge and hybrid environments

Ethical AI
Aligned with our Responsible AI Strategy (see section **2.1.2.2.1 AI Principles**)

Your Data, Your Control
Privacy and governance built in from day one

Simulated

Faster Go-Live
Test and validate virtually to cut time, cost and risk

Accuracy You Can Trust
Digital twins ensure real-world performance matches design

Always Improving
Continuous feedback loops for efficiency, uptime, and predictive maintenance

Open

No Lock-in
Built on open industry standards and protocols for true interoperability

Easy Integration
API first design for seamless third party and ecosystem collaboration

Innovate Together
Open to co-development and customization to best fit in your world

Software-defined

From Hardware-Led to Software-Driven
Decouples functionality from physical infrastructure for greater agility

Scale Without Limits
Rapid updates, remote deployment, and elastic scalability

Future-Ready
Modular and programmable to evolve with your needs

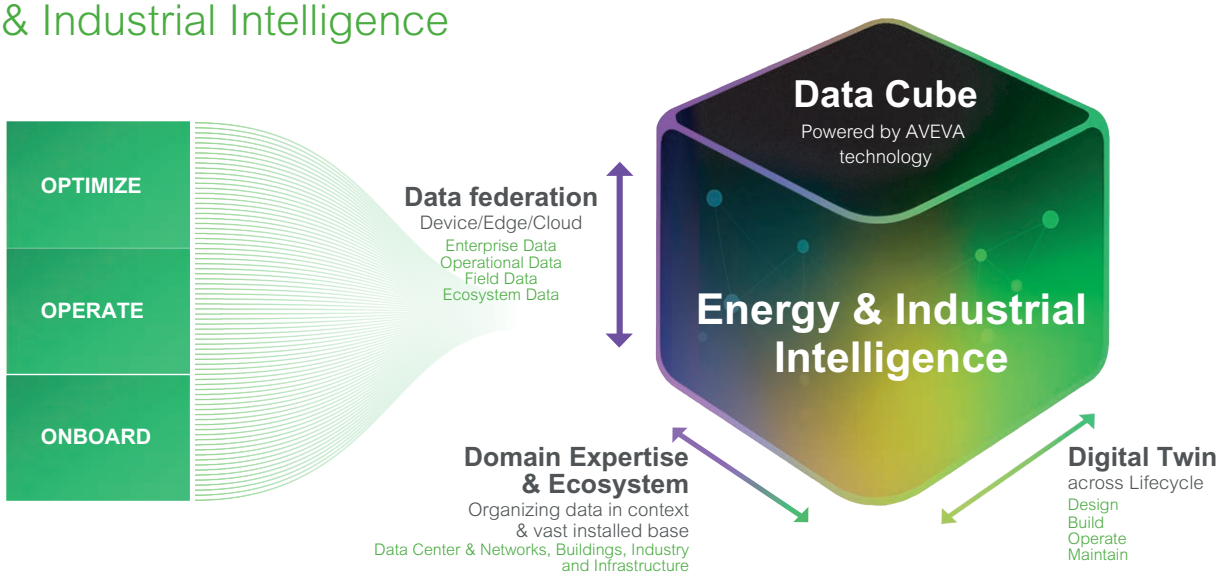
Deploying the Data Cube

At the heart of EcoStruxure is the Data Cube, our energy and industrial data management approach. It is more than just data storage and processing: it is the structured integration of 3 dimensions of data (1) across domains: Building Management, Power, IT, Sustainability, Grid, and Industry; (2) across the lifecycle from design, build, and commissioning to operate and maintain; and (3) across infrastructure from device to on-premise to cloud (and back) when needed. On this foundation, advanced AI and simulation tools then deliver Energy & Industrial intelligence to our customers & partners, with predictive, prescriptive, and actionable insights.

This Energy & Industrial Intelligence model is designed to help customers interact naturally with data by speaking the language of energy and industry. It enables intuitive insights, such as analyzing anomalies across multiple sites and creating maintenance plans for critical equipment. Beyond data interaction, the model delivers adaptive, physics-informed "what-if" scenarios to simulate potential outcomes and optimize decisions. For example, assessing the impact of design changes or evaluating risks from unexpected equipment failures.

Additionally, autonomous agents within the system can reason, plan, and act beyond human limitations while staying within defined guardrails. For example, these agents can reduce energy costs and implement system changes with rollback options. This intelligence spans from individual assets to entire systems and across the full lifecycle, ensuring efficiency, resilience, and innovation at scale.

Data Cube providing the Data Ecosystem to deliver Energy & Industrial Intelligence

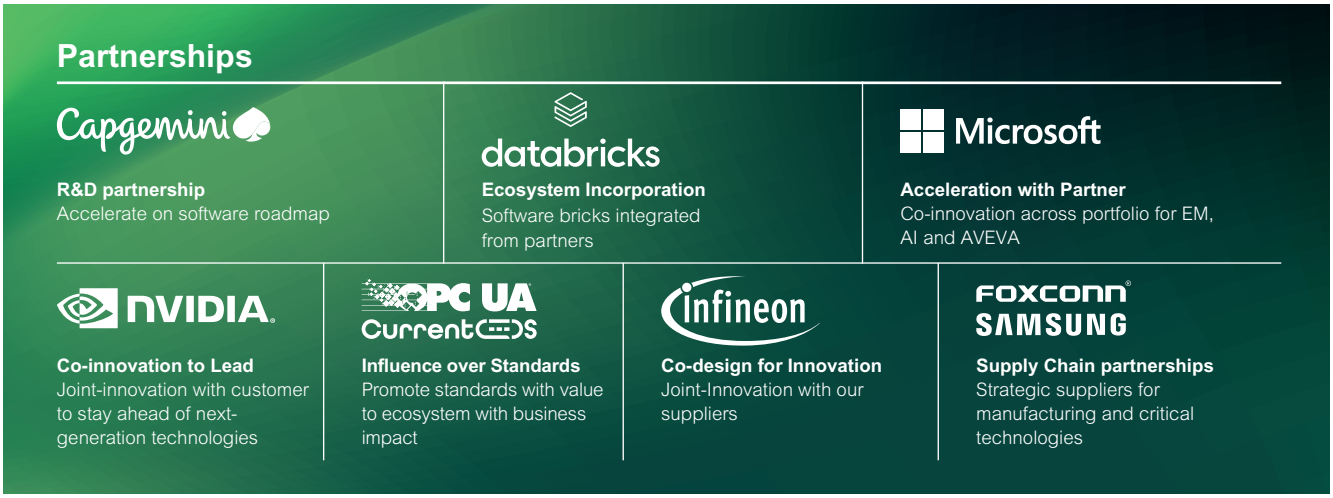


Partnering on Technology

We are confident that our EcoStruxure platform and Data Cube are the essential Energy Technology components our customers need to navigate the challenges identified in our mega-trends. Achieving electrification, automation, and digitalization at scale will require strong momentum driven by an open and collaborative technology ecosystem. Schneider Electric firmly believes this can only be accomplished through meaningful partnerships.

Schneider Electric has therefore chosen to utilize partnerships as a strategic lever for value creation. We build long-term relationships with industry leaders and pioneering startups, joining forces on cutting-edge technologies that will shape the world of tomorrow.

We engage in technology partnerships with both global majors and specialized leaders across the industry. Our approach is rooted in openness, innovation, and collaboration. Partnerships spark creativity, bring together complementary strengths, and unlock diverse expertise. Through these partnerships, we aim not only to reinforce the value we deliver to our customers but also to co-innovate future disruptive technologies that will drive meaningful progress.

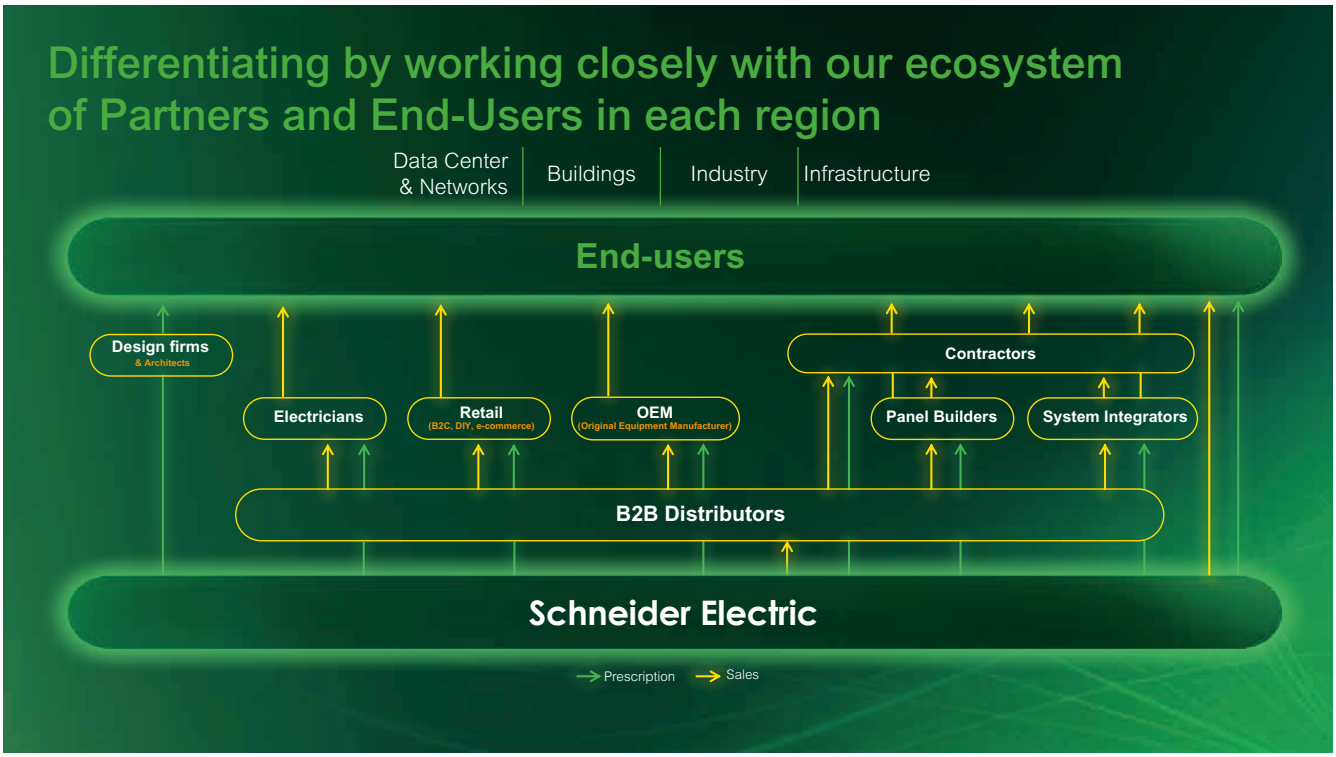


Through SE Ventures, our venture capital investment group, we collaborate with early-stage, pioneering startups working on visionary disruptions in Climate Tech, Sustainability, Energy Management and Industrial Tech. These startups are carefully selected for their breakthrough ideas and their potential to shape the future. Schneider Electric contributes capital, deep domain expertise and accelerates their growth by providing access to our global scale, market reach and customer ecosystem.

1.4.2 Customer Differentiation Pillar

In the last section we spoke about how we will advance energy technology by evolving EcoStruxure, deploying the Data Cube, and partnering on technology. At Schneider Electric, we continuously innovate and deliver outcome-centric value propositions that are meaningfully differentiated. This enables us to solve customer challenges and reinforces our ambition to become the most customer-centric organization.

Schneider Electric differentiates by managing ecosystems in each geography and collaborating with partners to deliver more of Schneider Electric to every customer. By leveraging electricians, panel builders, and system integrators, we reduce complexity in a world where technology is increasingly complex. Working closely with our full ecosystem of partners and end-users allows us to differentiate and deliver unmatched value that addresses current and future customer needs.



We have about 400 licensed partners, 20,000 panel builders, and 80,000 platformed design firms in our ecosystem.

We serve our customers' needs locally, regionally, and globally through one commercial setup, which allows our teams to engage with customers through each step of the lifecycle (i.e. design, build, operate, and maintain). This integrated setup also enables our teams to identify and sell the right solutions from our broad portfolio to fit our customer needs. Schneider Electric's strategy is strengthened, and resilience embedded, through strong local integration, extending to regional commercial organizations supported by regional supply chains, aiming for 90% of products to be made and sourced regionally.

Multi-Hub

Our customer-centric strategy is built on a multi-hub operating model, established over the past decade. This model globally distributes not only our employees, but also decision-making authority to regional hubs in North America, China, Europe, and India.

Decentralized governance empowers R&D, supply chain, and commercial teams to meet customer needs, based on their deep understanding of local markets. The Multi-Hub approach is agile, while retaining the benefits of access to Schneider's global functions and network of industry experts.

Another advantage of our global footprint is that it enables us to recruit top talent worldwide and promote career opportunities through employee mobility. It reinforces our commitment to diversity and workforce engagement. Regardless of their physical location, our employees are aligned by a shared vision for the future and our company mission.

In summary, the Multi-Hub operating model satisfies local demand and drives industry innovation, while maintaining our global identity and values.

Technology leadership and customer differentiation are critical, and yet these can't deliver results without excellence in our operations.

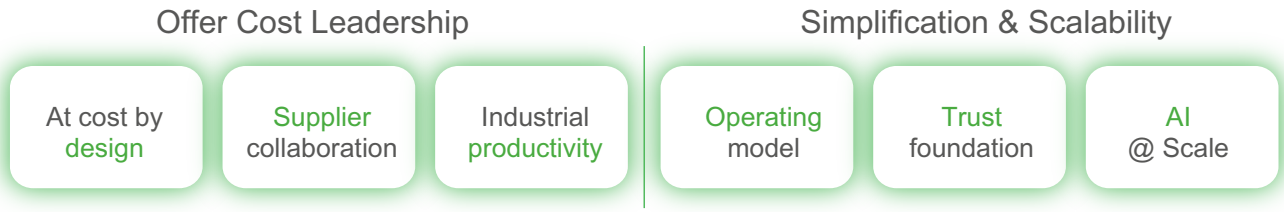
1.4.3 Operational Excellence Pillar

The Operational Excellence pillar of our strategy focuses on designing offers for efficiency, collaborating with suppliers, and improving industrial productivity. Simplification and scalability are achieved through a streamlined operating model, a strong ethos of trust and compliance, and leveraging AI at Scale to enhance processes and performance. Together, these principles enable sustainable operational excellence.

In this new cycle, we are deepening our focus on cost leadership by rethinking the way our products are conceived, designed, and engineered. Our multi-hub R&D model is central to this transformation. By anchoring significant engineering capabilities in highly competitive markets such as China and India, our teams benchmark against global best practice, challenge established design norms, and embed efficiency from the earliest stages of product development. This design-to-cost mindset is shared across the organization and reinforces our ability to bring high-performance, competitive offers to market more quickly and more consistently. It reflects the continuous learning and innovation that define our global R&D strategy.

Strengthening collaboration with our suppliers is equally critical to delivering step-change productivity. We are building deeper partnerships that support joint innovation, improve resilience, and enhance our ability to optimize procurement across categories.

Alongside disciplined make-or-buy decisions and the expansion of regional industrial campuses, these initiatives reinforce our industrial competitiveness and streamline execution across our global footprint. We are also placing greater emphasis on pricing excellence, which plays a pivotal role in maintaining competitiveness and ensuring value capture in dynamic market environments. By equipping commercial teams with more robust pricing capabilities, leveraging data-driven insights, and simplifying pricing processes, we aim to improve responsiveness, and consistency across markets. Combined with progress on the next level of our regionalization and simplified ways of working, these actions strengthen our ability to meet local customer needs with speed and precision, while preserving the advantages of Schneider Electric's global scale and expertise.



Trust is not just a value; it is the cornerstone of how we operate and grow. In an increasingly complex world, trust provides clarity and confidence, enabling Schneider Electric to deliver on its commitments to customers, employees, shareholders, and communities. It is earned through consistent actions, transparent decisions, and principled behaviors.

Trust has three components: Integrity, Transparency, and Resilience. Integrity ensures that ethics are embedded in every decision. Transparency transforms data into intelligence, fostering informed choices. Resilience equips us to anticipate and withstand disruptions, safeguarding continuity and confidence.

To reinforce this, we have established a Trust Charter and a comprehensive Code of Conduct. These documents articulate our principles across critical areas such as data privacy, responsible AI, human rights, environmental stewardship, and fair business practices. They serve as a compass for every employee, ensuring that trust is embedded in our daily actions and strategic decisions.

Trust powers our license to operate. It shapes our governance framework, guiding risk-intelligent decisions and enabling disciplined growth. By embedding trust into our standards, processes, and culture, we turn complexity into clarity and risk into opportunity. This is how we protect our reputation, empower our people, and create sustainable impact. When trust thrives, so does our business.

Our "AI at Scale" approach will eliminate inefficiencies, automate repetitive tasks, and leverage enterprise knowledge to boost productivity and operational performance across our organization. This transformation goes beyond applying AI to existing processes; it reimagines end-to-end workflows with AI at the core, enabling faster decisions, more consistent execution, and smarter use of data. In doing so, it unlocks new opportunities for efficiency, scalable growth, and workforce upskilling as AI becomes an integral part of how work is done.

As impressive as AI technology is, productivity gains will depend on whether employees have the skills, confidence, and support to use these new tools. The human component of successful AI systems cannot be understated. AI literacy and continuous learning are critical to realizing the value promised by AI. Artificial intelligence is most effective when implemented as a collaborative capability between humans and machines. Human oversight is essential to ensuring trust, accountability, and the responsible use of AI.

1.4.4 People and Sustainability

The strong foundation of People and Sustainability is the key to supporting our Technology Leadership, Customer Differentiation, and Operational Excellence pillars.

People

We are reinforcing our people-centric and tech-driven culture by empowering talent, fostering inclusion, and transforming leadership to deliver stronger and faster impact. Our approach has four principles: being people-centric by investing in sustainable careers, embracing diversity, and ensuring equal opportunities; scaling up technology and digital skills through lifelong learning and digital transformation; fostering a high-performing environment that raises the bar, promotes accountability, and simplifies processes; and leading impact by creating a mission-based culture that transforms the way we work.

This approach empowers teams to invent the future, deliver on shared goals, and build great outcomes together. Engaging employees through initiatives like our employee shareholding plan, which has a 63% participation[1] rate across 47 countries as of 2025, demonstrates their belief in our vision and commitment towards sustainability.

***SUSTAIN** what differentiates SE*
People-Centric

***SCALE UP** new skills*
Technology & digital

***LEADING** the industry*
High performing

***TRANSFORM** the way we work*
Impact Leadership

Sustainability

We have an ambitious set of sustainability priorities for 2030. First, we aim to electrify the world; advancing decarbonization through electrification technologies, accelerating the Net-Zero roadmap, and building a skilled energy tech workforce. Second, we will reinvent our industry towards innovation by designing future-ready portfolios, extending asset lifecycles, and transforming supply chains. Third, we will unlock human potential towards equal opportunities, expanding access to sustainable electricity, opportunities for senior talent, and education programs. Finally, we remain committed to empowering local communities, achieved by supporting employees who strive to drive progress and by creating exemplary, caring work environments.

2030 Sustainability ambition

Driving Impact. Transforming our ecosystem.

We **electrify** the world
towards decarbonization

We **reinvent** our industry
towards innovation

We **unlock** human potential
towards equal opportunities

We **empower** local communities
towards action and care

In summary, our strategy revolves around the three pillars of technology leadership, customer differentiation, and operational excellence, which is supported by a foundation of empowered people aligned with our sustainability ambition. As an Impact Company with an inclusive culture at our core, we believe performance and purpose go hand in hand. Strong financial results fuel our ability to drive change. In the next section, we'll share how this strategy is delivering real results for customers in all of our end markets.

(1) Of eligible employees.

1.5 End Markets

Schneider Electric's comprehensive portfolio of electrification, automation, and digitalization offers serves four end markets: Data Center & Networks, Buildings, Industry, and Infrastructure. These end markets are further broken down into a set of customer market segments for which we develop tailored solutions.

In all four end markets, we build ecosystems where AI, data, and people work together to drive efficiency, resilience, and sustainability. Let's take a closer look at our end markets and customer market segments, with clear examples of how Schneider Electric has been a key partner to each.

Data Center & Networks End Market

Physical infrastructure to support data centers and IT. This market includes: prefabricated integrated solutions, uninterruptible power supplies, cooling solutions, racks and enclosures, surge protection, remote monitoring and management, as well as all electrical distribution, building automation solutions and services.

Buildings End Market

Commercial and administrative buildings which are not linked to any process. This market begins at the point of connection and includes the devices, equipment and all the systems, solutions and services including: electrical distribution and wiring devices, communication, security, critical power, building management, for both new buildings and rehabilitated ones.

Industry End Market

All industrial customers, such as end users and machine manufacturers. This market encompasses devices, equipment and all the systems, services and solutions related to industrial automation. Industrial software enhances engineering, operations, and performance, and equips teams with trusted insights. Some examples include: electrical distribution, process and machines automation and control, communication, security and production management.

Infrastructure End Market

Public works and installations related to country infrastructures. This market encompasses devices, equipment and all the systems, solutions and services related to energy management. Some examples include: electrical distribution, renewable energies, automation and control for the installations of this market, as well as the interfaces and solutions for installation, operation, monitoring and control of the networks and sources of electrical utilities.

1.5.1 Data Center & Networks End Market

Building the foundation for digital innovation with seamlessly integrated data center power, cooling, software, and services

Data centers run better with Schneider Electric

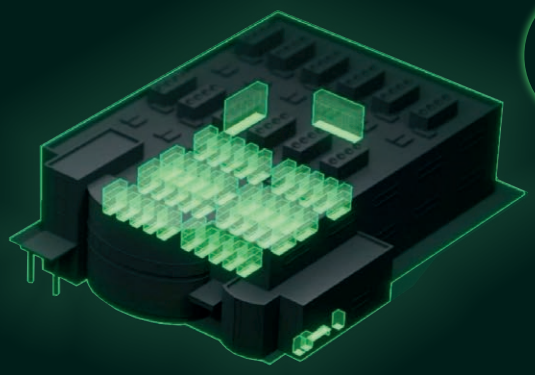
AI-focused liquid cooling for high-density compute workloads.

Integrated modular system design speeds up builds, reduces risk, and boosts performance.

The broadest connected portfolio across power, IT, and cooling.

Industry-leading software and services enhance availability, sustainability, and efficiency.

An energy strategy partner for the AI era.



30%
End-market exposure

60%
Faster deployment with prefabricated modules vs. traditional construction*

30-60%
Energy savings using direct-to-chip liquid cooling vs. air cooling**

39%
Cost savings for data center operations staff with EcoStruxure***

* Schneider Electric, white paper, "Benefits and Drawbacks of Prefabricated Modules for Data Center", 2026
** Schneider Electric, white paper, "10 Ways to Harness the Energy and Water Efficiencies of Direct Liquid Cooling", 2025
***Schneider Electric, white paper, "The Total Economic Impact™ Of Schneider Electric EcoStruxure For Data Centers, a Forrester Consulting study", 2025

Digital innovations, such as AI, cloud, and immersive tech, require powerful infrastructure. Schneider Electric is building that foundation with AI-ready data center solutions. AI is no longer just a tool; it's an engine driving industry from creative storytelling to life-saving healthcare. However, it demands massive energy and cooling. Schneider is creating efficient, sustainable "AI factories" that deliver more intelligence using less energy, integrating power, cooling, software, and services. As a global leader, we offer the broadest portfolio of connected solutions, proven liquid cooling for high-density AI workloads, and integrated systems for faster builds and reduced risk. Our partnerships with industry leaders such as NVIDIA ensure our customers can deploy advanced AI clusters reliably.

Customer Success Story – EcoDataCenter

EcoDataCenter + EcoStruxure™ for Data Center

Schneider Electric partnered with EcoDataCenter in Falun, Sweden to deliver the first climate positive data center, providing safe and reliable power management that would ensure customer server uptime and energy efficiency.

We worked with EcoDataCenter to integrate connected solutions and EcoStruxure for Cloud and Service Providers and EcoStruxure IT Advisor, granting access to Schneider's Connected Services Hub, dedicated to 24/7 troubleshooting.

99%
Energy efficiency through Galaxy VX's ECOnversion Mode

1.15 PUE
At 2N redundancy with reuse of heat waste

13.2 EER
From Schneider Electric CRAH units in basic operations

1.5.2 Buildings End Market

Unifying building systems for smarter, future-ready, decision-making

Proactive, scalable solutions built on domain expertise

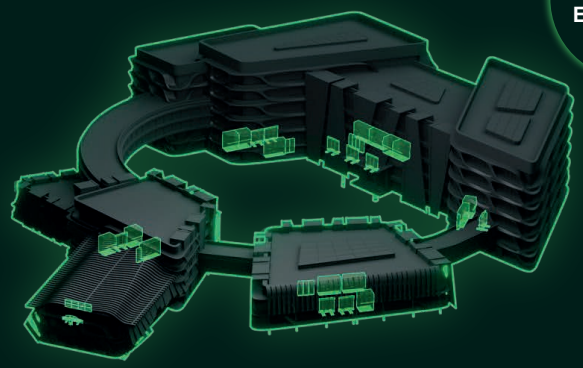
From passive spaces into intelligent buildings for profitability and occupant comfort.

Integrated energy, power and building management in one AI-powered platform for resilience and actionable insights.

Scale from single buildings to global enterprise operations, and from small and mid-size buildings to critical infrastructure.

Global expertise delivered locally through the world's largest partner ecosystem.

29%
End-market exposure



45%
Cut in operational carbon emissions*

< 3 years
Payback for small and mid-sized buildings*

40%
Up to 40% reduced energy use through digital retrofits**

* Schneider Electric, white paper, "The path to Net-Zero buildings", 2025
** Schneider Electric, white paper, "Decarbonize the office: Accelerate with electrification", 2023

To stay cost-efficient and sustainable, buildings must evolve from passive spaces into intelligent, strategic assets that deliver lasting value in every sector. Schneider Electric enables this transformation with proactive, scalable solutions built on deep domain expertise and an AI-powered, open platform that unifies energy, power, and building systems for resilience, efficiency, and measurable impact. Our future-ready approach optimizes operations, accelerates sustainability, enhances occupant comfort, and enables EV infrastructure, for facilities of all sizes. Solutions like EcoStruxure Building Activate simplify control for smaller facilities, while EcoCare for Building Management Systems ensures 24/7 visibility and predictive maintenance; combined with Planon, we bridge OT and IT to turn data into actionable insights.

Customer Success Story – Aspiria

ASPIRIA + EcoStruxure™ for Building

Aspiria set out to create a future-ready campus spanning 4 million square feet, prioritizing comfort, quality and cost across offices, restaurants, data centers, and amenities.

To achieve goals of reducing energy waste, lowering costs, cutting carbon emissions, and maximizing efficiency, Aspiria partnered with Schneider Electric and EcoXpert C&C Group to deploy EcoStruxure solutions, including Building Operation, Power Monitoring Expert, and Building Advisor. The results were impressive: a 16% annual energy reduction, 36% lower carbon footprint, $1.5 million in yearly energy savings, $700,000 in labor savings, zero equipment downtimes, and ROI in under two years.

16%
Reduction in annual energy consumption

10,000+ tons
Reduction in carbon footprint

$1.5 million
In annual energy savings and $700,000 in annual labor costs

Buildings Spotlight: Residential

Energy in homes: Electrification

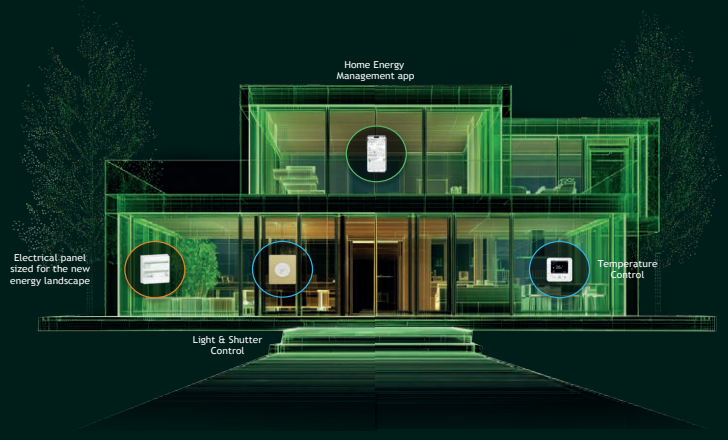
Appliances intuitively adjust to the household's schedule, using energy only when needed.

Energy in hands: Digitalization

Be more intelligent about how we use energy, using technology to measure our usage and optimize it through automation.

Energy from homes: Decentralization

Households will produce their own clean energy. We make sure homes are protected to cope with these new power flows and we maximize the usage of renewable power.



50-70%

Reduction in energy spending (retrofit and new build respectively)*

60-80%

Reduction in CO_2 emissions (retrofit and new build respectively)*

* Schneider Electric, white paper, "Towards Net-Zero Buildings", July 2022.

The solutions to make homes future-ready exist today. Home Energy Management Solutions (HEMS) are powered by AI to efficiently manage energy production, storage, and consumption. Homeowners can control energy use and costs, reduce carbon emissions, and even generate, store, and sell electricity while optimizing usage in real time based on consumption patterns. Through Wiser HEMS, which supports protocols like ZigBee, Wi-Fi, Matter, KNX, and Modbus, users can manage everything in one app. Key innovations include electrification, where appliances intuitively adjust to schedules for up to 25% energy savings[1]; digitalization, using AI-powered automation to optimize usage; and decentralization, enabling homes to produce and store clean energy and integrate EVs.

Customer Success Story – KB Home

kb HOME + **Schneider Home**

KB Home built a community of 128 new single-family homes in California, United States, all with solar PV.

These homes use 40% less energy than the average U.S. household and, with just the battery and solar panels, are saving homeowners an average of $100/month. Future plans for microgrid implementation will lead to even more resiliency, efficiency, and cost savings.

40%

Less energy use than the average U.S. household

>200 homes

Built to meet the Department of Energy's Zero Energy Ready Home criteria

$100/month

Homeowners average savings

(1) Schneider Electric, white paper, "Reshaping energy consumption in residential: AI's role in building efficient, resilient and sustainable homes of tomorrow", 2025

1.5.3 Industry End Market

Transforming industries, from Food and Beverage to Life Sciences, with future-ready manufacturing

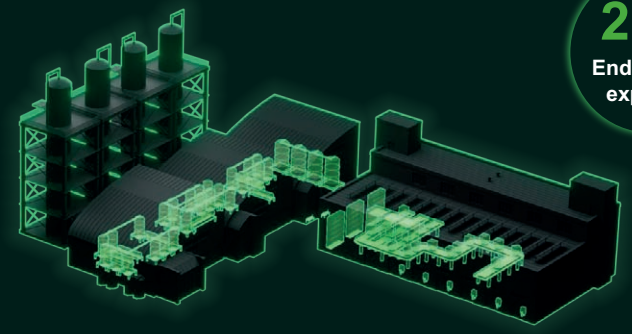
Flexible, scalable and software-defined manufacturing

Open automation for radical flexibility that adapts production in real time, free from legacy constraints.

AI-powered insights to turn industrial data into predictive intelligence with AVEVA integration.

Accelerated innovation to deliver faster, smarter, and more sustainable outcomes.

Scalable, software-defined control built for agility, intelligence, and growth across industries.



27%
End-market exposure

70%
Faster engineering time*

50-80%
Quicker diagnostics time with EcoStruxure Automation Expert**

530+
Active EcoStruxure Automation Expert projects already transforming operations across sectors

* Schneider Electric, report, "Unlock new levels of logistics agility", 2021
** Schneider Electric, webpage, "EcoStruxure™ Automation Expert"

Manufacturing and process operations keep the world running, but industries now face mounting pressure to advance faster and more sustainably through electrification, automation, and digitalization. Schneider Electric is leading the shift to open, software-defined automation with EcoStruxure Automation Expert, the world's first solution of its kind, delivering unmatched flexibility, scalability, and efficiency. Adopted at over 530 sites since its 2020 launch, it empowers manufacturers to choose best-fit technologies, simplify operations, and future-proof their business. We're also redefining industrial connectivity with Modicon Edge I/O for greater efficiency, flexibility, and performance, and bringing together power and process into a single, unified system with EcoStruxure Power and Process. Through SE Advisory Services, we help digitize processes from production to energy optimization. Schneider Electric is driving the next era of smart, sustainable manufacturing and resilient, reliable, and safe solutions for process operations.

Customer Success Story – GR3N

GR3N + EcoStruxure™ for Food and Beverage

GR3N needed an automation system that was open, scalable, and modular to support its goal to process more than 40,000 tons of PET waste per year through its innovative recycling method. Schneider Electric delivered a solution for GR3N based on EcoStruxure Automation Expert, providing a fully open, software-defined automation platform.

EcoStruxure Automation Expert enables seamless connectivity across equipment and architecture layers, regardless of manufacturer. It serves as a digital backbone that improves visibility, decision-making, and operational efficiency. GR3N achieved faster time-to-market and lower lifecycle costs through hardware independence.

40%
Fewer errors during development

30%
Reduction in engineering and design costs

1.5.4 Infrastructure End Market

Deploying resilient and scalable electrification for grids, mobility, and semiconductor industries

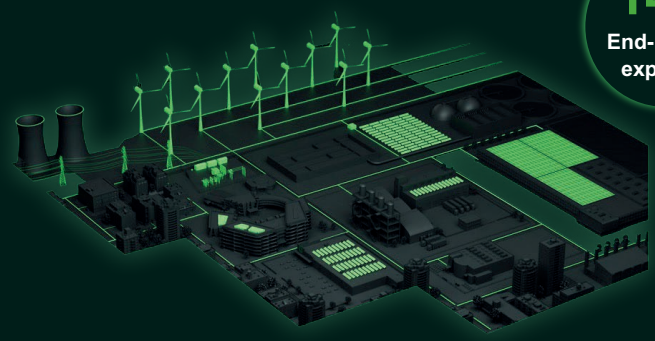
End-to-end energy management architecture and digitally-connected systems

Unified modular and open digital ecosystem.

Innovation in LV/MV for grid agility.

Digital power solutions designed to maximize uptime of energy-intensive facilities.

Supporting on-site renewable generation, dynamic load balancing and energy efficiency.



14%
End-market exposure

20%	10%	40%
Up to 20% reduction of project CAPEX for electrical infrastructure*	Up to 10% Improvement in process energy usage*	Up to 40% reduced maintenance and planned downtime**

* Schneider Electric, report, "EcoStruxure™ Power and Process", 2021
** Schneider Electric, white paper, Benefits of shifting from traditional to condition-based maintenance in electrical distribution equipment, 2022

We build resilient, agile, and future-ready infrastructure through a unified, modular, and open digital ecosystem, offering all-in-one monitoring of electrical distribution, alarms, circuit capacity, and infrastructure optimization. Our Digital Power Solutions leverage low- and medium-voltage innovations, IoT connectivity, and distributed intelligence for real-time monitoring, predictive maintenance, and grid flexibility. Overall, this supports renewable integration, dynamic load balancing, and energy efficiency aligned with global decarbonization goals. Key offerings include optimized electrical infrastructure, scalable digital solutions, proactive asset management, and AI-enabled services to maximize uptime and reduce OPEX.

Customer Success Story – JFK International Airport

TERMINAL ONE JFK INTERNATIONAL AIRPORT + EcoStruxure™

JFK Terminal One needed to become more resilient and sustainable. Their goal was to operate off-grid during power disruptions and meet strict New York climate laws. Schneider provided an integrated solution covering building automation, data center systems, and device-level controls.

The microgrid solution at the terminal powers the equivalent of 3,570 homes annually using solar, fuel cells, and battery storage. This supports New York's climate goals and stabilizes long-term energy costs. JFK is now the first airport transit hub in the region to achieve 100% operational resilience during outages.

38%	100%
Decrease in greenhouse gas emissions	Operational resilience during power disruptions and the first fully resilient airport transit hub in the New York region

1.5.5 Customer Segments

Our four end markets are further broken down into fourteen customer-focused segments. We are the partner of choice for leading companies in all of them.

Data Center & Networks End Market

Cloud and Service Provider: We recognize that data centers will continue to be the backbone for digital solutions, with sustainability integrated into their infrastructure. Our expertise in power, building, and IT domains uniquely positions us to partner with clients globally. Through digitalization, we enable sustainability, reliability, safety, and risk management, thereby improving time to market.

20
Of the top colo and hyperscale cloud providers

Buildings End Market

Retail: We help retailers transform energy from an unpredictable expense into a strategic asset by standardizing efficiency across their entire multi-site network. As your leading consultative partner, we uniquely integrate building and energy management systems with AI-driven software to accelerate your decarbonization journey through energy reductions of up to 30%. From the grid to the checkout, we deliver the global scale and local execution required to protect operating margins while enhancing the customer experience.

13
Of the world's 20 largest retailers

Healthcare: We help healthcare clients deliver exceptional care with greater efficiency and sustainability, lower operating costs, and long-term resilience. In a hospital, power reliability isn't a luxury, it's a lifeline. That's why power management systems are essential: they provide real-time insight into electrical infrastructure, help spot faults early, reduce arc-flash risks, and prevent outages before they happen.

50k+
Healthcare provider facilities worldwide

Hotels: We empower hotel owners and operators to achieve the highest standard of service with solutions that address existing challenges and adapt to those yet to come. Our digital technologies unify disparate systems and connect them to the people that matter the most from guest room to electrical systems, building automation, and beyond for enhanced performance and a seamless experience. We design, modernize, and optimize entire building systems infrastructure with open architectures to maximize operations for cost savings, and data-driven planning for maintenance and low emissions.

3
Of the top 5 hotel chains

Real Estate: We partner with real estate asset managers to maximize portfolio profitability while minimizing the risk of stranded assets. We do this by ensuring your properties achieve optimal sustainability, operational efficiency and resilience, while creating compelling experiences for tenants. Our global network of certified partners help our Real Estate Clients deploy the highest standards, wherever they operate. From new-build to renovation projects, from single-property to multi-asset, we drive digital transformation and electrification throughout Real Estate portfolios.

2
Of the top 4 real estate asset managers

Residential: We help create sustainable and smart homes of the future by connecting electricity with digital in individual homes, apartments, and public housing. We support our customers to achieve a Net-Zero future, create safe and adaptive homes with reliable power, use actionable insights to efficiently manage energy usage and costs, and enjoy personalized living experiences.

1
In every 5 homes in our top 18 geographies has a Schneider Electric product

Industry End Market

Mining, Minerals, and Metals: We help our resources industries to contribute to progress, ensure social license to operate, and build a sustainable business that is responsible, efficient, and profitable with digitally-integrated automation, power, and process along a unified value chain.

10
Of the largest mining, minerals, and metals companies

Industry End Market

Energies and Chemicals: We are the digital partners for sustainability and efficiency for the oil, gas, and chemicals industries. We empower customers to manage the entire lifecycle of capital projects, achieve sustainability targets, and improve safety. Our strong field-proven experience enables them to decarbonize their operations and develop them into new energies businesses.

6
Of the top 10 chemical companies

Automotive: We partner with automotive manufacturers and electric vehicle (EV) battery manufacturers in their transformation by enabling the digitalization of operations, developing end-to-end charging infrastructure, and new sustainable mobility.

10
Of the biggest automotive and battery manufacturers globally

Semiconductors: We enable the transformation of the semiconductor industry through tailored energy management solutions that integrate digital technologies such as AI, IoT, and predictive analytics. Our offers can help set new standards for responsible manufacturing. And our support extends beyond the fabs, aiding customers in reducing the sector's carbon footprint while working to develop a self-sustaining energy hub.

2
Of the top semiconductor companies recognized us as an outstanding supplier

Consumer Packaged Goods: We provide digital solutions to help food and beverage and life science companies improve their competitiveness and profitability. We enable digital transformation on every step of the value chain, focusing on decarbonization, manufacturing flexibility, asset performance, product safety/compliance, and workforce empowerment for better sustainability, efficiency, and resiliency of the operations.

25
Of the top food and beverage brands

Infrastructure End Market

Transportation: We have solutions for critical transportation infrastructure, such as railways and metropolitan transport, airports, and ports for their digitalization, electrification, and decarbonization. Our solutions include microgrids and Energy-as-a-Service, to help customers run safe, reliable, efficient, and carbon-free operations.

25+
Of the world's largest airports

Water and Environment: We implement sustainability, resilience, and efficiency solutions for water cycle and waste management infrastructure. We support customers from strategy to execution, by providing innovative digital offers that enhance resource conservation, climate resilience, and circularity.

40k+
Water and Environment installations in 150+ countries

Power and Grid: We help power and grid customers to fulfill growing low-carbon electricity demand, efficiently and reliably, and we enable a flexible energy system from power plant to grid to prosumers. Thanks to a stepwise digitalization and optimized data management, they can overcome challenges such as increased intermittent renewables, decentralized generation, and extreme weather events. We are the trusted partner for our customers to achieve their sustainability objectives.

20
Of the largest energy companies

1.6 Ambition to Impact

For 190 years, Schneider Electric has consistently developed world-class energy technology. From the first arc-less enclosed fuse, to the first programmable logic controller, to the first smart, single-phase, uninterruptible power supply, Schneider Electric has been innovating. Today, the impact of our energy technology can be felt everywhere, advancing industry, driving innovation, and connecting communities.

Innovation is essential to meeting the projected global demand for energy. From the power edge to the production line, we combine real-time control with scalable software, AI, and services to help our customers and partners simplify complexity, improve performance, and unlock new value. We don't just connect systems. We create ecosystems where AI, data and people work together seamlessly. This integrated approach is why our leadership and impact are consistently recognized worldwide.

Schneider Electric's strength is in the breadth of our offering. We are the company that brings together energy and industrial intelligence in one integrated offer: enabling smarter, more sustainable systems, sites and operations across our end markets.

We have a clear vision of a future where energy is digital, intelligent, and software-defined. Every employee at Schneider Electric, from the C-suite to the factory floor is aligned on this vision and on our mission: to be the energy technology partner that electrifies, automates and digitalizes every industry, business and home.

Consistently ranked as one of the world's leading companies

- FORTUNE — World's Most Admired Companies(1)
- 2025 World's Most Ethical Companies, Ethisphere, 14-Time Honoree — World's Most Ethical Companies(2)
- TIME100 Most Influential Companies — World's Most Influential Companies(3)
- Gartner — Ranked #1 in Supply Chain Top 25(4)
- Interbrand Best Global Brands 2025 — Top 100 Best Global Brands(5)
- Glassdoor's Best Places to Work 2025 — Ranked #11 in Best Places to Work Top 100(6)

"Everything we care about – our planet, our people, and our business – depends on energy. It is essential to progress, and at Schneider Electric, we are advancing energy technology to unlock its full potential. By leading the convergence of electrification, automation, and digitalization, we help our customers achieve high levels of reliability and uncover hidden efficiencies, enabling greater sustainability and resiliency across homes, industries, and infrastructure. Together, we are not just shaping the future – we are making the energy transition a reality for all."

Olivier Blum
Schneider Electric CEO

(1) Schneider Electric (SBGSY): Company Profile, Stock Price, News, Rankings | Fortune
(2) Ethisphere, website, "The 2025 World's Most Ethical Companies Honoree List", 2025
(3) Time, website, "TIME100 Most Influential Companies 2025", 2025
(4) Gartner, article, "Gartner Announces 2025 Rankings of the Global Supply Chain Top 25", June 2025
(5) Interbrand, website, "Best Global Brands 2025", 2025
(6) Glassdoor, website, "Glassdoor's Best Places to Work 2025", 2025

Sustainability

INTO

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GM AirSeT

GM AirSeT is Schneider Electric's SF_6-free, natively digital primary GIS designed for high power density applications. It uses pure air insulation and vacuum technology for arc breaking, eliminating F-gases and simplifying compliance, installation, and end-of-life management.

Action

Introduction by the Chief Sustainability Officer

For over 20 years, sustainability has been at the heart of our strategy, governance, and culture. Sustainability is our collective journey, where we join forces with our entire ecosystem to lead transformational change in our industry, and beyond.

Paving the way as a sustainability leader

Today, the world is changing at an unprecedented pace. Global energy demand is surging amid accelerating climate change, which requires to double down on cutting greenhouse-gas emissions by 2030. Yet low-carbon energy still represents only about 19% of the global energy mix. At the same time, the global economy continues to operate in ecological overshoot, consuming nearly twice the resources each year than the planet can regenerate.

We are also experiencing extraordinary acceleration in the energy transition, digital technologies, and now AI. Technology acceleration should be a sign of progress – but this demands that these technologies are leveraged to create opportunities for all. Reports from 2025 indicate that around 666 million people globally still lack access to electricity.

Our mission is clear: with an inclusive culture at our core, we empower everyone to play a part in building a more sustainable and resilient future. This commitment guides every decision and action we take, through our relentless pursuit of decarbonization and efficiency, and a just transition.

Guided by this commitment, Schneider Electric was recognized in 2025 as the #1 Most Sustainable Company in the World by TIME Magazine and Statista for the second consecutive year. In 2025, we were also honored as the World's Most Sustainable Corporation by Corporate Knights, marking our second time topping this list and a first for any corporation. These distinctions, reinforced by leading ESG ratings from Dow Jones, CDP, S&P Global, EcoVadis, Moody's, MSCI, Sustainalytics, and more, underscore the long-term value and positive impact we have when performance and purpose go hand in hand.

Sustainability in action

Stepping into the role of Chief Sustainability Officer, my nine years working across the Group have highlighted the essential role leaders can play in fostering a sustainable and inclusive future.

In 2021, we established the Schneider Sustainability Impact 2021–2025 (SSI) program, our sustainability roadmap aligned with six long-term commitments related to climate, resources, equal opportunities, trust, all generations, and local communities; and contributing to the United Nations' Sustainable Development Goals.

Reflecting on our journey, we are proud to have exceeded several ambitions ahead of schedule. Since 2009, we have provided clean and reliable electricity to more than 61 million people worldwide. We have also trained over one million individuals in energy management. Through our solutions and services, we have helped customers save and avoid 862 million tonnes of CO_2 emissions, and through the Zero Carbon Project, our top 1,000 suppliers reduced their operational emissions by 56%, surpassing here again the programs 2025 ambition.

Powering Progress for All

With the SSI 2021–2025 program cycle now completed, we recognize successes and challenges, and we relentlessly remain focused on deepening our impact across all Environmental, Social and Governance (ESG) dimensions concentrating our efforts where Schneider can make the greatest impact, at local and global levels.

We are excited to launch Schneider Sustainability Impact 2030 – our evolved sustainability ambition – and keep building on the strong foundation established. It reinforces the principles that have guided our collective journey: we leverage innovation and technology for progress, bring everyone along, and innovate socially to power progress for all.

Esther Finidori
Chief Sustainability Officer

"As an Energy Technology Leader, we are convinced that advancing energy tech can power progress for all."

2.1 Sustainability vision

In this section

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2025 highlights

8.86/10

Schneider Sustainability Impact score[(1)] (vs. 7.55/10 in 2024)

85%

Sustainable packaging for our products (vs. 78% in 2024)

862M

Tonnes of saved and avoided CO_2 emissions for our customers since 2018 (+183 Mt vs. 2024)

61.7M

People having access to sustainable electricity since 2009 (+8.3m vs. 2024)

Distinctions 2025

TIME WORLD'S MOST SUSTAINABLE COMPANIES statista 2025

Climate CDP A List 2025

Rated MORNINGSTAR SUSTAINALYTICS

Schneider Electric Top 100 Globally for gender equality in 2025 EQUILEAP

PLATINUM Top 1% ecovadis Sustainability Rating NOV 2025

2025 WORLD'S MOST ETHICAL COMPANIES® ETHISPHERE 14-TIME HONOREE

World Benchmarking Alliance

2026 PLATINUM cybervadis

EUROPE50 2025 Most Sustainable Corporations

(1) From 2025 onwards, diversity targets are excluded from SSI score calculation for all employees, as it shall not impact incentives in countries or entities prohibiting the establishment of such targets. The global SSI target has been restated accordingly.

2.1.1 Sustainability for all

2.1.1.1 Strategic vision towards long-term positive impacts

2.1.1.1.1 The world is changing

The climate crisis is causing floods, fires, and droughts that have already resulted in significant financial damages and population migrations. It is jeopardizing access to health, food, water, and energy for millions of people. Changes in the usage of land and sea, exploitation of natural resources, scarce water supply, pollution, and climate change, will further destabilize economies. Meanwhile, the acceleration of digitalization and the adoption of artificial intelligence (AI) change how people and machines interact with one another.

Geopolitical crises have also led to significant disruptions including constrained labor availability, shortages of raw materials and electronics, unreliable transportation, and reductions in energy availability, all of which have challenged supply chains across industries. Some regional challenges towards sustainability regulations also question how global companies can best contribute to a more sustainable future.

At the same time, new expectations and practices have emerged to help the world adapt to, or mitigate the impacts of this disruption:

- Local ecological and social responses to address supply chain disruptions;
- The mobilization of new generations, expecting a more sustainable economy;
- New flexible and more digital ways of working; and
- Circular business models to preserve the planet's resources.

2.1.1.1.2 Schneider Electric's strategy as an Impact Company

Companies play an important role in fighting climate change and supporting the world energy transition.

They can develop and adopt new solutions with resources, talent, and technology, to make real and fast changes, while driving financial performance.

Schneider's sustainability strategy and Impact Company model rest on the belief that investing in energy sobriety, low-carbon solutions, and diversity and inclusion future-proofs the Group, driving competitiveness, innovation, and resilience. Sustainable growth depends on the health of environmental and social systems, so the approach spans continuous improvement across environmental, social, ethical, and societal dimensions throughout the value chain. This holistic model mitigates risks, enhances stakeholder appeal, and fuels innovation.

The transformation of Schneider Electric reflects this. The Group has seen its revenues more than quadruple between 2003 and 2025, supported by decarbonization, electrification, and energy transition trends. Schneider Electric's products, software solutions, and services help households, companies, buildings, data centers, infrastructure projects, and entire industries be efficient, operate sustainably and bolster their energy resilience. The Group plays a major role in accelerating the energy transition and fighting the climate crisis.

Schneider Electric is committed to bridge progress and sustainability for all. The Group has taken several commitments to contribute to a Net-Zero world; this positive contribution is also measured as Impact revenues, which represent 75% of the Group's total revenues in 2025. In addition, 100% of Schneider Electric's innovation projects are aligned with its purpose, close to 90% being either strictly green or neutral.

Climate change and rising inequalities require a combination of a long-term vision and concrete short-term actions presented below.

2.1.1.2 Long-term commitments and tools to measure progress

In alignment with stakeholder expectations, its Company purpose, and the United Nations Sustainable Development Goals (UN SDGs), Schneider Electric has made six long-term commitments. By tracking its sustainability performance and publishing quarterly results, Schneider Electric upholds its industry leadership in corporate social responsibility.

2.1.1.2.1 Schneider Electric's tools to measure progress

The execution of the Group's 2021–2025 sustainability strategy is tracked through quantitative key performance indicators (KPIs): the Schneider Sustainability Impact (SSI) and the Schneider Sustainability Essentials (SSE).

The 11 SSI programs and the 25 SSE programs constitute the Group's short-term sustainability roadmap and its contribution to the 17 UN SDGs. They are complemented by local sustainability impact programs, delivered by the Group's local teams.

The SSI is the translation of the Group's six long-term commitments into a selection of 11 highly transformative and innovative programs, which are published quarterly.

The SSE reflects continuous improvement actions taken by the Group, complementing the innovative transformations of the SSI and the need to keep making progress with other long-lasting programs.

A notable signature to the 2021–2025 program is the local aspect, aiming to deploy local actions in the 100+ markets where the Group operates in order to better empower all leaders and collaborators to unlock meaningful local impacts.

Long-term commitments and tools

Tool	Schneider Sustainability Impact (SSI)	Schneider Sustainability Essentials (SSE)	Local Sustainability Impact programs (SSI #+1)
KPIs	11	25	~200
Scope	Global	Global	Local
Reporting	Quarterly	Annual	Annual
Assurance	Yes	Yes	No
Link to short-term incentive plan (STIP)	Yes	No	No

Read more on the SSI and SSE programs and scope on the **next page and throughout the report.**

Read more on the local commitments on **www.se.com**

Act for a climate-positive world	by continuously investing in and developing innovative solutions that deliver immediate and lasting decarbonization in line with our Net-Zero Commitment.
Be efficient with resources	by behaving responsibly and making the most of digital technology to preserve our planet.
Live up to our principles of trust	by upholding ourselves and all around us to high social, governance, and ethical standards.
Create equal opportunities	by ensuring all employees are uniquely valued in an inclusive environment to develop and contribute their best.
Harness the power of all generations	by fostering learning, upskilling, and development for each generation, paving the way for the next.
Empower local communities	by promoting local initiatives and enabling individuals and partners to make sustainability a reality for all.

2.1.1.2.2 Contribution to the United Nations Sustainable Development Goals (UN SDGs)

The 17 UN SDGs are focused on protecting the planet, alleviating poverty, and achieving worldwide peace and justice. The Schneider Sustainability Impact (SSI) and Schneider Sustainability Essentials (SSE) programs contribute to those goals, directly or indirectly, for all stakeholders in the Company's value chain. Schneider Electric is an active promoter of the SDGs and a member of the UN Global Compact (UNGC), its Chairman having been a Board Member from 2018 to 2024. The Group discloses each year its communication on progress, and was one of the 850 participants in the UNGC Early Adopters program in 2022. The following mapping of the Group contribution by SDG and stakeholder was realized by reviewing all 169 targets and leveraging the SDG Compass tools.

SDG	Key programs	Schneider's contribution to SDGs	Stakeholders
	SSI #9; SSI #10; SSI #11; SSE #20	As a responsible employer, manufacturer, and buyer, Schneider Electric committed to ensuring the well-being of employees throughout its value chain. Through sustainable procurement, fair compensation, and development opportunities, the Group ensures all its stakeholders can live fulfilling and thriving lives.	Suppliers Communities
	SSI #9	Food is a basic need and a necessity for livelihood. Schneider contributes to strengthening food security by improving access to energy in rural areas, through better irrigation, food storage, and processing.	Communities
	SSI #6; SSE #12; SSE #14; SSE #17	Schneider's holistic view of well-being translates into programs that support the physical, mental, and emotional well-being of its people, but also those across its operations by safeguarding the reliability of the healthcare sector by powering their facilities.	Operations
	SSI #10; SSI #11; SSE #25	Learning is a Core Value of Schneider Electric. The Group actively promotes a mentoring culture, connecting generations to help tomorrow's energy leaders to grow and build a sustainable future.	Operations Communities
	SSI #8; SSE #18	Schneider Electric believes in equality between all genders. As such, the long-lasting difference in society's treatment of men and women is a challenge the Group faces and rises to as it believes that inclusion and care benefit all.	Operations
	SSE #6; SSE #11	Schneider takes great care in ensuring its operations have no impact on biodiversity and water quality. The Group protects water on its sites, with a specific conservation strategy and solutions in water-stressed areas to limit the impact on local communities.	Communities
	SSI #1; SSI #2; SSI #3 SSI #9; SSE #1 SSE #3; SSE #5; SSE #6, SSE #7	Schneider provides solutions for clean, reliable, and efficient energy consumption to its customers, and is committed to helping people in underserved areas gain access to green and reliable electricity.	Operations Customers Communities
	SSI #6; SSI #10; SSE #12; SSE #14; SSE #17; SSE #18; SSE #20; SSE #22; SSE #23	For Schneider Electric, protecting workers' rights, guaranteeing their dignity, and creating work opportunities is essential to enable all its stakeholders to thrive. Its Decent Work program aims to improve working conditions for its employees and for workers across its supply chain.	Suppliers
	SSI #1; SSI #2; SSE #1; SSE #2; SSE #4	Schneider Electric's identity and legacy drive the Company towards perpetual innovation and mobilization to make its infrastructures and products modern and up-to-date with its commitment to sustainability.	Operations

SDG	Key programs	Schneider's contribution to SDGs	Stakeholders
	SSI #8; SSI #10; SSI #11; SSE #18; SSE #20	Schneider is devoted to empowering and positively impacting all employees, customers, and communities. The Group hopes to bring everyone together on the same level of equality, thus allowing all to strive individually and collectively.	Operations
	SSI #1; SSI #12; SSE #1; SSE #4; SSE #9	Schneider offers a solution to ensure sustainability in urban areas, with smarter homes and buildings. The Schneider Electric Foundation acts to provide access to sustainable energy to all, turning Schneider's global commitments into local realities.	Customers
	SSI #4; SSI #5; SSE #6; SSE #9; SSE #10; SSE #15	Schneider Electric considers that circularity is key for sustainability. Using fewer resources and producing higher-quality products is the ideal combination to ensure safety for employees, consumers, and the environment.	Suppliers Operations Customers
	SSI #2; SSI #3; SSE #1; SSE #3; SSE #4	Schneider Electric has been leading the fight against climate change for 20 years. Its strategy focuses on acting for climate protection, preserving resources, and maintaining ethical practices to fight for the planet.	Suppliers Operations Customers
	SSI #5; SSE #8; SSE #11	Resources are essential to Schneider Electric's business; preserving them not only makes good business sense but is also the right thing to do. Hence, preserving the ocean has become core to Schneider Electric's sustainability engagement and it commits to protecting marine life.	Suppliers Customers
	SSI #4; SSI #5; SSE #8	Schneider Electric is committed to using fewer natural resources, living within the planet's means, and advancing an accelerated biodiversity strategy. The Group aligns with like-minded partners to prioritize conservation and help create a more sustainable world.	Suppliers Customers
	SSI #6; SSI #7; SSE #12; SSE #13; SSE #16; SSE #17	Sustainability is a job for all; the urgency of the situation is impossible to ignore. All hands must be on deck and it is crucial to establish frameworks, programs, and infrastructure to allow a just and peaceful development.	Suppliers Operations Customers Communities
	SSI #3; SSI #6; SSI #11; SSI #12; SSE #2; SSE #11; SSE #12; SSE #17; SSE #24; SSE #25	Schneider Electric is a global company that aims to adapt and ensure cooperation amongst all its stakeholders to create an environment of trust and prosperity in its operations but also for its employees' and local communities' fulfillment.	Suppliers Operations Customers Communities

Consult Schneider Electric's commitments to SDGs on the Sustainability page on **www.se.com**

2.1.1.2.3 Schneider Sustainability Impact: a unique transformation tool

Since 2005, Schneider Electric has measured its sustainability performance each quarter in a dashboard known as the "Schneider Sustainability Impact" (SSI). Schneider uses this tool to address its sustainability challenges and to improve each of the pillars of its strategy. Each SSI mobilizes the whole Company around holistic sustainability goals.

A single ESG performance score

The SSI provides an overall measure of the Group's progress on its sustainability goals on a scoring scale of 10. This is achieved by converting each KPI's performance on a 10-point scale, considering that base year performance receives a 3/10 score, and the 2025 ambition translates in a 10/10 score. For each KPI, the relevant score is obtained by linear interpolation and rounded down to the second decimal. The overall score of the tool is the average of each KPI's score with equal weight, excluding the local commitment (SSI #+1). In 2025, the SSI scored 8.86/10 and was exceptionally calculated on 10 KPIs, the diversity target (SSI #8) being excluded for all employees, as it shall not impact incentives in countries or entities prohibiting the establishment of such targets. The global SSI target was restated accordingly to 8.88/10.

Transparent quarterly progress disclosure

The results of the SSI are published every quarter together with financial results and made available on the Group's website. Results are presented to the Function Committee, which makes decisions on necessary corrective actions. The Governance, Nominations & Sustainability Committee within the Board of Directors conducts an annual review of the Group's sustainability strategy, analyzing the performance of the SSI. The results are also publicly presented to shareholders by Schneider Electric's CEO or CFO, demonstrating the Group's commitment to making sustainability part of the Company's long-term strategy.

In addition, the results of the SSI are released in the Universal Registration Document, including in the statutory auditors' reports, and are shared during customer and investor events.

Find all quarterly releases on the Financial Results page on **www.se.com**

Annual publication and external assurance

The annual publication of the SSI results follows thorough internal data controls performed by each team and supervised by the Global Sustainability team. In addition, the SSI and SSE indicators are subject to limited or reasonable assurance from an external auditor (except SSI #+1), in accordance with the (revised) ISAE 3000 assurance standard.

See assurance reports on **pages 336 to 339**

Rewarding employees for performance

Since 2011, the SSI score is included in the variable compensation of Global Functions and Company leaders. In France, since 2012, the SSI has also been included in the profit-sharing incentive plan for the French entities, Schneider Electric Industries and Schneider Electric France. From 2019, the weight of the SSI criteria has increased from 6% to 20% in the collective part of the annual short-term incentives, further highlighting the importance of sustainability.

In 2025, the SSI performance impacted the short-term incentive plans for over 80,000 employees (20% of collective share), including the Executive Committee members and the Chief Executive Officer.

Following changes in local regulations, and in order to ensure equal treatment of all employees, the diversity targets outlined in SSI #8 are no longer linked to any incentive structure from 2025 onward, and do not apply in jurisdictions where the establishment of such targets is prohibited. The Schneider Electric policy is to always select the best candidate for any position based on skills, experience and potential (irrespective of their gender, age, origin, disability, appearance, etc.).

Read further details in the section **2.2.3.1.2 Working conditions on page 189.**

SSI and Sustainable Finance

In 2022, Schneider Electric signed EUR 2.7 billion Syndicated Sustainability-Linked Revolving Credit Facilities with a margin indexed on the annual performance of the Schneider Sustainability Impact (SSI).

Find more information about debt and bonds on the Debt page on **www.se.com**

SSI creation process

The SSI is a cyclical process, taking place every five years, involving Executive Committee members, as well as representatives from each geography, function, and business unit.

Three scenarios may emerge from one SSI to the next:

- Programs are maintained and their targets are renewed;
- New and more innovative or better-adapted indicators are implemented;
- Programs are removed, if having met a threshold, but may still be monitored internally if relevant.

The Sustainability department presents a draft version of the new SSI program to the CEO for approval. The SSI is then presented to the Governance, Nominations & Sustainability Committee, which reports on its work to the Board of Directors for validation.

Annual reviews of the SSI are organized by the Sustainability team together with internal experts, which may result in a more in-depth evaluation of existing programs or the launch of new or complementary ones.

SSI reporting perimeter

The SSI reporting perimeter covers financially consolidated entities, with marginal exceptions. The SSI reporting scope is narrower than the EU Corporate Sustainability Reporting Directive (CSRD) reporting scope.

Read further details in the section **2.4.1 Methodology elements on the published indicators on page 314.**

2.1.1.2.4 Schneider Sustainability Essentials: a continuous improvement tool

The SSE reflects continuous improvement actions taken by the Group, complementing the SSI.

This tool brings balance between the innovative transformation plans of the SSI and the need to keep making progress with other long-lasting programs. All SSE KPIs are assured annually by an independent third-party.

2.1.1.2.5 Local sustainability commitments: a tool to create local impact

The local SSI commitment (SSI #+1) deploy initiatives in the markets where the Group operates, to empower all leaders and collaborators to unlock meaningful local impact. 100% of Schneider Electric's Country and Zone Presidents have defined local commitments that impact their communities, in line with Schneider Electric's sustainability transformation. Close to 500 local programs have been deployed since 2021.

Notable SSI achievements and challenges in 2025

Several SSI achieved or surpassed their 2025 ambition ahead of the program end.

Among them, SSI #2 took a leap forward by reaching 862 $MTCO_2e$ saved and avoided for customers thanks Schneider Electric its products and solutions, of which 183 $MTCO_2e$ in just one year.

Through the Zero Carbon Project (SSI #3), top 1,000 suppliers achieved to reduce their operational CO_2 emissions by 56%, representing an increase of 16 points compared to 2024.

Historical sustainability programs, Access to Energy (SSI #9) and Access to Education (SSI #11), both surpassed their ambition before the year-end, with 61.7M people with access to sustainable electricity,, of which 8.3M in 2025, and 1,090,569 people trained in energy management, including over 266K people in 2025 alone.

The program focusing on Green Materials in products (SSI #4) reached 48% in 2025, and the one addressing Decent Work requirements engaged 98% of strategic suppliers (SSI #6), both making considerable progress in 2025 and landing very close to their respective ambitions of 50% and 100%.

Programs focused on equality and diversity have had more moderate results, with hiring opportunities for the next generation reaching 1.75x the 2019 level, with an ambition to double it by 2025 (SSI #10).

The representation of women (SSI #8) in leadership teams reached 32%, two points above the ambition of 30%, while the percentage of women hired decreased to 37%. Women in front-line management positions accounted for 32% of the workforce, a slight increase compared to the previous year.

Notable SSE achievements and challenges in 2025

Schneider is strongly committed to accelerating sustainable transformation in its own business and operations:

- By 2025, 195 sites are certified "Zero-CO2" (SSE #1), and the Group sourced 99% of its energy from renewable sources (SSE #3) for its operations.
- 80% of medium-voltage offerings have been replaced with innovative alternatives without SF6 gas (SSE #2).
- The global vehicle fleet has reached 43% electrification (SSE #7), and Schneider Electric has succeeded in improving carbon efficiency in the transport of goods by 14% (SSE #4).
- All of the Group's sites now have a biodiversity conservation or mitigation program (SSE #8), and 100% of sites located in water-stressed areas have deployed a water conservation plan (SSE #11).

The Company is committed to contributing to the well-being and development of all its employees:

- 98% of them completed the mandatory annual training on cybersecurity and ethics in 2025 (SSE #13).
- The pay gap for both women and men continued to narrow in 2025, remaining below 1% (SSE #19).
- 100% of Schneider employees receive at least a living wage, everywhere in the world (SSE #20).
- 93% of eligible employees benefited from the Senior Talent Program, which recognizes the unique expertise and value of employees nearing the end of their careers (SSE #23).

Schneider Electric is also committed to taking action across its value chain, and has assessed 4,348 suppliers as part of its vigilance plan in 2025 (SSE #17).

Finally, since 2017, the Group has enabled its employees to dedicate more than 93,000 hours to volunteering initiatives, allowing them to make an impact within their communities (SSE #25).

SCHNEIDER SUSTAINABILITY IMPACT

2025 score[1]:

8.86/10

vs. an annual target[1] of 8.88/10,
and a 7.55/10 score in 2024

Schneider Sustainability Impact 2021-2025

6 Long-term commitments aligned to UN SDGs	11+1 Programs	Baseline[2]		2025 Progress[3]	2025 Ambition
Climate	**1.** Grow Schneider Impact revenues[4]	**2019: 70%**	0%	75%	**80%**
	2. Help our customers save and avoid millions of tonnes of CO_2 emissions	**2020: 263M**	0	862M	**800M**
	3. Reduce CO_2 emissions from top 1,000 suppliers' operations	**2020: 0%**	0%	56%	**50%**
Resources	**4.** Increase green material content in our products	**2020: 7%**	0%	48%	**50%**
	5. Primary and secondary packaging free from single-use plastic, using recycled cardboard	**2020: 13%**	0%	85%	**100%**
Trust	**6.** Strategic suppliers who provide decent work to their employees	**2022: 1%**	0%	98%	**100%**
	7. Level of confidence of our employees to report unethical conduct	**2021: 81%**	0%	85%	**91%**
Equal	**8.** Increase gender diversity[1] in:				
	hiring (50%),	**2020: 41%**	0%	37%	**50%**
	front-line management (40%),	**2020: 23%**	0%	32%	**40%**
	leadership teams (30%)	**2020: 24%**	0%	32%	**30%**
	9. Provide access to green electricity to 50M people	**2020: 30M**	0	61.7M	**50M**
Generations	**10.** Double hiring opportunities for interns, apprentices and fresh graduates	**2019: 4,939**	x1	X1.75	**x2**
	11. Train people in energy management	**2020: 281,737**	0	1,090,569	**1M**
Local	**+1.** Country and Zone Presidents with local commitments that impact their communities	**2020: 0%**	0%	100%	**100%**

(1) From 2025 onwards, diversity targets are excluded from SSI score calculation for all employees, as it shall not impact incentives in countries or entities prohibiting the establishment of such targets. The global SSI target has been restated accordingly. The gender balance metric is a global strategic ambition. It does not apply to territories that prohibit such ambition. The Schneider Electric policy is to always select the best candidate for any position based on skills, experience and potential (irrespective of their gender, age, origin, disability, appearance, etc...).
(2) The baseline year is indicated in front of each SSI baseline performance.
(3) Each year, one of Schneider Electric's statutory auditors performs a "limited" assurance engagement on all SSI and SSE indicators (except SSI #+1 in 2025), in accordance with (revised) ISAE 3000 assurance standard (see the assurance report on page **336**). Please refer to page **314** for the methodological presentation of each indicator.
(4) Per Schneider Electric definition and methodology. Note that for the reporting requirements under the European Taxonomy Regulation, please refer to pages **176** to **187**.

Read more about the SSI indicators methodology on pages **314 to 320.**

Schneider Sustainability Essentials 2021-2025

6 Long-term commitments aligned to UN SDGs	25 Programs	Baseline[1]		2025 Progress[2]	2025 Ambition
Climate	**1.** Decarbonize our operations with Zero-CO_2 sites	**2020: 30**	0	195	**150**
	2. Substitute relevant offers with SF_6-Free medium voltage technologies	**2020: 26%**	0%	80%	**100%**
	3. Source electricity from renewables	**2020: 80%**	0%	99%	**90%**
	4. Improve CO_2 efficiency in transportation	**2020: 0%**	0%	14%	**15%**
Resources	**5.** Improve energy efficiency in our sites	**2019: 0%**	0%	17%	**15%**
	6. Grow our product revenues covered with Green Premium™	**2020: 77%**	0%	83%	**80%**
	7. Switch our corporate vehicle fleet to electric vehicles	**2020: 1%**	0%	43%	**33%**
	8. Deploy local biodiversity conservation and restoration programs in our sites	**2020: 0%**	0%	100%	**100%**
	9. Give a second life to waste in 'Waste-to-Resource' sites	**2020: 120**	0	176	**200**
	10. Avoid primary resource consumption through 'take-back at end-of-use' since 2017 (metric tons)	**2020: 157,588**	0	428,450	**420,000**
	11. Deploy a water conservation strategy and action plan for sites in water-stressed areas	**2020: 0%**	0%	100%	**100%**
Trust	**12.** Deploy a 'Social Excellence' program through multiple tiers of suppliers	**2021: 0%**	0%	77%	**80%**
	13. Train our employees on Cybersecurity and Ethics every year	**2020: 90%**	0%	98%	**100%**
	14. Decrease the Medical Incident rate to 0.38 or below	**2019: 0.79**	0.79	0.46	**0.38**
	15. Reduce total number of safety recalls issued to 0	**2020: 25**	25	3	**0**
	16. Be in the top 25% in external ratings for Cybersecurity performance	**2020: Top 25%**	0%	Top 25%	**Top 25%**
	17. Assess our suppliers under our 'Vigilance Program'	**2020: 374**	0	4,348	**4,000**
Equal	**18.** Reduce pay gap for both females and males	**2020: F: -1.73%** **2020: M: 1.00%**	0%	-0.84% F 0.58% M	**<1%** **<1%**
	19. Increase subscription in our yearly Worldwide Employee Share Ownership Plan (WESOP)	**2019: 53%**	0%	63%	**60%**
	20. Pay our employees at least a living wage	**2019: 99%**	0%	100%	**100%**
	21. Multiply the number of employee-driven development interactions on the Open Talent Market	**2020: 5,019**	x1	x2.7	**x4**
Generations	**22.** Support the digital upskilling of our employees	**2020: 41%**	0%	81%	**90%**
	23. Provide access to meaningful career development programs for employees during later stages of their career	**2022: 43%**	0%	93%	**90%**
	24. Increase our employee engagement level	**2020: 69%**	0%	75%	**75%**
Local	**25.** Increase the number of volunteering days since 2017	**2020: 18,469**	0	93,204	**50,000**

(1) See note (2) under the SSI table on the left page.
(2) See note (3) under the SSI table on the left page.

Read more about the SSE indicators methodology from page **320.**

Schneider Sustainability Impact 2025 highlights

Climate SSI #1

Grow Schneider Impact revenues

Thanks to its offers supporting energy and resource efficiency, electrification, decarbonization and circularity, Schneider's impact revenues reached 75% in 2025.

Climate SSI #2

Help our customers save and avoid millions of tonnes of CO_2 emissions

In 2025, Schneider Electric helped to reduce the environmental footprint of its customers thanks to its energy efficiency products and solutions, enabling them to surpass the threshold of 800 million tonnes of CO_2 emissions saved and avoided since 2018.

Climate SSI #3

Reduce CO_2 emissions from top 1,000 suppliers' operations

In 2025, Schneider Electric has supported its top 1,000 suppliers to decarbonize their operations by 56% since 2021, providing guidance to identify and implement concrete local decarbonization levers, "glocal" strategy and strong governance.

Resources SSI #4

Increase green material content in our products

The volume of materials qualified as "Green" in products, as per Schneider Electric, definition reached 48% in 2025. This achievement is the result of the commitment of the Group's Lines of Business to include a mandatory criteria requirement on 'Green Materials' in Schneider EcoDesign approach, and to include Green Thermoplastics into their offers at scale., with the aim to accelerate the transformation toward materials with lower impact on environment and people.

Resources SSI #5

Primary and secondary packaging free from single-use plastic, using recycled cardboard

By the end of 2025, 85% of Schneider Electric's products packaging was made from sustainable materials. The switch to recycled cardboard was completed, but it is still difficult to completely ban single-use plastic in some cases, for reasons of safety, quality, or technical limitations.

Trust SSI #6

Strategic suppliers who provide decent work to their employees

In only 3 years, Schneider Electric convinced 98% of its strategic suppliers worldwide to comply with its Decent Work requirements through strong collaboration with Procurement teams, resulting in the implementation of tailored roadmaps to ensure the decent working conditions throughout the supply chain.

Generations SSI #10

Double hiring opportunities for interns, apprentices and fresh graduates

The number of opportunities for the Next Generation was multiplied by 1.75 in 2025. Among them, 72% were roles for students, and 28% were recent graduates hiring.

Trust SSI #7

Level of confidence of our employees to report unethical conduct

85% of Schneider Electric employees feel confident to report unethical conduct without fear, which is one point higher than in 2024, marking the second consecutive year of increase.

Equal SSI #9

Provide access to green electricity

Since 2009, Schneider Electric has expanded access to clean, reliable, and affordable energy for underserved communities worldwide, impacting 61.7 million people by the end of 2025, well beyond its original ambition of 50 million beneficiaries.

Local SSI #+1

Country and Zone Presidents with local commitments that impact their communities

Since 2021, nearly 500 local programs have been rolled out in over 50 countries around the world by Schneider Electric's "Territory Sustainability Leaders".

Equal SSI #8

Increase gender diversity in hiring (50%), front-line management (40%) and leadership teams (30%) (1)

Women in leadership teams and in front-line management positions represented 32% of the headcount in 2025, while women hiring decreased to 37%.

Generations SSI #11

Train people in energy management

Schneider Electric has supported the training of over one million people in energy management as part of its Youth Training and Entrepreneurship program, launched in 2009. This program has enabled young people in 60 countries to actively contribute to the local energy transition.

(1) Following changes in local regulations, and in order to ensure equal treatment of all employees, the diversity targets outlined in SSI #8 are no longer linked to any incentive structure from 2025 onward, and do not apply in jurisdictions where the establishment of such targets is prohibited. The Schneider Electric policy is to always select the best candidate for any position based on skills, experience and potential (irrespective of their gender, age, origin, disability, appearance, etc.).

Schneider Sustainability Essentials 2025 highlights

Climate SSE #1

Decarbonize our operations with Zero-CO_2 sites

Schneider Electric counts 195 "Zero-CO_2" sites by the end of 2025, including 41 new sites certified during the year, far exceeding the ambition of 150 sites set for 2025.

Climate SSE #2

Substitute relevant offers with SF_6-Free medium voltage technologies

80% of relevant offers have been substituted with SF_6-Free medium voltage technologies in 2025, compared to 69% in 2024.

Climate SSE #3

Source electricity from renewables

In 2025, 99% of Schneider Electric sites were supplied with of renewables electricity, beyond the initial ambition of 90%.

Climate SSE #4

Improve CO_2 efficiency in transportation

Schneider Electric has succeeded in improving carbon efficiency in the transportation of goods by 14%, notably by reducing air freight and increasing the use of low- or zero-emission trucks in many regions worldwide.

Resources SSE #5

Improve energy efficiency in our sites

Thanks to EcoStruxure™ solutions and ongoing efforts on its sites, the Group achieved 17% energy efficiency, exceeding its 2025 ambition of 15%.

Resources SSE #6

Grow our product revenues covered with Green Premium™

From a customer communication standpoint, the Group shifted in 2025 from Green Premium™ to the Environmental Data Program. While doing it, the Schneider Electric further increases the product revenues covered with Green Premium™ or equivalent to 83%.

Resources SSE #7

Switch the corporate vehicle fleet to electric vehicles

43% of Schneider Electric fleet is now composed of electric vehicles, reflecting their growing adoption across international markets, particularly in Asia and Europe.

Resources SSE #8

Deploy local biodiversity conservation and restoration programs in our sites

In line with the Group's 2025 ambition, 100% of sites worldwide are now implementing biodiversity conservation plans, taking direct action to address local ecological risks.

Resources SSE #9

Give a second life to waste in 'Waste-to-Resource' sites

176 sites achieved the 'Waste-to-Resource' status in 2025, joining the effort for more circularity within Schneider Electric, by meeting very high circularity and waste-recovery performance standards.

Resources SSE #10

Avoid primary resource consumption through 'take-back at end-of-use' since 2017 (metric tons)

By the end of 2025, 428,450 cumulative tons of material were taken-back at end-of-use by Schneider Electric since 2017 to reduce primary resource consumption, surpassing the 420,000 tons ambition set. This represents an increase of 69,370 tons compared to 2024.

Resources SSE #11

Deploy a water conservation strategy and action plan for sites in water-stressed areas

100% of Schneider Electric sites located in water-stressed areas are now covered by conservation and action plans, successfully meeting the program ambition.

Trust SSE #12

Deploy a 'Social Excellence' program through multiple tiers of suppliers

The program continued to progress in 2025, with the launch of a component aimed at better understanding the structure of critical minerals supply chains.

Trust SSE #13

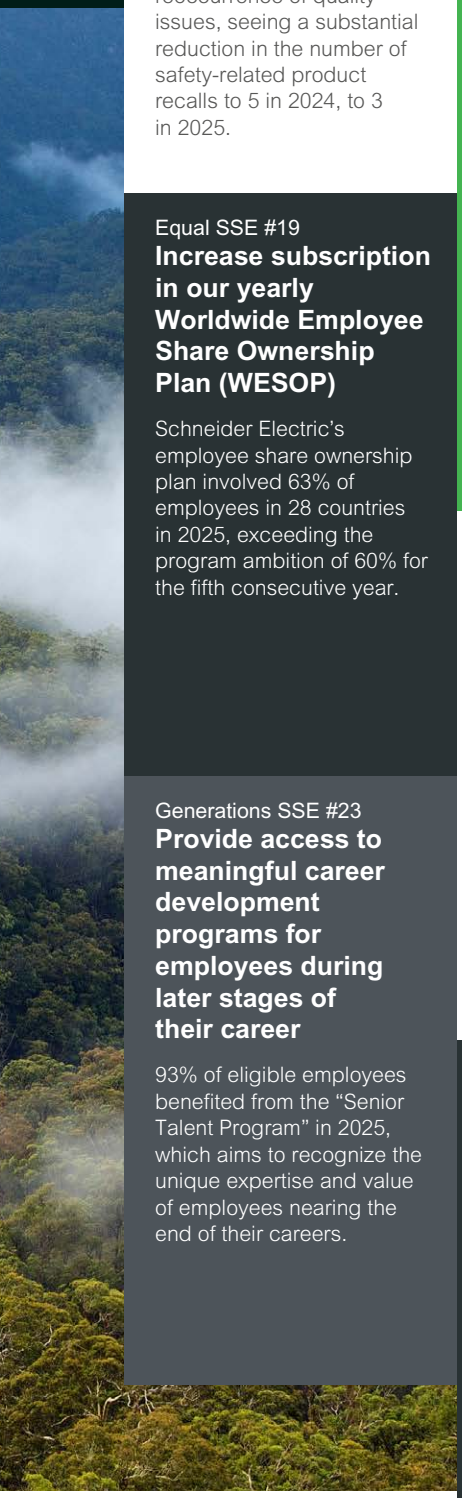
Train our employees on Cybersecurity and Ethics every year

98% of Schneider employees completed a mandatory Cybersecurity and Ethics annual training in 2025.

Trust SSE #14

Decrease the Medical Incident rate

In 2025, the Group has developed a code of practice on machine safety, accident investigation, product stability, to reinforce the Safety Trust Standard.



Trust SSE #15

Reduce total number of safety recalls issued

In 2025, Schneider Electric has focused on correcting and preventing the reoccurrence of quality issues, seeing a substantial reduction in the number of safety-related product recalls to 5 in 2024, to 3 in 2025.

Trust SSE #16

Be in the top 25% in external ratings for Cybersecurity performance

Schneider Electric strives to be in the top 25% in external ratings for cybersecurity performance. In 2025, the Group scored in Advanced with an average of 798, ending the year with a score of 800, reflecting its ongoing efforts to benchmark its security practices against industry standards and continuously improve its cybersecurity posture.

Trust SSE #17

Assess our suppliers under our 'Vigilance Program'

Schneider Electric assesses its suppliers as part of its Vigilance Plan to reduce the risks within its supply chain. In 2025, the Company exceeded its ambition of assessing 4,000 suppliers, with a total of 4,348 suppliers assessed.

Equal SSE #18

Reduce pay gap for both females and males

For the third consecutive year, the Company has maintained its 2025 ambition to reduce the pay gap for both women and men below 1%.

Equal SSE #19

Increase subscription in our yearly Worldwide Employee Share Ownership Plan (WESOP)

Schneider Electric's employee share ownership plan involved 63% of employees in 28 countries in 2025, exceeding the program ambition of 60% for the fifth consecutive year.

Equal SSE #20

Pay our employees at least a living wage

100 % of Schneider employees receive at least a living wage, as certified by the expert consultant Fair Wage Network, which provides limited assurance to ensure compliance with this commitment year after year.

Equal SSE #21

Multiply the number of employee-driven development interactions on the Open Talent Market

In 2024, the number of employee-driven development interactions increased by 2.7 compared to 2020 on Schneider Electric's career development platform, Open Talent Market.

Generations SSE #22

Support the digital upskilling of our employees

In 2025, 81% of Schneider Electric employees have completed a development program aimed at expanding their digital skills and accelerating the adoption and mastery of artificial intelligence.

Generations SSE #23

Provide access to meaningful career development programs for employees during later stages of their career

93% of eligible employees benefited from the "Senior Talent Program" in 2025, which aims to recognize the unique expertise and value of employees nearing the end of their careers.

Generations SSE #24

Increase our employee engagement level

Measured through an annual survey on working conditions, Schneider Electric's employee engagement level rose to 75% in 2025, a 2-point increase compared to 2024 that meets the Group's ambition.

Local SSE #25

Increase the number of volunteering days since 2017

In 2025, the number of employee volunteering days exceeded 93,000 cumulative days, surpassing by far the initial ambition of 70,000 days, in areas as diverse as education, training, and entrepreneurship in particular.

2.1.2 Corporate culture

2.1.2.1 People strategy and vision

2.1.2.1.1 Context

The world is transforming at an unprecedented speed and there is a greater need for us at Schneider Electric to play to the emerging opportunities. While Schneider Electric is known for its strong industrial base in energy management and automation, with its digital and software evolution it is now one of the largest industrial software tech companies.

In the next phase of its strategy, the Group aspires to be the Energy Technology Partner for customers across industries, businesses and homes, driving efficiency and sustainability for all. Its growth ambitions are supported by three megatrends: the new energy landscape, the acceleration of digitalization and AI, and the multi-polarization of the world.

These megatrends offer many opportunities for growth, especially in the ambiguous volatile environment Schneider Electric continues to operate, in an ever-evolving world. They not only have an impact on Schneider Electric's business and markets but also have a direct impact on people and the future of work.

2.1.2.1.2 Schneider Electric's culture

2025 was a pivotal year for Schneider Electric as the Group advanced its strategic program and accelerated cultural transformation. Its ambition is clear: to build a culture anchored in performance, simplicity, and speed, always with people at the center of everything that is undertaken. This cultural evolution strengthens Schneider's ability to deliver on its evolving company's purpose – to be the Energy Technology Partner for customers, electrifying, automating and digitalizing every industry, business and home, and driving efficiency and sustainability for all.

Culture is the foundation of how Schneider operates and succeeds. It defines how the Group leads, collaborates, and innovates. At Schneider Electric, every aspect of its work – from how it interacts with customers to how it makes decisions – is shaped by its shared IMPACT Values and Leader Code commitments.

IMPACT Values

Values anchor the way collaborators work at Schneider Electric and help bring its growth culture and Employee Value Proposition promise to life. Schneider's six IMPACT Values are derived from its ambitions, People Strategy, and the voice of its employees and customers:

- **Inclusion:** We embrace diverse perspectives, co-creating a place where everyone belongs and thrives.
- **Mastery:** We count on our expertise and know-how to deliver the highest quality innovations.
- **Purpose:** We aspire to build a sustainable future for our people, customers, communities, and planet.
- **Action:** We get things done with accountability, speed, and integrity, always with the customer in mind.
- **Curiosity:** We love to think deeply and differently, challenging the status quo and learning every day.
- **Teamwork:** We achieve together with our teams, collaborating with trust and openness.

Leadership

Schneider Electric's leaders play a critical role, as they are the architects of the Group's business and culture. They drive this transformation through the IMPACT Leader Code, which emphasizes inventing the future, delivering the mission together, and building great teams. By living these commitments, Schneider accelerates decisions, fosters collaboration, and delivers better and faster outcomes for its customers and stakeholders.

2.1.2.2 Responsible use of Artificial Intelligence (AI)

2.1.2.2.1 AI Principles

Schneider Electric's AI initiatives adhere to the ethical standards and compliance frameworks described in its **Trust Charter**.

Schneider Electric is dedicated to deploying trustworthy AI solutions by actively addressing environmental, ethical, societal, and technical dimensions - including sustainable impact, bias mitigation, robustness, transparency, and data protection.

As part of this commitment, Schneider Electric has developed a **Responsible AI (RAI) Strategy**, aligned with the **NIST AI Risk Management Framework**, centered on six guiding principles:

- **Sustainable AI:** The Company focus on the carbon footprint of the AI solutions it develops, prioritizing energy efficiency and long-term sustainability in its code and infrastructure.
- **Accuracy and Robustness:** The Company ensures its AI models provide reliable results, perform correctly for their intended purposes, and maintain resilience when handling real-world data.
- **Human-Centric and Fair:** The Company strive to design systems that are equitable and inclusive, implementing rigorous measures to mitigate bias in data and ensure fairness for all users.
- **Data Governance and Privacy:** The Company upholds the highest standards of data integrity, ethically managing the lifecycle of data used in AI while strictly adhering to compliance and legal obligations.
- **Transparency and Explainability:** The Company is committed to adopting AI that is explainable by design, ensuring users understand how and why decisions are made to the fullest extent feasible.
- **Accountability:** Aligned with its pillars of Integrity, Transparency and Resilience, Schneider Electric maintain clear human oversight and governance structures, ensuring unambiguous ownership of AI systems and the effective management of associated risks and cybersecurity exposure.

2.1.2.2.2 Eco-Efficient AI and Customer Impact

Schneider Electric also champions **Right-sized AI**, prioritizing the most energy-efficient models for any given task. By embedding these optimized solutions into its offers, the Group helps its customers:

- **Reduce energy consumption** in operations (e.g., AI-enabled room controllers, AI in Activate offers).
- **Access cheaper, greener electricity** through demand/supply optimization (e.g., AI Home Energy Management System, AI microgrids).
- **Simplify and accelerate** electrification and process digitalization (e.g., PLC code generation, EcoCare+).

2.1.2.2.3 Responsible AI Governance

Schneider Electric has operationalized this strategy through a dedicated **Responsible AI policy and process**, embedded within its core governance for AI use cases, from ideation to production, and its enterprise risk management. This governance is overseen by a quarterly C-level Steering Committee.

2.1.2.2.4 AI for Empowerment

Schneider Electric views AI fluency as a core responsibility. In 2025, **100% of Schneider Electric employees completed the AI training that was part of the mandatory "SE Essentials" learning modules**, and more than 51,000 have proactively advanced their skills through additional specialized AI coursework.

2.1.3 Introducing Schneider Electric's 2030 sustainability ambition

2.1.3.1 A new sustainability chapter

As the 2021-2025 sustainability chapter has come to an end, the Group is setting out to announce the new set of 2030 sustainability targets.

Built in 2020 as a voluntary disclosure on the Group's sustainability transformation agenda, the current Schneider Sustainability Impact (SSI) cycle, has built its success on the following principles:

- **Commitment to sustainability in the long run:** Over the past 20 years, sustainability has been part of the Group's Company culture, as exemplified by the "Impact Company" model.
- **Robust sustainability transparency and performance:** Schneider Electric manages extra-financial performance with a commitment to transparency and traceability, disclosing the performance of each KPI on a quarterly basis, supported by consistent external assurance reviews.
- **Mobilization of the full Group ecosystem:** Schneider Electric has been exemplary in its own operations and brought everyone along, sharing its know-how, building leadership, and creating strong relationships with its ecosystems (suppliers, NGOs, local communities, etc.).

From rating agencies (CDP, DJSI, EcoVadis, etc.) to momentum with external press titles (TIME, Corporate Knights' Global 100), the 2021–2025 set of SSI ambitions has obtained substantial external recognition, solidifying Schneider Electric's leadership position on sustainability in its industry and beyond.

In a context of increasing geopolitical polarization, diverging sustainability policies, and greater uncertainty, Schneider Electric has evolved its sustainability ambition to remain relevant and effective over time.

This evolution builds on the **same disciplined approach** as previous cycles: focusing on measurable impact, prioritizing the areas where the Group can make the greatest difference, and accelerating where it matters most.

Several dimensions of the new ambition **further raise the level of ambition** compared with the previous cycle, reflecting the scale and urgency of today's challenges;

- By leveraging its expertise in electrification, automation, and digitalization, and through solutions deployed at scale and locally anchored in many communities, Schneider Electric aims to ensure that technology and innovation power progress for all, supporting economic development while addressing climate, resource, and social challenges.
- As pressure on energy systems, natural resources, and critical materials is expected to intensify, the Group's ambition emphasizes innovation and collaboration. The objective is to strengthen Schneider Electric's business model and ecosystem, enabling them to better absorb shocks and navigate an increasingly complex and less predictable environment, while differentiating with valuable sustainable outcomes for customers.
- Schneider Electric designs its sustainability approach as a collective one, bringing employees, customers, partners, suppliers, and the broader ecosystem along. This approach promotes shared responsibility, learning, and the ability to develop, share, and replicate solutions across regions and value chains.

Finally, this ambition is guided by a clear ethical compass, with "*doing the right thing"* embedded in business decisions and in the way they are implemented locally. Schneider Electric integrates environmental, social, and human considerations into its choices and trade-offs, taking into account local contexts and the impacts on the communities where the Group operates, while maintaining a long-term perspective grounded in planetary boundaries and responsible value creation.

2.1.3.2 2030 SSI pillars

The new set of SSI metrics will be organized around four pillars, in response to this context:

1. We electrify the world

The Group acts towards decarbonization and efficiency by continuously investing in breakthrough solutions. Schneider Electric leads the energy tech transition through electrification and digitalization, starting with the Group and scaling for all.

This includes the following commitments for 2030:

- **Efficiency Forward:** Schneider helps customers cut their emissions and optimize resources by delivering electrification and efficiency solutions at scale – accelerating the energy transition.
- **Towards Net-Zero**: Schneider wants to lead by example. By decarbonizing its operations and value chain, the Group turns promises into action and drives systemic change across its entire ecosystem.
- **School Of Energy Tech**: Technology is not enough. Schneider invests in people – building the skills needed to power a more electrified, fair and resilient world.

2. We reinvent our industry

The Group acts towards circularity and innovation by rethinking how it designs, sources and promotes. Schneider Electric engages and elevates its entire value chain – reshaping its ecosystem and setting new standards in its industry. This includes the following commitments for 2030:

- **Future-designed:** Schneider Electric rethinks technology, from every screw to full architectures, to set new industry standards for a low-carbon and circular future – leveraging digital traceability.
- **Industry catalyzer:** Schneider Electric partners with suppliers to cut emissions, source responsible materials, and uphold human rights and decent work – amplifying positive impact across the value chain.
- **Longer, Better:** Schneider Electric delivers circularity end-to-end by managing assets throughout their lifecycle – helping customers extend the life of products, improve efficiency, and unlock more value.

3. We unlock human potential

Schneider Electric acts towards equal opportunities by securing energy access for all and investing in people opportunities, opening the way to progress and shared prosperity. This includes the following commitments for 2030:

- **Inclusion for all:** Schneider Electric values diversity and provides equal opportunities for everyone to play a part in building a more sustainable and resilient future. Inclusion and experience fuel innovation, connect generations, and future–proof Schneider's business.
- **Power progress:** Schneider Electric brings clean, reliable electricity, and opens doors to education for underserved communities. From energy access to skills for a digital, sustainable world, Schneider helps people unlock opportunities for health, jobs, and growth.

4. We empower local communities

Schneider Electric acts towards action and care by investing in local ecosystems and amplifying grassroots voices. Schneider turns every site - from offices to factories - into a community anchor and an agent of change. This includes the following commitments:

- **Impact starts with us:** Schneider Electric empowers employees to be change makers in their communities and homes through volunteering and adoption of energy efficiency solutions. Schneider also creates workplaces that reflect the future it helps build – caring for people and protecting the surrounding ecosystem. When people and places thrive, impact spreads far beyond the Group's walls.

2.1.3.3 Performance management principles for 2030

The new set of KPIs will be managed according to the same principles as previous cycles, including quarterly performance publication, linked to short-term incentive plan compensation, and external audit assurance.

Sustainability Impact 2030

Advancing Energy Tech to power progress for all

We electrify the world

towards decarbonization

By continuously investing in breakthrough solutions, we lead the energy tech transition through electrification and digitalization. Starting with ourselves, scaling for all.

EFFICIENCY FORWARD

80%
Schneider Impact Revenues

1.5bn
MWh energy saved or electrified with our solutions, 2026-2030

100%
of applicable SE software deliver advanced energy and carbon insights for customers

TOWARDS NET-ZERO

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

-90%
reduction of Scopes 1&2 CO_2 emissions, absolute vs. 2017

-25%
reduction of Scope 3 CO_2 emissions, absolute vs. 2021

1.5Gt
CO_2 saved and avoided by customers with SE solutions, 2018-2030

SCHOOL OF ENERGY TECH

electrical experts trained to bridge the energy tech skill gap (in progress)

We reinvent our industry

towards innovation

By rethinking how we design, source and promote, we engage and elevate our entire value chain – reshaping our ecosystem and setting new standards in our industry.

FUTURE-DESIGNED

100%
of major offers in design demonstrate circular and environmental excellence

INDUSTRY CATALYZER

1,500
suppliers on a Zero Carbon Pathway to decarbonize the supply chain

100%
of strategic suppliers are engaged to implement advanced Decent Work practices

50%
of materials selected to provide superior environmental and social value

LONGER. BETTER

x2
growth of circular services for longer and better usage

We unlock human potential

towards equal opportunities

By securing energy access for all and investing in people opportunities, we open the way to progress and shared prosperity.

INCLUSION FOR ALL

100%
of senior talents engaged in their own development or the development of others

40%
of women in leadership*

POWER PROGRESS

100M
people with access to sustainable electricity to power progress

3M
people upskilled through educational programs, including those from vulnerable communities

We empower local communities

towards action and care

By investing in local ecosystems and amplifying grassroots voices, we turn every site – from offices to factories – into a community anchor and an agent of change.

IMPACT STARTS WITH US

>30%
of employees volunteering to be change agents, in their communities and homes

100
sites designed to care for people, nature and communities

* The gender balance metric is a global strategic ambition. It does not apply to territories that prohibit such ambition. The Schneider Electric policy is to always select the best candidate for any position based on skills, experience and potential (irrespective of their gender, age, origin, disability, appearance, etc.).

2.1.4 Key external frameworks and ESG ratings

External guidelines

United Nations Global Compact (UNGC) and Sustainable Development Goals (SDGs)

Parties signing the UNGC commit to ten fundamental principles in four areas: human rights, labor rights, the environment, and anti-corruption. By signing the UNGC in December 2002, Schneider Electric made a public commitment to these universal values. In line with the requirements of the UNGC, Schneider publishes an annual Communication on Progress and meets the requirements of the UNGC Advanced Level. Schneider Electric is committed to contributing to the 17 SDGs through its sustainability programs.

Consult Schneider's latest Communication on Progress on the UNGC website **www.unglobalcompact.org**

International Organization for Standardization (ISO)

Schneider Electric has worked with its suppliers since 2012 to promote the adoption of ISO 26000 principles. Schneider also adopts other ISO guidelines or certifications: see ISO 14001, ISO 50001, ISO 9001, and ISO 45001 on page **284**; ISO 27001 on page **258**; ISO 14025 and ISO 14021 on page **168**.

Global Reporting Initiative (GRI)

Schneider Electric has reported in accordance with the GRI Standards for the period from January 1 to December 31, 2025. The Board of Directors has reviewed and approved the reported information, including the organization's material ESG topics, under Disclosure 2-14 in GRI 2: General Disclosures 2021. A reference table with its indicators and those proposed by the GRI is available on the Schneider Electric website.

Consult Schneider's GRI reports on the Sustainability Reports page on **www.se.com**

Sustainability Accounting Standards Board (SASB)

The SASB Foundation was founded in 2011 as a not-for-profit, independent standards-setting organization. Schneider Electric provides information in alignment with SASB reporting guidelines for its sector (Electrical and Electronic Equipment).

A correspondence table can be found from page **326**.

Task Force on Climate-related Financial Disclosures (TCFD)

In June 2017, the TCFD, a working group led by Michael Bloomberg under the G20 Financial Stability Board mandate, published its recommendations for companies' climate action disclosure. CEOs from more than 100 companies signed a statement of support for the TCFD recommendations and Schneider Electric's CEO was among them. Detailed information can be found in Schneider Electric's CDP Climate Change public disclosure from page **328**.

Science Based Targets initiative (SBTi)

Science-based targets specify how much and how quickly companies need to reduce greenhouse gas emissions in order to avoid a 1.5°C or 2°C global temperature increase, compared to pre-industrial levels. Schneider Electric is part of the 6,000+ companies globally that have committed to reduce GHG emissions in alignment with prevailing climate science through targets approved by the SBTi. The Group's GHG footprint is calculated following the World Resources Institute Greenhouse Gas Protocol. The Group's Net-Zero commitment was validated with the Corporate Net-Zero Standard in 2022. For more details, please see section "**2.2.2.1.4 Actions related to climate change adaptation, mitigation, and energy**" **p.137**.

Organisation for Economic Co-operation and Development (OECD)

The OECD is an international organization that works to build better policies for better lives. Schneider Electric is aligned with the OECD Guidelines for Multinational Enterprises. Schneider Electric signed the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, and established a "Conflict Minerals Compliance program" based on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

International Labour Organization (ILO)

Schneider Electric is a member of the ILO Global Business and Disability Network and adheres to the principles of the ILO Declaration on Fundamental Principles and Rights at Work. The Group's Trust Charter was inspired in part by the standards issued by the ILO.

Consult Schneider's ESG reporting according to various external frameworks (Schneider Sustainability Disclosure Dashboard) on **www.se.com**

ESG ratings and awards

CDP Climate Change A List

In 2025, Schneider Electric once again made it onto CDP's Climate Change A list (top 4% of the 22,000+ companies assessed by CDP), and was the only company in its sector to achieve this 15 years running.

Corporate Sustainability Assessment

Schneider Electric scored 85/100 on S&P Global's Corporate Sustainability Assessment in 2025, ranking 2nd in its industry. The Group remains included in both the DJSI World and DJSI Europe indices until April 2026, when the results of the new DJBIC (formerly DJSI) Index inclusion will be announced.

EcoVadis Platinum medal

In November 2025, Schneider Electric achieved the highest level with a rating of 87/100 and obtained a Platinum medal (top 1% of all companies assessed) for the sixth consecutive year.

FTSE4Good

Schneider Electric remains included in FTSE4Good Developed, FTSE4Good Europe, FTSE Environmental Opportunities, and FTSE EO Energy Efficiency indices in 2025.

Global 100 Most Sustainable Corporations

The Company has been included in Corporate Knights' Global 100 World's Most Sustainable Corporations for over a decade, ranking 40th in January 2026. The Company is also the only one ever to have ranked first twice, in 2021 and 2025. Schneider Electric also ranked 1st in the Europe 50 Most Sustainable Corporations in June 2025.

ISS

In 2025, Schneider Electric is at Prime level on ISS-ESG with an absolute B rating, the best rating in its industry (Electric Components) out of 220 companies.

MSCI ESG Rating industry leader

Schneider Electric has been at AAA grade since 2011, an industry leader and a member of the World ESG Selection, the World Low Carbon Selection and the World Climate Paris Aligned indices.

Sustainalytics leader

As of September 2025, Schneider Electric was recognized as an Industry Top-Rated ESG Performer, ranking 1st out of 304 companies in its industry group with a 7.1 risk rating (Negligible Risk), thereby confirming its inclusion in Euronext Sustainable World 120 and Sustainable Europe 120 indices, as well as in STOXX Environmental Leaders, Social Leaders and Governance Leaders indices.

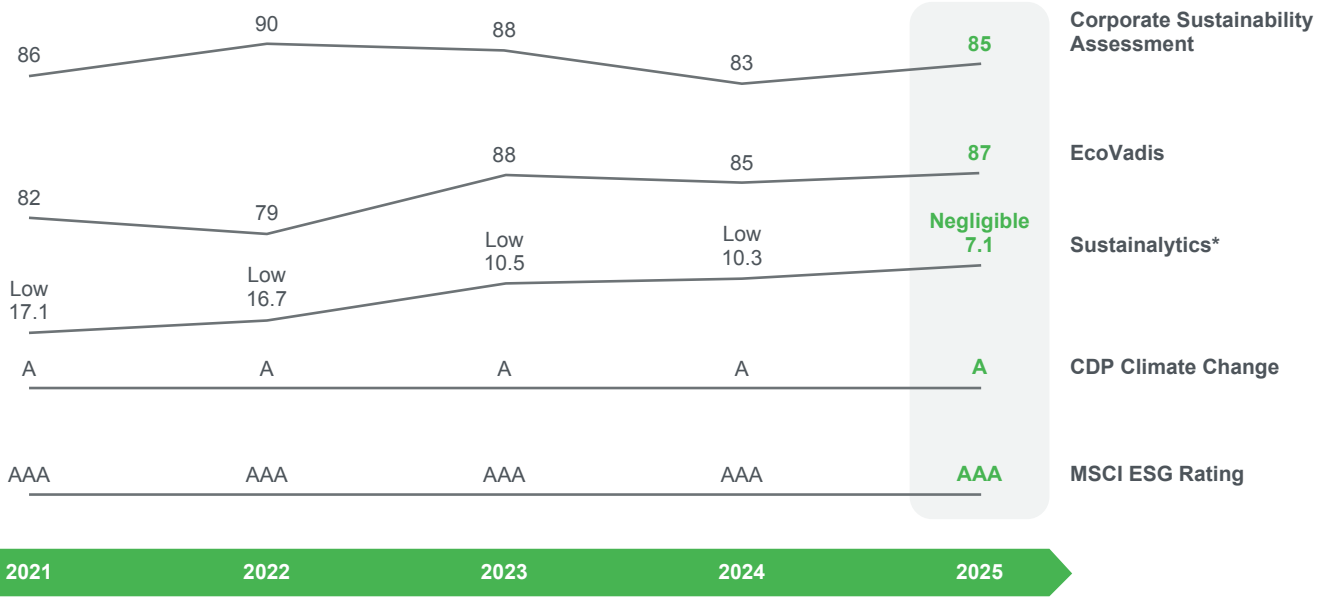
TIME's World's Most Sustainable Companies

Schneider Electric ranked 1st in the TIME magazine and Statista's World's Most Sustainable Companies for 2025, for the second consecutive year. The Group was also recognized as TIME100 Most Influential Companies 2025 with an Impact Award – Impact in Sustainability.

Terra Carta Seal

In 2023, the Group was one of 19 companies awarded the Terra Carta Seal, which recognizes global companies who drive innovation and demonstrate their commitment to the creation of genuinely sustainable markets.

A continued high performance in ESG ratings over the past five years



* A lower score means lower ESG risks on Sustainalytics.

Other awards in 2025

World Economic Forum

World Economic Forum has recognized 12 of Schneider Electric's sites as lighthouses in the Global Lighthouse Network – a collaborative platform showcasing manufacturers that lead in deploying Fourth Industrial Revolution (4IR) technologies at scale to deliver transformative financial, operational, and sustainability improvements across factories, value chains, and business models. Additionally, the Group counts 5 Global Sustainability Lighthouses among the 27 identified worldwide by the World Economic Forum.

Forum pour l'Investissement Responsable (FIR)

Schneider Electric has been awarded the Best Vigilance Plan Award 2025 by FIR for its strong vigilance governance, effective whistleblowing system, and active stakeholder engagement.

Climate

Carbon Clean 200 list

Schneider Electric has consistently been included in Corporate Knights' Carbon Clean 200 list since ranking began in 2016, for its revenue devoted to energy transition. In February 2025, the Group ranked 8th worldwide.

Supply Chain

Gartner 2025 Supply Chain Top 25

Schneider Electric ranked 1st in 2025 in the Gartner Supply Chain Top 25 for the third year in a row, and 1st in the Europe Top 15 for the sixth consecutive year, recognizing the exemplary management of its value chain.

Social

World Benchmarking Alliance (WBA)

In 2025, Schneider Electric ranked 1st out of 2,000 companies in WBA's Social Benchmark and 3rd in their Gender Benchmark, demonstrating leading performance in decent work, ethics, representation, compensation & benefits, and the prevention of violence & harassment.

Schneider Electric was also one of only nine companies out of 1,600 globally to receive an 'A' score under WBA's ACT Core methodology, recognizing its ability to effectively deliver on its carbon transition.

Workforce Disclosure Initiative (WDI)

In February 2025, Schneider obtained a disclosure score of 78%, above the industry average of 62%, in the investor-backed WDI survey, which aims to improve corporate transparency and accountability on workforce issues.

Equileap Global Gender Equality Ranking

In March 2025, Schneider Electric ranked 79th globally out of 3,547 publicly listed companies assessed based on 19 gender equality criteria, including gender balance from the board to the workforce, as well as the pay gap and policies relating to parental leave and sexual harassment, among other topics.

Financial Times Diversity Leader

In October 2025, the Group was recognized as a Diversity Leader by the Financial Times in their Europe's Diversity Leaders 2026 rankings, for the seventh year in a row, ranking 3rd among 800 companies and 1st in its industry.

Best Place to Work for Disability Inclusion

In 2025, Schneider Electric achieved a top score on the Disability Equality Index (DEI), recognized as a "Best Place to Work for Disability Inclusion".

Ethics and Governance

Ethisphere

In March 2025, Schneider Electric was again recognized as one of the World's Most Ethical Companies by Ethisphere, a global leader in defining and advancing the standards of ethical business practices.

Grand Prix de la Transparence

In 2025, Schneider Electric received a Transparency Award in "Information ESG", and was included in the Top 20 most transparent companies, ranking 2nd out of 120 French companies.

Employer awards

Fortune's World's Most Admired Companies

In 2025, Schneider Electric was recognized by Fortune as one of the "World's Most Admired Companies" for the seventh consecutive year, ranking 3rd in the electronics industry sector.

Forbes World's Best Employers 2025

Schneider Electric was included in Forbes World's Best Employers 2025 ranking, ranked 80th out of 900 companies.

Glassdoor

Schneider Electric received a score of 4.2/5 from Glassdoor as of January 2026. Based on more than 20,000 reviews, 87% of surveyed participants would recommend the Group to a friend, and 92% approve of the CEO.

2.2 Sustainability statements | CSRD

As an impact-driven company and an energy technology leader, Schneider Electric aims to deliver strong performance contributing positively across environmental, social, and governance dimensions. The Corporate Sustainability Reporting Directive (CSRD) represents a significant evolution in sustainability disclosures, and complements the long-standing Schneider Sustainability Impact (SSI), which has guided the Group's sustainability performance management for more than a decade.

Since 2024, Schneider Electric took a further step in transparency by reporting in line with the EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). This report provides a deeper understanding of how sustainability is embedded in Schneider Electric strategy, operations, and long-term value creation model.

Delivering robust and comparable sustainability information relies on strong data governance. Over the past years, the Group enhanced its internal processes, strengthened cross-functional collaboration, and invested in improved systems to ensure the quality, completeness, and traceability of the data presented.

These efforts reflect the Group's broader objective: to continuously elevate the transparency and integrity of its reporting.

This report describes how Schneider Electric identifies and manages its material sustainability topics, including decarbonization, circularity, resource efficiency, human rights, working conditions, responsible supply chain practices, and trust, among others. It also outlines how sustainability is embedded within the Group's value-creation model, risk-management processes, and long-term strategic planning.

Summary overview

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2.2.1 General information | ESRS 2

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Introduction

Comprehensive sustainability disclosures are a central component of Schneider Electric's strategy, reflecting the Group's commitment to transparency and long-term value creation. Since 2024, this ambition has been further reinforced through the application of the EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). The continuous enhancement of data quality, completeness, and clarity remains a priority, supporting the Group's ambition to drive meaningful impact and contribute to a just energy transition powered by electrification, energy efficiency, automation, and digital innovation.

In line with ESRS 2, this section provides core contextual information and is structured into three subsections:

1. **Overview, governance, and strategy** – covering the business model, sustainability governance, and business conduct mechanisms.
2. **Double materiality assessment** – outlining key impacts, risks, and opportunities.
3. **Basis for preparation** – describing reporting scope and applied principles.

2025 highlights

100+
Countries where the Group operates

99%
Of employees trained on the Trust Charter in 2025

19
Material sustainability matters

44
Material impact, risks, and opportunities (IROs)

2.2.1.1 Schneider Electric overview, governance, and strategy

2.2.1.1.1 Schneider Electric's activities and business model

Schneider Electric offers a portfolio supporting a sustainable future, with expertise in electrification, automation, and digitalization. It operates across four end markets: Data center and Networks, Buildings, Industry, Infrastructure. Supported by 159,844 employees, the Group helps clients achieve efficiency and sustainability. In 2025, revenue reached EUR 40.152 billion.

Read more about Schneider Electric's business model in the Integrated Report, on **page 10**.

Schneider Electric's strategic focus on electrification, automation, and digitalization closely aligns its business strategy with sustainability. The Group aims to generate a positive impact on the planet and on society as a whole by fostering fair and sustainable growth. At the same time, Schneider Electric faces both opportunities and risks related to its influence across its extended value chain, its reliance on resources, and its need for a diverse and highly skilled workforce. With presence in over 100 countries encompassing diverse standards, values, and practices, the Group is committed to behaving responsibly in relation to all its stakeholders and extending its duty beyond compliance with local and international regulations. Defined sustainability goals cover a variety of scopes, from global programs to targeted local objectives. The Schneider Sustainability Impact (SSI) and Schneider Sustainability Essentials (SSE) define targets and measure performance in critical areas of focus[1], while local sustainability commitments deploy objectives and actions at national and regional level in the 100+ markets where the Group operates.

Read more about Schneider Electric's sustainability targets in section 2.1.1.2 on **pages 84 and 85.**

Schneider Electric is committed to open communication with its value chain and uses feedback to analyze its market and define areas of progress, aiming to boost its positive impact by promoting sustainable growth that is shared with all its stakeholders. Building long-term partnerships with a wide range of global and local players, Schneider Electric works directly with many types of suppliers, contractors, and end-customers, and is developing the industry's largest network of distributors.

In terms of supply chain, the Group has developed an agile and secure supply base that is almost evenly distributed across the world. Material extraction activities provide the necessary raw materials to a large range of suppliers located in more than 100 geographies which Schneider Electric relies on to process, transform, and manufacture metals, electronics, and plastics into components. This supply base represents a combination of mature companies operating on a global scale, from small and medium scale enterprises serving local or niche markets and categories which require simple assembly, to complex manufacturing activities.

The Group's key activities are structured around its two main businesses: Energy Management and Industrial Automation, each of which has assets in multiple locations around the world.

Schneider Electric manufactures and delivers its solutions directly to end-users or via distributors and other downstream partners like panel builders and system integrators. In many cases, products and services are combined into systems by involving additional parties before being commissioned. Schneider Electric executes these projects through two alternative options: either selling components to channel partners who build and deliver the system or building the system directly for the end-customer, frequently involving project contractors.

As part of its value chain, the Company interacts with multiple external stakeholders in the ecosystem including business partners, key local and international associations, organizations, local communities, and institutional and technical bodies, aiming to support the implementation of sustainability in society at large.

For more details on Schneider Electric's value chain, please refer to the figure on **page 122.**

As a result, Schneider Electric's portfolio delivers high environmental performance products, software, and services, such as electrification and digitalization solutions, energy-efficiency systems, sustainability consulting services, and renewable energy procurement. These products, software, and services help customers decarbonize and reduce their environmental footprint, contributing to the Group's sustainability-related goals by advancing saved and avoided emissions, and generating Impact revenues.

For more details about Schneider Electric's business model and its relation to sustainability matters, please refer to **Our business model**, on **page 10** of this Universal Registration Document; significant product families on **page 57**, and **pages 64 to 70** for markets and customer groups.

(1) The entity scope of the SSI and SSE programs is more limited than the reporting perimeter required for the sustainability statements under the CSRD. These programs are part of the Group's 2021-2025 strategy and are therefore independent from the double materiality assessment conducted as part of the application of the ESRS standards and the CSRD starting 2024. Read more details about the scope of SSI and SSE in section 2.4.1 on page **314**.

2.2.1.1.2 Integrated and transverse governance of sustainable development

Sustainability governance at Schneider Electric

Management oversight

Board of Directors

Board of Directors

- Establishes the multi-annual strategic approach on environmental, social and governance responsibility and reviews the results reached on a yearly basis (including on climate)

Audit & Risks Committee

- Monitors the process of preparation of the sustainability information as well as any potential related issues
- Reviews the sustainability risks and the double-materiality assessment (jointly with the Governance, Nominations & Sustainability Committee)
- Makes recommendations to ensure the integrity of the sustainability reporting
- Reports to the Board on the results of the sustainability information certification mission

Governance, Nominations & Sustainability Committee

- Ensures that the Company's sustainability long-term commitments are implemented
- Reviews the Group Sustainability strategy, including the Climate strategy, and monitors progress achieved over time
- Reviews the sustainability risks and the double-materiality assessment (jointly with the Audit & Risks Committee)
- Reviews the ESG targets included in executive compensation

Executive Committee

- Defines and deploys sustainability operational plans, monitors the performance of sustainability programs
- Embeds sustainability into operations, capital allocation, risk management and culture
- Promotes ethical culture and responsible conduct

Coordination and monitoring

Sustainability, Finance, Governance & Human Resources functions

Oversee strategy, as well as programs definition and execution

- Sustainability monitors the sustainability strategy and performance, and coordinates cross-functional implementation
- Finance ensures data integrity of sustainability disclosures, supports auditability and internal control, and challenge performance
- Governance drives risk management, ensures governance frameworks, policies and oversight structures support sustainability objectives
- Human Resources implement the people dimension of the sustainability strategy (skills, diversity, wellbeing, culture)

Deployment

Sustainability strategy in action

Business, operations and corporate functions

- Implement sustainability strategy, policies and programs
- Deploy awareness campaign and trainings, support employee engagement

Steering committees

Dedicated committees, with oversight by selected Executive Committee members, to track progress on sustainability material topics (non-exhaustive list):

- Access to Energy Committee
- SERE (Safety, Environment and Real Estate) Committee
- Ethics & Fraud Committee
- Duty of Vigilance Committee
- Foundation Executive Committee and Schneider Volunteering Board
- HR Committee
- Inclusion and Care Committee

All employees

Sustainability network, volunteers, Unions, Schneider Electric Foundation delegates

Board of Directors

As of December 31, 2025, the Company's governance structure consists of:

(i) a Board of Directors composed of 15 non-executive members and 1 Observer;

(ii) one executive Corporate Officer, the Chief Executive Officer, who is not a member of the Board of Directors; and

(iii) an Executive Committee.

The percentage of independent Board members was 73.2%[1].

As of December 31, 2025, the diversity of the Board members was as follows:

	Women	Men
By gender	49.6%[2]	50.4%

	<30	30 to 50	50+
By age	0.0%	16.5%	83.5%

	Western Europe	Asia Pacific	North America	Rest of the World
By regional nationality	64.0%	12.4%	23.6%	0.0%

The Board of Directors reviews, in relation to the strategy it has defined, the opportunities and risks, such as financial, legal, operational, social, and environmental risks, as well as the measures taken accordingly, and to that end receives all information necessary to fulfill its remit, especially from the Chief Executive Officer.

The Audit & Risks and the Governance, Nominations & Sustainability Committees report systematically to the Board on all their work including impacts, risks, and opportunities on sustainability matters. They prepare the Board of Directors' decisions in these domains. In 2025, the whole Board was provided with three sustainability updates by the Governance, Nominations & Sustainability Committee and the Audit & Risks Committee.

Therefore, material impacts, risks, and opportunities are fully integrated in the decision-making process of the Board of Directors and systematically taken into consideration. The Strategy session of the Board of Directors deals with a thorough annual review of the strategy, including material impacts, risks, and opportunities.

The Audit & Risk Committee validated the results of the double materiality assessment along with its list of material impacts, risk, and opportunities found in **2.2.1.2 Double materiality assessment: main sustainability impacts, risks and opportunities**.

In addition, the Chief Executive Officer reports quarterly to the Board during his business update on the progress made by the Group in its sustainability journey, notably on the results of the SSI.

The Chief Executive Officer regularly reports to the Board of Directors in the context of the business update presented at each Board of Directors meeting. Several Executive Committee members including the Chief Financial Officer, the Chief Sustainability Officer and the Chief Governance Officer also report regularly to the Board and the Audit & Risks and Governance, Nominations & Sustainability Committees. To that end, the Chief Executive Officer relies internally on:

- The Executive Committee composed of 15 members (with the CEO) which reviews regularly the progress made by the Company on sustainability matters;
- The Function Committee, composed of the Executive Committee members in charge of key functions: Governance, Human Resources, Strategy, Sustainability, Finance, and Digital;
- The Group Sustainability department, in charge of Schneider Electric's sustainability strategy and rollout of action plans at Group level with relevant entities, being the central point of contact for internal and external stakeholders regarding sustainability at Schneider Electric; and
- The Sustainability Reporting Finance Department, which integrates sustainability targets into the performance review process and ensures the integrity of related data.

More information about…

	Section in Chapter 4
Member's experience relevant to sectors, products and geographic locations of the Company	4.1.1.2
Composition of the Board of Directors	4.1.1.1
Employee representation within the Board or Directors	4.1.1.4
Roles and duties of the Board of Directors	4.1.2.1.1
Composition and responsibilities of the Audit & Risks Committee	4.1.3.1
Composition and responsibilities of the Governance, Nominations & Sustainability Committee	4.1.3.2
Roles and duties of each body as defined in the internal regulations of the Board of Directors	4.1.5

(1) This percentage corresponds to a weighted average ratio of independent members to all Board members. It differs from the ratio disclosed in **section 4.1.1.1** of Chapter 4 of this Universal Registration Document, which is calculated on the basis of a number of Board members excluding the employee representatives and the employee shareholder representative in accordance with the provisions of the AFEP-MEDEF Corporate Governance Code, *i.e.*, 12 Board members.

(2) This percentage corresponds to a weighted average ratio of female to male Board members. It differs from the gender ratio disclosed in **section 4.1.1.1** of Chapter 4 of this Universal registration Document, which is calculated on the basis of a number of Board members excluding the employee representatives in accordance with the provisions of the French commercial Code, *i.e.* 13 Board members.

Audit & Risks Committee

The Risk Management Vice President reports to the Chief Governance Officer.

The Internal Control department reports to the Group Chief Accounting Officer who reports to the Chief Financial Officer.

The Chief Internal Audit Officer reports to the Chief Governance Officer. Nevertheless, the Chief Internal Audit Officer has direct access to the Chairwoman of the Audit & Risks Committee and meets with her on a regular basis throughout the year.

The Chief Financial Officer, the Chief Sustainability Officer, and the Chief Governance Officer who are Executive Committee members, report to the Chief Executive Officer. Each of them has direct access to the Audit & Risks Committee and meets with its Chairwoman on a regular basis throughout the year. They also have direct access to the Board of Directors and meet with its Chairman on a regular basis throughout the year.

In 2023, Schneider Electric started to perform its double materiality assessment. This assessment involves the collaboration of various teams, especially the Sustainability team, the Group Risk Management function, and the Duty of Vigilance Committee.

As part of its responsibilities relating to the following-up on the efficiency of internal control and risk management systems, at least once a year, the Audit & Risks Committee reviews Enterprise Risk Management reports including operational risk-mapping and makes sure that measures exist for preventing or minimizing risks.

Material impacts, risks, and opportunities across the value chain are reviewed and approved by the Audit & Risks Committee. A joint session is also organized with the Governance, Nominations & Sustainability Committee to review Corporate Sustainability Reporting (CSR) risks.

Based on this assessment and in close collaboration with Risk Overseers and the Group Risk Management team, the Internal Control function uses a risk-based approach to define the key controls needed and linked to material impacts, risks and opportunities. Those key controls are embedded in the processes and used to monitor the risks identified.

In accordance with professional standards governing this activity, Internal Audit independently assesses the effectiveness of governance, risk management, and internal control. After each internal audit, a report is issued setting out the auditors' findings and recommendations for the business unit, global function, or operational entity audited. Additionally, the reports are also shared with Senior Management and the Audit & Risks Committee.

Governance, Nominations & Sustainability Committee

The Governance, Nominations & Sustainability Committee:

- Ensures that the long-term commitments in terms of sustainability undertaken by the Company are implemented;
- Reviews the Group sustainability strategy including the climate strategy and follow up on the progress made on a regular basis; and
- Reviews the sustainability risks jointly with the Audit & Risks Committee.

The Governance, Nominations & Sustainability Committee reports on its work to the Board of Directors which approves the sustainability strategy and the SSI.

The results of the SSI are published every quarter together with financial results. On these occasions, results are consolidated and, when needed, submitted to the Function Committee, which decides on any corrective measures necessary to stay on track with objectives. The Governance, Nominations & Sustainability Committee within the Board of Directors conducts an annual review of the Group's sustainability strategy, analyzing, in particular, the performance of the SSI. The results are also publicly presented to shareholders by Schneider Electric's Chief Executive Officer or Chief Financial Officer.

Disclosure of how the Board of Directors determines whether appropriate skills and expertise are available or will be developed to oversee sustainability matters is available in **section 4.1.1.4 of Chapter 4.**

Directors with ESG skills

Directors' sustainability skills are assessed on the basis of their respective training, experience, and contribution, every year during the Board of Directors' self-assessment which includes an assessment of the individual contribution of each member.

In addition, Board members' knowledge of sustainability issues is kept up to date through specific training sessions and presentations organized throughout the year at meetings of the Board of Directors and its committees, as well as at the annual Strategy session.

As of December 31, 2025, nine directors, namely Mr. Jean-Pascal Tricoire, Mrs. Giulia Chierchia, Mrs. Clotilde Delbos, Mr. Fred Kindle, Mr. Philippe Knoche, Mrs. Linda Knoll, Mrs. Anna Ohlsson Leijon, Mr. Anders Runevad, Mr. Lip-Bu Tan, and Mrs. Ellyn Shook, as an observer, serve Schneider Electric as regards its strategic needs and sustainability challenges. The split by skills is as follows:

Type of skills	Number of Directors
Environmental	4
Social	6 (+ 1 Observer)
Governance	6
Total with ESG skills	9 (+ 1 Observer)

For details relating to Directors' respective biographies and skills, please refer to **sections 4.1.1.2 Biographies of the Chief Executive Officer and Board members** and 4.1.1.4 Skills and diversity, sub-section **"**Skills within the Board of Directors**",** of Chapter 4.

Remuneration

There is no incentive scheme for members of the Board of Directors, who only receive a fixed base amount and a fee depending on attendance at Board and committee meetings.

The details provided below relating to incentives schemes and remuneration policies linked to sustainability matters concern the Chief Executive Officer and exclude the members of the Board of Directors.

Specific sustainability-related targets are included in the two kinds of incentive schemes used to assess the performance of the Chief Executive Officer:

- 20% of the Short-Term Incentive Plan (STIP) depends on the Schneider Sustainability Impact (SSI) score achieved at the end of the financial year, promoting the continuous progress towards more sustainability and value for customers; and
- 25% of the performance conditions applicable to the Long-Term Incentive Plan (LTIP) depends on carbon emission reduction targets aiming at linking the Chief Executive Officer's compensation with Schneider Electric's greenhouse gas (GHG) reduction targets.

For key characteristics of the STIP and LTIP for the Chief Executive Officer please see **section 4.2.3.1.2** relating to the compensation policy of the Chief Executive Officer.

Sustainability-related performance metrics are included in remuneration policies. They demonstrate how important sustainability issues are for Schneider Electric and they are aligned with its strategic priorities.

For the Chief Executive Officer, the percentage of his annual variable remuneration dependent on sustainability-related targets is 20%. This differs from the value disclosed in section **2.2.2.1.1 Climate-related incentives**, as that section focuses exclusively on greenhouse gas (GHG) reduction related incentives, whereas the present section covers broader sustainability considerations.

The Board of Directors sets annually the SSI targets to be achieved in the context of the incentive schemes based on the recommendations of the Human Capital & Remunerations Committee and annually reviews the performance achievements.

For the Board of Directors, see **sections 4.1.2.1.1 Roles and duties of the Board of Directors** and **4.1.2.1.2 Roles and duties of the Chairman of the Board** of Chapter 4.

For the Human Capital & Remunerations Committee, see **section 4.1.3.3 Human Capital & Remunerations Committee** of Chapter 4.

2.2.1.1.3 Trust with stakeholders

Trust and business conduct governance

Context

Trust is a foundational value, core to Schneider Electric's environmental, social, and governance (ESG) commitments.

Schneider Electric has earned the trust of stakeholders through its quality products, sustainability commitments, and business integrity. Trust powers interactions with customers, shareholders, employees, and communities. It is manifested through trusted teams, customer/partner relationships, investor trust, and community engagement. Leaders set the tone and exemplify the Trust culture, prioritizing equality, well-being, and safety. Schneider Electric upholds high standards in cybersecurity, anti-corruption, fair competition, and responsible supplier management, and remains mindful of the responsibility to prevent insider trading, deliver accurate financial statements, and protect intellectual property. The Company acts for a climate-positive world, efficient resource use, and responsible citizenship.

Governance

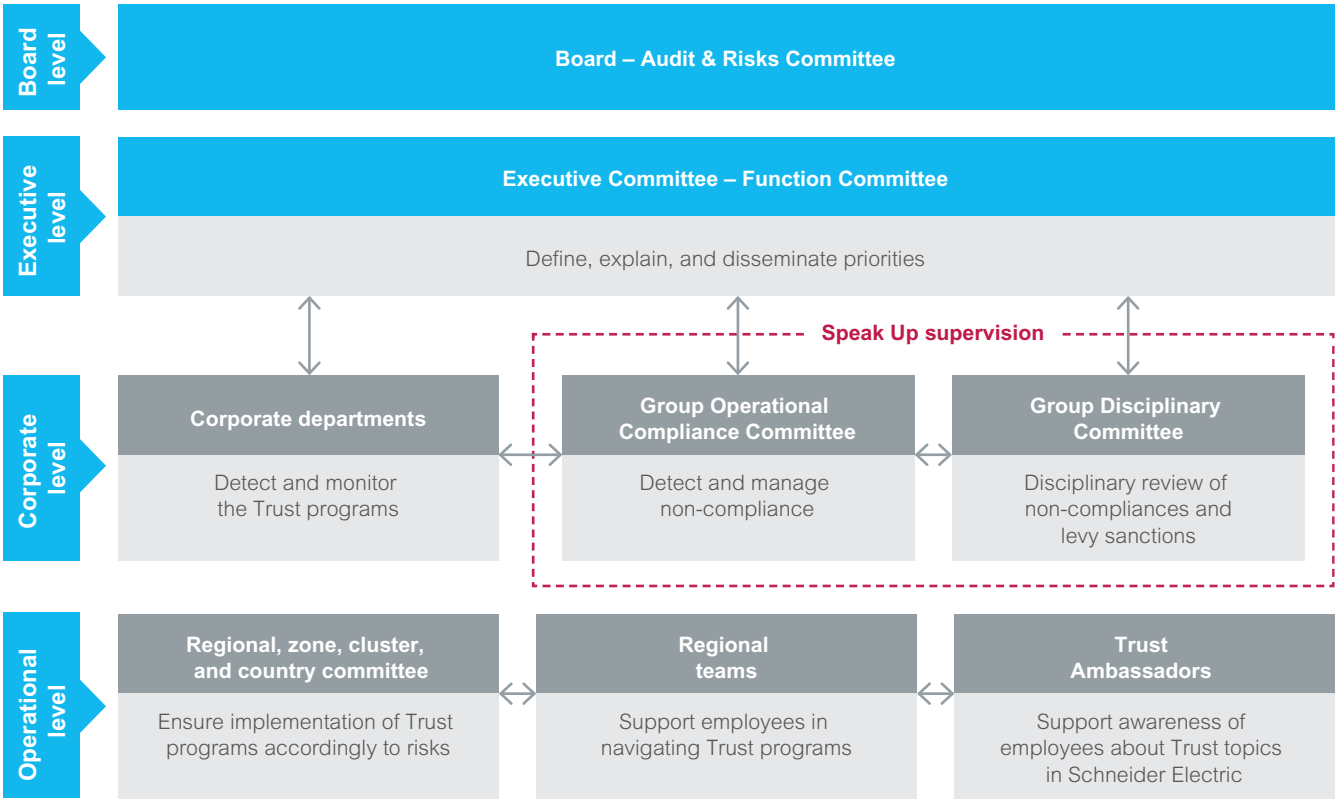
The Trust programs are managed through a dedicated governance framework:

Board level: Schneider Electric's Board of Directors oversees the maturity level and effectiveness of the governance and organization, risk management systems, processes and controls, and communication and training through the Audit & Risks Committee.

Executive level: Schneider Electric's Executive Committee decides the Trust agenda, acts as a sounding board for corporate departments in charge of Trust topics, and coordinates highly transversal programs such as the SSI. On a yearly basis, members of the Board of Directors and the Executive Committee mandatorily attend the Audit & Risks Committee, which includes risk management education, including on Trust-related matters.

Corporate level: Schneider Electric has created a standalone Ethics & Compliance department, chaired by the Chief Compliance Officer, and reporting to the Chief Governance Officer & Secretary General, to drive the strategy of the Ethics & Compliance program. The department works closely with the Legal, Human Resources, Finance, Digital, Strategy, Quality, and Sustainability departments, as well as Internal Control and Internal Audit; which are directly responsible for managing certain specific risks.

Operational level: Regional committees ensure implementation of the Trust programs (such as regional Ethics & Compliance Committees for the Ethics & Compliance program) in alignment with risks identified.



Read more about the Whistleblowing Policy and grievance mechanisms on **page 110.**

Trust Charter, Schneider Electric's Code of Conduct

The Trust Charter (available in more than 40 languages on Schneider Electric's website), acts as the Group's Code of Conduct and demonstrates the Group's commitment to ethics, safety, sustainability, quality, and cybersecurity. It powers all the interactions with stakeholders and all relationships with customers, shareholders, employees, and the communities Schneider Electric serves, in a meaningful, inclusive, and positive way. It serves as a compass, showing the true north in an ever more complex world. Trust is a foundational value of Schneider Electric, and it is core to its ESG commitments.

Schneider Electric developed the Trust Charter, owned by the Group Risk Management team, with the support of various internal teams including Governance, Customer Satisfaction & Quality, Sustainability, Global Human Resources, Global Supply Chain, Global Finance, Global Marketing, and Corporate Citizenship. This document is made available to stakeholders through Schneider Electric's website and is referenced within contractual relationships.

All Schneider Electric employees are expected to comply with Schneider Electric's Trust programs. They are based on management commitment which makes its pillars effective and on risk assessment which assists decision making, determining the risks to be treated and the priority to implement the treatment.

Through its Trust programs, Schneider Electric aims to prevent, detect, and mitigate integrity risks including corruption, fraud, violation of human rights, health and safety, responsible workplace (including discrimination, harassment, and sexual harassment), anti-competitive practices, sanctions and export control, tax law, quality, cybersecurity, as well as data privacy and protection. The program design and operation are influenced by the Group's risk profile, business model, organizational structure, and culture.

Each section of the Trust Charter states clear Dos and Don'ts and provides clear references to relevant policies and procedures, which are adapted to meet local legal requirements when necessary. This Code of Conduct applies to everyone working at Schneider Electric or any of Schneider Electric's subsidiaries. It is both an individual and collective responsibility to comply and respect laws and regulations, to apply Schneider Electric policies, and to uphold strong ethical principles to earn trust at all times.

Discover Schneider Electric's Trust Charter on **www.se.com**

Actions and resources

Management commitment

Rules and policies alone do not suffice. Management sets the Company standards and promotes a culture of integrity and a "Speak Up" mindset. Leadership at every level of the organization was involved in the design, creation, and deployment of the Trust Charter to ensure that everyone at Schneider Electric is aware of the importance of trust and understands how to get the most out of the Group's Code of Conduct.

Top management regularly expressed its commitment through statements and extensive communication (called "tone from the top"), such as Trust Moments throughout the year. In particular, the culture of speaking up was supported by Schneider Electric's Chief Compliance Officer in a video in which he notably reminded colleagues of the importance of maintaining an ethical workplace. The integrity is also expressed by middle- and first-line management (called "tone from the middle") by spreading the right message in their teams and supporting reporting of misconduct.

Management commitment is evidenced by the participation of Schneider Electric's Chairman who sits on the global Board of the United Nations Global Compact. Schneider Electric also works with other companies and stakeholders to build integrity and common standards. The Group participates in the initiatives of many non-governmental organizations (NGOs) and professional associations, such as Transparency International France, *Le Cercle d'Éthique des Affaires* (The Ethical Business Circle), the International Deontology & Compliance Committee of the *Mouvement des Entreprises de France* (Movement of the Enterprises of France), and the Anti-Corruption Committee of Business at OECD.

Read more on the Whistleblowing Policy and grievance mechanisms on **page 110.**

Awareness

Internal communication provides employees with essential baseline information on Schneider Electric's integrity commitment while also raising awareness and understanding of the Trust programs. To do this, the Group created a dedicated intranet page: the Trust Portal, which gives access to resources (policies, useful contacts, sites, guidelines, templates, etc.) to all employees when they face situations in which they need support. The portal aims at giving employees the confidence to alert any unethical behavior they witness and stay informed of new Trust programs or policies. Schneider Electric also regularly distributes videos and other communication assets on integrity-related subjects to its employees.

In 2025, Trust Moments, a global internal communications initiative, brought the pillars of Trust together into multiple events. The campaign included several global live webinars, articles, and videos alongside additional local events, aligned to the Group's pillars of integrity, transparency, and resilience. The events drew thousands of employees across the globe. By providing access to a range of activities targeted toward all employees, the Group saw a remarkable level of engagement and influence. In addition, Schneider Electric fostered a Speak Up mindset throughout the year, especially through additional live webinars, global intranet articles, and awareness sessions. The Trust Portal recorded 11,598 unique views, and over 16,000 downloads of the Trust Charter were noted on the Group's website. These figures reflect the interest not only from employees but also from all of the Group's stakeholders.

External communication informs stakeholders of Schneider Electric's integrity and implementation of the Trust programs. The Group communicates through a dedicated webpage and specific external communications. Schneider Electric also responds to several questionnaires from extra-financial rating organizations related to Trust. In 2025, Schneider Electric was once again recognized as one of the World's Most Ethical Companies by Ethisphere, a global leader in defining and advancing the standards of ethical business practices. Ethisphere is a third-party external recognition focused on Ethics with independent criteria covering governance, resources, standards, training, risk controls, enforcement, measurement, third-party risks, and impact.

Training

Each year a global campaign of mandatory training is run for all employees, called Schneider Essentials, from April to the end of September aiming at ensuring that all employees are trained on the most important topics covered by the Trust Charter. These trainings are designed in accordance with Schneider Electric's training guidelines. The training is available in 18 languages in the Group's Learning Management System. In 2025 Schneider Essentials focused on Trust, Cybersecurity, and AI, along with additional courses based on function or location. For employees exposed to corruption risks, an Anti-Corruption training is required each year as a functional essential training. The course dedicated to Trust was completed at 99.2% The Anti-Corruption training was completed at 98.3%.

As part of the Trust Standards, which define the mandatory integration steps that an acquired entity must complete within a maximum of three years to ensure full alignment with Schneider Electric's Ethics & Compliance program, several specific trainings are also delivered; the Trust programs include trainings for leaders of acquired companies, as part of the integration process. The training entails a specific focus on what is expected from the leadership teams, including endorsing the programs and actively promoting employees' completion of mandatory trainings.

The Group monitors and discloses its completion rate on trainings on Ethics (Trust Charter and Anti-Corruption for eligible employees) and Cybersecurity, aiming for 100% completion each year (SSE #13). In 2025, SSE #13 achieved a 98.3% completion rate.

Corrective actions

Deficiencies in the implementation of the Trust programs – potentially reported through whistleblowing – are analyzed to identify their cause and remedy them with appropriate measures, which can take the form of:

- Disciplinary measures decided locally, or by the Group Disciplinary Committee for the most sensitive alerts based on the findings of an investigation and depending on local disciplinary policies and law;
- Remediation measures (such as launching a specific audit, reviewing a process, or performing training); and/or
- External actions (such as entering civil litigation or similar legal proceedings).

Schneider Electric's Group Disciplinary Policy, aims to achieve and maintain transparency and consistency by establishing a framework for Disciplinary Actions in case of violations of the Trust Charter, associated Group policies, and applicable laws and regulations. It supports the guidance and recommendations provided by competent authorities and bodies regarding Disciplinary Actions.

Monitoring and audit

The Trust Charter, Schneider Electric's policies and programs are an integral part of the second line of defense control framework.

Furthermore, the Group's Internal Audit program includes specific tasks related to the Trust programs, and to activities or subsidiaries for which an evaluation of the maturity and effectiveness of the program will be reviewed. Several internal audits were conducted in 2025 resulting in recommendations related to the improvement of the Trust programs.

Read more details about Group Internal Audit in **section 3.2.3 Risk management mechanisms on pages 366 to 370.**

Whistleblowing Policy and grievance mechanisms

Context

Whistleblowing and grievance systems provide employees with a safe and confidential way to report any unethical behavior, misconduct, or corruption they may witness within an organization. By encouraging employees to speak up without fear of retaliation, companies can detect and address issues early, thereby upholding their commitment to integrity, ethical conduct, and compliance with laws and regulations. This fosters a culture of trust and accountability.

Governance

Schneider Electric employees must feel free and psychologically safe to share their ideas, opinions, and concerns, without fear of retaliation. To ensure the effectiveness of that Speak Up mindset and related whistleblowing system, the Group has created two specific committees:

- The Group Operational Compliance Committee (GOCC) detects and manages cases of non-compliance in accordance with the Whistleblowing Policy and Case Management & Investigation Policy, and reviews monthly the effectiveness of the whistleblowing system. The GOCC is composed of the following members: Chief Compliance Officer (secretary of the Committee), Chief Governance Officer & Secretary General (reporting directly to the Chief Executive Officer), Chief Business Legal Officer, Group Internal Audit & Control Officer, Head of Group Compliance Program, Group Human Resources Compliance Officer, and Head of Fraud Examination; and
- The Group Disciplinary Committee levies sanctions and remediation actions on serious non-compliance cases to guarantee a fair and transparent disciplinary policy upon request of the GOCC. The Group Disciplinary Committee is composed of the following members: Chief Governance Officer & Secretary General, Chief Human Resources Officer, Chief Compliance Officer (secretary of the Committee), Chief Business Legal Officer, and one rotating member.

Group policy

Schneider Electric employees have a responsibility to report potential unethical behaviors, as set out in the Whistleblowing Policy. To voluntarily report a potential violation of laws and regulations, and/or of the Group's Trust Charter and Group policies, whistleblowers can use all reporting channels available, regardless whether they are employees, contractors, or external stakeholders (suppliers, subcontractors, customers, business agents, etc.).

At Schneider Electric, stakeholders, either internal or external, may report concerns either by contacting an appropriate person in the Group (manager, Human Resources business partner, Legal Counsel, or Compliance Officer) and/or by using the Trust Line, Schneider Electric's whistleblowing system. The latter is available online globally, at all times, in 27 languages, and protects the anonymity of the whistleblower (unless there is legislation to the contrary). In compliance with local legislation, this system is provided by an external, impartial third-party company and proposes alert categories, a questionnaire, and an information exchange protocol between the person issuing the alert and the person responsible for the case management.

Schneider Electric's Whistleblowing Policy is available publicly on **www.se.com**

Actions and resources

Case management: a structured process led by Ethics & Compliance

1. Report	2. Assess	3. Investigate	4. Remediate	5. Follow-up
Report potential violation ***By employees, third parties***	**Confirm (or not) validity of alert** **Assign investigator(s)** ***By Ethics & Compliance***	**Facts finding process, interviews, data analysis:** • Allegations confirmed or not • Root cause analysis ***By assigned investigator(s)***	**Remediation and/or disciplinary measures** ***By Ethics & Compliance and management***	**Check implementation of actions decided and non-retaliation**

At Schneider Electric, the Whistleblowing Policy and process are operationalized through the Case Management & Investigation Policy, which sets out the practical rules to follow by the investigation teams. The triage of misconduct reports is primarily managed by the Regional Compliance Officer. Upon receipt of a concern, the Regional Compliance Officer evaluates its validity based on predefined criteria outlined in the Whistleblowing Policy. If the concern qualifies as a valid alert, it is promptly escalated for thorough investigation. However, if the concern does not meet the criteria, it is closed, and the reporter is directed to the relevant organization for assistance. In cases where the Regional Compliance Officer requires further information to conduct the triage effectively, they may request additional details from the reporter. However, if there is no response from the reporter after two reminders and/or three weeks following the receipt of the concern, the case may be closed.

Furthermore, collaboration with partner organizations such as Human Resources, Internal Audit, and Finance is integral to the process, especially in cases where their expertise and involvement are necessary for a comprehensive resolution.

Once a concern is identified as an alert, the Regional Compliance Officer undertakes two critical actions:

- Firstly, to determine the type of alert based on the definitions outlined in the Whistleblowing Policy; and
- Secondly, to classify the case according to the severity criteria specified in an Appendix of the Whistleblowing Policy. The Regional Compliance Officer does so with impartiality and confidentiality.

Depending on this classification, low and medium cases are managed by the relevant Regional Compliance Officer at the regional level, while high and critical cases are overseen at global level by a member of the Group Operational Compliance Committee. It is important to note that the classification of a case may evolve during the investigation process.

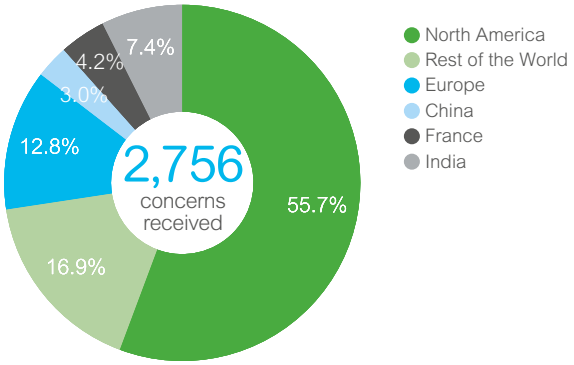
Subsequently, the appointed Case Manager takes charge of deciding the investigative approach, either by leading it directly, assigning a dedicated investigation team, or appointing an external investigator. In order to properly manage all situations, the Case Management & Investigation Policy sets out rules to make this decision with impartiality in order to make sure decision-making is done objectively and in autonomy from chain of management involved in prevention and detection of corruption or bribery.

Schneider Electric's Whistleblowing Policy provides for the protection of the reporter, reported person, witnesses, and other involved people by highlighting rights and responsibilities of people involved. It meets the legal obligations specified by the EU Whistleblowing Directive 2019/1937. People protection is emphasized on, in particular:

- A procedure to ensure Schneider Electric's zero-tolerance policy against retaliation by prohibiting retaliation or other discrimination, and a prompt, independent, and objective case management investigation;
- A set of protection and care measures that can be offered during investigation, if needed and as per local legislation, such as security measures (distancing), accommodations, flexible time management, change of function/service, and psychological support;
- A possibility of internal or external mediation to help rebuild respectful collaboration; and
- Impartiality rules guaranteed with the appropriate level of case management when a top leader is the reported employee, and by the prevention of conflict of interest, notably ensuring that investigators are separate from chain of management involved in the Ethics & Compliance program when necessary.

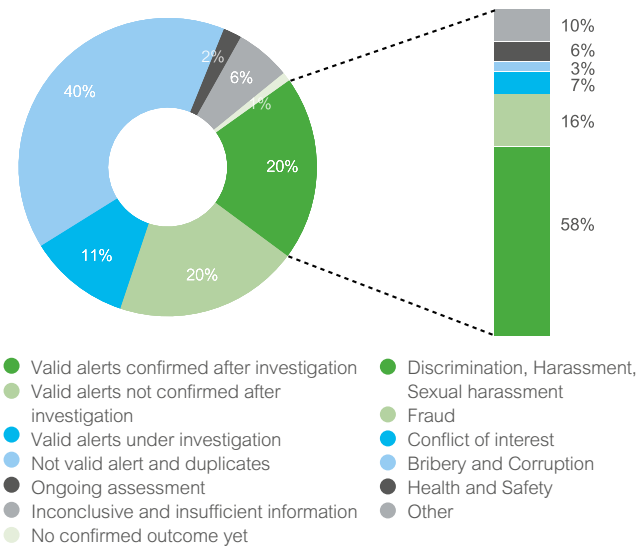
Following investigative findings, in the event of a confirmed case, certain corrective actions may be implemented, which may include disciplinary measures. The Group Disciplinary Policy outlines the rules for disciplinary measures.

Number of concerns received through Schneider Electric's whistleblowing system per region



Status of concerns received* through Schneider Electric's whistleblowing system

Distribution of confirmed alerts by type of issue



*as of January 1st, 2026

To measure the effectiveness of the Trust Line, Schneider Electric created SSI #7 and added a question to its annual employee engagement survey, OneVoice: "I can report an instance of unethical conduct without fear". In 2021, 81% of employees surveyed answered "yes". Since then, the Group has worked to increase this measurement by 10 points by 2025 as part of the SSI. In 2025, 85% of employees surveyed answered "yes" which constitutes an improvement of +4 points over a four-year period.

Open dialogue with stakeholders

Schneider Electric engages in open and continuous dialogue with each of its stakeholders. In particular, the Sustainable Development department takes into account comments, ratings, and evaluations from stakeholders on the Group's sustainability strategy and programs. This feedback is integrated in the design of the core sustainability strategy programs which takes place every three to five years, with the next iteration to be deployed in 2026. As such, for the current reporting year, no significant amendments have been made to the Group's business model and strategy.

Schneider Electric's stakeholders express their main concerns and expectations, which are used by the Group to build its sustainability strategy, including the 2021 – 2025 sustainability objectives. These include four main points: leading climate action in Schneider Electric's ecosystem and with its partners; pioneering circular economy and being efficient with resources; ensuring a fair transition and guaranteeing high ethical, social, and environmental standards along Schneider Electric's value chain; leveraging digital in cybersecure solutions to boost positive impact. Stakeholder's inputs are equally used in the same manner to develop the next cycle of sustainability programs, starting in 2026.

Stakeholder	Engagement channel	Outcome and value creation	Achievements 2025
Suppliers	• Duty of Vigilance program • ESG Questionnaire • ESG programs (TZCP, Responsible materials program, Decent work program, Social Excellence program) • Trust Line grievance mechanism • Direct business to business communication channels • ESG embedded in procurement processes (Code of conduct, supplier assessment, etc.)	The Group established a sustainable procurement strategy that provides guidelines to its 50,000 suppliers to promote their alignment with its ambition to build an inclusive and Net-Zero world, while recognizing the inherent limitations of managing the entire value chain.	98% of strategic suppliers who conform to Schneider Electric's Decent Work requirements
Employees and social partners	• OneVoice annual survey • Focus groups to develop new Group-wide sustainability commitments • Development of local sustainability programs with regional teams • Trust Line grievance mechanism • Engagement with Unions • Employee engagement on Sustainability : training, volunteering, etc.	Schneider Electric empowers its people across regions and generations by striving for equal opportunities across the Group, motivating its employees and promoting their involvement by making the most of diversity, supporting professional development, and ensuring safe, healthy working conditions.	85% of employees are confident to report unethical behavior
Customers, end-users, and business partners	• Training program on sustainability and decarbonization • Technology stewardship • Direct business to business communication channels • Trust Line grievance mechanism	Customers are offered efficient, safe, and decarbonized solutions through digitalization and electrification, providing them high environmental performance products and full transparency on environmental impact. The Group insists on high-quality and strong cybersecurity to deliver on customer experience.	862 M tons of CO_2 emissions saved and avoided for customers
Investors, analysts, and financial partners	• Ad hoc direct communication with management • Periodic meetings with shareholders • Ongoing dialogue with investors and analysts • Questionnaires and request for information • Feedback collection on conferences, seminars, events, etc. • Regulatory compliance verification • Public financial information and ratings	Schneider Electric's sustainability-focused business model delivers consistent, sustainable, and strong financial performance, offering its financial partners attractive returns.	75% Impact revenues
Governments, institutions, and technical bodies	• Participation in industry associations • Involvement with technical working groups	The Group is involved with various local and international organizations supporting sustainability. Schneider Electric makes it its priority to maintain a transparent and constructive dialogue with policymakers and regulators so that its views are represented on issues affecting its industry.	300+ associations and organizations Schneider Electric takes part in worldwide
Local communities, NGOs, and civil society	• Responsible business working groups • Local, regional, and local coalitions • Established committees with external partners • Trust Line grievance mechanism	Schneider Electric acts to empower local communities by promoting local initiatives and enabling individuals and partners to make sustainability a reality for all, everywhere. The Group strives to have a positive impact by delivering education on energy management and through investments supporting high social and environmental impact.	100+ local commitments that positively impact communities

Engaging employees

At Schneider Electric, employees share a common purpose: driving positive change for the planet and society through sustainable actions. In accordance to its employee value proposition "Impact starts with us", the Group encourages its employees to act by providing tools, communities, and learning resources to align their efforts with personal passions and strengths. Through programs like sustainability communities, volunteering opportunities, global awareness days, and the Sustainability Academy, the Group fosters a culture of collective action and innovation.

To further embed sustainability at the highest levels of leadership, the Group leveraged on initiatives such as the CEO Sounding Board, a high-impact annual program engaging a select group of approximately 15 Global Top Potential experienced talents. The program enables direct collaboration with the CEO and members of the Executive Committee on the Group's most critical strategic priorities. Through five to six structured cycles over the year, participants provide insights and actionable recommendations while helping shape the focus of subsequent phases. In 2025, the Sounding Board addressed key transformation themes, including Sustainability and Circular Business Models, Simplification, Innovation Culture, and the New Company Program.

For more details please refer to **section 2.1.2 Corporate culture** on **page 90.**

2.2.1.2 Double materiality assessment: main sustainability impacts, risks and opportunities

In 2025, Schneider Electric updated its double materiality analysis based on the guidance provided by EFRAG and the ESRS. It considered the inside-out perspective (impact materiality), and the outside-in perspective (financial materiality). The work performed covered sustainability topics addressed by the standards, as well as additional topics that are significant to Schneider Electric's context. The assessment was conducted considering Schneider Electric's operations and its value chain, as well as the stakeholders that may be affected by the Group's activities, directly and indirectly.

This section describes the double materiality assessment process and the updates made in 2025. For details on the 2024 assessment, see the **2024 Universal Registration Document.**

2.2.1.2.1 Governance

To oversee the double materiality assessment, a steering committee was formed, bringing together leaders from sustainability, financial reporting, risk management, and vigilance teams. Throughout the evaluation of material impacts, risks, and opportunities, the committee held several review meetings to gather feedback and define next steps. A dedicated CSRD Committee, composed of top management, was also established to receive regular progress updates. Additionally, multiple sessions were organized with representatives from various stakeholder groups to review and validate the assessment results. Final validation is carried out by the Executive Committee, followed by a review from the Governance, Nominations & Sustainability Committee. Ultimately, the Audit & Risk Committee - responsible for overseeing the Group's risk management systems - approved the double materiality assessment.

All source assessments presented in this section used for identifying, scoring, and managing impacts, risks and opportunities are key parts of the management framework of the Group, playing a crucial role in evaluating the overall risk profile and informing strategic decisions. Together they allow Schneider Electric to effectively manage risks across all levels of the organization. As such, Schneider Electric's strategy and business model are informed by these annual assessments of impacts, risks and opportunities, along with the double materiality assessment results.

2.2.1.2.2 Methodology

The identification and assessment of impacts and risks leveraged on the Vigilance plan matrix and the Enterprise Risk Management (ERM) process. Since these exercises involve comprehensive assessments that draw on expert studies and engage internal stakeholders to evaluate the relevance of various topics for the Group, they served as the foundation of the analysis.

Specifically, the Vigilance Plan matrix was deemed appropriate for scoring impact materiality, as it focuses on the Group's effects on people and the environment. Conversely, the ERM assessment was considered suitable for evaluating financial materiality, as it provides insight into the Group's risk exposure from a business perspective.

In addition, complementary workshops with internal subject matter experts were held to review, refine, and validate certain existing evaluations of impacts, risks and opportunities. To complete the analysis other internal sources at country and sector level were leveraged in 2025 including peers' benchmarks, suppliers' assessments, and other climate, water, and biodiversity analyses.

In 2025, as no significant changes occurred in the Group's business model, the update of the double materiality assessment focused on refreshing the outputs of both the ERM and Vigilance Plan matrices. The same methodology was applied, with enhancements introduced to the scoring approach by implementing a more detailed evaluation of impacts, risks, and opportunities to improve overall accuracy. The 2025 double materiality matrix was reviewed by the Audit & Risk committee.

Vigilance plan

Schneider Electric's Vigilance plan is a foundational element of its commitment to responsible and sustainable business conduct. It is designed to proactively identify, assess, and mitigate potential adverse impacts on human rights, the environment, and ethical business practices.

The plan is fully compliant with the 2017 French Duty of Vigilance Law and has been adapted to comply with similar regulations in Germany and Norway. It reflects the Group's ambition to lead by example in its relationships with employees, suppliers, partners, and local communities.

The scope of the plan is extensive, covering Schneider Electric's global operations, including subsidiaries, joint ventures, suppliers, subcontractors, and selected customer projects. Since 2021, the scope has expanded to include local communities near company sites and customer project locations, as well as selected supply chain projects.

The plan focuses on five major risk categories: human rights, environmental impact, ethical business conduct, offer safety, and cybersecurity. The Group has meticulously identified a wide array of potential impacts (more than 60) across various operational areas, primarily relying on the Responsible Business Alliance (RBA) consortium. Each area carries a unique risk profile calling for a tailored approach to evaluation.

The analysis also considers the geographical and operational diversity of Schneider Electric's activities, including offices, factories, R&D labs, and project sites. The plan is not only a compliance tool but also a strategic framework that supports the Group's broader sustainability and human rights objectives. The risk matrix is updated annually.

Schneider Electric's risk mapping methodology is consistent with the Group's broader risk evaluation frameworks and focuses specifically on the Company's potential adverse impacts on its environment and ecosystem. The risk assessment is combining both external and internal sources, including 17 internal expert interviews, internal data, international reports and external databases like the Responsible Business Alliance (RBA). All these sources provide Schneider Electric a holistic view for every risk.

In 2024, the methodology was enhanced to align with the EU CSRD, incorporating more detailed assessments of risk severity and likelihood.

Schneider Electric has set up a Duty of Vigilance Committee in 2017 to supervise the Vigilance plan. This Committee is chaired by the Executive Vice-President of Global Supply Chain and includes senior leaders from Sustainability, Procurement, Human Resources, Ethics, and other key functions. It meets twice a year to review progress, set strategic priorities, and allocate resources. Overall, since the creation of this instance, 21 Committee meetings have been held.

The Vigilance plan is aligned with international standards such as the UN Guiding Principles on Business and Human Rights, OECD Guidelines, and (International Labour Organization) ILO Conventions.

Read more on the risk matrix, the methodology, the main risks identified and the related mitigation actions, in Chapter 3 of this Universal Registration Document, from **page 361**.

For the double materiality assessment purpose, the severity criteria outlined in the ESRS (scale, scope, and irremediable character for negative impacts, and scale and scope for positive impacts) alongside the likelihood of occurrence were applied. Assessment scores were adjusted as needed based on additional input from subject matter experts.

Enterprise Risk Management

Schneider Electric is committed to managing risks in a proactive and systematic manner to increase resiliency, guided by the following principles:

- Increasing Risk Maturity by monitoring and reviewing risks on an ongoing basis to understand its risk maturity and the effectiveness of mitigation strategies.
- Reducing Risk Exposure by developing and implementing strategies to mitigate or eliminate identified risks.
- Containing Incidents with a focus on protecting lives, minimizing negative impact to assets, sustaining critical operations, and continuously improving from its investigative findings.
- Manage Controversies involving the legal and communication teams, to ensure financial and reputational impacts are limited and that controversies are dealt with in an ethical way.

The Group uses a hybrid risk management model. It means that while there is a Group Risk Management function and experts in charge of setting risk management mechanisms, establishing policies, and other activities, ownership of the risks belongs to the business units, Operating Divisions, or global functions who are responsible for deploying the central framework to manage their risks.

The Group conducts three types of risk assessments: zone or country reviews to evaluate top territorial risks and mitigations, function-based reviews to address domain-specific risks and controls, and leadership interviews to gauge strategic and trend-driven risks across the full Group risk universe.

Schneider Electric's risk assessment approach identifies, analyzes, and prioritizes risks based on likelihood and impact, implementing mitigation strategies to proactively address challenges and support the Company's objectives. Key risks are evaluated for their potential impact on the Group.

The agenda of the Audit & Risks Committee includes once a year dedicated sessions to review in depth the risk matrix, ERM and internal control. The internal audit results are reviewed three times per year by the Audit & Risks Committee. The Audit & Risks Committee reports systematically to the Board of Directors on its work.

The risk management framework is considered an appropriate input for the double materiality assessment, as it includes the Group's dependencies and impacts on natural, human, and social resources in determining the risk categories included in the risk management process.

Its scoring system is aligned with the ESRS. Identified risks are ranked using a score that combines the magnitude of potential financial effects with the probability of occurrence, assessed across short-, medium-, and long-term horizons. This combination determines the level of risk to which the Group is exposed, ranging from low to very high.

This assessment is performed on a gross basis, prior to the consideration of any mitigation actions. Although such actions can significantly reduce risk levels, the resulting net risk is not taken into account in the double materiality assessment.

Schneider Electric leverages the results of its Enterprise Risk Management (ERM) process related to sustainability matters to assess financial materiality. Each risk assessment is used to determine a severity level reflecting the potential magnitude of financial effects. This severity is categorized into three area financial, reputational, and market effects – and measured across four levels, ranging from weak to strategic.

Read more about the principal risks, mitigation strategies, and the risk management framework in **section 3.1 Introduction on page 361** of this Universal Registration Document.

Additional assessments used

Schneider Electric leveraged multiple existing and ongoing assessments to feed or complement ERM framework and Vigilance plan matrix. The description below presents an overview of the various assessments leveraged from previous years or redone in 2025.

In 2024, the Group utilized an internal megatrends and driving trends analysis to identify opportunities as part of its first double materiality assessment. This analysis provided Schneider Electric with insights into global strategic and sustainability trends most relevant to its business over the coming decade. The identified opportunities have been carried forward into the 2025 double materiality assessment.

To understand its sources of GHG emissions, Schneider Electric performs a general annual review of its activities and supply chain, in which physical climate risk assessments are conducted on the most critical industrial sites.

In relation to water and marine resources, Schneider Electric screens its assets and activities for related impacts, risks, and opportunities using a structured process. As of 2025, the Group updated and harmonized its methodology by adopting a single, science-based tool: the WWF Biodiversity Risk Filter (WRF), which did not present significant changes in the materiality of water and marine resources. While no formal consultations were conducted with affected communities on water and marine resources, stakeholder representative consultations performed in 2024 confirmed the non-materiality of this topic.

Read more information about Schneider Electric's approach to water in **section 2.3.1.2 Minimize the Group's impacts and dependencies on nature.**

Similarly, to identify and assess impacts on biodiversity and ecosystems at its own sites and throughout its value chain, Schneider Electric has implemented a comprehensive process. Biodiversity Footprint Assessments were conducted in 2020 and 2023, followed by a screening using the WWF Biodiversity Risk Filter in 2025. While no formal consultations were conducted with affected communities on biodiversity and ecosystems, stakeholder representative consultations performed in 2024 confirmed the non-materiality of this topic. Nonetheless, Schneider Electric remains committed to their protection and restoration.

Read more information about the Group's updated approach to biodiversity in **section 2.3.1.2.1 on page 280.**

To assess resource use and circular economy, in 2024 Schneider Electric leveraged insights gathered through continuous bottom-up communication between internal subject matter experts and on-site teams working on resource optimization. These insights helped identify and assess impacts, risks, and opportunities mainly related to the use of critical resources and generation of material outflow through products and packaging.

While no direct consultations were conducted with affected communities, stakeholder representative consultations performed in 2024 validated the materiality of resource inflows and outflows, as well as the non-materiality of waste. These results have been carried forward into the 2025 double materiality assessment.

Furthermore in the social dimension, the Group conducted an assessment to evaluate the impacts and risks arising from interactions with communities. This evaluation covered the 30 largest Schneider Electric sites worldwide and a selection of 40 customer projects. The assessment identified that certain negative impacts are more likely to materialize in communities located near industrial or administrative sites, as well as in areas affected by the development of large or very large customer projects.

On the governance dimension, cybersecurity has been included as a sustainability matter since 2024, given the significant negative impacts that could result from breach incidents affecting Schneider Electric's solutions or IT environment.

This section describes the double materiality assessment process and the updates made in 2025. For full details on the 2024 assessment, see the 2024 **Universal Registration Document.**

2.2.1.2.3 Scoring

In 2025, the methodology of assessment was updated to introduce a maximum-risk approach for each impact, risk, and opportunity. In addition, a more granular connection was established this year between each impact or risk element assessed in the internal framework and the identified impacts, risks, and opportunities, to ensure greater accuracy.

Workshops were organized with subject matter experts to score items not already assessed in the Vigilance plan matrix or in the ERM. These were scored using defined scales to assess impact and financial severity (evaluated across four risk levels) and likelihood (ranging from improbable to probable). To determine final materiality, a threshold was set above the high-risk mark according to the severity and likelihood of occurrence of each impact, risk, and opportunity. This threshold reflects the most critical topics for the Group from a strategic point of view, aligned with its business transition objectives.

Although the updated methodology resulted in different year-on-year scores for all impacts, risk and opportunities, the list of material matters remained unchanged.

2.2.1.2.4 Stakeholders' engagement

Considering that various stakeholders are involved in the assessments previously outlined, a stakeholder consultation process was performed in 2024 as the final phase, with the objective of presenting the results to affected stakeholder groups and gathering their feedback in order to validate or adjust the outcomes as needed.

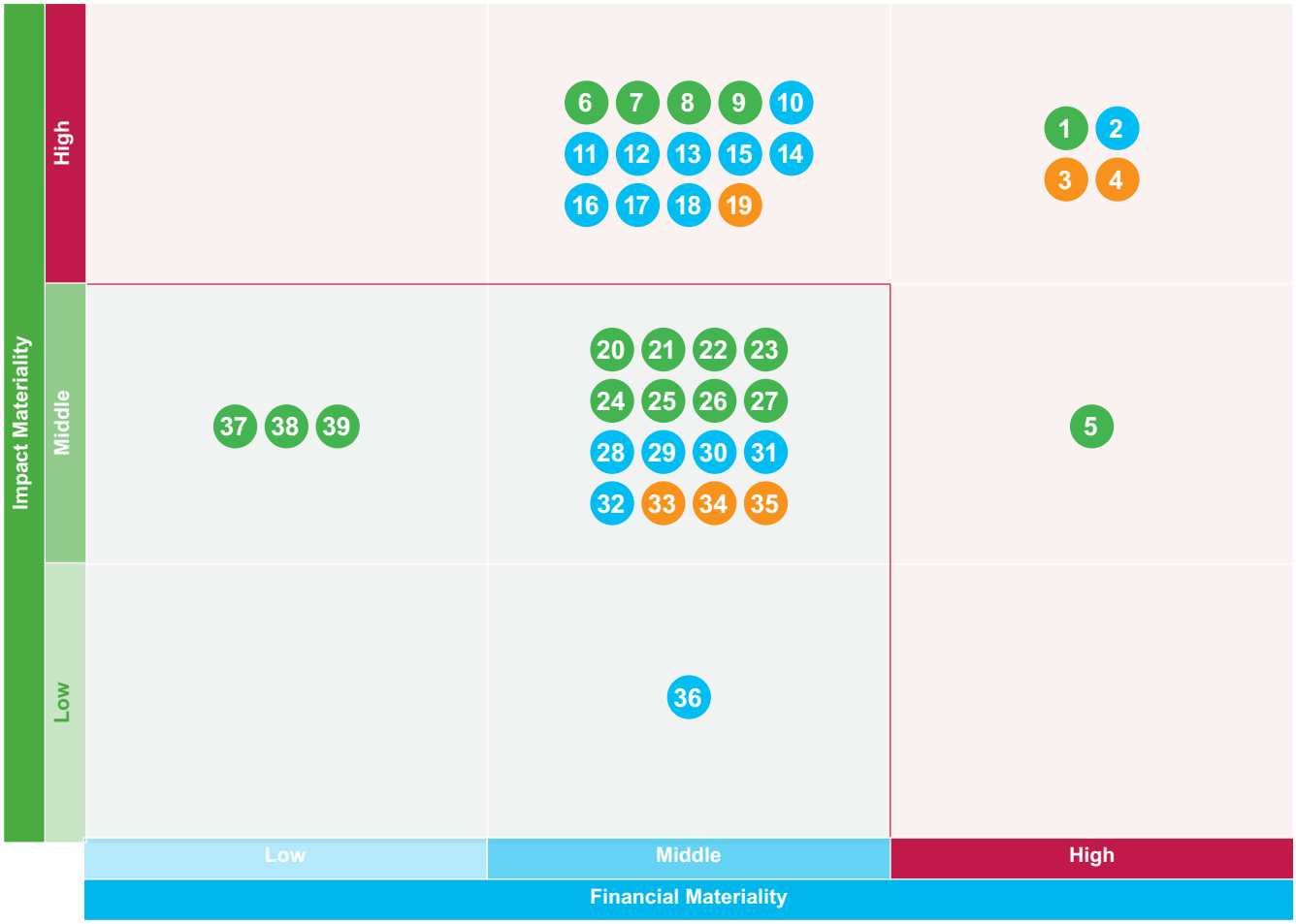
Based on that stakeholder consultation process, Schneider Electric was able to verify the materiality results for the sustainability matters and their related impacts, risks, and opportunities.

Since the final list of material topics was identical to the results in 2024, no additional stakeholder engagement was conducted in 2025.

2.2.1.2.5 Double materiality assessment results

The following matrix presents the resulting material sustainability matters for Schneider Electric aggregated at the appropriate level of relevance for the Group. In this visualization, financial opportunities have been excluded to provide a more intelligible comparison of financial risks. Indeed, the Group has identified material financial opportunities related to Climate change mitigation, Climate change adaptation, and Energy. These are detailed in the Material impacts, risks, and opportunities table below. However, both positive and negative impacts are included in the visualization below.

Materiality matrix



Environmental Social Governance Materiality threshold (SE): Schneider Electric (VC): Value chain

Sustainability Matters

1 Resource inflows
2 Data Privacy
3 Corruption and Bribery
4 Cybersecurity
5 Climate change adaptation
6 Climate change mitigation
7 Energy
8 Substances of concern
9 Resource outflows
10 Health & Safety (SE)
11 Health & Safety (VC)
12 Affected Communities
13 Working conditions (SE)
14 Working conditions (VC)
15 Forced labor (VC)
16 Equal treatment (SE)
17 Personal safety of consumers
18 Training (SE)
19 Management of relationships with suppliers
20 Pollution of soil
21 Pollution of water
22 Pollution of air
23 Impacts & dependencies on ecosystem services
24 Waste
25 Direct impact drivers of biodiversity loss
26 Water
27 Pollution of living organisms
28 Equal treatment (VC)
29 Illegal work (SE)
30 Forced labor (SE)
31 Child labor (VC)
32 Social inclusion of consumers
33 Political engagement and lobbying activities
34 Protection of whistleblowers
35 Corporate Culture
36 Child labor (SE)
37 Microplastics
38 Impacts on the state of species
39 Marine Resources

Material sustainability impacts, risks, and opportunities

The table below presents the material impacts, risks, and opportunities for Schneider Electric in 2025, i.e. the "high level" Financial risks and the "high level" Impacts.

The Group's approach to sustainability is characterized by a forward-looking perspective. Hence, all impacts, risks, and opportunities were evaluated in the short- (current), medium- (2 – 5 years), and long-term (beyond 5 years).

All material impacts are expected in the short and medium term, while long-term impacts are also expected in areas where the Group anticipates significant market changes that differ from near-term expectations, which is the case for the impacts related to climate change adaptation, climate change mitigation, energy, resources inflows, and resource outflows. These time horizons have been defined as per ESRS 1, paragraph 6.4 Definition of short-, medium- and long-term for reporting purposes.

UP Upstream DO Downstream SE Schneider operations EX Main stakeholders

Environment			
Sustainability Matter	**Type of IRO**	**Location**	**Description**
Climate change adaptation	**Financial Risk**	UP SE	**Business disruption and asset damage in own operations and across the value chain.** Climate change is increasing the frequency and intensity of extreme weather events exposing the Company to potential revenue losses and overhead costs due to business discontinuity and asset damages in its own operations or across the value chain.
	Financial Risk	SE	**Failure to adapt products and operations to climate change.** Increasing raw materials and new development expenditure and revenue losses due to the climate transition.
	Financial Opportunity	DO	**Help customers adapt to climate change.** Building HVAC (heating, ventilation, and air-conditioning), data centers energy efficiency, weather-resistant buildings, emergency weather warning systems, desalination and filtration systems, and weatherized electrical equipment.
Climate change mitigation	**Negative Impact (Actual)**	UP SE DO	**Accelerate climate change through greenhouse gas emissions.** The majority of Schneider Electric's GHG emissions come from the use of sold products, the purchased goods and services, and the end-of-life emissions from sold products.
	Positive Impact (Actual)	DO	**Contribute to climate change mitigation through solutions related to electrification, automation, and digitalization.** Schneider Electric's portfolio of offers is uniquely positioned to help mitigate climate change, by reducing GHG emissions through electrification and automation. These offers are integrated digitally, which fosters a higher mitigation potential.
	Financial Opportunity	SE DO	**Develop new solutions to help customers and value chain use their energy and resources more efficiently.** Climate change is one of the key megatrends that underpin Schneider Electric's strategy. For climate change mitigation, Schneider Electric can help customers become more energy efficient, electrify their operations, as well as explore new concepts, including carbon capture and storage (CCUS), electrification of mobility, and heating.
Energy	**Positive Impact (Actual)**	SE DO	**Generate energy savings.** By accelerating the switching to digital, smarter, and more efficient consumption through Schneider Electric products and services.
	Positive Impact (Actual)	DO	**Decarbonize market and value chain.** By electrifying energy consumption in line with a greener electricity mix through Schneider Electric products and services.
	Financial Opportunity	SE DO	**Develop new businesses related to renewable energy and energy efficiency.** The energy transition is one of the key megatrends that underpin Schneider Electric strategy. Schneider Electric can help customers become more energy efficient, electrify their operations, as well as explore new power generation concepts, including hydrogen, microgrid, nuclear, and prosumerism.
Substances of concern and very high concern	**Negative Impact (Actual)**	UP SE DO	**Threaten human health and/or the environment by using hazardous substances.** Like most manufacturing companies, Schneider Electric's products portfolio is concerned by substances of very high concern (SVHCs) and substances of concern (SoCs) with, for instance, the presence of lead in some metallic alloys, brominated flame retardants in printed circuit boards, cobalt in surface treatments, and per- and polyfluoroalkyl (PFAS) substances in various parts.

UP Upstream DO Downstream SE Schneider operations EX Main stakeholders

Environment continued			
Sustainability Matter	**Type of IRO**	**Location**	**Description**
Resources inflows, including resource use	**Negative Impact (Actual)**	UP SE	**Contribute to scarcity of resources through use of critical materials.** Schneider Electric is dependent on certain conflict minerals/metals for its products or in manufacturing, such as the 3TG, copper, cobalt, coltan, mica, lithium, cerium, and erbium.
	Positive Impact (Actual)	UP	**Incentivize suppliers to provide green materials.** Objective to increase content of green materials in Schneider Electric's products (thermoplastics, steel, and aluminum) as part of the strategy to address climate change, resource depletion, and pollution.
	Financial Risk	UP	**Business disruptions and rising costs due to resources scarcity.** Global acceleration of electrification is increasing competition to access some critical materials which may lead to increasing procurement costs and lack of resilience from suppliers.
Resource outflows related to products and services	**Negative Impact (Actual)**	DO SE	**Generate a significant outflow of materials.** Schneider Electric outputs different types of products and packaging which contain materials such as electronics, plastics, semi-conductors, transformers, and batteries. Those products and packaging have an impact on the environment, and create the need to improve product durability, recycling, and circularity.

Social			
Sustainability Matter	**Type of IRO**	**Location**	**Description**
Working conditions	**Negative Impact (Potential)**	SE	**Affect the mental and physical health of employees.** Poor working conditions may emerge in any kind of workplace if a comprehensive Human Resource strategy is not in place, and can result in psycho-social risks, absenteeism increase, and injured workers.
	Negative Impact (Potential)	SE	**Excessive working hours and poor work-life balance.** If the right policies are not in place, working conditions may result in negative effects for employees' well-being.
	Positive Impact (Potential)	SE	**Contribute to the physical and mental health of employees.** Schneider Electric's human capital strategy promotes well-being at work.
Health and safety	**Negative Impact (Actual)**	SE	**Injury to Schneider Electric's employees.** The main potential risks of the industrial sector are connected to the Top 10 Hazards: falls, powered industrial trucks (PIT), machine, driving, electrical, fire and explosions, lifting operations, confined spaces, hazardous substances, and natural disasters.
	Negative Impact (Potential)	SE	**Employee exposure to chemical, biological, and physical agents resulting in adverse health impacts.**
Equal treatment and opportunities for all	**Positive Impact (Potential)**	SE	**Improve employees' well-being and feeling of belonging.** The Group's strategy is to foster a diverse and inclusive workplace to create a feeling of belonging, where employees feel included, respected, and cared for.
Training and skills development	**Positive Impact (Potential)**	SE	**Improve employability of employees.** Resulting from the Group's human capital strategy to continuously develop the skills of its workforce.
Working conditions (in the value chain)	**Negative Impact (Potential)**	UP DO	**Risk detriment to the physical health of value chain workers.** Exposure to long working hours is the number one risk factor leading to death according to the International Labour Organization Call for Safer and Healthier Working Environment.
	Negative Impact (Potential)	UP DO	**Affect the mental health of value chain workers.** If overlooked by management, poor working conditions and an uncertain economic environment can significantly impact the mental health of workers in the value chain.
	Positive Impact (Potential)	UP DO	**Contribute to the well-being of workers in the value chain by promoting responsible & ethical working conditions.**

UP Upstream DO Downstream SE Schneider operations EX Main stakeholders

Social continued			
Sustainability Matter	**Type of IRO**	**Location**	**Description**
Health and Safety (in the value chain)	**Negative Impact (Actual)**	DO	**Injury to workers in the value chain.** Health risks in the value chain mainly related to occupational health and safety (including falls, powered industrial trucks (PIT), machine, driving, electrical, fire and explosions, lifting operations, confined spaces, hazardous substances, and natural disasters).
	Negative Impact (Potential)	UP DO	**Value chain workers' exposure to chemical, biological, and physical agents resulting in adverse health impacts.**
Forced labor (in the value chain)	**Negative Impact (Potential)**	UP DO	**Jeopardize fundamental human rights and damage the physical or psychological integrity of workers in the value chain.** Without proper vigilance, workers in the value chain of Schneider Electric could be at risk of being exposed to forced labor, resulting in physical harm, psycho-social risks, and violation of human rights.
Affected communities' rights	**Negative Impact (Potential)**	EX	**Violate economic, social and culture rights of local communities.** Schneider Electric's operations in the value chain could be at risk of being involved in violation of communities' rights, such as adequate housing, adequate food, water and sanitation, land-related and security-related impacts.
	Negative Impact (Potential)	EX	**Violate rights of indigenous communities.** Schneider Electric's operations in the value chain could be at risk of being involved in violation of particular rights of indigenous peoples, such as free, prior and informed consent, self-determination, and cultural rights.
Personal safety of consumers and/or end-users	**Negative Impact (Actual)**	DO	**Trigger physical harm or property damage.** The Group's product usage risks and defaults in implementation may result in physical harm or property damage, threatening consumers/end-users' safety.
Data privacy	**Negative Impact (Actual)**	DO	**Risk private and sensitive information leaks.** In case of a data breach which would impact the Group's connected products, information about customers could be compromised.
	Financial Risk	EX DO	**Potential legal risks.** Fines related to non-compliance, complaints, and/or lawsuits (e.g., data privacy laws, GDPR).

UP Upstream DO Downstream SE Schneider operations EX Main stakeholders

Governance			
Sustainability Matter	**Type of IRO**	**Location**	**Description**
Management of relationships with suppliers including payment practices	**Negative Impact (Potential)**	UP	**Compromise suppliers' financial stability.** If overlooked by management, unfair/unethical payment practices towards suppliers may lead to financial insolvency as well as poor employee working conditions within suppliers' workplace.
	Positive Impact (Potential)	UP DO	**Promote maturity on human rights, decent work, and fair business practices.** Resulting from Group's sustainable procurement strategy and supplier engagement.
Corruption and bribery (prevention and detection including training, incidents)	**Financial Risk**	EX	**Debarment from public tenders or public funds.** In case of corruption and/or bribery cases.
	Financial Risk	EX	**Potential legal proceeding, prosecutions, sanctions, and fines.** Related to non-compliance with laws and regulations (e.g., French Law Sapin II, fines of up to EUR 500 million).
	Financial Risk	EX	**Reputational damage.** Corruption and bribery cases can lead to negative media exposure and public relations backlash.
	Negative Impact (Potential)	SE	**Pressure on own employees to participate in corrupt practices.** Corruption and bribery can lead to personal judicial consequences, and decline in employees' morale and engagement.
	Negative Impact (Potential)	UP DO	**Pressure on suppliers and/or contractors to participate in corrupt practices.** Collusion or paying bribes to secure contracts would lead to erosion of trust and increased market inequality.
Cybersecurity (entity-specific)	**Negative Impact (Potential)**	DO	**Damage to customer assets through distribution of malware into the production environment of a Schneider Electric client.** Through compromised Field Service end point and operations.
	Negative Impact (Potential)	DO	**Damage at customer site.** As a result of a failure in the control environment of Schneider Electric customer staging and support process.
	Negative Impact (Actual)	DO	**Schneider Electric firmware or software compromise leading to damage of customer assets.** Through (un)intentional malicious action or vulnerability in a product delivered to customers.
	Negative Impact (Actual)	SE	**Disruption from failure in detection and protection capabilities in Schneider Electric's IT and OT environments.**
	Financial Risk	EX	**Compliance risk.** Potential fines and loss of license to operate related to non-compliance.

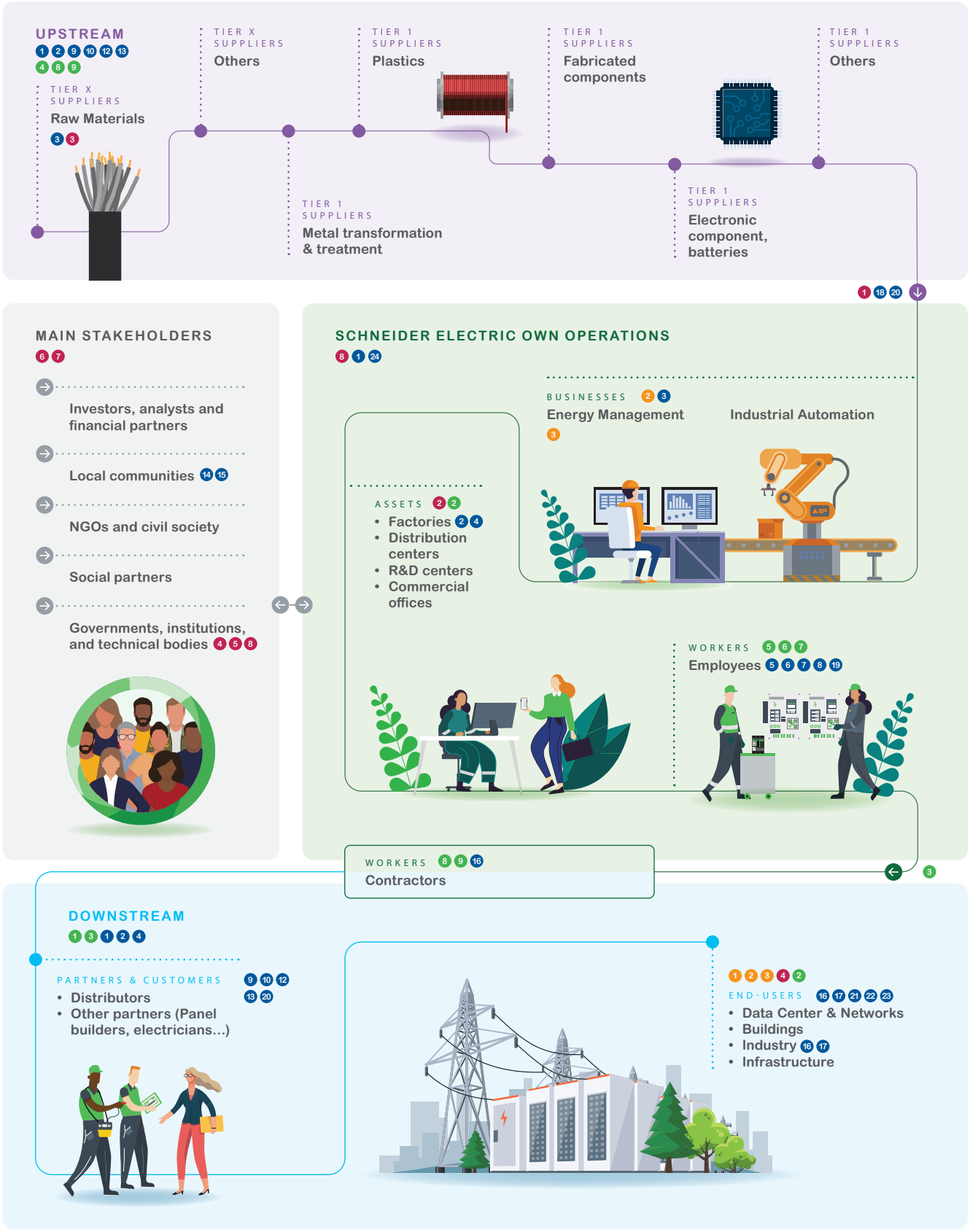
Even though so far most of the identified material risks and potential negative impacts have not materialized in a substantial manner, the Group recognizes sustainability is a shifting domain and works to continuously improve and adapt its strategy to maintain a robust business model. It does so by constantly evaluating its resilience in relation to impacts and risks through the various assessments that have been described previously in this section, including the ERM framework and Vigilance plan matrix, among others.

The effects of the material impacts, risks, and opportunities on the Company's business model and strategy, along with the resulting policies and actions that form part of the Group's resilience strategy, are detailed in the relevant sections of this sustainability statement.

In the past, Schneider Electric's transformational programs and strategic direction have evolved in response to sustainability issues, and will continue to do so to anticipate significant changes in the market.

2.2.1.2.6 Schneider Electric's value chain

The following illustration is a simplified representation of Schneider Electric's value chain including a mapping of the material impacts, risks, and opportunities (IROs).



Legend

Risks

1. Risk of business disruption and asset damage in the value chain
2. Failure to adapt products and operations to climate change
3. Business disruptions and rising costs due to resources scarcity
4. Potential legal risks related to data privacy
5. Debarment from public tenders or public funds
6. Potential legal proceedings, prosecutions, sanction and fines related to non-compliance
7. Reputational damage related to corruption and bribery
8. Compliance risk related to cybersecurity

Opportunities

1. Help customers adapt to climate change
2. Develop new solutions to help customers and value chain use their energy and resources more efficiently
3. Develop new businesses related to renewable energy and energy efficiency

Positive impact

1. Contribute to climate change mitigation through solutions related to electrification, automation, and digitalization
2. Generate energy savings
3. Decarbonize market and value chain
4. Incentivize suppliers to provide green materials
5. Contribute to the physical and mental health of employees
6. Improve employees' well-being and feeling of belonging
7. Improve employability through training
8. Contribute to the well-being of workers in the value chain by promoting responsible and ethical working conditions.
9. Promote maturity on human rights, decent work, and fair business practices

Negative impact

1. Accelerate climate change through greenhouse gas emissions
2. Threaten human health and/or the environment by using hazardous substances
3. Contribute to scarcity of resources through use of sensitive materials
4. Generate a significant outflow of materials
5. Affect the mental and physical health of employees related to working conditions
6. Risk excessive working hours and poor work-life balance
7. Injury to employees through health and safety issues
8. Employee exposure to chemical, biological and physical agents resulting in adverse health impacts
9. Risk detriment to the physical health of value chain workers related to working conditions
10. Affect the mental health of value chain workers
11. Injury to workers in the value chain through health and safety issues
12. Value chain workers exposure to chemical, biological and physical agents resulting in adverse health impacts
13. Jeopardize fundamental human rights and damage the physical or psychological integrity of workers in the value chain through forced labor
14. Violate economic, social and culture rights of local communities
15. Violate rights of indigenous communities
16. Trigger physical harm or property damage through the misuse of the Group's products
17. Risk private and sensitive information leak
18. Compromise suppliers' financial stability
19. Pressure on own employees to participate in corrupt practices
20. Pressure on suppliers and/or contractors to participate in corrupt practices
21. Damage to customer assets through distribution of malware
22. Damage at customers sites as a result of failure in the control environment of customer staging and support
23. Firmware or software compromise leading to damage of customer assets
24. Disruption from failure in detection and protection capabilities in Schneider Electric's IT and OT environments

2.2.1.3 Basis for preparation

2.2.1.3.1 Legal and regulatory requirements

Sustainability disclosures are part of the legal and regulatory requirements arising from the transposition of the European Directive on Corporate Sustainability Reporting (CSRD). They have been prepared on a consolidated basis.

As outlined in ESRS 1 – General Requirements, certain estimates were necessary due to data collection challenges beyond Schneider Electric's control, primarily concerning the following areas:

- To estimate quantitative outputs for resource inflows and outflows, certain assumptions and extrapolations were applied. Corporate Scope 3 accounting aligns with GHG Protocol best practices, and Schneider Electric is committed to going further by capturing more primary data to enhance granularity and actionability in reporting.
- On substances of concern and very high concern (SoC and SVHC), data availability is restricted by the reliance on suppliers' declarations and voluntary Full Material Disclosures (FMDs), which are not always comprehensive. Additionally, assumptions are made regarding average percentages and quantities due to incomplete data. Similarly, and as stated in **section 2.2.2.4** related to the Group's approach to the EU Taxonomy, on substances listed in Article 57 of Regulation (EC)1907.2006 but not identified under Article 59(1), due to the difficulty in obtaining material declarations and data from suppliers beyond tier one, the Group cannot fully quantify the impact of excluding products containing substances not yet on the REACH candidate list.

In 2025, the Group continued its reporting digitalization roadmap to enable an efficient and robust collection, tracking, and reporting of CSRD-related information, by integrating all relevant data sources, while leveraging Schneider Electric's EcoStruxure™ Resource Advisor.

In 2025, the Group also advanced the formalization of its CSRD internal control framework, to ensure that controls are appropriately structured and effectively implemented to secure the reliability and accuracy of ESG disclosures. This year, efforts were primarily focused on strengthening controls within the Human Resources, Health & Safety, and Energy Consumption domains. Looking ahead, the Group plans to further expand and operationalize the CSRD internal control framework in close collaboration with Enterprise Risk Management teams, Finance, and all contributing domains.

As part of the continuous improvement of Schneider Electric's sustainability reporting, few improvements were implemented in 2025 and applied retrospectively to the 2024 baseline to enhance data consistency and comparability. These adjustments reflect increased reporting maturity, improved data quality, and a more precise alignment with operational realities. In particular, corrections were made to the classification of certain material outflows in the substances of concern and of very high concern metrics tables, and to the average number of days to pay suppliers based on spend. These updates are detailed in the relevant sections of the Sustainability Statements. They do not alter overall performance trends but ensure a more robust and reliable representation of the underlying indicators.

In 2025, Schneider Electric restated its 2021 base-year GHG emissions across Scopes 1, 2 and 3 to reflect methodological improvements, notably updated guidance for Scope 3 Category 11 (use of sold products), and harmonized treatment of organizational changes and radiative forcing. Electricity emission factors were also updated to the IEA WEO 2022 STEPS scenario. The impacts are limited and do not alter the Group's validated SBTi targets, for which only absolute baseline values have been recalculated. The restatement has been assured by external auditors and ensures a consistent monitoring of decarbonization progress.

For more details about detailed methodologies, measurement assumptions, and planned actions to improve accuracy, please refer to the **section 2.2.5.1 CSRD Methodologies**.

2.2.1.3.2 Scope

To rationalize the effort of reporting and to consider the current limits of the Group's reporting processes (e.g., progressive deployment of the Group's IT tools to all entities), Schneider Electric is excluding specific entities from its sustainability statements even though they are part of the financial statements.

The list of excluded entities is determined at the subtopic level, based on IT tool deployment for data collection and materiality for the Group, ensuring that final coverage represents at least 95% of the Group's activities and performance for each data point, except for the payment practices metrics, which covers circa 85% of the Group payables and spend. This exclusion process guarantees that the sustainability statement remains fair and provides an accurate view of Schneider Electric. The resulting coverage is considered representative, and these exclusions do not impact the Group's double materiality assessment results.

Under ESRS E1 requirements for GHG emissions reporting, the scope must include joint ventures under operational control. Schneider Electric excludes all joint ventures from its sustainability statements and Scope 1 and 2 GHG reporting, as the Company does not have operational control over these entities.

Across the sustainability statements, actions and targets related to Schneider Electric's sustainability priorities reference the Schneider Sustainability Impact (SSI) and Schneider Sustainability Essentials (SSE) programs. These initiatives, part of the Group's 2021 – 2025 strategy, define sustainability objectives and track performance in key focus areas. The SSI and SSE scope was set in 2020 and therefore does not align with the CSRD perimeter, as it excludes all non-IT integrated entities identified at that time. However, as the 2021-2025 cycle is coming to an end, the Group is launching its 2030 sustainability program, aligned with CSRD reporting perimeter.

For more details about the reporting perimeter of SSI and SSE, please refer to the **section 2.4.1 on page 314.**

More details about the new set of 2030 sustainability targets on **section 2.1.3** on **page 92**.

Similarly, all policies detailed in this report cover more than 90% of the Group in headcount and in revenue. As part of the integration plans for each acquisition, the deployment of the Group's Trust Standards includes minimum requirements in terms of policies, in areas such as Human Resources, Legal, Ethics & Compliance, Cybersecurity, that all Schneider Electric entities must meet. The Group aims for all acquired entities to comply with these Trust Standards requirements within a period of three years from closing.

2.2.1.3.3 Value chain

Schneider Electric has considered potential impacts, risks and opportunities associated with the value chain described in section 2.2.1.1.1 Schneider Electric's activities and business model, including upstream tier 2 and above for mining activities and metal extraction, with upstream tier 1 activities, with its own operations, with contractors (on-site and off-site), with downstream distributors who supply system integrators and contractors, and with main stakeholders such as local communities, civil society, financial partners, lobbies, NGOs, and institutions.

2.2.1.3.4 Other

In accordance with Articles L.2312-25 and L.2312-17 of the French Labor Code, and Article L.821-54 of the French Commercial Code, Schneider Electric conducted consultations with its Social and Economic Committee on CSRD-related information. These consultations included the presentation of the 2024 Sustainability Report in April 2025 and the 2025 double materiality assessment process and results in December 2025.

2.2.2 Environmental information | ESRS E1, E2, E5

In this section

2.2.2	**Environmental information | ESRS E1, E2, E5**	**126**	2.2.2.3	Resource use and circular economy | ESRS E5	162
2.2.2.1	Leading on decarbonization | ESRS E1	127	2.2.2.4	Methodology elements on EU Taxonomy	176
2.2.2.2	Pollution mitigation | ESRS E2	156			

Introduction

This section presents comprehensive information linked to the application of the European Sustainability Reporting Standards (ESRS) on environmental topics. For Schneider Electric, these standards guide the reporting on climate change, pollution, resource use, and circular economy. They create a robust framework to address the pressing environmental challenges of our time.

This section is divided in four subsections:

1. **"2.2.2.1 Leading on decarbonization | ESRS E1"** where the objective is to specify disclosure requirements that enable stakeholders to understand how Schneider Electric impacts climate change, including material positive and negative impacts, mitigation efforts, and adaptation strategies. It covers greenhouse gas emissions, energy consumption, and the financial effects of climate-related risks and opportunities.
2. **"2.2.2.2 Pollution mitigation | ESRS E2"** where the objective is to provide information on how Schneider Electric handles pollution by addressing substances of concern, and the financial effects of pollution-related risks and opportunities.
3. **"2.2.2.3 Resource use and circular economy | ESRS E5"** where the objective is to specify disclosure requirements related to resource use and circular economy, focusing on sustainable sourcing, and maintaining the value of products and materials. It aims to help users understand the impacts, risks, and opportunities related to resource use and circular economy principles.
4. **"2.2.2.4 Methodology elements on EU Taxonomy"**

2025 highlights

82%
Reduction of Scopes 1 and 2 since 2017

48%
Green materials content in Group's products since 2020

428,450
Metric tons of avoided primary resource consumption through "take-back at end-of-use" since 2017

90%
of product turnover is from products disclosing more than 14 environmental data attributes

2.2.2.1 Leading on decarbonization | ESRS E1

2.2.2.1.1 Climate strategy

Schneider Electric's transition plan

Net-Zero strategy

Schneider Electric's Net-Zero strategy is defining ambitious targets to reduce the impact of the Group's operations and overall value chain on climate change, and to neutralize residual emissions in line with science. Through these targets, Schneider Electric is aiming to reduce its climate transition risks related to regulatory, legal, and behavioral changes, and anticipate the evolving competitive landscape that can present risks for companies delaying their transition to a low-carbon economy.

In August 2022, Schneider Electric was one of the first companies to see its greenhouse gas (GHG) reduction targets validated by the Science Based Target initiative (SBTi), in line with its "Corporate Net-Zero Standard" published in October 2021. As part of its Net-Zero commitment, the Group has defined mid- and long-term targets.

Under its 2050 SBTi targets, the Group is committed to be Net-Zero across its entire value chain by 2050. This requires reducing its 2021 footprint by an absolute 90% by 2050, and neutralizing residual emissions with high-quality carbon removal credits.

As part of its 2030 SBTi targets, the Group is committed to:

- Reach "Net-Zero ready" operations, reducing its Scopes 1 and 2 emissions by 76% absolute from a 2021 baseline, and neutralizing residual emissions with high-quality carbon removals credits. This is equivalent to a -90% reduction vs. 2017 baseline.
- Reduce its value chain emissions (Scope 3) by 25% absolute from a 2021 baseline, across both upstream and downstream.

In addition, the Group is addressing, as of 2025, all ongoing operational emissions on its journey to "Net-Zero ready", by financing and contributing to projects that avoid or remove carbon.

The Group has also made specific commitments for energy efficiency, electrification, and renewable electricity under the EP100, EV100, and RE100 initiatives of the Climate Group. Each of these initiatives define specific targets by 2030: respectively doubling energy productivity from operations, shifting its fleet to electric vehicles (EV), and reaching 100% of renewable electricity.

Beyond its carbon footprint, and as part of its ambition to electrify the world towards decarbonization, the Group aims, with its solutions, to help customers in achieving two goals with its solutions: 1) save or electrify 1.5 billion MWh of energy between 2026 and 2030, 2) save and avoid 1.5 Gt CO_2 emissions between 2018-2030.

Schneider Electric's climate targets for Scopes 1 and 2 in 2030 are validated by the SBTi, with a "temperature alignment" (as per SBTi terminology) of a global warming limited to 1.5°C. For the same time horizon, the Scope 3 target is aligned with a global warming limited to well-below 2°C level, also as per SBTi framework. These targets have been developed by using the absolute contraction approach defined by SBTi. In the absence of sector-specific trajectory for Schneider Electric's business, the SBTi uses a cross-sectorial trajectory to define compatibility of GHG emissions with different levels of temperature increase. For Scope 3, a target aligned with 1.5°C would have been a 42% absolute reduction over the same time period.

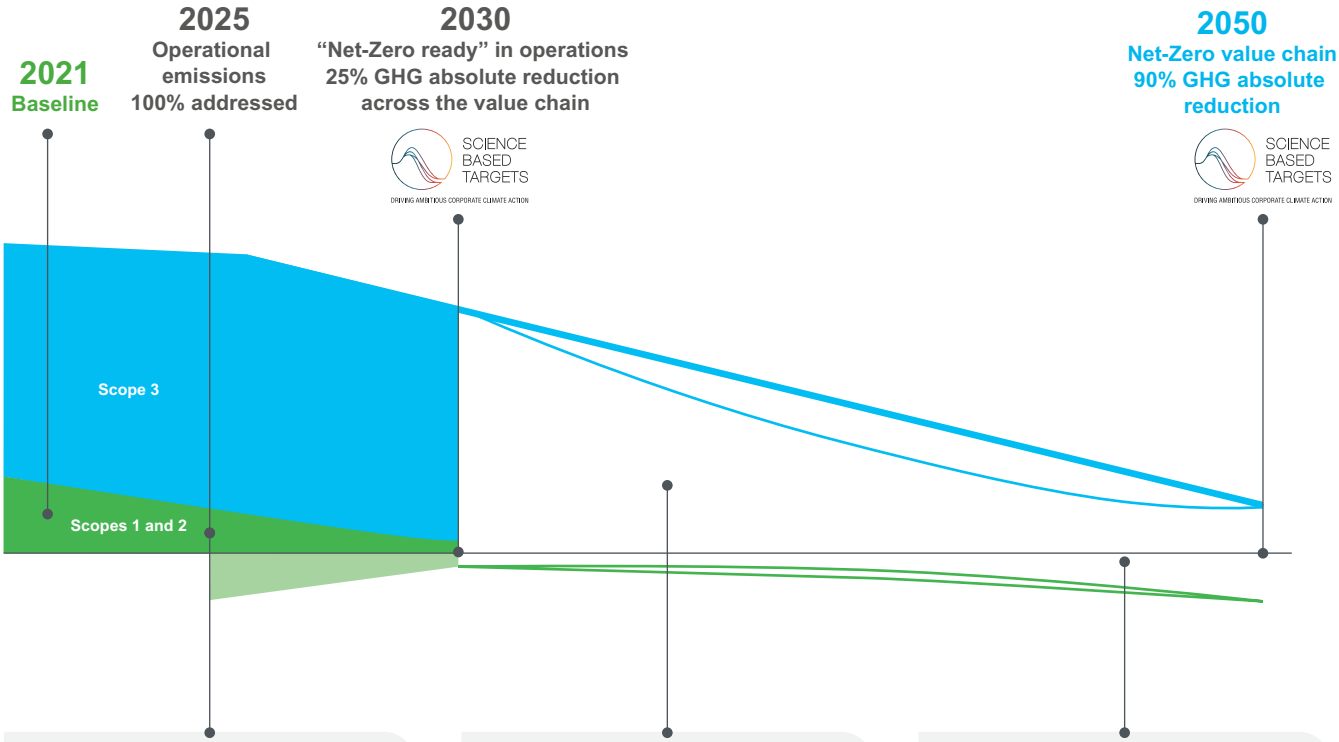
Over the longer term, Schneider Electric's Net-Zero targets for 2050 have been approved by the SBTi against their "Corporate Net-Zero Standard" which is a framework for corporate Net-Zero target setting in line with climate science and consistent with limiting global temperature rise to 1.5°C. This target encompasses the entire carbon footprint of the Group, i.e., all three Scopes.

The Group notes that the SBTi is currently revising the Net-Zero standard, while the GHG Protocol is also in the process of revising its carbon accounting standards. The Group is closely monitoring these developments and will be required to formally submit a review of its targets to the SBTi by January 2028 at the latest, in order to comply with the SBTi timeline. At this stage, there are no plans to change the 2030 targets. The new SBTi standard could require complementing the existing 2030 targets with medium-term targets extending beyond 2030, while maintaining the long-term targets for 2050.

Main decarbonization levers

Based on the nature of the greenhouse gas (GHG) emissions from Schneider Electric's activities across the three scopes, several decarbonization levers and key actions have been identified to mitigate climate change. The detailed description of these decarbonization levers, their impact towards the 2030 targets, and their foreseeable associated financial resources over the next 5 years are detailed in the sections below. Due to intrinsic uncertainties in modelling future GHG emissions, the current financial planning has been done from the perspective of the 2030 targets, while 2050 is beyond forecasting horizon. However, the Group anticipates that the nature of most decarbonization levers will be similar between 2030 and 2050, with very likely a bigger activation of these levers. It is also anticipated that technological innovation and improvements in carbon accounting granularity and accuracy will result in identifying new levers in the coming years. The Group will actively monitor progress in these fields. Lastly, regarding the Scope 3 target for 2030 specifically, the forecasting exercise reveals a possible gap to the target, due to the dependence on external factors such as the rate of decarbonization in the electricity grid and in the industrial sector. If the electricity grid were to decarbonize at a slower rate than what is anticipated in the modelled scenario, the Group would adapt its decarbonization strategy accordingly.

The milestones of Schneider Electric's Carbon Pledge are presented on the below visual with the key decarbonization levers. The Group has elaborated a comprehensive climate strategy of climate-related programs, that are shown on the next page and has made projections of the impacts of the main decarbonization levers.



Scopes 1 and 2
Decarbonizing the operations with:

- Energy conservation measures
- Electrification
- Sourcing of renewable power

Scope 3
Decarbonizing the value chain by:

- Engaging and supporting suppliers to decarbonize
- Eco-designing safe, efficient, and high-quality products with lower lifecycle CO_2 footprint
- Sourcing of low-carbon materials
- Influencing for global decarbonization
- Innovating with AirSeT medium-voltage equipment (SF_6-free)

Carbon credits
Progressively address residual emissions with high-quality carbon credits

- As of 2025, address ongoing operational emissions by contributing to carbon avoidance and removal
- By 2030, achieve "Net-Zero ready" by neutralizing all residual operational emissions (Scopes 1 and 2) with removals
- By 2050, achieve Net-Zero by neutralizing all residual emissions with removals

Scopes 1 and 2 emissions | Scope 3 emissions | Carbon avoidance and removal

For more information on these levers, please refer to **section 2.2.2.1.4** of the 2025 Universal Registration Document on actions related to climate change mitigation.

Sustainability programs linked to Schneider Electric's Net-Zero commitment

	Suppliers	Operations	Customers & Communities
SSI 2021 to 2025	**2025 Ambitions**		
	• SSI #3: Divide by 2 the CO_2 emissions from top 1,000 suppliers' operations • SSI #4: Increase Green Materials content in our products to 50% by 2025 • SSI #5: Primary and secondary packaging free from single-use plastic, using recycled cardboard • SSE #4: 15% CO_2 efficiency in transportation • SSE #9: 200 'Waste-to-Resource' sites	• SSE #1: 150 Zero-CO_2 sites • SSE #3: 90% of electricity sourced from renewables • SSE #5: 15% energy efficiency in our sites • SSE #7: One-third of corporate vehicle fleet comprised of electric vehicles **2025 milestone**: Operational emissions 100% addressed with carbon avoidance and removal	• SSI #1: Grow Schneider Impact Revenues to 80% • SSI #2: Help our customers save and avoid 800 millions of tons of CO_2 emissions • SSI #9: Provide access to green electricity to 50 million people • SSE #2: 100% substitution with SF_6-Free medium voltage technologies • SSE #6: 80% of product revenues covered by Green Premium • SSE #10: 420,000 metric tons of avoided primary resource consumption through 'take-back at end-of-use'
SSI 2026 to 2030	**2030 Ambitions**		
	Industry Catalyzer • 1,500 suppliers on a Zero Carbon Pathway to decarbonize the supply chain • 50% of materials selected to provide superior environmental and social value **Future-designed** • 100% of major offers in design demonstrate circular and environmental excellence	**Towards Net-Zero** • 90% reduction of CO_2 emissions from Scopes 1 and 2, absolute vs 2017 **Impact starts with us** • 100 sites designed to care for people, nature and communities	**Efficiency forward** • 80% Schneider Impact Revenues • 1.5bn MWh energy saved or electrified with our solutions, 2026-2030 • 100% of applicable SE software deliver advanced energy and carbon insights for customers **Toward Net-Zero** • 1.5 Gt CO_2 saved and avoided with our solutions, 2018-2030 **Longer, Better** • x2 growth of circular services for longer and better usage **Power progress** • 100M people with access to sustainable electricity to power progress

Towards Net-Zero
- 25% reduction of CO_2 emissions from Scope 3, absolute vs 2021

2030 Ambition
- **Reach Net-Zero Ready operations, reducing Scopes 1 and 2 emissions by an absolute 90% from a 2017 baseline, and neutralizing residual emissions with carbon removals**
- **Reduce Scope 3 emissions by an absolute 25% from a 2021 baseline**

2050 Ambition
- **Reach Net-Zero across the entire value chain**
- **Reducing all CO_2 emissions by an absolute 90% from a 2021 baseline, and neutralizing residual emissions with carbon removals**

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Note: the programs are represented under the categories on which they have the most prominent influence, but some can impact on multiple categories (e.g., circular and environmental excellence is impacting GHG emissions in both the upstream and the downstream value chain).

Progress overview

Since 2021, emissions from Schneider Electric's operations (Scopes 1 and 2, in market-based) have decreased by -57% in absolute terms, as compared to a target of -76% by 2030. This corresponds to a decrease by -82% compared with 2017. Scope 3 emissions have decreased by -12% in absolute terms as compared to a target of -25% by 2030.

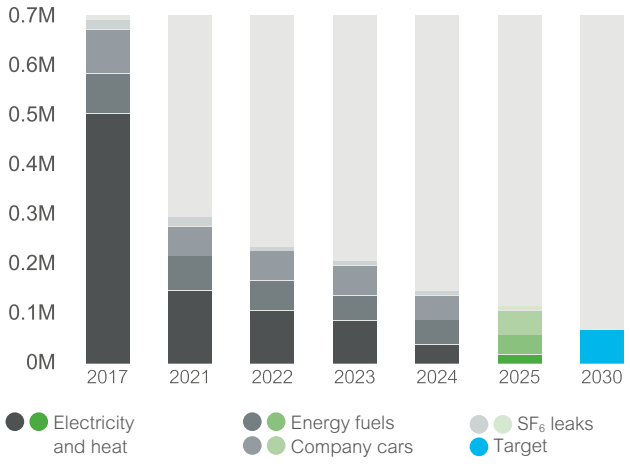
More specifically, emissions from Scopes 1 and 2 have decreased in 2025 by -14% as compared to 2024 (market-based). The overall reduction since 2021 is largely due to energy efficiency initiatives, electrification of the Group's on-site processes and fleet, as well as the outstanding progress on sourcing more and more renewable electricity.

On Scope 3, upstream emissions have decreased in 2025 by -5% as compared to 2024, and by -7% since 2021 (market-based), due to the reduction of volume of commodities being purchased, eco-design of offers, and the efforts of the decarbonization programs in the supply chain (e.g., Green Materials program which contributes to source materials with low carbon footprint, and The Zero Carbon Project which supports the decarbonization of Schneider Electric's top 1,000 suppliers). Downstream emissions, the majority of which come from the use of sold products, have decreased in 2025 by -0.4% as compared to 2024, and by -12% since 2021. This is due to a combination of eco-design of offers with the decarbonization of the grids that the Group's consumers rely on, and the evolution of the geographic split of sales. As explained in the methodological section below, when calculating these emissions, the Group considers the products' lifetime and the projected carbon intensity of the grids where consumers are located.

In reporting year 2025, implementation of decarbonization actions in Scopes 1 and 2 resulted in a reduction of 260,538 tonnes of CO_2e as compared to emissions that would have happened for the same year in the absence of the actions. This corresponds mainly to the sourcing of renewable electricity, and to a lesser extent to the electrification of operations. Investments on electrification projects will also have decarbonization effects over multiple years, and will abate 56,100 tonnes of CO_2e over a 10-year period.

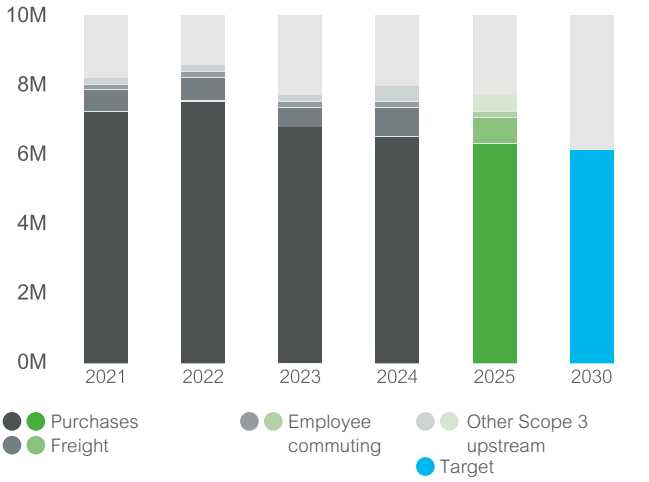
Operations Scope 1 and 2 (market-based) **-82%** GHG emissions reduction in Scopes 1 and 2 vs. 2017 (and -57% vs. 2021)

Induced: 0.1 $MtCO_2e$ in 2025
0.2% of total carbon footprint



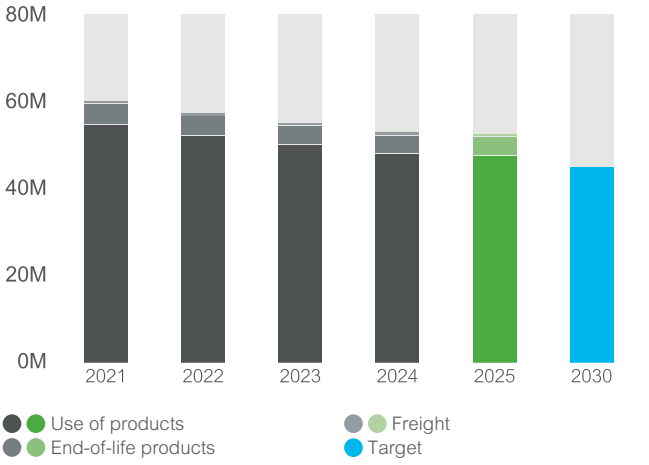
Suppliers Scope 3 upstream (market-based) **-7%** GHG emissions reduction in Scope 3 upstream vs. 2021

Induced: 7.6 $MtCO_2e$ in 2025
13% of total carbon footprint



Customers Scope 3 downstream **-12%** GHG emissions reduction in Scope 3 downstream vs. 2021

Induced: 53 $MtCO_2e$ in 2025
87% of total carbon footprint



Governance

Governance of the transition plan

The transition plan is reviewed through different leadership steps, and ultimately by both the Executive Committee and the Board at least once a year, as Long-term Incentive Plan targets are set for the following year. The gap to target, and actions to close the gap are reviewed and approved during these meetings. Also, during its Annual General Meeting in May 2023, the Group gave shareholders the chance to vote on the Company's climate transition plan. 97.67% of voters approved it.

The annual impairment test of all the Group's CGUs assets, which take into account the financial implications of the transition plan, and the forecasted GHG emissions until 2030 are reviewed in different leadership instances, and ultimately by both the Executive Committee and the Audit & Risk committee, at least on an annual basis.

Climate scenario analysis is used by the corporate finance team to conduct a sensitivity analysis on the annual impairment test of all the Group's CGUs assets, assessing the potential impact of climate physical and transition risk on the Group's future cashflows.

Delivering on the transition plan is intrinsically tied to the overall business strategy, since it is the very purpose of Schneider Electric to support customers in their decarbonization journeys.

Being its customers' Energy Tech Partner for Sustainability and Efficiency, Schneider Electric must lead by example, constantly seeking to reduce energy consumption and GHG emissions in absolute terms by leveraging technological, process, and behavioral transformations.

In practical terms, this means the decarbonization approach is similar to what is being facilitated for customers.

Schneider Electric helps its customers to strategize on their approach to Net-Zero and to implement the operational steps required to achieve their trajectory using all relevant levers, including energy efficiency, electrification, renewable energy sourcing, and more. Schneider Electric also offers cutting-edge managed services and digital solutions to tackle climate change through digitalization. The Group helps its customers collect the data needed to both design their strategy and show progress against emissions, both for internal purposes and for disclosure against prevailing sustainability frameworks.

To deliver its "Net-Zero ready" target on these emissions by 2030, the Group leverages its Power and Building EcoStruxure™ IoT-enabled architectures.

Climate-related incentives

The Chief Executive Officer's remuneration includes climate targets in four elements of his remuneration: (1) Performance Shares (i.e. Long-term incentive plan); (2) annual variable compensation; (3) complementary payment for pension building (variable); and (4) Profit-sharing.

1. 25% – Performance Shares
   25% of the performance conditions of the Performance Shares is related to carbon emissions reductions targets. This is further broken down into: 12.5% Scope 1 and 2 carbon emissions targets and 12.5% Scope 3 upstream carbon intensity target. These climate targets in the Long-term Incentive Plan have been designed to be in line with the climate target of the Group for 2030.
2. 12.73% – Annual variable compensation
   20% of the annual variable compensation is related to the Schneider Sustainability Impact (SSI) which consists of 11 targets from 2021 to 2025. Seven[(1)] out of these 11 targets (63.64%) are carbon related. Overall, 12.73% of the annual variable compensation is climate related.
3. 12.73% – Complementary payment for pension building (variable)
   20% of the complementary payment for pension building (variable) is related to the SSI which consists of 11 targets. Seven out of these 11 targets (63.64%) are carbon related. Overall, 12.73% of the complementary payment for pension building (variable) is climate related.
4. 12.73% – Profit-sharing
   Within the 50% collective component of the profit-sharing, 40% is related to the SSI which consists of 11 targets. Seven out of these 11 targets (63.64%) are carbon related.

Based on the Chief Executive Officer's (CEO) theoretical 2025 compensation structure, and taking into account that 12.73% of the Annual variable compensation, Complementary payment for pension building (variable) and profit-sharing and 25% of the Performance Shares are linked to climate-related criteria, the overall proportion of the CEO's total compensation tied to climate considerations stands at 15%.

2.2.2.1.2 Climate-related impacts, risks, and opportunities

Identifying impacts, risks and opportunities

Climate change adaptation	
Financial Risk	**Business disruption and asset damage in own operations and across the value chain.**
Financial Risk	**Failure to adapt products and operations to climate change.**
Opportunity	**Help customers adapt to climate change.**

Climate change mitigation	
Negative Impact	**Accelerate climate change through greenhouse gas emissions.**
Positive Impact	**Contribute to climate change mitigation through solutions related to electrification, automation and digitalization.**
Opportunity	**Develop new solutions to help customers and value chain use their energy and resources more efficiently.**

Energy	
Positive Impact	**Generate energy savings.**
Positive Impact	**Decarbonize market and value chain.**
Opportunity	**Develop new businesses related to renewable energy and energy efficiency.**

Schneider Electric proactively identifies and measures climate-related risks and opportunities, to assess existing and potential impacts to its business, operations, and value chain. The risks and opportunities assessment covers:

- Acute and chronic climate physical risks; and
- Climate transition risks and opportunities including legal and regulatory, market, technology, liability, and reputational.

(1) The seven targets are: SSI-target #1) Grow Schneider Impact revenues; SSI-target #2) Help customers save and avoid millions of tonnes of CO2 emissions; SSI-target #3) Reduce CO2 emissions from top 1,000 suppliers' operations; SSI-target #4) Increase green material content in Group's products; SSI #5) Primary and secondary packaging free from single-use plastic, using recycled cardboard; SSI-target #9) Provide access to green electricity to 50M people; and SSI #11) Train people in energy management.

Building on this assessment, the Group evaluates both existing and potential impacts on greenhouse gas (GHG) emissions and its decarbonization pathway. It has conducted a comprehensive review of its activities and supply chain to understand sources of emissions today and in the future. This understanding enables Schneider Electric to systematically calculate, disclose, and manage its end-to-end carbon footprint across Scopes 1, 2, and 3, in alignment with the Greenhouse Gas Protocol's Corporate Accounting Standard and Corporate Value Chain (Scope 3) Standard. Reported emissions are assured by independent third-party verification to ensure accuracy.

Schneider Electric has integrated climate-related scenario analysis into its risk management framework, to identify and assess its physical and transition risks and opportunities over the short, medium, and long term.

For the past 3 years, the Group has engaged with a specialist in climate scenario analysis and portfolio risk assessments to conduct its climate risk analysis annually.

Schneider Electric uses the Risilience platform to assess both transition and physical climate risks. The assessment covers the entirety of the Group's revenue base, ensuring that transition risks are modeled across all business activities globally. For physical risks, the modeling covers all Schneider Electric sites, using consolidated facility data from the Group's real estate database. While the full site footprint is included, the value-at-risk outcomes are largely driven by industrial sites, because only these sites have revenue attributable at site level in the model. Consequently, most of the financial exposure relates to potential impacts on revenue, whereas asset-damage effects represent a comparatively smaller share of the total value at risk under climate change scenarios.

Models were built using company data on financial projections, geographical and sectorial market, GHG emissions, as well as facilities worldwide. The models take into account the market expected evolution, depending on the five emission pathways.

These pathways define possible future emission scenarios that explore how global society, demographics, and economics will affect global GHG emissions, and resultant radiative forcing and global temperature rise. These scenarios are derived from the Shared Socioeconomic Pathways (SSPs), which form the basis of the Sixth Assessment Report (AR6) from the Intergovernmental Panel on Climate Change (IPCC). These models and their underlying assumptions align with the most recent pathways published by the Network for Greening the Financial System (NGFS) in their Phase V update.

The scenarios are the following:

- **Net Zero 2050** limits global warming to 1.5°C through stringent climate policies and innovation. Physical risks are relatively low but transition risks are high.
- **Below 2°C** gradually increases the stringency of climate policies, giving a 67% chance of limiting global warming to below 2°C. Net-zero CO_2 emissions are achieved after 2070. Physical and transition risks are both relatively low.
- **Nationally Determined Contributions (NDCs)** includes all pledged policies even if not yet implemented. Emissions decline but lead to 2.3°C of warming associated with moderate to severe physical risks. Transition risks are relatively low.
- **Current Policies** assumes that only currently implemented policies are preserved. Emissions grow until 2080 leading to about 3°C of warming and severe physical risks with irreversible changes like higher sea level rise. This scenario highlights the long-term physical risks to the economy and financial system inherent in a global trajectory toward a "hot house world".
- **Fragmented World** assumes delayed and divergent climate policy ambition globally, leading to high physical and transition risks. Countries with net-zero targets achieve these only partially, while the other countries follow current policies.

These five scenarios are evaluated over 5-, 10-, and 30-year horizons. This analysis allows the Group to identify climate risks and build resilient strategies that navigate economic transitions while capitalizing on low-carbon opportunities.

Although climate risks are evaluated under each of the five emission pathways, climate physical risk quantification retained to support resilience strategic decisions is based on the Current Policies scenario, a high-emissions scenario, corresponding to a 3°C rise in global temperatures by 2100. The scenario analysis quantifying the influence of climate change on the exposure of Schneider Electric's sites towards extreme weather events and natural hazards is combined with on-site audits conducted by external consultants who develop site vulnerability profiles at least every two years for the critical sites and every 3 to 7 years for the other industrial sites.

The scenarios used are linked to the climate-related assumptions made in financial statements. The potential impacts from the climate-related matters on the Group's assets and liabilities measurement as well as on significant judgments and estimates, have been analyzed through both climate transition risk and opportunities, physical risks perspective, and climate external commitments perspective. Climate scenario analysis is used by the corporate finance team to conduct a sensitivity analysis on the annual impairment test of all the Group's cash generating units' assets, assessing the potential impact of climate physical and transition risk on the Group's future cash flows.

The Global Environment Event Reporting and Alerts Directive (GED 003) establishes standardized rules for reporting environmental events and issuing alerts across all Schneider Electric sites and operations. The relevant SERE (Safety, Environment, and Real Estate) leader shall determine if an investigation is warranted. For severe environmental incidents, the SERE leader of the site is required to escalate the report up to higher management within 48 hours, to ensure the appropriate level of response and accountability within the company. They shall develop, manage, and resolve the investigation and any action plan as well as documenting lessons learned with the affected stakeholders.

Climate physical and transition risks

Type of risk	Description	Results of the assessment	Measures to address risks
Physical risks			
Acute physical risk	Schneider Electric has over 300 industrial and logistics sites globally and is exposed to both acute and chronic effects of climate change. These impacts could result in damage to assets, disruption to business operations, as well as human and environmental consequences. The immediate effects of climate change, known as acute physical risks, can manifest as more frequent and severe natural hazards, such as intensified hurricanes or floods. Extreme weather events would not only directly affect the Group's operations but could impact crucial infrastructures like power plants, electrical grids, data centers, and transportation networks. In response, climate and weather-related risks are integrated into the Group's Business Continuity Planning and Risk Management programs, leading to preventive investment to secure assets and adapt to material climate and weather risks. These include activating contingencies to shift production from affected sites to unaffected ones, as well as site-specific adaptation actions such as fire sprinklers, flood response plans, and heat preparedness trainings for workers.	Physical risks to Schneider Electric's value chain are assessed through climate risk modeling, using a suite of global maps to assess the likelihood of occurrence of extreme climate-related events, including heatwaves, freeze events, droughts, coastal/flash/riverine floods, temperate and tropical windstorms, and wildfire. Potential financial impacts could be driven by: • Losses and damages to Schneider Electric operations and enabling infrastructures; • Business disruption due to logistics bottlenecks; and • Cost increase, risks of scarcity, and insecurity of raw materials supply. In each case, the probability of a hazard event at a given location is combined with a specified vulnerability function to define the expected disruption. Under a Current Policies pathway (based on SSP3-7.0) and without any risk mitigation considered, out of 309 sites assessed, 186 (60%) will face a high likelihood of being exposed to physical risks by 2050. On top of the climate risk assessment, quantification of short-term climate risks is coupled with an on-site evaluation of the major risks, including flooding and fire. Each critical site is assessed regularly by independent global risk experts from Global Risk Consultants, thereby defining potential financial impacts as well as the cost of response. Critical sites are the top 58 sites in terms of revenue dependency for the Group and key logistic hubs. These critical sites are surveyed every two years, while the other industrial sites are audited less frequently. In these audits, the risks experts measure and weigh: • Passive (exogenous) threats relating to floods, hurricanes (windstorms), earthquakes, construction, and occupancy; and • Active (endogenous) risks relating to physical protection, human exposure, natural hazards, and business continuity planning.	Climate-related physical risks in Schneider Electric's own operations and along the value chain are managed through an end-to-end process spanning from upstream value chain, own operations, down to logistic and transportation activities to ensure supply chain flexibility and resilience is continually improved. A comprehensive Business Continuity Planning (BCP) strategy has been deployed to identify and measure risks, prevent and protect against incidents, detect in advance any potential event, and respond appropriately in case of crisis to contain impact and ensure business continuity. In 2025, Schneider Electric continued embedding the BCP strategy across its top 58 sites, simulating supply chain disruptions and activating contingency plans to pivot production from one site to another. The Group has also engaged into a multi-tier mapping of its supply chain to improve visibility and risks monitoring. The Group has developed a risk mitigation approach with strategic stocks in the short term and a double sourcing strategy in the medium term. Risk profiles of industrial sites are regularly updated, and adaptation measures are taken accordingly. The Group leverages on climate scenario analysis to reinforce the short-term risk identification and quantify medium- and long-term climate physical risks, thus supporting decision-making processes impacting those time horizons. To date, the magnitude of impact is considered medium to low, as there has been no material loss over the past ten years, however the Group is proactively monitoring this risk.
Chronic physical risk	In the long term, the severity of physical impacts will vary based on society's ability to reduce human-induced climate change. However, even with mitigation efforts, the IPCC is highly confident that climate change will lead to numerous risks for natural and human systems beyond 2040. These include rising temperatures, reducing worker productivity and increasing cooling costs, as well as water scarcity, increasing the costs to procure or treat water in water-stressed locations for both workers and production processes. Schneider responds to these risks through site-specific adaptation actions such as upgrading HVAC systems to respond to cooling requirements		

Type of risk	Description	Results of the assessment	Measures to address risks
Physical risks			
	and action plans around water usage and recycling rates on sites, reducing its reliance on external supply in water stressed regions.	Risk profiles of each site are then regularly updated following the on-site audits (60 to 80 audits are conducted every year), and recommendations of adaptation measures are made to mitigate and adapt to identified risks.	

Type of risk	Description	Results of the assessment	Measures to address risks
Transition risks			
Policy risk	As climate urgency intensifies, regulation appears as a key lever in driving a faster and more coordinated transition. Climate regulations may result in additional requirements and fees, or restrictions on certain activities or materials, impacting primarily companies slowing down the transition and creating opportunities for companies leading the transition towards a low-carbon economy. Schneider Electric anticipates possible financial impacts of future carbon emission costs by addressing both its operational and value chain footprints. Given the relatively low share of the Group's Scope 1 and 2 emissions in its carbon footprint, carbon pricing mechanisms primarily present the potential for impact on the Group's value chain. Among others, it could result in higher raw materials and manufactured components costs, and increasing costs incurred by consumers during the use of sold products. Schneider Electric could benefit from these regulations compared to slower-moving competitors.	Schneider Electric identifies climate-related transition risks and opportunities across its operations and value chain using scenario analysis. This assessment is integrated into the Company's Enterprise Risk Management (ERM) framework. Schneider Electric's climate risk assessment indicates that under the Below 2 degrees NGFS scenario (based on SSP1-2.6), policy, liabilities, and reputation represent the most significant transition risks, while risks associated with technology and market shifts remain low at this stage. In the short term, the Group anticipates that its markets will experience strong growth between 2025 and 2030 with an increase in addressable market compound annual growth rate (CAGR) to between +6% and +7%. The acceleration of global electrification and digitalization, the rapid industrial adoption of AI driving massive demand for compute-intensive and energy-efficient infrastructure, and the fragmentation of the global economy into a more multi-polar and localized investment landscape are creating strong structural tailwinds across Schneider Electric's core markets in energy management, automation, and digital infrastructure.	Specific mitigation and adaptation strategies have been engaged, including: • Decreasing GHG emissions along the value chain, reducing exposure to carbon pricing mechanism; • Accelerating product eco-design, improving its efficiency and emissions profile, and adapting offer portfolio to meet the growing demand for low-carbon products and services; • Driving the transition towards a sustainable economy within Schneider Electric's value chain, reducing risk from inaction; and • Avoiding locked-in emissions and the risk of stranded assets. The Group addresses these priorities strategically: • Decarbonization: Executing its Net Zero commitment across the entire value chain. • Vigilance: Implementing global responsible marketing guidelines and a robust ESG screening process for customer project selection. • Compliance: Strictly managing current and up-coming environmental regulations to ensure compliance. By understanding and preparing for these megatrends, Schneider Electric can align its strategy with market demands, anticipate customer needs, adapt to changing landscapes, and provide innovative solutions that address the challenges and opportunities arising from these trends, ensuring the resilience of the Group's strategy and business model.
Market risk	The growing demand for electrification and efficiency solutions and services generally presents a significant business opportunity for Schneider Electric. In addition, the Group explores ways to improve the end-to-end environmental footprint of its products with innovations, such as SF_6-free medium voltage switchgear. Markets can evolve towards more environmentally sustainable alternatives, supported by regulation change or customer preference. This is a critical element of the Group's sustainability goals and eco-design strategy.		

Type of risk	Description	Results of the assessment	Measures to address risks
Reputational risk	Customer trust can be influenced by companies' actions or inaction to mitigate and adapt to climate change. Schneider has been working to reduce its own GHG emissions for 20 years, setting ambitious targets for both its operations and its value chain. The Group actively manages this risk by building and executing detailed roadmaps for its targets and collaborating with its stakeholders. The Group remains diligent in protecting brand reputation through accurate and transparent communication and marketing.	In the medium and long terms, the Group expects that world economies will continue to encourage decarbonization, requiring greater investment and readiness to meet the demand for electrification and efficiency solutions. The megatrends assessed will thus continue to be relevant. By tracking megatrends, identifying tran sition events, and assessing asset and activity exposure, Schneider Electric aligns strategy with market nee ds, anticipates customer expectations, and delivers innovative solutions consistent with climate-related public policy and long-term horizons beyond ten years.	The megatrend analysis and associated market risks and opportunities are updated on a yearly basis to inform the Group's strategy, including offer portfolio and R&D strategy, partnership strategy, and commercial strategy.

The insights gained from the impacts, risks and opportunities identification process, along with the climate scenario analysis, highlight the priority opportunities for Schneider Electric to lead the acceleration of the energy transition and build resilience over the value chain. By leading the convergence of electrification, automation, and digital intelligence, the Company helps customers unlock the full value of energy and resources, simplify complexity, and achieve smarter, more efficient operations across all sectors. While mitigation efforts must continue to be prioritized to curb the anthropogenic greenhouse effect, climate change is a lived reality reshaping ecosystems and economies. Expert organizations agree that inaction is not an option and Schneider Electric identifies opportunities in acting early to avoid losses, and improve efficiency, and innovation, driving long-term resilience over its value chain. Through science-based assessments, nature-based solutions, and strategic partnerships, Schneider Electric is committed to leading this shift and turning risk into opportunity.

Associated financial effects

Physical risks

Schneider Electric employs a comprehensive process to assess physical risk financial effects, integrating scenario analysis (across five pathways) with the Group's broader risk management strategy. This includes an ISO 22301-aligned program that maps substantive financial risks (asset destruction, profit loss) and ensures continuity from incident to recovery.

Please refer the **section on "Climate physical and transition risks"** for more information on the assessment of climate physical risks.

Under the Current Policies scenario (SSP3-7.0), the Group assessed 309 sites, identifying 186 (60%) with high exposure to climate-related hazards by 2050. The specific exposure profile of those sites is detailed below:

Physical risk	Number (%) of sites highly exposed to risk by 2050	Countries represented (alphabetical order)
Coastal Flood	2 (0.6%)	China, India
Drought/Water Stress	30 (9.7%)	Australia, Egypt, India, Israel, Mexico, Panama, Saudi Arabia, United Arab Emirates, United States
Flash Flood	143 (46.3%)	Argentina, Australia, Brazil, Canada, Chile, China, Colombia, Costa Rica, Hong Kong, Indonesia, India, Japan, South Korea, Sri Lanka, Malaysia, New Zealand, Philippines, Singapore, Thailand, Taiwan, United States, Vietnam
Freeze	10 (3.2%)	Canada, China, Finland, Italy, Kazakhstan, United States
Heatwave	80 (25.9%)	Australia, Brazil, China, Egypt, India, Israel, Italy, Japan, Mexico, Panama, Portugal, Puerto Rico, Saudi Arabia, South Africa, Spain, Türkiye, United Arab Emirates, United States
Temperate Windstorm	9 (2.9%)	Australia, Canada, Finland, France, Japan, New Zealand, Sweden, United Kingdom
Tropical Windstorm	1 (0.3%)	Taiwan

Despite this exposure, the magnitude of financial impact is considered medium-to-low, with no material losses over the past decade. Consequently, the residual value of assets in at-risk locations is immaterial, with no current risk of impairment. As the financial impact is immaterial, specific monetary values are not disclosed.

To mitigate risk from business disruption, Schneider Electric has implemented a supply chain resilience strategy with the objective of having 100% of critical distribution centers capable of redirecting more than 80% of the flows within five days. In addition, flooding and fire-related adaptation measures identified during site audits are implemented within one year of audit recommendations.

Transition risks

While the Group does not disclose a granular itemization of specific assets and business activities incompatible with the transition to a climate-neutral economy, the transition risks identified in Schneider Electric's assessment are directly linked to its activities perceived as non-aligned with a low-carbon economy. These risks primarily include policy risks, reputational exposure and liability risks, as further detailed in the "Climate physical and transition risks" table. Currently, there are no liabilities from material transition risks recognized in the financial statements.

Transition events may impact medium-to-long-term cash flows but Schneider Electric anticipates short-term growth driven by electrification and digitalization.

Please refer to the above section Climate physical and transition risks for more information on the assessment of climate transition risks.

Under the most likely climate pathways, the unmitigated impact on discounted cash flows over the next decade is immaterial. However, given the Group's Net-Zero commitments and active mitigation strategies, sensitivity analysis confirms no impairment risk (stranded assets) regarding climate transition risks.

2.2.2.1.3 Policies related to climate adaptation, mitigation, and energy

Group policy

Getting to Net-Zero is going to take more than commitments and technologies. Policies underpin the pace and the progress that the world will be able to make towards decarbonization.

The Group will advocate in favor of policies that accelerate electrification, digitalization, and decarbonization, remove barriers to scaling carbon-reduction/removal technologies, deploy market and pricing mechanisms for informed carbon decisions; and empower consumers through transparent, universal standards on product carbon content.

Schneider Electric's Environmental Sustainability Policy defines its readiness and ambition to go beyond the regulatory requirements and achieve voluntary sustainability commitments and targets.

The policy focuses on reducing GHG emissions, enhancing energy efficiency, increasing the use of renewable energy, and implementing climate adaptation strategies. It includes specific targets for the journey towards Net-Zero emissions, as well as initiatives for energy-saving technologies and sustainable practices.

- Reduce its energy and environmental footprint, via the prevention and mitigation of environmental impacts, including GHG emissions, energy, pollution of air, water, and soil, hazardous substances, water, biodiversity, and resource use.
- Avoid locked-in emissions: The group aim at phasing out fossil fuel dependencies for long-lived assets in new investment projects.
- Define and deploy environmental best practices in operations, offices, and properties; aligning its approach with major energy and energy efficiency programs.
- Strive for resilience, adapting its operations, supply chain, and investments to mitigate risks from climate change and natural capital depletion.

This engagement goes beyond Schneider's own operations, as the Group:

- Engages with suppliers, contractors, partners, and customers in its energy and environmental excellence journey by participating in global coalitions that advance environmental sustainability and by adopting frameworks that promote responsible practices.
- Selects partners, contractors, and suppliers compliant with environmental regulations.
- Regularly assesses environmental risks in its value chain and works to reduce these risks relying on relevant third-party certifications or ratings.
- Develop key technologies and processes that mitigate negative environmental impacts and climate change, while creating positive environmental contributions to pivot into the green market and circular economy.

Scope and updating process

The Environmental Sustainability Policy applies to Schneider Electric operations, including manufacturing sites, offices, and the supply chain. It ensures a consistent approach to climate change adaptation, mitigation, and energy management across the Company.

It is developed and updated with input from key stakeholders, including employees, customers, suppliers, and regulatory bodies, ensuring that their interests and concerns are addressed. It is approved by the Chief Sustainability Officer and drafted and updated by the Global Environment team, and Global Supply Chain Sustainability.

It ensures compliance with international standards such as ISO 50001 for energy management, ISO 14001 for environmental management systems, and applicable environmental regulations. Going further, the policy ambitions to align on best practices and put Schneider on a trajectory that supports the global achievement of the Paris Agreement.

Governance and communication

The Global Environment team oversees the policy's implementation, with senior management and the Board of Directors actively involved in the governance.

All relevant stakeholders are informed about the policy, including employees from the businesses, global supply chain, the operations and corporate functions, suppliers, partners, and customers, through internal communications, training programs, and public disclosures, ensuring that those affected and responsible for implementation are well-informed.

2.2.2.1.4 Actions related to climate change adaptation, mitigation, and energy

Based on the risks and opportunities identified in **section 2.2.2.1.2,** concrete actions for the 2021-2025 period were defined, monitored and shared transparently in the Schneider Sustainability Impact (SSI), and the Schneider Sustainability Essentials (SSE).

Climate change mitigation

The key actions to support climate change mitigation are aligned with Schneider Electric's long-term sustainability goals and cover all Schneider Electric industrial and tertiary sites worldwide, key upstream suppliers, and logistics partners, and address employees and operational teams across the Group.

For further information related to Schneider Electric's commitments please refer to **section 2.2.2.1.1 Climate strategy.**

Scopes 1 and 2

For Scopes 1 and 2 emissions, the decarbonization levers are:

- Energy sufficiency and efficiency actions at sites: This lever encompasses actions resulting in a decrease of energy consumption of a site, with either (i) no change of the form of energy that is consumed, or (ii) a change from a fuel to another fuel (e.g., from fuel oil to natural gas) but not to electricity (captured through another dedicated lever). For manufacturing and distribution centers, the Group has defined a priority list and has planned to invest progressively on more electrification, and sustainable and efficient systems (e.g., heat pumps, microgrids, solar panels, thermal insulation) between 2024 and 2030.
- Electrification projects at sites: This corresponds to actions resulting in a change of the form of energy that is consumed for a site, from fuel or gas consumption initially towards electricity consumption after implementation of the action.
- Renewable electricity sourcing: This lever consists in acquiring renewable electricity through various means; bundled or unbundled renewable electricity certificates, or on-site generations. The Group aims to reach 100% of electricity from renewables by 2030.
- Electrification of fleet: This is specifically for company vehicles, and this corresponds to transitioning from fossil-based vehicles (gasoline, diesel, or LPG) towards electrified vehicles (preferably 100% pure EVs), including the installment of EV chargers. The Group plans to shift one third of company fleet to electric vehicles by 2025.
- Reductions in SF_6 leaks: This lever captures any action that results in a decrease of the SF_6 leakage happening on sites, due to a reduction of leakage rate (e.g., better monitoring in place) and/or the impact of the SF_6 phase-out plan (less products being sold with SF_6 gas).

Since the action plan on climate change mitigation on Scopes 1 and 2 heavily relies on a shift towards lower GHG emissions from energy consumption, the action plan on energy consists of the same actions described above, except the ones related to SF_6, since they address other GHG sources than energy consumption.

Scope 3

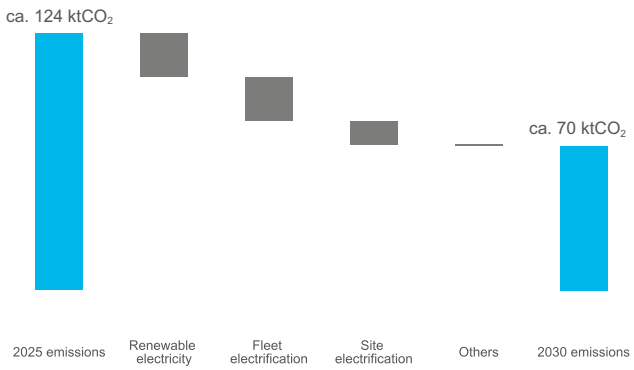
For Scope 3 emissions, the main decarbonization levers are the following:

- Transversally to upstream and downstream Scope 3 emissions, the eco-design of products to lower their carbon and environmental footprint: on the upstream side, this means designing products with lower volumes of materials, and replacement of some materials with lower-impact materials; on the downstream side, eco-design reduces emissions during product's use phase by improving product energy efficiency.
- On the downstream Scope 3 side specifically, the phase-down the use of SF_6 in Schneider Electric products, thanks to the technological innovation of the AirSeT range of circuit breakers, which only rely on vacuum and air for electrical insulation.
- On the upstream Scope 3 emissions specifically, suppliers' engagement: Schneider Electric has developed a robust supply chain engagement, called The Zero Carbon Project (TZCP) for the past 5 years and now revamped into The Zero Carbon Pathway. It is meant to help the main suppliers to reduce their emissions, by deploying levers of energy efficiency, electrification and renewable energy adoption. For more details on TZCP, see the " Supplier engagement for value chain decarbonization" section below.

Other decarbonization levers are identified, especially for reducing air freight and air travel. And, from a systemic perspective, Schneider Electric promotes the transition to low-carbon sources of electricity.

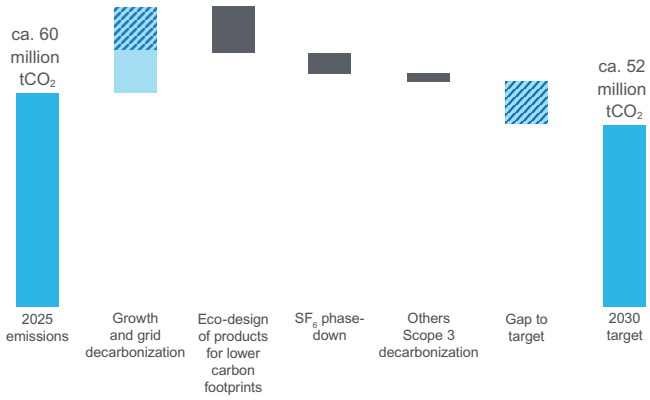
The quantitative contributions of these levers to achieve GHG emissions targets by 2030 are shown in the below graphs:

Decarbonization actions on Scopes 1 and 2 towards 2030 target



The lever of energy sufficiency and efficiency actions is not displayed distinctly, however it is a crucial element in order to limit and even reduce the energy consumption in the first place.

Decarbonization actions on Scope 3 towards 2030 target



Given the uncertainty of long-term GHG modelling, planning is limited to 2030, and 2050 targets are not shown. The Group expects existing decarbonization levers to remain relevant and to expand, with new options emerging through technological innovation. Also, the Group is looking towards continuous improvements in carbon accounting in order to reflect more decarbonization activities into the GHG Inventory. For instance, this encompasses situations when suppliers or customers are making progress for reducing their Scope 2 emissions from electricity consumption by sourcing renewable electricity. While this is not necessarily reflected into the Scope 3 emissions from Schneider Electric at this stage (see the section "**Inclusion of market-based accounting approach in the GHG inventory, and dual reporting of Scope 3 Upstream emissions**" on page **153**), the Group will actively monitor progress in both technical innovation and carbon accounting practices.

For the Scope 3 target for 2030 specifically, the forecasting exercise reveals a possible gap with target, due to the dependence on external factors such as the rate of decarbonization in the electricity grid and in the industrial sector. The gap to target on the Scope 3 graph appears under more conservative assumptions of slower decarbonization of electricity generation (which is heavily impacting the Scope 3 emissions, especially use phase of sold products, in category 11). Indeed, as a central assumption, the Group is using the Stated Policies scenario from the International Energy Agency in terms of projected emission factors from electricity generation. This corresponds to the scenario in the graph for which there would not be a gap to target. However, if the electricity grid were to decarbonize at a slower rate than what is anticipated in the Stated Policies scenario, a gap to target could appear, that is why the Group will monitor closely the evolution of the decarbonization of the grids, among other external factors, and will adapt the decarbonization strategy accordingly.

In order to ensure there are no severe pitfalls for successfully implementing the decarbonization actions, Schneider Electric has looked into material locked-in GHG emissions in the activities of the Group.

For Scopes 1 and 2, since there is no asset operated by Schneider Electric that would represent more than 5% of the Group's emissions, there is no key asset with material locked-in emissions (indeed, the Group is using 5% as materiality threshold, as suggested by the SBTi framework). However, the Group identified some manufacturing sites with gas-intensive manufacturing processes, and is actively looking for ways to electrify these processes and there is no impediment to implement the transition plan from this viewpoint.

On the Scope 3 side, the European Sustainability Reporting Standards (ESRS) invite to look at locked-in GHG emissions from the perspective of the use of sold products (i.e., category 11 in the GHG Protocol framework). In conformance with GHG Protocol standards, these emissions are being estimated based on sales in the reporting year, with a forward-looking perspective on what the future GHG emissions of the products will be, from a lifetime perspective. The methodology that will be applied in 2030 will follow the same logic (i.e., products sold in 2030), hence there is no anticipated impediment to achieve the climate targets due to this methodological considerations.

Supplier engagement for value chain decarbonization

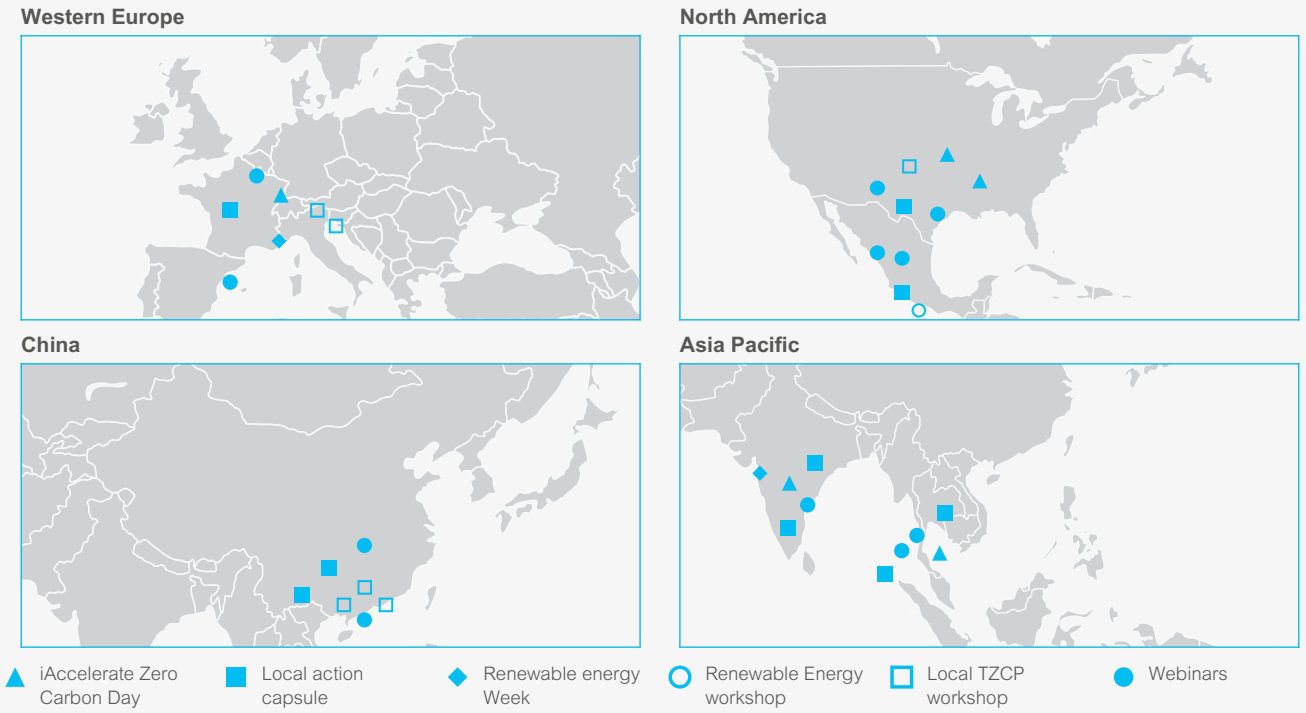
Schneider Electric's Zero Carbon Project (TZCP) is a supplier engagement program to collaborate with the top 1,000 suppliers and reduce their Scopes 1 and 2 GHG emissions intensity by 50% by 2025 - this target was achieved and exceeded. Participating suppliers quantify their operational footprint (Scopes 1 and 2; Scope 3 optional), make public reduction commitments, implement actions, and report progress to Schneider Electric.

Spanning 50+ countries and 65+ procurement categories with varied maturity and size, the program allows suppliers to tailor their plans (base year, baseline, targets, and timelines). In 2025, prior initiatives matured and continued to deliver reductions, while tailored support was deployed across regions, including:

- Local action capsule: on-site support from sustainable procurement experts across China, India, East Asia, Europe, Mexico, and the US to identify bottlenecks and provide remediation; complemented by horizon scanning and market analysis to connect suppliers with specialized implementation partners.
- Renewable Energy Week: digital consultations with experts on renewable adoption.
- Renewable Energy workshops: customized deep-dives with experts.
- Local TZCP workshops: country/province sessions to address local implementation challenges.
- Thematic webinars: expert sessions on key decarbonization levers reaching broad supplier audiences.
- Sustainable Supply Chain Finance (pilot): early payment for suppliers meeting performance thresholds to improve capital access.
- Supply Chain Renewable Initiative: raising awareness of renewable instruments and potentially forming supplier cohorts to access them.

For more information on the above points, please refer to **section 2.1.1.2 on SSI and SSE on page 79.**

The Zero Carbon Project Supplier Support Framework



Climate change adaptation

Schneider Electric has implemented a wide range of actions and allocated resources to address climate change adaptation with different time horizons, covering Schneider Electric industrial and tertiary sites worldwide, key upstream suppliers, and logistics partners, and address employees and operational teams across the Group.

By 2030, Schneider Electric commits to conducting a Climate Risk Assessment on all its sites under management.

For all large sites identified at material risk of climate hazards, Schneider Electric commits to implement site-specific climate adaptation measures by 2030.

For more information, please refer to **page 131 section 2.2.2.1.2 Climate-related impacts, risks, and opportunities**.

Schneider Electric's climate physical risk assessment and climate adaptation actions can be categorized as follows:

1. Risk identification and assessment:
   - Scenario analysis: Schneider Electric conducts forward-looking climate risk and vulnerability assessments using scenario analysis to understand how the exposure of its sites and value chain may evolve with climate change. This climate physical risk quantification is performed on all industrial sites, the main tertiary buildings in which the Group is operating, and suppliers in critical purchasing categories. For further details please refer to the Impacts, Risks & Opportunities (IRO) section.
   - Site risk assessments: Recognizing the unique exposure and vulnerability of different sites, Schneider Electric performs on-site audits and assessments to evaluate the specific risks and vulnerability profile of individual sites. These assessments are conducted by independent risk experts. Between 60 and 80 site audits are performed per year, to review each key manufacturing site every three years. For further details on these audits please refer to the IRO section.
   - Supply chain risk assessment: Schneider Electric assesses the climate risks within its supply chain with a multi-tier supply chain mapping, considering factors such as the geographical location of suppliers, the potential for disruptions to transportation and logistics, and the availability of critical resources to manufacture its products.
2. Adaptation measures to detect and protect against climate risk:
   - Technological adaptation solutions: Schneider Electric leverages technology to enhance climate resilience, such as implementing early warning systems for extreme weather events. Those risk detection measures cover all of Schneider Electric's manufacturing and distribution sites as well as major logistic hubs. The early warning systems are integrated into its business continuity plans for the highest priority sites, triggering redirection of production flows should severe weather events occur.

- Engineered and built environment adaptation solutions: These solutions include measures like flood gates, water storage and pump storage, or improved drainage to protect physical assets from climate-related hazards. Those adaptations measures aiming at reducing site vulnerabilities are taken within the year following recommendations from on-site audits of key industrial sites. For further details on these audits please refer to the IRO section.
- Educational adaptation solutions: The Company focuses on raising awareness and building knowledge about climate change adaptation through trainings on the appropriate responses to chronic and acute risks, including behaviors to deal with heat stress and flood evacuation drills.
- Behavioral adaptation solutions: Schneider Electric implements business continuity plans and crisis management standards to prepare for potential natural hazards, minimizing disruptions and ensuring the safety of its workforce. Business continuity planning is a Company-wide process covering all industrial sites and all tertiary sites with more than 50 people.

3. Supply chain resilience:
   - Power of Two in Manufacturing: This initiative focuses on qualifying alternate factories for the same products and suppliers for all critical parts and components, ensuring the continuity of supply and mitigating the risk of bottlenecks. Supply risks are qualified and both short- (<1 year) and long-term (by 3 years) risk-mitigation measures are implemented.
   - Out of the 186 sites with a high likelihood of enduring extreme weather events by 2050 under the Stated Policies scenario, 101 (54%) have a back-up site able to take part of its load. The Power of Two strategy has proven its efficiency on many occasions already, and has continued to be embedded extensively across its sites throughout this year, with simulated diversions of production between sites.
   - Dynamic control towers: The Company utilizes dynamic control towers to monitor traffic and events in real-time across its logistics network and partners, allowing for proactive adjustments and responses to potential disruptions.

2.2.2.1.5 Investment and resources

Resources allocated to transition plan

During the reporting year, Schneider Electric invested EUR 55 millions CapEx and EUR 63 millions OpEx to support the implementation of its transition plan, mainly on electrification projects of sites and SF_6 phase-down initiatives. These spendings are classified in alignment with the Company-wide decarbonization levers, however tracking currently only covers Scopes 1 and 2 on a Company-wide basis.

Overall, to implement the objective of achieving the “Net-Zero ready” target in operations and the Scope 3 target by 2030, it is estimated that around EUR 300 million will be spent from 2026 to 2030 in CapEx, primarily in electrification of sites, and in supporting the shift towards SF_6-free products. In terms of OpEx, the Group will continue investing in the eco-design of its products to reduce their carbon footprint (including initiatives to source materials with a lower carbon footprint) as well as in phasing down SF_6 across the portfolio. These expenses are not considered as material over the 2026 – 2030 period.

The implementation of decarbonization actions is not materially dependent on the availability and allocation of resources. However, the rate at which Schneider Electric can implement emission reductions is dependent on many other factors that can change over time; these include business growth and geographic distribution, supplier mix and suppliers’ decarbonization journeys, and the rate of decarbonization of the grids that power the Group’s products.

Climate change mitigation and energy

Financial resources allocated to the action plan on climate change mitigation are both operational expenditures and capital expenditures.

CapEx are needed to fund the installation of heat pumps and EV chargers in order to decarbonize sites and the Company fleet. Capital is also being spent on industrial processes of manufacturing sites, in order to transition from SF_6-based to SF_6-free products (the AirSeT range of offers). Additionally, any new investment must include a sustainability assessment (GHG lifecycle, energy efficiency, electrification, circularity, resilience), and low-carbon options are prioritized in alignment with the Group’s Net-Zero pathway.

For the R&D expenditures, there is no dedicated additional expenditures for the reduction of Scope 3 emissions, since it is already embedded into eco-design strategy of the Group's offers:

- A dedicated sustainability program has been launched as part of the new sustainability ambition of the Group. This program called "Future-Designed", aims at having 100% of major offers in design demonstrating circular and environmental excellence by 2030.
- For all offers, a process to follow carbon footprint evolution at an early stage of new product development has been implemented, to reduce the footprint of future generations of products.

The Group committed on a step up in R&D in coming years, from a circa 6% to 7% of Group revenues, with a strong focus on sustainability.

Beyond R&D expenditures, other operational expenses engaged include sourcing low carbon materials, renewable electricity, especially for unbundled renewable electricity certificates, and expenses related to SF_6-free transition.

For more information on links of climate risks with financial statements, please refer to note 1.1 (page 499) and note 10.2 (page 511) of **section 5.5 Notes to the consolidated financial statements**

Current financial resources allocated to action plans related to climate change mitigation and energy

In 2025, CapEx allocated to the climate change mitigation plan consists of:

- EUR 39 million on electrification projects at sites; and
- EUR 16 million on manufacturing sites to support SF_6 phase-down in the portfolio.

These categories of CapEx are included in the "Buildings" classification in Note 13 (page 514) of **section 5.5 Notes to the consolidated financial statements**

The CapEx over the same time period for electrification of the fleet (e.g., installation of EV chargers) are not considered as material.

For the OpEx, EUR 63 million have been spent on the transition to SF_6-free products.

The operational expenditures over the same time period for the other decarbonization levers are not considered as material.

Future financial resources allocated to action plans related to climate change mitigation and energy

Anticipated financial resources allocated for the climate change mitigation plan are being estimated for the trajectory towards 2030 climate targets.

In terms of CapEx, this represents approximately:

- EUR 270 million on electrification projects of sites and fleet; and
- EUR 20 million on manufacturing sites to support SF_6 phase-down in the portfolio.

In terms of OpEx, the Group will continue investing in the eco-design of its products to reduce their carbon footprint (including initiatives to source materials with a lower carbon footprint) as well as in phasing down SF_6 across the portfolio. These expenses are not considered as material over the 2026 – 2030 period.

No additional capital expenditures have been identified on the decarbonization levers, and the operational expenditures for the decarbonization levers not listed above are not considered as material over the 2026 – 2030 period.

Climate change adaptation

Schneider Electric acknowledges that climate change adaptation requires financial investments, including CapEx for infrastructure upgrades and OpEx for risk assessments, training, and implementation of adaptation measures. Hence, it allocates both capital expenses and operating expenses to identify climate risks and support its Business Continuity and Risk Management program.

Current financial resources allocated to action plans related to climate change adaptation

Investments to support end-to-end supply chain resilience and climate change adaptation are reflected within Note 13 (page 514) of **section 5.5 Notes to the consolidated financial statements**, and relate to:

- CapEx contributed to the building of multi-manufacturing capabilities and the regionalization of Schneider Electric's supply chain, mitigating business disruption risks.
- Part of the Safety, Security, Environment CapEx dedicated to the implementation of recommendations made during on-site risk assessments, reducing site vulnerability towards climate physical risks.

The Company incurs OpEx for project implementation, certification costs, and various activities related to identifying, detecting, and responding to climate risks.

Future financial resources allocated to action plans related to climate change adaptation

The Group will continue to invest in climate adaptation to secure a full end-to-end approach towards supply chain resilience.

Link with Taxonomy

In 2025, Schneider Electric reported 32% Taxonomy-aligned revenue (EUR 12,664 million) under Delegated Act (EU) 2021/2139, amended by the Delegated Act of July 4, 2025. This is comprised of 29% contributing to Climate Change Mitigation and 3% to the Circular Economy.

The Group expects its alignment to increase, notably thanks to the proactive substitution of hazardous substances in products to meet "Do No Significant Harm" criteria.

Please refer to **section 2.2.2.4 Methodology elements on EU Taxonomy** for more details on Taxonomy indicators, and chapter 5 for the **Consolidated financial statements at December 31, 2025**.

GHG removals and GHG mitigation projects financed through carbon credits

Schneider Electric's commitments with regards to GHG removals and GHG mitigation projects financed through carbon credits

Simply put, Net-Zero means balancing the carbon the Group puts into the atmosphere with the carbon it takes out, towards the point when the planet stops heating up.

Until then, the world keeps warming, which means preventing CO_2 entering the atmosphere and helping reduce atmospheric CO_2 today are critical to reducing peak warming and its consequences.

Schneider Electric believes that managing the Earth's climate over the coming years and decades is as important as managing it over the coming centuries, and that successful climate mitigation needs to focus both on short- and long-term time scales.

To this end, Schneider Electric's strategy includes near-term climate milestones alongside long-term ones, aligned with science and inclusive of the need to build the markets for Net-Zero.

Schneider Electric's strategy

Schneider Electric's strategy prioritizes deep reductions aligned with scientific trajectories and Group commitments (validated by SBTi), and a portfolio-based carbon credit strategy to address ongoing emissions on the short-term (by "taking responsibility for ongoing emissions"), neutralize residual operational emissions on the near and medium term and ultimately achieve Net-Zero across its value chain by 2050.

As of 2025, the Group is addressing all ongoing operational emissions, by financing and contributing to projects that avoid or remove carbon. These solutions play a vital role in building climate resilience, either by preventing CO_2 entering the atmosphere (carbon avoidance projects) or by helping reduce atmospheric CO_2 (nature-based carbon removals). These actions are available today and are critical to reducing peak warming and its consequences, complementing the Group's efforts to reduce emissions on the path to Net-Zero.

By 2030, Schneider Electric is committed to achieving "Net-Zero ready operations", by neutralizing all residual emissions from Scope 1 and 2 with a mixed portfolio (nature-based and tech-based) of high-quality carbon removals. As SBTi is currently revising the Net-Zero standard, it is expected to include requirements for scaling carbon removals towards Net-Zero, that will continue to inform the Group's strategy.

By 2050, Schneider Electric is committed to achieving "Net-Zero" by neutralizing all residual emissions with carbon removals.

GHG removals in own operations

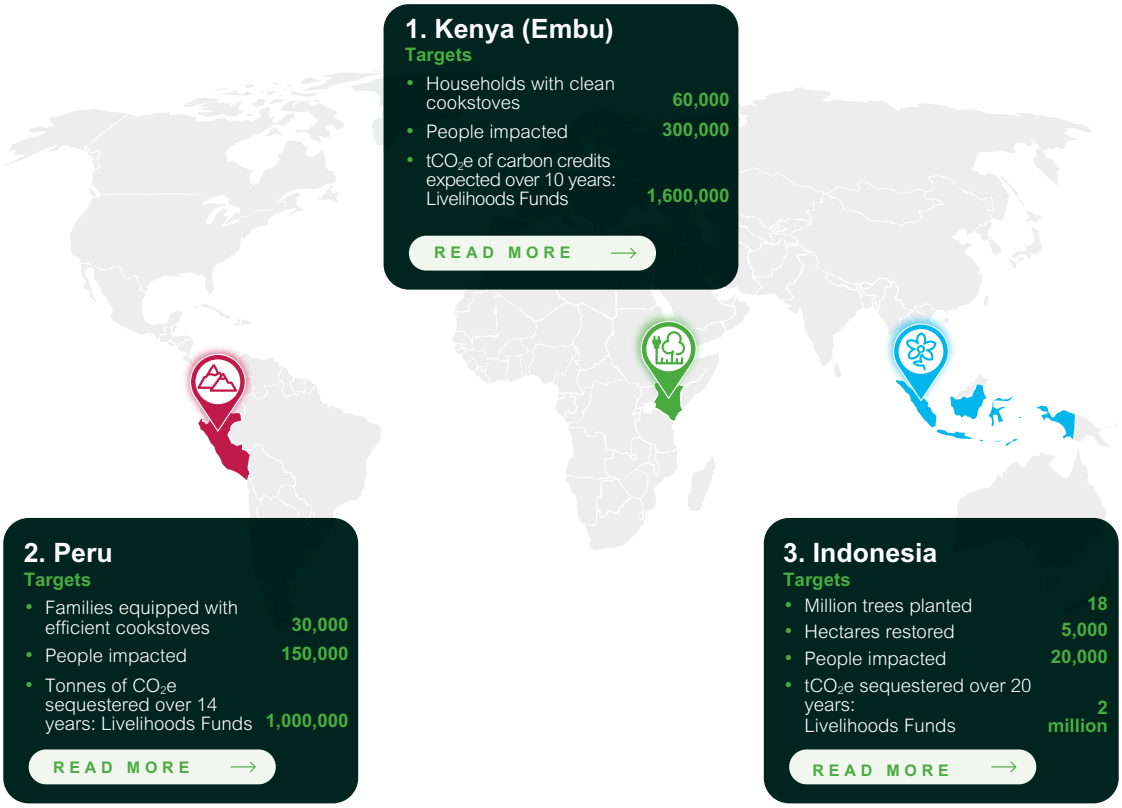
The Group does not have GHG removals and storage, nor reversals of GHG resulting from projects developed in its own operations, or in its upstream and downstream value chain. Similarly, there are no GHG emissions associated with removal activity. Hence, calculation assumptions and disclosures on GHG removals and storage resulting from the Group's own operations are not applicable.

Carbon credits outside the value chain financed by Schneider Electric

Schneider Electric's investments in high-quality carbon credits projects go a long way back. Since 2011, Schneider Electric has invested in the Livelihoods Carbon Funds (LCF) and renewed its engagement with the LCF2 and LCF3 funds. These funds leverage the carbon economy to finance ecosystem restoration, agroforestry, and rural energy projects with tangible social, environmental, and economic added value for rural communities.

The return of the fund is measured in carbon credits from the highest available standards (VERRA and Gold Standard). Before 2025, these credits have not been used to address the Group's GHG emissions, but some reflected contribution investments connected to the Schneider Electric Paris Marathon and the Paris Olympics and have been canceled by those respective entities. As of 2025, the Group is using LCF credits towards its "ongoing emissions responsibility" commitment, to address 100% of ongoing Scope 1 and 2 emissions. These carbon credits will also form a large part of Schneider Electric's carbon removals portfolio, being necessary to achieve its 2030 Net-Zero ready commitment.

Global Livelihoods funds projects: Restoring ecosystems & empowering communities



In 2025, Schneider Electric's portfolio addressing ongoing operational emissions includes three projects, each contributing to climate resilience, community well-being, and ecosystems restoration:

1. The improved cookstoves project in Embu County, Kenya, Hifadhi 1 (83,102 tCO_2e) is mitigating deforestation through rural energy and agroforestry. Named "Hifadhi", which means "to preserve" in Swahili, this project distributed 60,000 improved cookstoves in three districts in Embu County (Embu East, Embu North, Mbere South), located at the foot of Mount Kenya. Its main impact is that it decreases wood consumption by 60% compared to the traditional three-stone cookstove, as tests done by researchers at Kenyatta University in Nairobi have confirmed. This project will save 13,000 tons of wood and save more than 1 million tonnes of CO_2e over the project's life span of ten years. On the field, the project developer is Climate Pal, a joint venture between Carbon Manna Africa (40%), a Kenyan company, and EcoAct (60%) – now SE Advisory Services. In 2025, the project received an award from the Leuchtturm-Wettbewerbs der Stiftung Allianz für Entwicklung und Klima (Flagship-Competition for Climate Protection Projects).

2. The Qori Q'oncha improved cookstoves diffusion program in Peru (38,629 tCO_2e) is fighting deforestation and improving the health of families in the Andes. Started in 2016, the project is providing upfront financing to ITYF, a local NGO, to extend its efficient cookstoves project and provide communities with health and hygiene kits, and trainings. 30,000 households, among the poorest of Ayacucho and Huancavelica, are impacted by this program. The project is cutting wood consumption by 60%, avoiding the emission of more than 1 million tons of CO_2e in the atmosphere over 14 years.

3. The mangrove restoration and coastal greenbelt protection project in the east coast of Aceh and North Sumatra Province, Indonesia, Yagasu 1 (11,769 tCO_2e) is focusing on mangroves revitalising coastal villages with fishery and new businesses. Launched in 2011, the Livelihoods-Yagasu project restored mangrove forests, and as a result, increased the resilience of the local population in the face of extreme climate events. Between 2011 and 2014, Livelihoods-Yagasu project helped plant 18 million mangrove seedlings on 5,000 hectares to rebuild a natural mangrove barrier, that is essential to maintain life in these fragile areas. The 18 million trees planted will sequester more than 2 million tCO_2e over 20 years. Additionally, this project generates new sources of economic income. Local villagers can now increase their revenues by selling the by-products of the mangroves such as fish, crabs, mollusks, and natural dyes that could be made from the parts of the mangrove tree.

In addition, in September 2025, Schneider Electric has signed a multi-year agreement with Climeworks to remove CO_2, 31,000 tons of CO_2e by 2039, through high-durability solutions: Direct Air Capture and Storage, Bioenergy with Carbon Capture and Storage, and Enhanced Rock Weathering (all technological sinks). Each of these solutions can store CO_2 for thousands of years according to the IPCC (Intergovernmental Panel on Climate Change)[1][2].

This landmark agreement complements Schneider Electric's emissions reduction efforts, and existing investments in nature-based carbon removals. The carbon removal credits issued from these projects will neutralize a portion of the estimated residual Scopes 1 and 2 emissions as of 2030, towards the Net-Zero ready operational commitment. By enabling access to high-quality carbon removals today, Schneider Electric is working to address neutralization needs stemming from its Net-Zero commitment, while continuing to accelerate deep emissions reductions, and supporting the scale-up of the carbon removal industry, vital for Net-Zero.

Accelerating emissions reductions remains the Group's priority, and its commitment to science-based targets (SBTi), which involve the use of carbon credits according to scientific guidance, ensures that high-quality carbon credits are an integral part of Schneider Electric's broader sustainability strategy and that they do not impede nor delay the achievement of its GHG emissions reduction targets. On the contrary, it ensures progress towards the Group's Net-Zero targets, in line with science.

AVEVA

In parallel, AVEVA has established clear guidelines for their procurement of voluntary carbon credits. Beginning with certification and verification by third-party entities, AVEVA ensures the integrity of chosen credits. AVEVA's portfolio features five innovative projects each contributing to climate resilience, biodiversity, and community well-being. The Carbon Sequestration and Grassland Restoration project in India (200 tCO_2e) converts invasive biomass into biochar using Kon-Tiki kilns, improving soil health and locking away carbon while doubling local wages and boosting economic growth. In Pakistan, the Delta Blue Mangrove Restoration project (338 tCO_2e) reforests degraded Indus Delta areas, enhancing biodiversity, sequestering carbon, and improving livelihoods for forest-dependent communities. The Brandon Carbon Mineralization project in the UK (139 tCO_2e) transforms CO_2 emissions into solid building materials, permanently storing 144 kg of CO_2 per tonne of aggregate. Cambodia's HUSK Biochar project (68.5 tCO_2e) creates biochar-based fertilizers that sequester carbon for 1,000 years while increasing crop yields by 40% and reducing farming costs. Kenya's SunCulture Solar Water Pumps (50 tCO_2e) enable smallholder farmers to switch from diesel pumps to solar-powered irrigation, reducing emissions and enhancing climate resilience.

Planon

Planon rewards engaged users of its employee advocacy program by planting trees through Tree-Nation whose mission is to reforest the planet by planting trees and supporting conservation projects worldwide. These efforts aim to create a positive impact on local ecosystems, communities, and the global climate. Planon proudly supports this mission and contributes to Tree-Nation's ambitious goal of planting 1 trillion trees by 2050. In December 2025, Planon planted 1,765 trees, which together captured 59 tons of CO_2e through its employee advocacy program. These reforestation projects are twinned with initiatives that provide CO_2 credits third-party verified and certified by recognized standards such as VCS, CCB, and REDD+.

Additionally, in 2025, Planon planted 200 trees to celebrate achieving the EcoVadis Platinum Medal. Through this initiative, Planon has contributed to the removal of 100 tCO_2e. The reforestation project is certified as a Plan Vivo project and ensures the durability of impacts created by helping farmers obtain short-, medium-, and long-term value from their forests.

Carbon credits canceled in the reporting year	2025	2024
TOTAL (tCO_2e)	**134,454**	**475**
Type of quality standard		
Total carbon credit that are recognized against quality standard II (GOLD) (%)	91	0
Total carbon credit that are recognized against quality standard I (VERA) (%)	9	68
Total carbon credit that are recognized against quality standards (others) (%)	0	32
Type of project		
Total from reduction projects (%)	91	63
Total from removal projects (%)	9	37
Origin and adjustment metrics		
Total from projects within the EU (%)	0	11
Total from carbon credits that qualify as corresponding adjustments (%)	0	0

The current investments from Schneider Electric in Livelihood funds and the investments of AVEVA are projected to deliver, over the next 25 years, a certain amount of carbon credits that is shown on the below table:

Carbon credits planned to be cancelled in the future	Amount of years (25)
Carbon credits planned to be cancelled in the future – Total (tCO_2e)	4,886,236

As aforementioned, and because Schneider Electric does not have GHG removals and storage of CO_2e resulting from projects it may have developed in its own operations, or contributed to in its upstream and downstream value chain, there have been no reversals in 2025.

Similarly, there are no GHG emissions associated with removal activity.

(1) https://www.ipcc.ch/report/ar6/wg3/downloads/outreach/IPCC_AR6_WGIII_Factsheet_CDR.pdf
(2) https://www.ipcc.ch/site/assets/uploads/2024/06/005_SB60_IPCC_Side_Event_WGII_TFI.pdf

Integrating climate considerations in Schneider Electric's investment policy

Internal carbon pricing

Schneider supports the implementation of carbon pricing, given the relevance of putting a value on GHG emissions in order to internalize the costs of generating GHG emissions (or conversely, benefits of avoiding them), and to factor in these costs in decision-making processes. Hence, the Group calls for policymakers to define robust and predictable carbon pricing for companies, enabling companies to integrate collaterals on climate into their strategy. A high and stable price for carbon will strengthen incentives to invest in sustainable technologies and to change behaviors.

The Group is incorporating internal pricing systems, with purposes to inform the Group's climate strategy and incentivize low-carbon decisions.

Carbon prices are used in climate risk assessments to test how resilient the Group's activities are under different carbon pricing and climate scenarios. As carbon pricing policies become stricter to support the low-carbon transition, costs for emitting companies will rise.

Future carbon prices are estimated using current country-level data from sources like the International Energy Agency (IEA), World Bank, and NGFS, and projected across various climate scenarios based on academic research. Depending on the scenario, prices vary greatly, as illustrated in the below table. Under certain scenarios, there is no value attached to carbon, while in aggressive Net-Zero scenarios, the price could be up to several hundreds of euros per tonne of CO_2.

These prices are applied to the Company's total GHG emissions (Scopes 1, 2, and 3) to estimate exposure to transition risks. However, these costs may be partly offset by the Company's ability to reduce energy use or pass costs on through product pricing.

Climate scenario analysis is used by the corporate finance team to conduct a sensitivity analysis on the annual impairment test of all the Group's CGUs assets, assessing the potential impact of climate physical and transition risk on the Group's future cashflows. These scenarios include carbon prices to measure the impact from the stringency of climate policies.

On the other hand, the Company is using analysis of Marginal Abatement Cost Curves (MACC) for the carbon-intensive raw materials that are sourced and make a significant contribution to the upstream Scope 3 emissions of the Group. A MACC presents the costs or savings expected from different sourcing alternatives, alongside the potential volume of emissions that could be reduced if implemented. By incorporating the respective costs and CO_2 savings from various options to source metals and plastics with a lower carbon footprint, this assessment allows to inform and adapt the implementation of the decarbonization of procurement emissions in the long term. Due to the nature of this work, there is no inherent value of a carbon price that is used, since the goal is precisely to seize all the different marginal costs that could arise from procurement decisions. By prioritizing the most significant raw materials for Schneider Electric, this applies to nearly 4% of the total Scope 3 emissions, but around a quarter of upstream categories.

Types of internal carbon prices	Volume at stake (tCO_2e)	Minimum price applied €/tCO_2e)	Maximum price applied (€/tCO_2e)	Percentage of Gross scope 1 covered by scheme	Percentage of Gross scope 2 covered by scheme	Percentage of Gross scope 3 covered by scheme	Absolute value of Gross scope 1 covered by scheme	Absolute value of Gross scope 2 covered by scheme	Absolute value of Gross scope 3 covered by scheme
Shadow Price	60,705,436	0	647	100	100	100	100,309	23,848	60,581,278
Assessment of Marginal Abatement Cost Curves	2,540,000	0	0	0	0	4	0	0	2,540,000

Limiting capital expenditures in fossil fuel-related economic activities

Based on Schneider Electric's business activities, significant investments might occur in electric power generation (NACE D.35.1) or heat generation (NACE D.35.3). Significant investments are defined as those in equipment for heat/cooling or co-generation, including power, that produce direct GHG emissions exceeding 270 gCO_2e/kWh. This primarily involves electricity generators.

Aligning with CSRD, Schneider Electric has begun systematically tracking such investments by region with site level details. During the reporting period, significant CapEx in fossil fuel-related economic activities is limited to emergency back-up electricity generators, with the following investments:

	2025	UOM
Significant CapEx for coal-related economic activities	0	€M
Significant CapEx for gas-related economic activities	0.2	€M
Significant CapEx for oil-related economic activities	1.0	€M

While a total of 1.2 millions of euros has been invested in fossil-related power/heat generating equipment in 2025, it is used for backup power in case of emergency use. The majority of investments occurred in Mexico and India. With the grid quality improving in the coming years in those regions, backup power will no longer be needed at Schneider Electric's sites.

Schneider Electric is not excluded from EU Paris-aligned Benchmarks.

2.2.2.1.6 Detailed targets

In 2025, operational emissions 100% addressed

Cycle	Targets[1]	Description
2021 – 2025	SSI #1 Impact Revenues	Grow Schneider Impact Revenues to 80%
	SSI #2 Saved and avoided CO_2 emissions	Help our customers saveand avoid 800 millions of tons ofCO_2 emissions
	SSI #3 The Zero Carbon Project (suppliers)	Divide by 50% the CO_2 emissions from top 1,000 suppliers'operations
	SSI #4 Green Materials	Increase green material content in our products to 50%
	SSI #5 Sustainable packaging	100% of primary and secondary packaging free from single-use plastic, using recycled cardboard
	SSI #9 Renewable electricity	Provide access to green electricity to 50 million people
	SSI #11 Energy Management trainings	Train 1 million people in energy management
	SSE #1 Zero-CO_2 sites	Reach 150 Zero-CO_2 sites
	SSE #2 SF_6-Free	Achieve 100% substitution with SF_6-Free medium voltage technologies
	SSE #3 Renewable electricity	Source 90% of electricity from renewables
	SSE #4 Low-carbon logistics	Increase CO_2 efficiency in transportation of goods by 15%
	SSE #5 Energy efficiency	Increase energy efficiency in sites by 15%
	SSE #6 Green Premium	80% of product revenues covered by Green Premium™
	SSE #7 Fleet electrification	Switch one-third of corporate fleet to electric vehicles (EVs)
	SSE #9 Waste-to-Resource sites	Reach 200 "Waste-to-Resource" sites
	SSE #10 Avoided primary resource consumption	420,000 metric tons of avoided primary resource consumption through 'take-back at end-of-use'

Towards Net-Zero Ready in Operations & 25% absolute reduction across the value chain in 2030

Cycle	Targets	Description
2026 – 2030	Sustainability Impact 2030 / Efficiency forward	Achieve 80% Schneider Impact Revenues
		Deliver 1.5bn MWh energy saved or electrified with Schneider Electric solutions, 2026 – 2030
		Ensure 100% of applicable Schneider Electric software delivers advanced energy and carbon insights for customers
	Sustainability Impact 2030 / Towards Net-Zero	Reduce Scope 1 & 2 emissions by -90% absolute vs. 2017
		Reduce Scope 3 emissions by -25% absolute vs. 2021
		Deliver 1.5 Gt CO_2 saved and avoided with Schneider Electric solutions, 2018-2030
	Other targets	RE100 : Source 100% from renewable electricity by 2030
		EP100: Double energy productivity by 2030 vs 2005
		EV100: 100% of new vehicles fully electrified by 2030
		First Movers Coalition: replacing at least 5% of conventional jet fuel demand for our air transport with Sustainable Aviation Fuels
	Sustainability Impact 2030 / Industry catalyzer	1,500 suppliers on a Zero Carbon Pathway to decarbonize the supply chain
		50% of materials selected to provide superior environmental and social value

(1) For more information about the differences between the 2021-2025 cycle and the sustainability statements (CSRD) entity scopes, please refer to **section 2.2.1**.

Cycle	Targets	Description
	Sustainability Impact 2030 / Power Progress	100M people with access to sustainable electricity to power progress
		3M people upskilled through educational programs, including those from vulnerable communities
	Sustainability Impact 2030 / School of energy tech	Train electrical experts to bridge the energy tech skill gap
	Sustainability Impact 2030 / Longer, Better	X2 growth of circular services for longer and better usage
	Sustainability Impact 2030 / Future Designed	100% of major offers in design demonstrate circular and environmental excellence
	Sustainability Impact 2030 / Impact starts with us	100 sites designed to care for people, nature, and communities

Towards 2050 Net-Zero Value Chain

Cycle	Targets	Description
2050	SBTi Target	Net-Zero value chain, 90% absolute GHG reduction vs. 2021

For a general overview of Schneider Electric's progress and performance on SSI and SSE, please refer to chapter 2, **section 2.2.1.** For the methodology of SSIs please refer to chapter 2, **section 2.4.1.**

2025 performance & beyond

The effectiveness of policies and actions is tracked against the Group's targets quarterly. By 2025 and for Scopes 1 and 2, the Group has achieved 195 Zero-CO_2 sites (SSE #1) and 99% sourcing of electricity from renewable (SSE #3). It has also increased 17.4% of energy efficiency in sites (SSE #5) and already doubled energy productivity by 2030 compared to 2005 (EP100). 43% of corporate vehicle fleet has already been converted to electric vehicles (SSE #5), on track to reach the goal of full electrification.

Similarly for Scope 3 emissions, Schneider Electric has managed to engage top 1,000 suppliers to reduce their operational GHG emissions intensity by 56% with The Zero Carbon Project (SSI #3). It increased green material content in products to 48% which includes steel, aluminum, and plastics, (SSI #4) and reached 85% of primary and secondary packaging free from single-use plastic and using recycled cardboard (SSI #5). The Group also attained 80% of SF_6 substitution alternatives for all medium voltage technologies (SSE #2) and increased CO_2 efficiency in transportation of goods by 14.3% by 2025 (SSE #4). Schneider Electric reduced CO_2 emissions from waste management and reached 176 "Waste-to-Resource" sites (SSE #9).

The results of the SSI are published every quarter together with financial results and made available to all stakeholders via the Group's website. Results are collated and presented to the Function Committee, which makes decisions on any corrective actions that may be necessary to reach objectives.

Building on the 2020–2025 SSI and SSE achievements, Schneider Electric's new Sustainability Impact 2030 cycle shifts toward system-level outcomes across Efficiency forward, Towards Net Zero, Industry catalyzer, and Impact starts with us.

Over 2026–2030, the Group targets 80% Schneider Impact Revenues, 1.5 billion MWh saved or electrified with its solutions, 1.5 Gt CO_2 saved and avoided with its solutions (2018-2030), and 100% of applicable software delivering advanced energy and carbon insights for customers, and 100 sites designed to care for people, nature, and communities. It also aims for a 90% absolute reduction in Scopes 1 and 2 emissions vs. 2017, a 25% absolute reduction in Scope 3 vs. 2021, and to engage 1,500 suppliers on a Zero Carbon Pathway to decarbonize the supply chain. By 2050, the Group plans to attain Net-Zero value chain.

Climate change mitigation

Main climate change mitigation targets

The targets related to Schneider Electric's Net-Zero commitments cover all types of GHGs and all the applicable emissions sources under their respective scopes (i.e., either under Scopes 1 and 2, or under Scope 3). In other words, they consist of the overall GHG inventory that is being reported by Schneider Electric. The GHG inventory does not include carbon credits inside the value chain, nor avoided emissions from sold offers. All carbon credits Schneider Electric is investing in are outside the value chain, and contribute to the achievement of the Net-zero commitments. The targets on Scopes 1 and 2 are applicable with Scope 2 being calculated under a market-based accounting approach.

The corresponding absolute values for target years 2030 and 2050 are shown in below table:

	2021 (Base Year)*	2030	2050	Annualized % reduction rate needed to reach 2030 target
Total Scopes 1 and 2 (market-based) emissions (tCO_2e)	292,067	70,096	29,207	8.4%
Total Scope 3 emissions (tCO_2e)	68,510,345	51,382,759	6,851,035	2.8%

* Restated per SBTi guidelines due to material methodological refinements, please refer to "**Detail of restatement of 2021 base year**" on page **154** for more details.

Schneider Electric's climate targets were approved by the SBTi in 2022, hence they are based on the latest available reporting year at that time, which was 2021, as per the SBTi's recommendations. 2021 is a representative base year, as compared to 2020 which was the year of the COVID pandemic.

Schneider Electric proactively identifies climate transition risks across its operations and value chain as it is disclosed in section "2.2.2.1.2 Climate-related impacts, risks, and opportunities". Using climate scenario analysis under low-emission pathways, the Group quantifies earnings value at risk over medium- (ten years) and long-term (2050) horizons. By comparing scenarios with and without mitigation, Schneider Electric implements targeted strategies to minimize exposure to transition events and capture low-carbon business opportunities.

For the purpose of making projections on future GHG emissions, Schneider Electric takes into account future decarbonization of the grids, which is a major driver for Scope 3 emissions, in category 11 of the GHG Protocol framework (i.e., GHG emissions from the use of sold products). These projections are based on the stated policies scenario from the International Energy Agency.

Main climate change mitigation targets: Subsidiaries

Within the Group, AVEVA has specific targets which were developed and validated by the SBTi prior to the full acquisition by the Schneider Electric Group. AVEVA Group PLC commits to reach Net-Zero GHG emissions across the value chain by FY2050, with the following milestones:

Near-term targets – AVEVA commits to:

- Reduce absolute Scopes 1 and 2 GHG emissions -90% by FY2030 from a FY2020 base year.
- Increase annual sourcing of renewable electricity from 1% in FY2020 to 100% by FY2030.
- Reduce absolute Scope 3 GHG emissions 50% by FY2030 from a FY2020 base year.

Long-term Net-Zero targets – AVEVA commits to:

- Maintain at least 90% absolute Scopes 1 and 2 GHG emission reductions from FY2030 through FY2050.
- Reduce absolute Scope 3 GHG emissions 90% by FY2050 from a FY2020 base year.

Like the Group's targets, AVEVA's targets cover all types of GHGs and all the applicable emissions sources under their respective scopes (i.e., either under Scopes 1 and 2, or under Scope 3). In other words, they consist of the overall GHG inventory that is being reported by AVEVA. They do not include GHG removals, carbon credits, nor avoided emissions from sold offers. The targets on Scopes 1 and 2 are applicable with Scope 2 being calculated under a market-based accounting approach.

Climate change adaptation

Schneider Electric has launched strategies to adapt to climate change, and enhance resilience and flexibility. These strategies include:

- Qualifying alternate suppliers for critical parts and components, setting the objective of having 100% of purchasing components with high supplier risk and business impact covered by a mitigation plan within three years after threat being qualified.
- Qualifying alternate factories for the same products manufacturing, with an objective of 90% of critical offers covered by at least a dual manufacturing set up by 2025.
- Qualifying alternate supply chain flows, aiming at 100% of critical distribution centers able to redirect more than 80% of their flow in less than five days by 2025.
- Regionalization of manufacturing activities to mitigate disruption risks over the supply chain, moving towards up to 90% sourcing and manufacturing within regional hubs.

Formalizing its commitment to resiliency in its operations, by 2030, Schneider Electric commits to conducting a Climate Risk Assessment on all its sites. For all large sites identified at material risk of climate hazards, Schneider Electric commits to developing a site-specific climate adaptation plan by 2030.

2.2.2.1.7 Metrics

Energy consumption and mix

Schneider Electric monitors energy consumption at its approximately 1,000 sites worldwide (representing overall 4.9 million square meters). The largest 261 sites, which represent more than 75% of the Group's surface area and global sites' energy consumption, measure their energy consumption monthly through invoices using the EcoStruxure™ Resource Advisor software suite. The energy consumption of the remaining sites is derived via extrapolation, as explained in the Methodology section. Precisely, the Group reports an average energy consumption of 146 kWh/sqm/year for its 70 commercial buildings, an average energy consumption of 357 kWh/sqm/year for its 161 industrial buildings, and an average energy consumption of 70 kWh/sqm/year for its 30 logistics buildings.

The table below contains the details on Schneider Electric's energy consumption and mix, expressed in MWh of LHV (lower heating value).

	2025	2024	% N/N-1
(1) Fuel consumption from coal and coal products (MWh)	0	0	0.0%
(2) Fuel consumption from crude oil and petroleum products (MWh)	237,731	245,557	-3.2%
(3) Fuel consumption from natural gas (MWh)	189,859	198,342	-4.3%
(4) Fuel consumption from other fossil sources (MWh)	0	0	0.0%
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	62,713	87,850	-28.6%
(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	490,304	531,750	-7.8%
Share of fossil sources in total energy consumption (%)	34.3%	36.75%	
(7) Consumption from nuclear sources (MWh)	18,585	11,836	57.0%
Share of consumption from nuclear sources in total energy consumption (%)	1.3%	0.82%	
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	0	0	0.0%
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	881,644	871,915	1.1%
(10) The consumption of self-generated non-fuel renewable energy (MWh)	38,909	31,251	24.5%
(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	920,553	903,166	1.9%
Share of renewable sources in total energy consumption (%)	64.4%	62.43%	
TOTAL ENERGY CONSUMPTION (MWH) (CALCULATED AS THE SUM OF LINES 6, 7, AND 11)	**1,429,442**	**1,446,752**	**-1.2%**

The Company's total energy consumption from activities in high climate impact sectors is 1,404,443 MWh.

To drive sustainable operational excellence, Schneider Electric has pledged a 10% energy efficiency improvement by 2030 against a 2024 baseline, utilizing EnPI-based normalized regression modeling. This methodology ensures a high-fidelity representation of Group's progress by decoupling energy consumption from variable factors such as weather patterns and output levels.

The company's non-renewable energy production is 10,468 MWh. The amount of renewable energy production for 2025 is 42,923 MWh.

The below table shows the energy intensity per net revenue i.e., the ratio between total energy consumption and net revenue:

	2025	2024	% N/N-1
Total energy consumption from activities in high impact sectors per net revenue from activities in high climate impact sectors (MWh/k€)	37	40	-6.2%

The underlying net revenue for the calculation reconciles with the financial statements as showed below:

	(in millions of euros)
Net revenue from activities in high climate impact sectors used to calculate energy intensity	37,544
Net revenue (other)	2,608
TOTAL NET REVENUE (IN FINANCIAL STATEMENTS)	**40,152**

The "Net revenue (other)," includes:

- Legal entities not classified as high climate impact sectors.
- Entities consolidated in the financial statements, yet excluded from CSRD reporting perimeter for materiality reasons.

For more information (refer to **2.2.1.3 Basis for preparation**)

Gross Scopes 1, 2, and 3 and total GHG emissions

The table below summarizes the Group carbon footprint (market-based):

Suppliers Scope 3 upstream — **13%**		**Schneider's operations** Scopes 1 and 2 — **<1%**		**Customers** Scope 3 downstream — **87%**	
Purchased goods and services	6.3 $MtCO_2e$	Energy consumption at sites (market-based approach for electricity)	0.06 $MtCO_2e$	Use of sold products	47.9 $MtCO_2e$
Freight	0.7 $MtCO_2e$	Company cars	0.06 $MtCO_2e$	End-of-life (mostly SF_6)	4.4 $MtCO_2e$
Other (e.g., capital goods, business travels, commuting, upstream emissions from the energy sector)	0.6$MtCO_2e$	SF_6 leakage	<0.01 $MtCO_2e$	Freight	0.6 $MtCO_2e$

The Group calculates its carbon footprint across the three scopes, in conformance with the Standards from the GHG Protocol: the Corporate Accounting Standard and the Corporate Value Chain (Scope 3) Standard.

The table below presents the Group's emissions for the consolidated accounting perimeter. A separate breakdown for investees is not provided, as these are considered to fall outside the CSRD reporting perimeter according to the **2.2.1.3 Basis for preparation** chapter. With regards to Scope 3 upstream emissions, it is worth noting that the Group is practicing a dual reporting of the GHG inventory, and the table below does not reflect the Scope 3 upstream emissions with market-based approach. These numbers are presented in a dedicated section below.

	2025	2024	% N / N-1
Scope 1 GHG emissions			
Gross Scope 1 GHG emissions (tCO2eq)	100,309	106,360	-5.7%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0	0	0.0%
Scope 2 GHG emissions			
Gross location-based Scope 2 GHG emissions (tCO2eq)	409,343	433,505	-5.6%
Gross market-based Scope 2 GHG emissions (tCO2eq)	23,849	37,348	-36.1%
Significant Scope 3 GHG emissions			
Total Gross indirect (Scope 3) GHG emissions (tCO2eq)	60,581,278	61,044,106	-0.8%
1. Purchased goods and services	6,358,668	6,562,746	-3.1%
2. Capital goods	191,616	161,033	19.0%
3. Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	93,228	100,126	-6.9%
4. Upstream transportation and distribution	729,064	816,302	-10.7%
5. Waste generated in operations	43,367	38,747	11.9%
6. Business traveling	162,227	161,046	0.7%
7. Employee commuting	177,689	177,665	0.0%
8. Upstream leased assets	0	0	0.0%
9. Downstream transportation	581,515	570,959	1.8%
10. Processing of sold products	0	0	0.0%

	2025	2024	% N / N-1
11. Use of sold products	47,854,575	48,274,430	-0.9%
12. End-of-life treatment of sold products	4,389,329	4,181,052	5.0%
13. Downstream leased assets	0	0	0.0%
14. Franchises	0	0	0.0%
15. Investments	0	0	0.0%
TOTAL GHG EMISSIONS			
TOTAL GHG EMISSIONS (LOCATION-BASED) (tCO_2eq)	**61,090,929**	**61,583,971**	**-0.8%**
TOTAL GHG EMISSIONS (MARKET-BASED) (tCO_2eq)	**60,705,436**	**61,187,814**	**-0.8%**

Notes: market-based total here is only applicable for Scope 2 calculated under market-based approach, while the Scope 3 upstream market-based values are not taken into account (please refer to the dedicated section below on dual reporting). Also, for 2024 the values for categories 11 and 12 have been restated as per SBTi guidance following methodological improvements, to ensure a consistent and representative benchmark for Group's ongoing decarbonization progress. Category 11 emissions were restated upward by 5,676,390 tCO_2e (13%) primarily due to methodological updates including a more granular use-phase calculation approach, partially offset by adjusting the organizational scope. Category 12 emissions were restated downward by 281,471 tCO_2e (6%) solely due to adjusting the organizational scope, reflecting the divestment from an entity and its associated SF_6 end-of-life emissions.

GHG intensity is the ratio between total GHG emissions and net revenue, which can be seen in below table:

	2025	2024	% N/N-1
Total GHG emissions (location-based) per net revenue (tCO2eq/k€)	**1,537**	**1,494**	**2.9%**
Total GHG emissions (market-based) per net revenue (tCO2eq/k€)	**1,528**	**1,483**	**3.0%**

The underlying net revenue for the above calculation reconciles with the financial statements as showed below:

	in millions of euros
Net revenue used to calculate GHG intensity	39,736
Net revenue (other)	417
TOTAL NET REVENUE (IN FINANCIAL STATEMENTS)	**40,152**

The “Net revenue (other),” includes entities consolidated in the financial statements, yet excluded from CSRD reporting perimeter for materiality reasons.

For more information, please refer to **section 2.2.1.3 Basis for preparation**.

Inclusion of market-based accounting approach in the GHG inventory, and dual reporting of Scope 3 Upstream emissions

Carbon accounting practices are constantly evolving, and the Group acknowledges there is currently a period of important changes that present opportunities in terms of carbon accounting improvements. On the one hand, digitalization capabilities are growing, and companies are getting access to more data that is more granular and more dynamic. For instance, as companies are enhancing supply chain engagement and adopting innovative decarbonization practices, more and more primary data are being collected from suppliers, and incorporated into the GHG inventory. On the other hand, there are uncertainties about how the GHG Protocol and SBTi Net-Zero standard will evolve. Schneider Electric is committed to be involved in the evolution of carbon accounting standards, and therefore is actively participating in consultations and pilots with organization such as the GHG Protocol, SBTi, and the AIM Platform related to potential market-based accounting approaches.

The Group is improving the granularity and specificity of its GHG inventory on Scope 3 in the coming years with a special focus on GHG emissions from suppliers. In this context, a dual reporting of the GHG inventory is introduced in this annual report with the incorporation of the market-based reductions in scope 3 upstream categories.

Market-based accounting for electricity-related emissions in the GHG Inventory is widely adopted by companies for Scope 2 emissions. This is a legitimate attributional approach that recognizes the efforts companies are doing to source renewable electricity through multiple types of contractual arrangements e.g., on-site generation, renewable electricity certificates bundled with electricity supply contracts, or certificates transacted independently from electricity supply contracts, via infra-annual transactions or long-term commitments like in virtual power purchase agreements. The recognition of market-based accounting for Scope 2 has delivered tangible CO_2 benefits for the global economy. More specifically, with the surge of renewable electricity demand, additional renewable capacity has been built which contributed to the shift in the global energy landscape.

Aligned with the vision that the goal of a GHG inventory is to trigger effective decarbonization actions by companies, Schneider Electric is willing to have market-based accounting introduced in Scope 3 inventory. To start with, the inclusion of market-based concept in 2025 is limited to very specific cases including electricity-related GHG emissions reductions from Tier 1 suppliers. In this instance, some suppliers that were part of the Zero Carbon Project have made verified declarations that their total corporate Scope 2 emissions were eliminated. These specific achievements have been introduced in the GHG Inventory of Schneider Electric as part of dual reporting for Scope 3 category 1.

AVEVA has purchased and retired Sustainable Aviation Fuels certificates (SAF) in 2025 and this is also reported as a market-based reduction in this dual reporting framework. Finally, Scope 2 reductions achieved using market-based instruments resulted in a reduction in Scope 3 category 3 of fuel and energy related activities. Looking ahead, the Group will consider introducing other types of market-based approaches into the Scope 3 inventory, considering the evolution of the carbon accounting context of evolving standards and practices.

The adjusted Scope 3 Upstream GHG emission, following the market-based approach, can be found in the below table:

Scope 3 Upstream category of the GHG Protocol	Non-Market-based value (tCO_2e)	Market-based value (tCO_2e)	% N / N-1
1. Purchased goods and services	6,358,668	6,319,211	-0.6%
2. Capital goods	191,616	191,616	n.a.
3. Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	93,228	24,515	-74%
4. Upstream transportation and distribution	729,064	729,064	n.a.
5. Waste generated in operations	43,367	43,367	n.a.
6. Business traveling	162,227	161,527	-0.4%
7. Employee commuting	177,689	177,689	n.a.
TOTAL SCOPE 3 UPSTREAM GHG EMISSIONS	**7,755,859**	**7,646,989**	**-1.4%**

Detail of restatement of 2021 base year

During 2025, Schneider Electric restated its 2021 base-year GHG inventory across Scopes 1, 2 and 3. The restatement was triggered by material methodological refinements to Scope 3, category 11 (use of sold products), notably the adoption of sector guidance from the European Committee of Manufacturers of Electrical Machines and Power Electronics (CEMEP) within EN50743 for variable speed drives and to improve comparability with Product-Specific Rules (PSR), and industry practice. In parallel, the restatement aimed at creating harmonized organizational and methodological elements between 2021 and 2025 (e.g., treatment of material acquisitions and divestments since 2021 and inclusion of radiative forcing for air-related business travel and freight).

To better reflect country policy trajectories at the time of reporting and ensure consistency with subsequent years, the electricity emission factors used for use-phase calculations were also updated, from the IEA *Energy Technology Perspectives 2017* Reference Technology scenario (previously used for 2021 GHG emissions) to the IEA *World Energy Outlook 2022* Stated Policies scenario.

The restated 2021 Scopes 1 and 2 changed by -0.6%, Scope 3 upstream emissions changed by -0.3% and Scope 3 downstream emissions are also -0.3% lower.

This restatement does not compromise Schneider Electric's validated SBTi targets. The base year (2021), the target years (2030 and 2050), and the percentage-reduction commitments are maintained; only the absolute baseline and corresponding 2030 and 2050 target levels have been recalculated. The Group followed the SBTi guidance on baseline restatement, and the restated 2021 emissions have been reviewed with external auditors and subjected to third-party assurance as part of the 2025 audit cycle. The updates strengthen transparency, alignment with sector standards, and peer comparability under CSRD without altering Group's decarbonization ambitions.

Segmentation	2021, as reported	Methodological evolution	Organizational scope evolution	Restated 2021	Percentage of change
Scopes 1 and 2	293,832	0	-1,766	292,067	-0.6%
Scope 3 Upstream	8,237,191	103,044	-128,309	8,211,926	-0.3%
Scope 3 Downstream	60,500,294	-386,206	184,331	60,298,418	-0.3%
TOTAL	**69,031,317**	**-283,162**	**54,256**	**68,802,411**	**-0.3%**

Other considerations on the GHG inventory

Biogenic emissions of CO_2 from the combustion or biodegradation of biomass are zero across Scope 1, Scope 2, and all Scope 3 value chain categories.

To reduce Scope 2 GHG emissions, Schneider Electric is increasing the share of electricity sourced from renewables. The approach combines several sourcing levers, adapted to local market conditions, including on site generation and renewable energy certificates, bundled or unbundled. Certificates complement self generation, as on site space constraints do not allow full coverage of the Group's electricity needs.

Overall in 2025, the Group sourced 57% of its electricity consumption from contracted unbundled renewable energy certificates, and 38% from contracted bundled renewable energy certificates, hence, the overall percentage of contractual instruments is 95%. Contracted unbundled renewable energy credits include options such as Energy Attribute Certificates (EACs), unbundled Renewable Energy Certificates (RECs), and virtual PPAs (VPPAs). Contracted bundled renewable energy credits include options such as "green tariffs", power purchase agreements (PPAs), and bundled RECs.

The percentage of GHG scope 3 calculated using primary data is 1%, and this arises predominantly from GHG emissions of paid freight, for which shipment-per-shipment data is collected from the main freight suppliers, and also from GHG emissions of steel procurement, when some supplier-specific data is collected through the efforts of the Green Materials program.

Since the Group is using a small portion of primary data from suppliers (as a proportion of total Scope 3 GHG emissions), there is no material impact from potential differences in reporting periods between entities in the value chain and the date of the Group's general purpose financial statements.

Regarding Scope 3 downstream GHG emissions, Schneider Electric's products are typically integrated into broader electrical architectures. As a result, (i) the electricity dissipated by the products is generally immaterial compared with the overall energy consumption of the facility or application, and (ii) these architectures often enable efficiency gains through energy management and automation. In addition, many Schneider Electric products have long lifecycles (often spanning decades), which can translate into higher absolute use-phase emissions than sectors with shorter-lived products. Consequently, assessing sustainability performance solely on absolute use-phase emissions can bias comparisons against durable products. Schneider Electric therefore works to measure and reduce use-phase Scope 3 emissions while also highlighting the role its solutions play in electrification and economy-wide decarbonization. Since 2018, Schneider Electric has reported quarterly, through its Schneider Sustainability Impact (SSI) program, the CO_2 emissions avoided or saved by customers using Schneider solutions.

2.2.2.2 Pollution mitigation | ESRS E2

2.2.2.2.1 Eliminating hazardous substances

Impacts, risks and opportunities

Substances of concern and very high concern	
Negative Impact	**Threaten human health and/or the environment by using hazardous substances.**

For more information on IROs please refer to section **2.1.1.2 Long-term commitments and tools to measure progress** on **page 79.**

Long-term commitments

Within its Environmental Sustainability Policy, Schneider Electric sets operational goals related to chemical substances control and reduction:

- Continuously improve the environment management system and meet compliance obligations.
- Continuously protect the environment, preventing pollution, limiting emissions, and promoting biodiversity.
- Decouple its supply chain from natural resource consumption.
- Minimize the environmental and health impacts of its products, processes, solutions, and services over their lifecycle.
- Protect its employees, customers, business partners, and the planet against exposure to chemicals of concern.
- Communicate transparently on substances used in its products and their footprints.

To minimize the potential harm to the environment and human health, Schneider Electric continues to prioritize the management and substitution of hazardous chemicals from its products, processes, and supply chain. This proactive approach is driven by a combination of policies, directives, and internal programs aiming at ensuring responsible sourcing, handling, and disposal of substances of concern and substances of very high concern.

Policies

- The Environmental Sustainability Policy is the overarching guideline for preventing, controlling, and remediating pollution.
- Materials and Chemicals Directive: This directive defines the Company's rules and strategies for materials and chemical substances. It aims to ensure compliance with existing environmental regulations and anticipate new ones. The directive outlines commitments that directly address the requirements of the EU Taxonomy Appendix C for pollution prevention and control regarding the use and presence of chemicals.
- Global Environment Health and Safety Directive on Hazardous Substances Management (GEHSD001): This directive provides guidance for the implementation of hazardous substance management systems at each Schneider Electric site. It frames the process for chemical purchasing and selection for the plants.
- Global Environment Event reporting and Alerts Directive (GED 003): establishes standardized rules for reporting environmental events and issuing alerts across all Schneider Electric sites and operations. Its purpose is to harmonize environmental governance, clarify responsibilities, and strengthen risk management within the company's Environmental Management System. By enforcing consistent procedures and accountability, it aims to reduce environmental risks and drive continuous improvement.
- Schneider Electric's Supplier Code of Conduct sets clear expectations for suppliers regarding their environmental and social performance.

The Schneider Electric Health and Safety Policy puts a strong emphasis on eliminating hazards and reducing risk, to prevent occupational accidents and illnesses. This is achieved by engaging employees, encouraging the reporting of health, safety and environment observations and ensuring managers role model safety at every opportunity. All incidents are reviewed by the Health, Safety and Environment teams and investigated to ascertain the root cause and implement action plans when required. Sites have developed their own emergency plans which are tested to ensure the impact of an incident to people and environment is minimized.

Programs for managing SoCs and SVHCs

The Group goes beyond the requirements of the European REACH (Regulation on the Registration, Evaluation, Authorisation and Restriction of Chemicals) and RoHS (Restriction of Hazardous Substances) regulations in committing to implement a proactive approach across its entire product portfolio and supply chain, regardless of geographic origin.

The company conducts a comprehensive review every six months to ensure alignment with evolving global regulations, particularly those concerning hazardous materials. Recognizing that each hazardous substance is governed by different regulatory timelines, Schneider Electric tailors specific phase-out plans accordingly. This proactive approach ensures that all products are continuously evaluated and improved to meet safety and environmental standards. To support this commitment, the group allocates dedicated R&D resources and budget to develop safer alternatives and implement sustainable innovations throughout its operations.

When substitution is not technically possible, Schneider Electric ensures that risks posed by such chemicals are under control at all lifecycle stages to minimize potential harm to the environment and human health.

The company collaborates with industry partners to find alternative solutions for substances of concern, participating in research programs to identify and implement substitutes.

Schneider Electric's rules and strategies for materials and chemical substances, managed at the corporate level, are defined in the Materials and Chemicals Directive. This directive aligns with Schneider Electric's broader Environmental Sustainability Policy and supports the Company's commitment to sustainability.

The objective of the directive is to ensure compliance with environmental regulations related to materials and chemicals and proactively anticipate future regulatory changes to secure the supply chain and maintain compliance. The directive emphasizes minimizing environmental and health impacts throughout the entire product lifecycle.

The Materials and Chemicals Directive applies to all Schneider Electric activities globally, including manufacturing sites, offices, and the distribution centers and is intended to be used in conjunction with the Company's global purchasing strategy, which addresses social sustainability aspects like conflict minerals. It ensures a consistent approach to managing resources used and resource outflows across the Company.

The directive provides detailed guidelines on materials and chemical substances, specifying prohibited substances, restricted materials, and preferred alternatives. It also outlines commitments aligned with the EU Taxonomy Appendix C for pollution prevention and control regarding the use and presence of chemicals.

The Global Environment team oversees the directive's implementation, with senior management and the Business Units Sustainability Leaders actively involved in governance. A dedicated purchasing organization oversees supplier data collection, and a network of more than 60 trained Eco-referents are overseeing product analysis. The Procurement department supervises the application of the strategy in the supply chain.

Standardization engineers and research teams are working in collaboration with the Group's suppliers to propose alternative solutions to the design teams. Dedicated networks are in place to share updates on the strategy, the roadmaps, the evolutions, and to follow key KPIs, some of it are reporting monthly.

Schneider Electric ensures that its products comply with substances requirements through a robust data collection process and tools to gather and store information on hazardous substances from its suppliers at part level, and to extrapolate the compliance status of its products through its bill of material. Those compliance results are then communicated transparently externally on the product detail page of Schneider Electric websites.

The Materials and Chemicals Directive has been developed with input from key stakeholders, including employees, customers, suppliers, and regulatory bodies, ensuring that their interests and concerns are addressed. This directive also ensures compliance with ISO 14001 standards and other relevant environmental regulations and best practices. The Group's product compliance assessments are following IEC 63000 standard.

Finally, the directive is communicated to all relevant stakeholders through internal communications, training programs, and public disclosures, ensuring that those affected and responsible for implementation are well-informed. Tools are deployed to inform stakeholders and support them in compliance assessment.

Substances of concern

The Group commits to avoid at the maximum the use of SoCs, when a risk of exposure throughout the product lifecycle is identified.

The concept of substance of concern is recent, and the electrical equipment manufacturing industry faces three main challenges towards developing a similar level of visibility than for substances of very high concern:

- No mandatory regulatory communication duty on substance of concern in the supply chain;
- No clear harmonized definition of substances of concern which allows to build an exhaustive list of substances;
- Limited availability on the market of tools that can be used to assess the presence of substances of concern.

Despite these challenges, Schneider Electric remains committed to proactively managing substances of concern and SVHCs, continuously improving its processes and systems, and collaborating with stakeholders to drive positive change. Obtaining material declarations and data from suppliers beyond tier 1 remains a challenge. Schneider Electric plans to gradually improve the traceability of components beyond tier 1 and make this information digitally available to customers. The Group can already provide visibility on a limited number of substances of concern that have been identified in its products or processes.

Substances of very high concern (SVHC)

The Group commits to complying with REACH Annex XVII restrictions, to communicate transparently and report on the presence of SVHCs in all products, on a worldwide basis.

Schneider Electric has developed a proactive substitution strategy focusing on substituting SVHC, before their introduction in an authorization process (REACH Annex XIV before sunset date) instead of requesting for derogations to ECHA (European Chemical Agency) to continue to use it (REACH derogation process).

The Group commits to restrict globally the use of substances listed in RoHS and POPs (Annex I and II), except when under official exemption. When no alternative solutions are available on the market, Schneider Electric continue to use substances under RoHS exemptions such as lead in metal alloys or electronics, while working with its suppliers on the development and test of alternative solutions.

Actions and resources related to pollution

Actions related to pollution across the value chain (upstream)

To prevent and mitigate upstream pollution, the Group undertakes the following actions :

- Schneider Electric's Supplier Code of Conduct sets clear expectations for suppliers regarding their environmental and social performance. Suppliers are required to comply with all applicable laws and regulations, including REACH and RoHS. They are also expected to adopt best practices for substance management, prioritize the use of green materials, and minimize environmental impact throughout their operations.
- Schneider Electric's Vigilance Plan (for more information please refer to **section 2.2.3.2.5 Vigilance plan for suppliers and contractors**) for suppliers involves audits of suppliers to identify potential gaps and suggest areas for improvement. These audits assess supplier compliance with environmental and social standards, including the management of hazardous substances. Schneider Electric uses a risk-based approach to prioritize suppliers for audits, focusing on those operating in high-risk countries or using high-risk technologies or processes. Non-conformities identified during audits are addressed through corrective action plans, guidance, and training. In cases of severe non-compliance, Schneider Electric may terminate the business relationship.
- Schneider Electric incorporates sustainability criteria into its supplier evaluation process. Suppliers with strong environmental performance, including the use of green materials and responsible substance management, are prioritized in sourcing decisions.
- Finally, Schneider Electric implemented a compliance tool which allows to assess product regulatory compliance based on supplier data in order to identify substitution actions managed at business unit level.

Actions related to substances of concern and very high concern

Continuous actions are carried out to remove halogenated flame retardants from plastics and to find alternative solutions to remove lead from metal alloys and electronics still exempted from the RoHS regulation. Schneider Electric is an active member of the REACH consortium working on the substitution of substances of very high concern, which is led by CETIM (French Technical Center for Mechanical Industry). These actions cover the Group's operations, suppliers, and subcontractors on a worldwide basis, aiming to prevent negative impacts on people and the planet within the value chain regardless of the geographical location.

In 2025, the Technology Standardization Management team provided an impact analysis and substitution studies for both metals and electronics to support "RoHS exemption free" components. Specific topics treated in 2025 included proposals for PFAS, plastic stabilizers, and thermoset crosslinkers, alongside continued actions on PFBS with suppliers. While Schneider Electric demonstrates leadership in transitioning to SF_6 free products, many substitution efforts are embedded within broader productivity and quality strategies, making it challenging to quantify the effort separately.

Schneider Electric is committed to limiting the exposure to chemical risks all along its products' life cycle. The Company ensures that its transition away from hazardous substances mitigates risks and prioritizes the health and safety of its stakeholders beyond simple regulatory compliance.

The Group is refining its 2025-2030 plan to reduce substances of concern in its products, including financial resource allocation. This plan is correlated to the visibility Schneider Electric has on substances of concern. Efforts are taken to ensure comprehensive reporting and transparency in this area.

Managing hazardous substances in the Group's sites

Schneider Electric has a Global EHS Hazardous Substances Management Directive (GEHSD 001) to provide global oversight for requirements related to hazardous substance management. This directive outlines best practices for managing hazardous substances, including establishing an approved chemical list, conducting chemical risk analyses, and implementing training programs on chemical safety and spill response. It also provides guidance on proper chemical storage, transfer, and disposal procedures to minimize environmental risks.

Reporting and managing observations and environmental incidents

The Group requires all facilities using, handling, transporting, or disposing of chemicals to have a system for reporting and managing environmental incidents. All significant environmental issues must be reported to the regional environment leader within 48 hours through using the reporting process defined by the region. A significant environmental issue is defined as an event that could pose a significant environmental risk taking into account the frequency, quantity, hazard, and sensitivity of the event. Regional SERE (Safety, Environment, and Real Estate) teams are responsible for defining a process for reporting environmental events for their region, leveraging on the Company-wide reporting tool to declare, escalate and keep track of environment, health, and safety observations and incidents.

Depending on the severity of the incident, the Global Environment team is also notified to ensure appropriate actions are taken.

All Schneider Electric sites with more than 50 employees (for manufacturing) and more than 500 employees (for offices) are certified under ISO 14001. This certification supports continuous improvement in tracking and addressing non-conformities related to environmental management.

Targets related to pollution and substances (SVHC and SOC)

Pollution can refer to both pollution occurring on-site as well as pollution related to the end-of-life treatment of Group's products.

Targets related to pollution

Schneider Electric is subject to mandatory pollution-related targets defined by regulatory frameworks in two key areas:

- On-Site Operations: The Group targets full compliance with local environmental regulations governing operational emissions and discharge limits.
- End-of-Life (EPR): Schneider Electric acts to meet mandatory collection and recycling targets imposed by Extended Producer Responsibility (EPR) legislation (including the EU WEEE Directive, Batteries Regulation, and Packaging Directive). These regulations set statutory recovery rates to prevent environmental contamination (pollution) from hazardous components. By participating in national producer schemes to meet these targets, the Group ensures the safe treatment of products, batteries, and packaging, avoiding pollution risks associated with landfilling.

Targets related to SVHC and SOC

Cycle	Targets[1]	Detail
2020-2025	SSE #2 SF_6 free medium voltage technologies	Substituting 100% of relevant offers with SF_6-free medium voltage technologies
	SSE #6 Green Premium™ program	Grow product revenues covered by the Green Premium™ program to 80%
2026-2030	Sustainability Impact 2030 / Future-Designed	100% of major offers in design demonstrate circular and environmental excellence
	Sustainability Impact 2030 / Industry Catalyzer	50% of materials selected to provide superior environmental and ethical value
2035	Other targets	100% global RoHS compliance without referring to Annex III exemptions

2025 performance & beyond

The targets concerning substances of very high concern in products are defined in the Materials and Chemicals Directive.

The business units are assessing their product portfolio against the main regulations defined in the directive.

Schneider Electric business lines utilize internal reports to monitor product compliance and portfolio data coverage. These tools provide granular visibility (e.g., RoHS exemptions, REACH SVHC status) to inform analysis roadmaps and drive necessary actions, such as data updates and material substitution.

Schneider Electric's Sustainability Essentials (SSE) targets related to pollution include SSE #2, which focuses on substituting relevant offers with SF_6-free medium voltage technologies, and SSE #6, which aims to grow product revenues covered by the Green Premium™ program. In 2025, the Group achieved 80% substitution with SF_6-free medium voltage technologies and 83.2% of product revenues covered by Green Premium™.

Beyond 2025, the Group has set new ambitious targets under its Sustainability Impact 2030 cycle to reinvent the industry towards innovation. By 2030, Schneider Electric will ensure that 100% of major offers in design demonstrate circular and environmental excellence; 50% of materials are selected for superior environmental and social value. These goals prevent pollution by ensuring products are engineered for lifecycle recovery rather than landfill disposal. Furthermore, selecting materials with superior environmental value mitigates the toxic emissions and ecological degradation typically associated with raw resource extraction.

For a general overview of Schneider Electric's progress and performance on SSI and SSE and the new cycle please refer to chapter 2, **section 2.1**. For the methodology of SSIs please refer to chapter 2, **section 2.4.1**.

(1) For more information about the differences between the 2021-2025 cycle and the sustainability statements (CSRD) entity scopes, please refer to **section 2.2.1**.

The Group also pursues ambitious targets of 100% global RoHS compliance without referring to Annex III exemptions before 2035 (provided that technical alternative solutions are available on the market).

Details on timelines, milestones, and stakeholder involvement are available in **section 2.1.1.2**

Progress is tracked via revenue and compliance metrics: by end-2025, 81% of global products (95.6% of revenue) were RoHS compliant, with 49% using no exemptions. Currently, 92.2% of revenue comes from products meeting three effectiveness criteria: RoHS compliance, SVHC communication, and no SVHCs under authorization.

For other SoCs not listed under RoHS or REACH SVHC, there is no target due to the lack of mandatory legal communication requirements in the supply chain.

Metrics on substances of concern and substances of very high concern

Considerations

Substances of very high concern

REACH regulation article 33 requests EU manufacturers or importers to declare the presence of SVHC above 0.1% at smallest article level in products put on the EU market. The real percentage or amount of SVHCs in products is not mandatory to disclose (cf official text below). This means that this information is not available in its database despite a strong supplier data collection process, recent compliance management tools, and a more than 15 years' experience.

Schneider Electric put in place a robust compliance declaration collection process and compliance management tools under the responsibility of a dedicated procurement team. Its standard parts and materials database currently includes full material disclosures (FMDs) for 48% of referenced items, and the Group is pursuing a strategy to significantly increase this coverage in the coming years. In parallel, its existing compliance tool does not enable FMD aggregation at the product level. Schneider Electric is therefore preparing to transition to a new compliance system in 2026.

Given these constraints, a 'bottom-up' calculation of the total volume of SVHCs leaving Group's facilities – based on Bill of Materials (BOM) analysis and detailed material composition – is neither technically feasible at scale nor sufficiently reliable at this stage, as limited FMD coverage would lead to a substantial underestimation.

For the 2025 reporting year, Schneider Electric has therefore adopted conservative methodological assumptions to ensure the most robust and comprehensive estimation possible.

Substances of concern

There is currently no regulation which enforces SoC information sharing along a supply chain for articles. The only mandatory shared information on SoCs is through Safety Data Sheets (SDS) on substances and preparations. But there is nothing at article level. This means that, when a company manipulates internally substances or preparations, the SoC information is available, but when this company is buying articles for assembling, the SoC information is not shared (except in the case of FMDs which is not mandatory).

Compared with SVHCs, the coverage is much lower (no Regulatory Compliance Declarations) and there is currently no tool on the market which can assess a BOM (Bill of Material) against SoC presence (some tools propose a partial assessment mainly for CMRs "Carcinogenic, Mutagenic and Toxic for Reproduction", but not a complete assessment under the 13 hazard classes or hazard categories as classified in ESRS document referring to Regulation EC No 1272/2008).

The situation for SoC is not specific to Schneider Electric but global for whole assembling manufacturing industry.

Despite these challenges, Schneider Electric proactively identified SoC using an internally defined methodology and continues to improve coverage by increasing supplier data.

For more information on the metrics calculation methodologies, please refer to **section 2.2.5 CSRD Methodologies and Tables**.

SOC and SVHC metrics

In the table below, Schneider Electric accounts for the amounts of substances of concern and very high concern that leave facilities as emissions, as part of products, as products, and as services, broken down per hazard class.

The substances of very high concern mainly concerns the lead-acid batteries that are sold by Luminous.

To enhance reporting accuracy, the Group has refined the classification of SoC/SOVHC outflows. The category has been updated from 'as products' to 'as part of products' to more accurately reflect the operational realities. Besides, in 2024, lead metal used by Luminous to manufacture lead acid batteries was counted both as "leaving the facilities as products" and also as 'generated or used'. In 2025, the correct allocation to "leaving facilities as part of products" only was done, and the 2024 baseline adjusted for better readability and comparison.

	Total SOCs that leave facilities (kg)					Total SOCs that are generated or used (kg)
	As emissions	As products	As part of products	As services	TOTAL	
Carcinogenicity categories 1 and 2	0	0	12	0	12	0
Chronic hazard to the aquatic environment categories 1 to 4	0	0	0	0	0	68,000
Reproductive toxicity categories 1 and 2	0	0	3,140	0	3,140	0
Respiratory sensitization category 1	0	0	0	0	0	1,343,074
Skin sensitization category 1	0	0	0	0	0	1,647,294
TOTAL 2025	**0**	**0**	**3,152**	**0**	**3,152**	**3,058,368**
TOTAL 2024	**0**	**0**	**2,551**	**0**	**2,551**	**2,986,786**

	Total SOVHCs that leave facilities (kg)					Total SOVHCs that are generated or used (kg)
	As emissions	As products	As part of products	As services	TOTAL	
Carcinogenicity categories 1 and 2	0	0	1,347	0	1,347	0
Chronic hazard to the aquatic environment categories 1 to 4	0	0	1,277	0	1,277	0
Endocrine disruption for human health	0	0	587	0	587	0
Reproductive toxicity categories 1 and 2	0	0	100,250,413	0	100,250,413	19
Respiratory sensitization category 1	0	0	94	0	94	24,200
Persistent, Bioaccumulative and Toxic or Very Persistent, Very Bioaccumulative properties	0	0	9,429	0	9,429	0
Specific target organ toxicity, repeated exposure categories 1 and 2	0	0	1,468	0	1,468	0
TOTAL 2025	**0**	**0**	**100,264,615**	**0**	**100,264,615**	**24,219**
TOTAL 2024	**0**	**0**	**97,193,964**	**0**	**97,193,834**	**33,943**

2.2.2.2.2 Outcomes and financial effects

Schneider Electric has no process in place to comprehensively track the percentage of net revenue made with products and services that contain SoC. While no quantitative information is currently available, Schneider Electric anticipates that the increasing regulatory disclosure requirements related to SoC and SVHC may lead to additional compliance costs, particularly due to the need to enhance data availability. At the same time, opportunities are expected to arise from increased circular design, resource substitution, and strengthened product stewardship. Further details on these opportunities are provided in section **2.2.2.3 Resource use and circular economy | ESRS E5.**

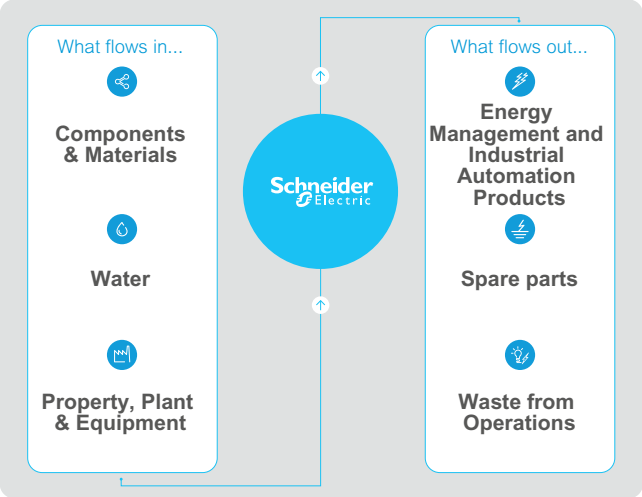
The complexity of substance substitution varies significantly. When driven by the supply chain, the process is often transparent with costs limited primarily to qualification, though it remains dependent on supplier readiness. Conversely, cases such as SF_6 elimination are far more intensive, requiring a partial or complete redesign of the product architecture. It can also be necessary to launch long, difficult, and costly research programs on new materials, new technologies before implementation in its product portfolio. Schneider Electric manages a research program roadmap in which the substitution of chemicals is representing a solid part of the effort. It's difficult to measure the cost related only to substitution research because it's often diluted in other costs. For instance, some substitutions like PFAS will probably not require redesign but only requalification (PFAS as Flame Retardant synergist in plastics), while others such as fluorinated lubricants removal or PTFE surface treatment will probably need costly product redesign and qualification.

The reported OpEx in conjunction with incidents and deposits linked to pollution by SoC and SVHC is EUR 0.1 million OpEx and no CapEx. Currently it is unfeasible to qualify the level of uncertainty of assumptions. This amount is linked to soil remediation projects upon decommissioning of sites in Brazil. The time horizon for these soil remediation is short term only, as CSRD only requires to disclose the OpEx and CapEx of the current reporting cycle(1). Note that Schneider Electric also makes financial provisions for environmental risks, including those related to decontamination. This section does not include provisions for environmental risks. Instead, they are reported in the consolidated financial statements.

For more information on programs related to resources used, please refer to note 22 (page 530) of **section 5.5 Notes to the consolidated financial statements**

2.2.2.3 Resource use and circular economy | ESRS E5

2.2.2.3.1 Business footprint: resource inflows and outflows



What flows in

Components and materials

Schneider Electric's operations rely on inflows of electromechanical/electronic components and common industrial materials, such as metals (e.g., copper, aluminum, steel), engineering plastics/resins, and glass, as well as paper/cardboard packaging.

Where material, the company identifies and addresses critical raw materials (e.g., 3TG: tin, tantalum, tungsten, gold; and cobalt) through responsible-sourcing due diligence (RMI/OECD, CMRT/EMRT) in Group's supplier programs.

The Group also acknowledges rare earth elements used in magnets and sensors in electrical equipment (e.g., for motors), aligning the approach with the EU Critical Raw Materials Act framework.

For more information on programs related to resources used, please see **section "Targets" and "2.2.2.3.4 Circularity principles".**

(1) Under the CSRD, the short term is defined as the period adopted by the undertaking as the reporting period in its financial statements; the medium-term is defined as the period from the end of the financial reporting period up to five years; the long-term refers to any period beyond five years.

Water

Water inflows are primarily from municipal supply for processes (cooling, testing, sanitation), with site-specific efficiency/reuse measures integrated into the environmental management and nature-dependency programs disclosed in section **2.3.1 Managing our environmental footprint** on page **279**.

Property, plant and equipment

Resource inflows include production machinery and tooling, test benches/metrology, IT hardware, and building improvements that support safe and efficient operations; Schneider Electric depends on supplier-owned/contract manufacturing assets for components and subassemblies. Schneider's approach favors high-efficiency equipment, refurbishment, and life-extension strategies to curb virgin material use.

What flows out

Key products

Production outputs comprise electrical distribution equipment (e.g., switchgear, circuit breakers, uninterruptable power supply (UPS), meters/sensors), industrial automation hardware, and digital/software offers (EcoStruxure™-enabled), manufactured primarily with metals (copper, aluminum, steel), engineering plastics, glass, and paper/cardboard packaging. Integrating key circularity principles, these products are designed for long-term durability and reliability. Electrical distribution and energy management devices feature “design for disassembly” to facilitate component replacement, upgrades, and end-of-life recycling. Automation hardware utilizes modular engineering to enhance repairability, reusability, and lifecycle extension. Across the portfolio, this approach ensures that valuable materials are effectively recovered, recycled, or repurposed, thereby reducing waste and conserving resources.

Circularity is embedded in all Schneider Electric's products, for more information please refer to the **section “Circularity principles” on page 165.**

2.2.2.3.2 Impacts, risks and opportunities

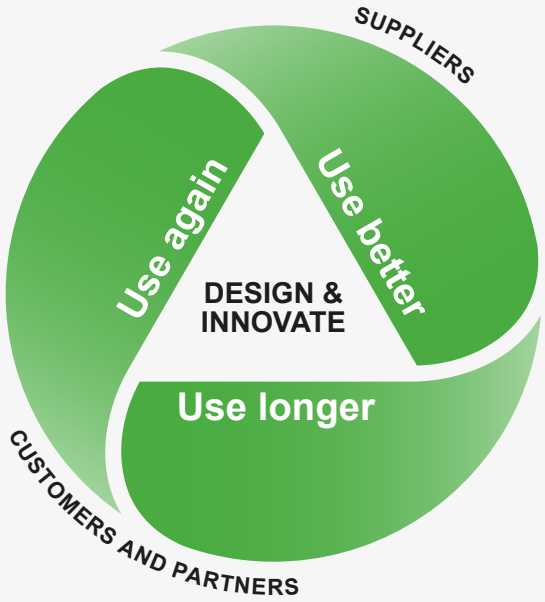
Resource inflows	
Negative Impact	**Contribute to scarcity of resources through use of critical materials**
Positive Impact	**Incentivize suppliers to provide green materials(1)**
Risk	**Business disruptions and rising costs due to resource scarcity.**

Resource outflows	
Negative Impact	**Generate a significant outflow of materials.**

2.2.2.3.3 Circular strategy and policies

Global approach to circularity

Foundation of circularity at Schneider Electric



Vision: decouple business growth from resource extraction while meeting Gourp's Net-Zero target and contributing towards a nature-positive world.

Mission: adopt end-to-end circularity by:

1. changing Group's offer creation, product design and manufacturing to make the most of resources and eliminate the use of virgin, non-renewable, materials;
2. extending the useful life of products, parts and materials;
3. keeping products, parts and materials in circulation at their highest functional value as long as possible.

(1) According to Schneider Electric, a green material has a lower environmental and social footprint, meaning low GHG emission, high recycled content, and minimized impact on people and the planet. For the 2021-2025 duration, the commodities in scope are thermoplastics, steel, and aluminium. For more information on IROs please refer to **section 2.2.1.2 Double materiality assessment: main sustainability impacts, risks and opportunities** on page **114**.

Schneider Electric's Environmental Sustainability Policy focuses on **circular economy principles** and aims to reduce resource inflows and outflows impact on nature.

Schneider Electric's circularity policy consists of the following strategic principles:

- "Design and innovate" consists of:
  1. applying EcoDesign principles to product development (e.g., designing for reliability and lifetime extension), and
  2. developing business innovation to offer development (e.g., moving from transactional sales to as-a-Service).
- "Use better" is about optimizing the use of resources, sourcing the materials with the lowest environmental impact, and manufacturing products efficiently.
- "Use longer" involves providing services to keep products in use for as long as possible. This includes on-site and workshop repair, digitally enabled maintenance, as well as equipment modernization services and spare parts.
- "Use again" relates to recirculating products, parts, and materials in the economy. For example, take back, refurbishment, and resale of assets reaching end of use.

In summary and in terms of resource inflow, the policy emphasizes sustainable resource management via resource efficiency and sustainable sourcing. Sustainable sourcing means sourcing materials with lower environmental and social impact like recycled materials or renewable materials.

For resource outflow, the policy focuses on maximizing resource use, by ensuring material reuse and recycling ultimately avoiding waste.

Regarding virgin resources, the policy specifically addresses the transition away from these by promoting the use of recycled materials. Schneider Electric has set targets to increase the proportion of secondary resources in its products and packaging, thereby reducing reliance on virgin materials and supporting the circular economy. On sustainable sourcing practices, the policy ensures that materials are procured responsibly and ethically.

Schneider Electric prioritizes the use of renewable resources, such as sustainably sourced wood and bio-based materials, to reduce environmental impact and support long-term sustainability goals. The company relies on international recognized certification schemes to ensure renewable resources are sustainably sourced, such as Forest Stewardship Council (FSC) or Sustainable Forest Initiative (SFI) for wooden-based packaging.

Scope of Global Environmental Sustainability Policy

The policy applies to all Schneider Electric operations, including manufacturing sites, offices, and the supply chain, ensuring a consistent approach without exclusions.

Overseen by the Global Environment team, implementation is monitored through regular audits, with governance involving senior management and the Board. The policy aligns with ISO 14000 standards and relevant regulations, developed with input from employees, customers, suppliers, and regulators. It is communicated through internal channels, training programs, and public disclosures to ensure all stakeholders are informed and engaged.

Targets

Cycle	Targets[1]	Details
2020-2025	SSE #6 Green Premium™ products	80% of product revenues covered with Green Premium™ (≥1 of: recycled content, durability, repairability, energy efficiency, SF_6-free)
	SSE #10 EcoFit™ take-back and retrofit	Avoid 420,000 metric tons of primary resources by 2025 via take-back/retrofit (repair, reuse, refurbish, recycle)
	SSI #4 Green materials	50% green materials in products (steel, aluminum, plastics); scale recycled thermoplastics, Electric Arc Furnace (EAF) steel, scrap-based aluminum
	SSI #5 Sustainable packaging	100% of primary/ secondary packaging free from single-use plastic; using recycled cardboard by 2025
2026-2030	Sustainability Impact 2030 / Future-designed	100% of major offers in design demonstrate circular and environmental excellence
	Sustainability Impact 2030 / Industry catalyzer	50% of materials selected to provide superior environmental and social value
	Sustainability Impact 2030 / Longer, better	x2 growth of circular services for longer and better usage

For a general overview of Schneider Electric's progress on SSI and SSE, please refer to chapter 2, **section 2.2.1**. For the methodology of SSIs please refer to chapter 2, **section 2.4.1.**

(1) For more information about the differences between the 2021-2025 cycle and the sustainability statements (CSRD) entity scopes, please refer to **section 2.2.1**.

2025 performance & beyond

Until 2025, Schneider Electric defined and governed its resource use and circular economy targets through the Schneider Sustainability Impact (SSI) and Sustainability Essentials (SSE).

These quantified circularity targets (SSI and SSE) were company-set and publicly reported under Schneider's sustainability governance. They were not mandated by legislation, although they support compliance and disclosure under CSRD and align with evolving EU policy (e.g., circular economy and packaging frameworks).

Under Schneider Electric's SSI and SSE programs adopted targets for all sustainability matters that are material to the company. These targets reflected the company's commitments towards resource use and circularity.

In 2025, the Group achieved 83.2% of product revenues covered by Green Premium™ (SSE #6), avoided 428,449,624 kilograms of primary resource consumption through "take-back at end-of-use" since 2017 (SSE #10), increased 47.8% of Green Materials content in its products (SSI #4), and reached 84.5% of primary and secondary packaging free from single-use plastic and using recycled cardboard (SSI #5).

As part of the new Sustainability Impact 2030 cycle, Schneider Electric is embedding circularity principles across its value chain to reduce resource dependency and environmental impact. By rethinking how the Group designs, sources and promotes, it can engage the entire value chain with responsible practices which allows to reshape its ecosystem and set new standards in its industry.

By 2030, Schneider Electric will ensure that 100% of major offers in design demonstrate circular and environmental excellence; 50% of materials are selected for superior environmental and social value; and x2 growth of circular services will extend product life for longer, better use.

On increasing circular design, Schneider Electric embeds EcoDesign/Green Premium™ (Product Environmental Profiles (PEPs)/Environmental Product Declarations (EPDs), material transparency) and a consistent Environmental Data program across offers, valuing durability, repairability, recycled content and recyclability (i.e., design for circularity).

Regarding minimization of primary raw material use, the Group's Green Materials commitment includes thermoplastics and metals (steel and aluminum). Schneider Electric relies mostly on recycled content for thermoplastics, electrical arc furnace technology for steel manufacturing, and scrap-based aluminum production to minimize the use of primary materials while strengthening resilience across the supply chain.

Schneider Electric links circularity to other matters related to resource use. For instance, "SSE#10 ECOFIT™ take-back and retrofit" quantifies its circular economy efforts (repair, reuse, refurbish, and recycle) and targets to avoid primary resource consumption through "take-back at end-of-use" by 2025, cumulatively since 2017 (SSE #10). This program enables savings in waste, material, energy consumption, CO_2 emissions, and/or water.

The Group's circular targets sit at the top of the waste hierarchy.

- Prevention: Eco-design/Green Premium™ and SSI #4 & #5 design out waste at source.
- Preparing for reuse / Reuse / Repair / Refurbish: EcoFit™ take-back/retrofit and service programs extend asset life and avoid new material throughput.
- Recycling: The Group scales recycled thermoplastics, EAF steel, scrap-based aluminum, and recycled cardboard to lift circular material use rates.
- Other recovery is only used where reuse/refurbish/recycling are not practicable; disposal is not a target layer.

Additionally, the Group's 2021 – 2025 targets aimed to reverse depletion of stocks of renewable resources by committing to primary and secondary packaging being free from single use plastic, using recycled cardboard by 2025. Here is how this initiative related to reversing the depletion of renewable resources:

- Reduction in Plastic Waste: By eliminating single-use plastics, Schneider Electric reduces the demand for new plastic production. This helps decrease the extraction of fossil fuels, which are non-renewable resources used to produce plastics.
- Promotion of Recycling: Using recycled cardboard supports the recycling industry, which helps conserve trees and forests. Forests are renewable resources that play a crucial role in maintaining ecological balance and biodiversity.
- Lower Carbon Footprint: The production of recycled materials generally requires less energy compared to producing new materials. This reduction in energy consumption translates to lower greenhouse gas emissions, contributing to climate change mitigation.
- Sustainable Supply Chain: By committing to sustainable packaging, Schneider Electric encourages its suppliers and partners to adopt similar practices. This collective effort can lead to a broader impact on conserving renewable resources across the supply chain.
- Biodiversity Conservation: Reducing plastic pollution and promoting the use of recycled materials helps protect natural habitats and biodiversity. Healthy ecosystems are essential for the regeneration of renewable resources.

2.2.2.3.4 Circularity principles

General disclosures

Schneider Electric's vision is to decouple business growth from resource extraction. Leveraging this mindset, the goal of circularity is to design out waste and pollution, keep products and materials in use, and regenerate systems.

The Group designs and innovates with EcoDesign to prevent waste at source and design products for repairability and durability; uses better by prioritizing lower-footprint materials such as recycled thermoplastics, EAF steel, scrap-based aluminum and recycled cardboard. The Group is also committed to use longer through ECOFIT™ through maintain/repair/refurbish/retrofit services which extend asset life; and to use again via responsible resource-recovery and recycling at end-of-life. For more information please see below page 166.

These actions apply across the Group i.e. engineering and specification for products & packaging, global procurement, supplier management, and installed-base services/logistics across all geographies. They cover both upstream inflows i.e. incoming raw materials, components, packaging, and outflows i.e. finished goods, spare parts, and waste in operations.

These actions are tracked and reported under Schneider's SSI and SSE program governance (SSI reported quarterly; SSE annually) with near-term milestones to 2025, medium-term scaling to 2030, and the actions are in alignment with the Net-Zero 2050 value-chain ambition.

Schneider Electric takes corrective actions where risks persist. The Group collaborates with customers, suppliers, recyclers and communities to support remedies (safe handling, responsible recycling, repair/retrofit offers) and to uphold Decent Work/human-rights expectations for strategic suppliers, improving environmental and social outcomes associated with extraction, processing and end-of-life.

The Group has set its next five-year program and associated financial allocations for future inflow targets (see section **2.1.3** on new SSI on page **92**).

For resource outflows, current spend is mainly OpEx for circular offers and take-back initiatives (including headcount and digital roadmap) and EPR compliance.

Design and innovate

"Design and innovate" consists of: 1) applying EcoDesign principles to product development (e.g., designing for reliability and lifetime extension), and 2) developing business innovation to offer development (e.g., moving from transactional sales ' as-a-Service).

Ecodesign

At Schneider Electric, every product or solution fulfills strict environmental performance. The Group has embraced a circular approach throughout the lifecycle of its products and aims to design products with minimal material footprint and maximal lifetime value. R&D is needed to design products that use fewer virgin resources, bring additional CO_2 or resource efficiency for customers, have longer lifespans, and lower end-of-life impacts, such as SF_6-free products.

Circularity is a key enabler and lever to climate change mitigation and biodiversity preservation. The circular journey of Schneider Electric starts with the design phase, to ensure that every product and offer are using better materials and processes, are used longer, and are used again once they reach their first end-of-life: this is EcoDesign for Schneider Electric. Environmentally conscious design (or eco-design) is defined in the standard International Electrotechnical Commission (IEC) "62430:2019 – Environmentally conscious design" as the design of products or services that aims to minimize the environmental impact throughout a product's lifecycle.

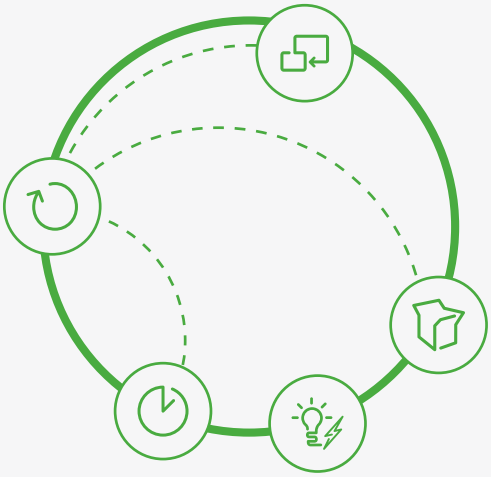
Over the past two decades, Schneider Electric has been investing in improving the sustainability of its products and completed +3,000 life cycle assessments, leading the organization to have a better understanding of its environmental hotspots. In 2015, to respond to customers' growing demand for products with a lower environmental footprint, and to embed circular principles in its products and offers, Schneider Electric adopted EcoDesign Way™, a process to understand and manage the environmental impact throughout the lifecycle of products, and to coordinate efforts across the value chain, as shown with the five EcoDesign categories below. Schneider Electric has been able to build internal capabilities in EcoDesign through a tailor-made training pathway. In 2025 more than 12,000 engineers have been trained to the EcoDesign principles allowing to implement innovations which deliver measurable environmental savings compared to previous models.

EcoDesign circularity

Recirculation
Ensure products, parts and materials have multiple lives.

Lifetime Extension
Extend lifetime of product and parts through design and services.

Energy Efficiency
Optimize energy efficiency during product use. Ability to deliver energy efficiency for customers.



Materials and Substances
Optimize: Focus on using less. Focus on alternative materials acting for circularity, low carbon and people and ecosystem safety.

Packaging and Operations
Focus on alternatives packaging solutions to optimize resources and minimize waste generation. Other benefits occurring at Schneider Electric operations.

EcoDesign allows businesses to implement Schneider Electric environmental global commitments into new product development processes, therefore ensuring that Schneider Electric offers actively contribute to its long-term commitments. While the EcoDesign Way™ Scorecard is still being used in projects, Schneider Electric has revamped the EcoDesign assets in 2023 to further accelerate the positive impacts products and services could have on the environment.

EcoDesign in business strategy

Each business unit defined its sustainability targets and roadmap to reflect operationally the resources required to achieve a decarbonization plan. The Human Resources department performed a thorough assessment to ensure each business unit was correctly staffed to foster EcoDesign. It includes roles and responsibility descriptions and upskilling plans.

The Group has implemented EcoDesign metrics into the Offer Life Cycle. Management ensures that all projects are incentivized to track their environmental footprint and report their performance on carbon and materials footprint. Mandatory deliverables at key milestones of the Offer Life Cycle Management have been updated to strengthen the EcoDesign requirements.

EcoDesign assets

The Group launched in 2023 the EcoDesign Training Path, a set of 20 training modules, accessible for the entire R&D community, to raise awareness, train, and upskill the engineers in charge of new product development. The EcoDesign Training Path includes several training levels, from basic to expert and covers a wide range of topics such as the EcoDesign principles, lifecycle assessment (LCA), green materials, communication rules, and standards. The central team of the different business units are tracking the deployment of the different EcoDesign Training Path modules to ensure a good appropriation by the R&D team and therefore building a common knowledge to foster Sustainable Innovation DNA across the Company.

EcoDesign Training Path overview

Introduction

- The EcoDesign BOOST to define the list of your most recommended learnings according to your role and your knowledge
- Sustainable communication

Basic

- EcoDesign principles
- Life Cycle Assessment (LCA) principles

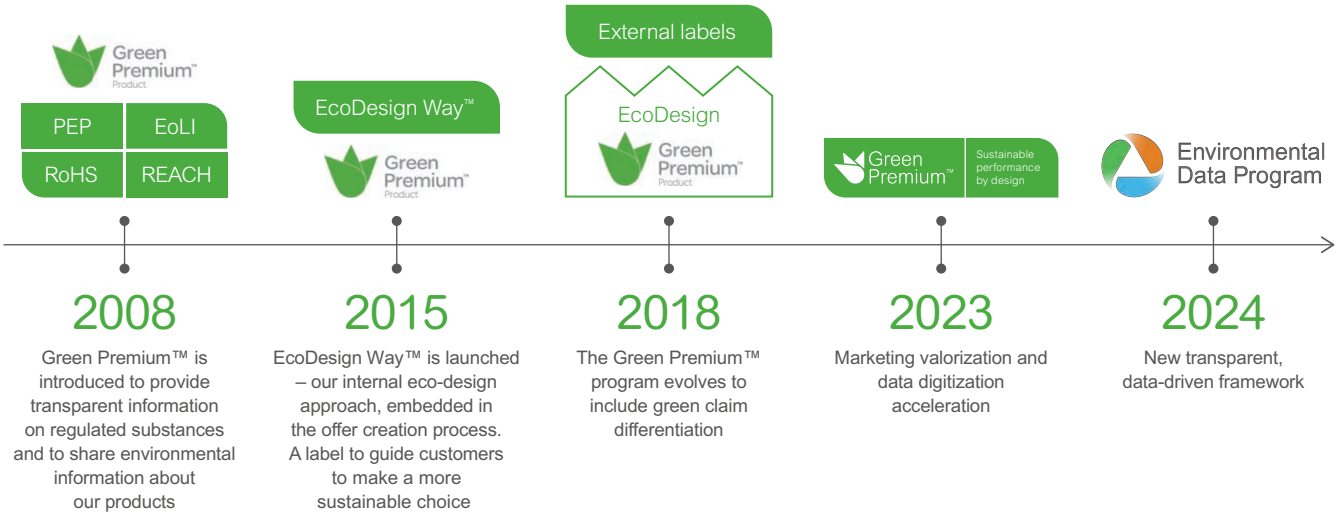
Advanced

- Environmental data
- Overview of external labels and certifications
- EcoDesign Carbon Calculator
- How to design sustainable packaging?
- How to design products with Sustainable Materials?
- How to achieve recyclability performance?
- How to optimize product energy consumption?
- How to extend the lifetime of products?
- Green supply chain

Expert

- How to perform & verify a Product Environmental Profile (PEP)?
- LCA and PEP advanced
- How to anticipate regulations and standards?
- How to perform conformity assessment?

In 2023, the Group developed the EcoDesign Carbon calculator, an online tool based on LCA methodology and datasets to allow non-environmental experts to model their projects' environmental footprint, identify hotspots, and estimate their first reduction potential. The EcoDesign Carbon Calculator, focusing on a Climate Change indicator at first (other environmental indicators can be activated at a later stage), is intended to be used at an early stage of the Offer Life Cycle Management. It relies on available Product Environmental Profiles (PEPs) and allows users to simulate different scenarios by using an extrapolation function. Multiple scenarios can be compared to identify the best design opportunity for the project team.



Repairability

Schneider Electric's approach to establishing the repairability of its products involves modular design, condition-based maintenance, detailed documentation and support, design for disassembly, refurbishment programs, and the use of durable materials (recycled or bio-sourced for instance). These strategies ensure that Schneider Electric's products are not only easy to repair but also long-lasting, aligning with the Company's commitment to circular economy principles.

Leading with transparency: Environmental Data Program

Complementing the EcoDesign initiative, for the past 15 years, Schneider Electric operated the Green Premium™ program to communicate the environmental value of a product to customers. The Green Premium™ label means that a product follows the EcoDesign principles, and:

- Is compliant with RoHS (Restriction of Hazardous Substances) and REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals) regulations;
- Has an estimated LCA; and
- Has clear end-of-life instructions.

In 2015, the Green Premium™ label added other environmental criteria, such as "take-back" programs when the battery of an Uninterruptable Power Supplies (UPS) reaches its end of useful life; and in 2018, additional external labels have been added.

In 2024, Schneider Electric decided to go one step further regarding product sustainability transparency by launching the Environmental Data Program and retiring the Green Premium™ label.

The Environmental Data Program is the way Schneider Electric measures, categorizes, and compares the environmental attributes and footprint of their products. The program uses a fact-based methodology to provide up to 30 environmental data points to Schneider Electric products.

The data is classified in five categories covering the entire product lifecycle (materials and substances, energy efficiency, lifetime extension, repack and remanufacture, and environmental footprint) and are available on Schneider Electric's digital platforms.

This detailed product environmental information goes beyond existing regulatory requirements in response to customers growing expectations.

At end of 2025, 90% of Schneider Electric's product turnover was from products disclosing more than 14 easily accessible environmental data attributes.

Product Environmental Profiles and Life Cycle Assessment

Many building standards and regulations now mandate Environmental Product Declarations (EPDs) to assess impact across the full "cradle-to-grave" lifecycle. Schneider Electric meets these requirements through Product Environmental Profiles (PEPs), which are Type III environmental declarations compliant with ISO 14025.

The Group is a founding and highly active member of the PEP ecopassport® association, currently holding the Vice Presidency. Following a major contribution to the development of the Product Category Rules (PCR ed.4) in 2021, Schneider Electric continues to drive the association's steering committee and technical committee workstreams to ensure Product Category and Specific Rules (PCR and PSR) remain robust and transparent.

In 2025, 2,983 PEPs were publicly available, covering more than 80% of product lines with an ISO 14025 declaration. These are available as:

- Certified: Externally reviewed and published by a program operator (e.g., PEP ecopassport®).
- Internal: Reviewed by accredited independent internal verifiers, compliant with ISO 14021.

Industrializing transparency: LC-Analytics and AI at scale

In 2025, the Group achieved a major milestone in its PEP digitalization program. Building on a pilot phase initiated in 2021, the Group utilized in-house developed software and artificial intelligence to successfully extrapolate and digitalize quality data for more than 90% of the Group's 2025 product turnover.

This success serves as the foundation for the LC-Analytics program's next phase of expansion. Supported by a Series B investment from SE Ventures in Makersite (July 2025), the Group is now deploying an AI-native ecosystem to further automate Life Cycle Assessments. This transition to a highly scalable model is designed to progressively cover Schneider's extensive portfolio, replacing generic data with high-fidelity, product-specific insights. As noted by Peter Weckesser, Chief Digital Officer, this partnership provides the foundation to give teams and customers "unparalleled insight into the environmental impact of products, accelerating our journey toward Net-Zero".

Advocacy and future standards

Schneider Electric continues to advocate for higher standards in supply chain data and cross-industry comparability through the PACT Pathfinder Framework (led by the World Business Council for Sustainable Development) and the development of unified public LCA databases. By leading the transformation to data-driven circularity, Schneider Electric empowers customers to meet regulations (such as EU CSRD and Taxonomy) and deploy effective decarbonization strategies based on primary, quantitative data.

Innovative Business Models

Schneider Electric is exploring innovative circular offers, notably in Electrification as a Service and Energy as a Service through its AlphaStruxure joint venture with Carlyle. AlphaStruxure offers resilient and decarbonized energy with "Energy as a Service" (EaaS). EaaS is a financial and technical solution for deploying transformational on-site energy infrastructure projects without the CapEx or complexity for the customer. AlphaStruxure finances and owns the system, taking on capital costs in exchange for predictable monthly payments, giving clients guaranteed pricing and performance outcomes.

AlphaStruxure assumes the design, delivery, operation, and maintenance of the system over the entire lifecycle. AlphaStruxure's deep expertise and long-term accountability enables a right-sized, waste-minimizing, and service-optimizing approach that drives circularity for clients.

One such client is New York City's JFK International Airport's New Terminal One. Its EaaS microgrid achieves several superlatives. It's the largest airport microgrid in the US, featuring a revolutionary federated design (four microgrids in one) that can power 100% of the terminal's critical operations. Its 11.34 megawatt decarbonized electrical capacity is sourced from fuel cells, battery storage, and the largest rooftop solar array in NYC. AlphaStruxure's careful planning and service excellence will prolong asset longevity, minimize resource use, and propel decarbonization. That's how AlphaStruxure's EaaS drives circularity.

Use better

"Use better" is about optimizing the use of resources, sourcing the materials with the lowest environmental impact, and manufacturing products efficiently. Example measures include sourcing materials with high recycled content and minimizing manufacturing scrap.

To illustrate the 'Use better' principles, Schneider Electric is engaged in R&D projects aimed at incorporating more recycled materials into its products. For example, Schneider Electric determined the optimal amount of recycled content to include in both halogenated and halogen-free plastics without impacting product performance. Schneider R&D engaged closely with the raw materials suppliers to optimize the recycled plastic formulation to ensure key performance criteria are met at material level. Further R&D engaged with the businesses to identify legacy and new products to test and validate the recycled solution.

Being efficient with resources

Schneider Electric prioritizes resource efficiency to mitigate business risks caused by the increasing competition for critical raw materials driven by global electrification. To ensure supply resilience and manage cost volatility, the Group employs a strategy of substitution, circular business models, and short-term supply security.

The central target of this substitution was to increase green materials in products to 50% by 2025. This initiative aims to accelerate switching to more circular or low-carbon material while providing differentiation potential for customers. Opting for Responsible Materials, in particular when they include a share of recycled content, fully aligns with Schneider Electric's Resilience objectives and therefore supports business continuation. Schneider Electric's Resilience Materials program secures short-term supply and mitigates price volatility through real-time alerts and substitution strategies, while building long-term resilience by de-risking the portfolio with circular solutions and technology. Resource parameters are embedded in product ecodesign, and R&D prioritizes strategic materials, backed by clear escalation and communication channels.

Even though copper is not in the scope of the Green Material program, since it is fully included in the Resilence Materials Program stream, supplier information on percentage of recycled content is being collected and consolidated, hence it can be included into the recycled components calculation.

Resource efficiency in the Green Materials program is qualified by specific environmental criteria for each key commodity:

A GREEN METAL IS

Steel from Direct Procurement	Aluminum from Direct Procurement	Zamak from Direct Procurement
Complies with at least one criterion below: • **Steel is produced from an Electric Arc Furnace** • **Steel is produced from a Direct Reduced Iron or Hot Briquetted Iron Blast Oxygen Furnace** • **Steel Product has a Green Certificate**(1) • **Steel product has a proven Product Carbon Footprint reduced by at least 25% compared to 2021**	Complies with at least one criterion below: • **8 tCO_2e/ton** of aluminum(2) • **90% recycled scrap**(3) • Aluminum product has a **Green Certificate**(4)	Complies with the criterion below: • **≤ 3 tCO_2e/ton** of alloy(5) • Alloy product has a **Green Certificate**(6)

(1) e.g., Responsible Steel
(2) According to Aluminium Stewardship Initiative (ASI).
(3) According to EU green taxonomy
(4) e.g., ASI.
(5) Based on a LCA performed by International Zinc Association (IZA).
(6) e.g., Copper Mark.

A GREEN THERMOPLASTIC IS

REACH / RoHS / POPs compliant(1)

AND

If plastic **compound** is **Halogen Free**(2)	If plastic **compound** is **still Halogenated**(2)	
	PS FR and PVC	Other halogenated compound
Complies with at least one criterion below: ≥ 20% wt of **recycled** content(3)(6) OR ≥ 20% wt of **bio-based** content(4)(6) OR **Green Flame Retardant and Additives** *For flame retardant plastic only*(5)	Complies with at least one criterion below: ≥ 30% wt of **recycled** content(3)(6) OR ≥ 30% wt of **bio-based** content(4)(6)	Complies with at least one criterion below: ≥ 50% wt of **recycled** content(3)(6) OR ≥ 50% wt of **bio-based** content(4)(6)

(1) Latest versions.
(2) According to EN 50642/IEC 63355 "Materials and Chemicals Directive" Halogen Free is a priority. Halogenated is only applicable if there is no halogen free technical solution on the market.
(3) According to ISO 14021 and EN 45557.
(4) According to EN 16785 or ASTM D6866.
(5) According to GreenScreen® used in TCO Certification.
(6) According to ISO 22095 for mass-balance chain of custody.

Switching toward Green Materials is a long journey. For instance, qualification and certification lead time could span from 8 to 18 months and yield to bottlenecks that could jeopardize product launch. To overcome this challenge, Schneider Electric focuses on long-term roadmap planning at entity level and builds up strategic partnerships. A prime example is the collaboration with ArcelorMittal to source XCarb® recycled and renewably produced steel, produced using 100% renewable electricity and high recycled content for the design of Universal Enclosure, Spacial SFN.

In 2025, Schneider Electric sourced 48% of "Green Materials" in its products in 2025 SSI #4, see more information on SSI and SSE performance in **section 2.4.4.1.1** page **341**. Even though the Green Materials scope covered only 25% of Schneider Electric Material purchases in volume (all thermoplastics parts, and direct aluminum and steel), these achievements helped to minimize Schneider Electric's impact on raw material extraction, in particular by improving the recycled content and third party ESG certificates. Additionally, Schneider Electric investigated performance and traceability in other commodities such as copper and packaging.

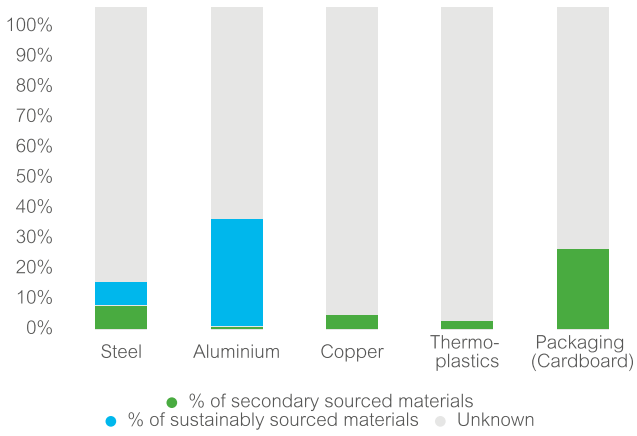
Today Schneider Electric is reporting only secondary and sustainably sourced materials when the Group has visibility on the commodities and its supply chain, i.e. it has a supplier evidence it can connect to the disclosed volume. Please see CSRD related metrics in section "**Business footprint: resource inflows and outflows**" page **162**.

Additionally, in 2025, Schneider Electric has engaged with 98% of strategic suppliers through the Decent Work program. Enhancing traceability and trust across the supply chain is also key to minimize raw material extraction impact since impact on Biodiversity and Human Rights could often be related.

The Group believes in traceability of materials in the supply chain for substances, nature, human rights and climate impact. Hence, Schneider Electric is committed to improve its traceability across its supply chain as a key success factor to optimize its environmental and social impacts.

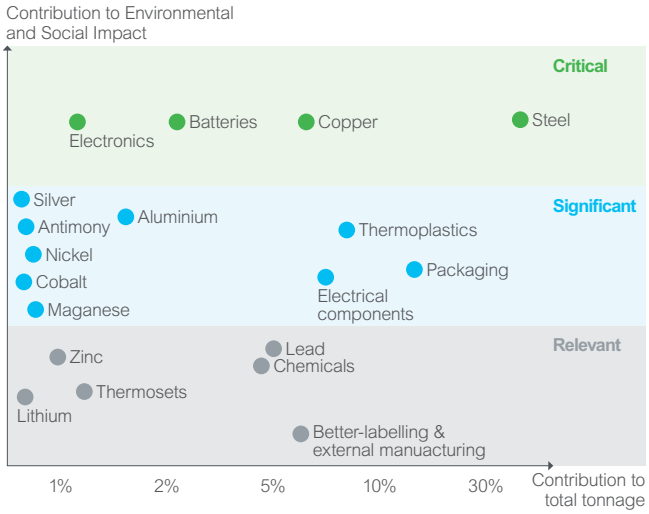
In 2026, Schneider Electric is committed to further rely on Responsible Materials, addressing both environmental and social impact, and to extend the scope of materials included in action plans. Indirect metals will be added, as well as wood products in packaging. These commodities, that were not included into 2025 SSI#4 and SSI#5 respectively, would allow to achieve a 75% coverage of total Schneider Electric materials volume. Additionally, fostering circular loops to across the value chain is a key enabler to reducing the raw material extraction and minimizing impact on biodiversity. In 2026, Schneider Electric aims to accelerate circular services to increase the secondary material flows. These actions will help to identify simple and actionable material metrics to better track, measure and reduce climate and biodiversity impact of The Group's activities.

Volume and distribution of "green materials" (in kt)



Critical raw materials and rare earths

Schneider Electric is committed to reduce "land use" due to the extraction of raw materials. The more raw materials are extracted to manufacture products, the more pressure it has on land use and therefore impact the biodiversity. The main materials used by Schneider Electric have different levels of social and environmental impact, therefore specific actions could be taken depending on their criticity (critical, significant or relevant).



Schneider Electric has robust innovation initiatives and R&D programs aimed at addressing risks related to hazardous or critical raw material inputs. These programs focus on reducing the critical materials used in product manufacturing and replacing hazardous and critical raw materials with different materials having similar physical and performance characteristics. For example, Schneider Electric's Linergy bar, a robust solution to reduce copper consumption in equipments as it is 99% aluminum content with a reduced and localized copper layer ensuring robust connections. Regarding rare earths magnets, switching from a high-performance grade to a just-enough one allows to reduce the dependency to heavy rare earths such as Dysprosium or Gadolinium.

The supply risks associated with rare earth materials have been assessed, providing clear visibility into which materials are used in which products. To further mitigate risks, Schneider Electric has reinforced strategic partnerships with key suppliers through long-term agreements and C-Level connections. These strategic partnerships consider the importance of resource efficiency and resource substitution. A procurement and planning hub in Singapore manages the direct supply of critical materials and strategic stocks, focusing on active electronics and copper cathodes. Externally, Schneider Electric engages in strategic collaborations to foster innovation and circularity in the supply chain. A key example is the partnership with an European recycling company that uses innovative, low-carbon processes to recover rare-earth elements from end-of-life products such as electric vehicle motors and wind turbines. This initiative supports resource efficiency and regional resilience by enabling the production of new high-performance magnets from recycled materials. Schneider Electric is actively supporting the industrial scale-up of this technology and plans to begin validating recycled magnets in Lahr facility in early 2026, with further product qualifications to follow.

Metals such as copper, aluminum, and steel are essential for manufacturing electrical components and are selected for their recyclability. Schneider Electric ensures that these materials can be recovered and reused, supporting circularity.

The company is focused on increasing the use of green materials in products, particularly thermoplastics, steel, and aluminum. According to Schneider Electric, a responsible material is a material with a lower environmental and social footprint, meaning low GHG emissions, high recycled content, and a minimized impact on people and the planet (e.g., a thermoplastic sourced out of post consumer recycled content, a steel product manufactured out of an electrical arc furnace, an aluminum part produced out of a ASI-certified site with a carbon emission factor lower than 8 tonnes of CO2e/ton of aluminum).

Use longer

Schneider Electric aims to maximize the environmental performance of its products. To achieve such ambition, the Group develops services and business models to extend the useful life of its products, and when no option is possible, take back the product, assess whether a second-life is possible, and ultimately ensure the product or components are recycled. The first focus, before considering end-of-life, is to prolong to lifespan of products.

These solutions, using up to 60% less materials than using brand–new equipment, enable pull-through and constant payback, increase customer stickiness, and build long-term relationships. To ensure products are correctly used, maintained, repaired collected, sorted, and recycled, circularity has to be embedded in the offer design stage.

For more information, see **Ecodesign** approach in **section 2.2.2.3.4 on page 166**

"Use longer" involves providing services to keep products in use for as long as possible. This includes on-site and workshop repair, digitally enabled maintenance, as well as equipment modernization services and spare parts.

Value retention actions

Schneider Electric advances circularity through an approach that extends product lifespan, leverages digital maintenance solutions, and reintegrates used equipment into closed-loop systems:

- Maintenance and Repair:
  - Schneider Electric designs products for durability and ease of maintenance, ensuring longer product lifecycles. These solutions, using up to 60% less materials than using brand-new equipment, enable pull-through and constant payback, increase customer stickiness, and build long-term relationships.
  - Extended equipment lifespan and resiliency through Condition-Based Maintenance. The experience of recent times has accelerated the adoption of IoT as a technological advancement that enhances the resilience of installations. Condition-Based Maintenance is a powerful solution that equipment uptime and prolong its lifespan. By constantly monitoring equipment health and tracking stress, wear, and aging parameters, it allows one to proactively prevent failures that accelerate equipment aging. This approach not only helps avoid the need for equipment replacement but also contributes to avoiding carbon emissions by eliminating the manufacturing of new equipment. In new CapEx projects, Condition-Based Maintenance can be implemented by leveraging native connected equipment. Whereas, for older installations, Condition-Based Maintenance can be enabled by upgrading the installed base with sensors.
- Reverse Logistics and Closed Loop Systems: Schneider Electric has established reverse logistics systems to take back used products and reintegrate them into the production cycle.

Value maximization actions

When extending a product's life is no longer feasible, and on selected offer ranges where the Group can leverage its commercial and technical capabilities, Schneider Electric ensures responsible recovery by taking back the product and assessing its potential for reuse, refurbishment, or material recycling, maximizing value and minimizing waste.

Schneider committed to avoiding 420,000 metric tons of primary resource consumption through end-of-use take-back by 2025, and exceeded this target by reaching 428,450 metric tons.

Use again

"Use again" relates to recirculating products, parts, and materials in the economy. For example, repack, refurbishment, and resale of assets reaching end of use.

Checked & Repacked, and Refurbished Product Offers

Schneider Electric has developed capabilities to repack products with minor packaging damage and refurbish products as needed, which helps to reduce waste and conserve resources. These products are then resold.

One example is how Schneider Electric gives its MasterPact MTZ circuit breakers a second life. Refurbished at the MasterTech plant in France, these circuit breakers are collected from customers at end-of-life, disassembled, diagnosed, upgraded, and tested before being put back on the market. Other ranges include UPS 1-phase, MasterPact MTZ, variable speed drives, human-machine interfaces, programmable logic controllers, motion and system drives.

Other 'use again' practices such as rebalancing stock across plants and DCs and harvesting components for reuse are also practiced.

End-of-Life Management and Action

Schneider Electric integrates regulatory compliance with operational excellence to manage product end-of-life and maximize resource efficiency.

Extended Producer Responsibility (EPR) & Product Stewardship: In compliance with frameworks like the EU WEEE and Battery Directives, Schneider Electric takes responsibility for the sound disposal of its products. This involves structured product assessments and providing detailed end-of-life instructions (circularity profiles) for applicable equipment. To facilitate proper disposal, the Group collaborates with collective schemes and has deployed take-back partnerships at the country level, such as Weecycling (France) and Circolektra (Netherlands).

Operational Waste Management ("Waste-to-Resource"): To support these commitments, the Group's "Waste-to-Resource" program prioritizes value recovery and hazardous waste reduction across its operations. Aiming for deployment in 200 sites by 2025, the program mandates:

- 99% recovery for non-hazardous waste.
- 100% proper handling for hazardous waste.
- A 10% cap on waste-to-energy solutions to prioritize reuse and recycling.

For the next period, the Group will continue its work on operational waste management and is taking the 2 following commitments :

- Reduce operational waste generation intensity by 15% by 2030 compared to 2025 baseline
- Near ZWTL : We commit to maintaining Near Zero Waste to Landfill across our industrial operations by prioritizing waste prevention, reuse, recycling, and recovery, and by achieving at least 95% diversion from landfill. We will reference globally recognized frameworks (UL, Eurofins, TÜV Rheinland, SGS) while using regional verification pathways to ensure credible and efficient transparency. Our approach emphasizes on waste valorization, circularity, and continuous improvement to drive long-term sustainability.

Sites' maturity is monitored via a global Environmental, Health and Safety Assessment (EHSA), ensuring deployment of robust governance and best practices across sites globally.

Circular Outcomes & Systems Efficiency: Beyond compliance, Schneider Electric engages in industrial symbiosis and refurbishment programs to extend product lifecycles. These initiatives have significantly avoided the consumption of primary resources.

Schneider Electric works collectively with stakeholders to implement circularity in products and materials as described in the subsequent section.

2.2.2.3.5 Resource Inflows and Outflows

Resource inflows

Overall total weight of products

Schneider Electric reports the total weight of products by consolidating information from procurement spend. Schneider Electric organizes procurement spend by assigning a category code (CATs codes) to each group of material purchases (e.g., metal stamping parts, battery, semi-conductors, etc…). Available weights data for each category are used systematically. A complementary approach has been developed to calculate total global volume in the most accurate way recognizing that some extrapolation and assumptions are required.

Volume and percentage of sustainably sourced biological content (wood)

The below table shows Schneider Electric's material resource inflow. Please note that, in Schneider Electric's context, biological material is understood as wood (further details can be found in the 'Methodology' section below).

Volume and percentage of recycled components

There are two contexts in which Schneider Electric uses secondary recycled or reused materials in manufacturing. The first is responsible materials purchases (including thermoplastics, steel, aluminium), the second is through recycled lead, cardboard and paper purchases. The Group is working to expand the use of recycled materials and will add on additional recycled material purchases over time.

The table below present the key metrics with regards to volume & percentage of recycled components.

The year-over-year change was driven by improved data quality of the figures, notably on wood and on lead weights.

Luminous volumes account for about 10% of total weight, which is driven by their product mix mainly composed of metals (lead batteries). 45% of the weight of secondary reused or recycled components, secondary intermediary products, and secondary materials used derived from the recycled lead used by Luminous to manufacture lead-acid batteries.

	2025	UOM
Overall total weight of products and technical and biological materials used during the reporting period	1,752,412	Tonnes
Percentage of sustainable sourced wood (biological material) used in manufacturing (including packaging)	0%	Percentage
The absolute weight of secondary reused or recycled components, secondary intermediary products, and secondary materials used to manufacture the undertaking's products and services (including packaging)	213,120	Tonnes
Percentage of secondary reused or recycled components, secondary intermediary products, and secondary materials used to manufacture the undertaking's products and services	12%	Percentage

Resource outflows

Durability

Schneider Electric is committed to providing transparent and reliable information regarding the durability of its products. However, it is important to note that there is no universally accepted definition or standardized measure of "durability" within the industry. As such, the Group has leveraged its own understanding and methodologies to estimate and disclose the expected durability of its products.

In the absence of a standardized definition, Schneider Electric uses the concept of Reference Service Life (RSL) to estimate the durability of its products. According to EN 50693:2019, 3.35, the RSL is defined as "the lifetime that may be expected according to a particular set of conditions of use (reference set) and that may be used to estimate the lifetime under other conditions of use". This approach allows us to provide a consistent and reliable measure of product durability based on specific usage conditions. A product group represents one level within the Schneider Electric offer pyramid. It represents a product offer segmentation corresponding to the common upstream and industrial marketing know-how and encompasses all Schneider Electric business, from Energy Management to Industrial Automation.

The list below shows the main product groups that are deemed representative of the Group activities.

Product Group	Average Durability of products in the Product Group in years
Process Automation Control	11
Variable Speed Drives	10
Human Machine Interface	10
Home & Distribution Connected Systems	12
Air Circuit Breakers	19
Low Voltage Equipment (IEC & NEMA)	20
Contactors	20
Low Voltage Products	13
Molded Case Circuit Breaker, Earth leakage and Switchgear	20
Home & Distribution Core Final Distribution	20
Eliwell	10
Medium Voltage Products	15
Industry Original Equipment Manufacturer Systems	10
Control, Relays and Signaling	12
Machine Solution	10
Low Voltage Functional Enclosure	20

Product Group	Average Durability of products in the Product Group in years
Remote Operations	10
Home & Distribution Specialists	16
Home & Distribution Core Wiring Devices	19
Universal Enclosures	20
Speed Drives Systems	10
Industry Service	14
Automation Transfer Switch	12
Process Automation Solutions	11

The variation with 2024 is mainly due to the scope expansion in terms of commercial references, with a coverage of circa 130,000 references in 2025 from circa 35,000 in 2024.

Recyclability

Schneider Electric is committed to improving the circularity of its products. To achieve this ambition, the Group must ensure that the materials used in its products can be “used again”. To this end, Schneider Electric is working to improve the recyclability rate of its products by making sure materials can be easily split as well as integrating recyclable materials and cardboard.

The variation with 2024 is mainly due to the scope expansion in terms of commercial references, with a coverage of circa 70,000 references in 2025 from circa 7,000 in 2024. The 15% value in 2025 reflects the fact that the recyclability potential is calculated using the “France – parts are shredded” scenario from IEC TR 62635, combined with the geographical distribution of Group's sales, which accounts for the varying recycling infrastructure capabilities across countries in a conservative way.

	2025
Percentage of recyclable content in products	15%
Percentage of recyclable content in products packaging	70%

Financial effect

In 2025, the Group prioritized stabilizing its quantitative reporting processes, which limited the ability to meaningfully disclose the financial effects of resource outflows. The Group is currently gathering and verifying data to quantify these effects related to material resource use and circular economy risks and opportunities.

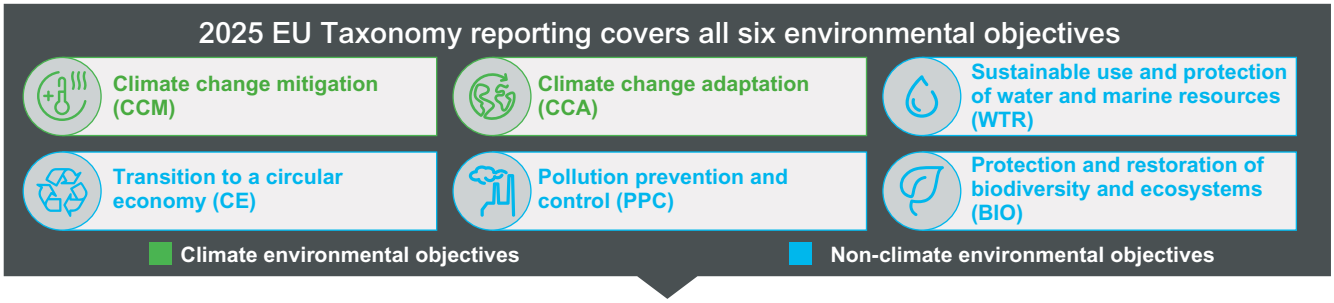
Double accounting

Different authoritative sources were used for each data segment calculated. Additionally, the Group has established a robust methodology documentation on respective KPIs including defined boundaries. Schneider Electric calculated the KPIs ensuring they covered 100% of its spend. By separating the total spend in categories that required different calculation approaches, Schneider Electric was able to ensure it avoided double counting across categories.

The methodology used to calculate the figures in **2.2.2.3.5 Resource Inflows and Outflows** is defined in **section ‘2.2.5 CSRD Methodologies and Tables' on page 261**

2.2.2.4 Methodology elements on EU Taxonomy

The Group applies the delegated act of July 4, 2025, amending the Delegated Regulation (EU) 2021/2178 as regards the simplification of the content and presentation of information to be disclosed concerning environmentally sustainable activities, and the Delegated Regulations (EU) 2021/2139 and (EU) 2023/2486 as regards simplification of certain technical screening criteria for determining whether economic activities cause no significant harm to environmental objectives.



1. Schneider Electric's main eligible activities	
Energy efficiency equipment and services in buildings	• Energy efficient building automation and control systems • Smart monitoring and regulation of electricity or heating systems • Zoned thermostats and devices for the smart monitoring of electricity loads or heat loads • Energy efficient cooling systems • Service plans related to building management and power metering systems • Technical consultations such as energy audits, simulations, and trainings
Low CO_2 mobility end segment	• Electric vehicle charging stations and grid reinforcement technologies • Electrical infrastructure for urban and suburban public transport • Port infrastructure for shore-side electrical power to vessels at berth and electrification and efficiency of its operations
Medium and low voltage equipment for electrical transmission and distribution	• Low voltage electrical product equipment, systems and services increasing energy efficiency • SF_6-free medium voltage switchgears and control gears • Communication and control technologies for the controllability and observability of the electricity system • Demand response and load shifting equipment, systems and services that increase flexibility of the electricity system and support grid stability • Transmission and distribution wiring devices that improve energy efficiency and Tier 2 transformers
Electrical and electronic equipment	• Manufacture of electrical and electronic equipment
IT/OT data-driven solutions and software	• Asset performance management • Remote monitoring and predictive maintenance systems • Lifecycle performance management software • Design and engineering software
Services and activities supporting the circular economy	• Repairing, refurbishing, or remanufacturing products that have already been used • Sale of spare parts beyond legal obligations • Product-as-a-service and other circular use- and result-oriented service models
Eligible activities **89% of revenue | 92% of CapEx**	

2. Evaluation of eligible activities against alignment criteria		
Alignment criteria	**Conclusions of the assessment**	**Reference for details**
1. Substantial contribution to environmental objectives? (Technical Screening Criteria)	• 44% of revenue not compliant with technical criteria • 6% of revenue not compliant due to exclusions (revenues from fossil sector, products with SF_6)	Section **2.2.2.4.1** page **177**
2. Compliance with DNSH?		
• Climate change mitigation (CCM)	Compliant	Section **2.2.2.1** page **127**
• Climate change adaptation (CCA)	Compliant	Section **2.2.2.1** page **140**
• Sustainable use and protection of water and marine resources (WTR)	Compliant	Section **2.3.1.2.8** page **282**
• Transition to a circular economy (CE)	Compliant	Section **2.2.2.3** page **162**
• Pollution prevention and control (PPC)	7% of revenue not compliant	Section **2.2.2.2** page **156**
• Protection and restoration of biodiversity and ecosystems (BIO)	Compliant	Section **2.3.1.2.1** page **280**
3. Compliance with minimum safeguards?	Compliant	Section **2.2.2.4.5** page **181**
Aligned activities (complies with all three criteria)(1) **32% of revenue 24% of CapEx**		

(1) Due to the impact of rounding on individual elements within this disclosure table numbers may not exactly sum to the Group total.

2.2.2.4.1 Calculation of Taxonomy-eligible and -aligned revenue

This calculation uses two combined approaches:

- Offer-based approach: Each line of business's offers is reviewed against the EU Climate and Environmental Delegated Acts' definition of economic activities.
- End-segment approach: Revenues from offers that fit the economic activities description and are sold to Taxonomy-eligible end-segments (e.g., Green transport and Renewables) are reviewed.

There is no double-counting, as revenues assessed under the end-segment approach are not included in the offer-based approach.

As detailed in Annex 1 of the Delegated Act on Article 8, the denominator of Taxonomy-eligible revenue is equal to the net revenue recognized pursuant to IAS 1.82(a) after removal of intra-group transactions. At Schneider Electric, this represents EUR 40,152 million, as disclosed in the consolidated statement income in this Universal Registration.

For 81% of revenues excluding entities having their own reporting framework), eligibility calculation combines two approaches:

- For 80% of revenues, the eligibility and alignment calculation uses an offer-based approach (by nature of technology). Sustainability, marketing, and offer management teams of each line of business determine if products are in line with the definition of economic activities included in the Delegated Acts. This analysis is performed at product category level, allowing detailed segmentation between Taxonomy-eligible and -non-eligible revenues. Compliance with the technical screening criteria is also assessed by the offer technical experts at the product category level. For instance, building management systems (BMS) generally include energy efficiency systems, which are Taxonomy-eligible, and fire safety and access control systems, which are not. In this example, the analysis enables accounting for only energy efficiency systems installed as part of a BMS. An eligibility and an alignment ratio are then consolidated for each product line, which includes multiple product categories.
- For 1% of revenues, eligibility and alignment calculation is using an end-segment-based approach, whereby commercial teams indicate for each product line if it matches with the economic activities as described in the Delegated Acts and provide with the related amount of revenues generated from Taxonomy-eligible end-segments (Green transport and Renewables). Potential double-counting between the two approaches is avoided in applying the end-segment-based approach to only 1% of revenues issued from eligible businesses sold to end-segments supporting climate change mitigation, and the offer-based approach to the remaining 80% of revenues (excluding entities having their own reporting framework).

For the remaining 19% of revenues (related to entities having their own reporting frameworks), an offer-based analysis is conducted separately following a review of each entity's product line reporting.

In order to determine the amount of eligible and aligned revenue (numerator), the following assumptions are made:

- At the granularity level of product categories, data is based on net sales after rebate and consistent with the revenue disclosed in the consolidated statement of income.
- At the granularity level of product categories, a non-significant share of revenues is not allocated per product category. The ratio of eligibility and alignment used for the rest of the product line is applied to those revenues, contributing to less than 5% of the total eligible revenues.

Schneider Electric undertakes an internal and rigorous assessment to check eligibility, and alignment. This process is grounded in sampling principles designed to ensure representativeness, focusing on the most material contributors to the Company's aligned revenue. In particular, Schneider Electric concentrated its efforts on the most material activities, under section 3.20, which covers the manufacture, installation, and servicing of electrical equipment for transmission and distribution, and section 9.3, which relates to energy management services.

As part of this assessment, Schneider Electric identified offers that, while eligible, do not meet the alignment criteria. For example, revenues from medium voltage switchgears containing SF_6 gas, as well as revenues linked to fossil power generation and the fossil fuel value chain, were declared as eligible but not aligned under activity 3.20. Only transformers that comply with the European Tier 2 energy efficiency standard were considered aligned, reflecting the Group commitment to applying the technical screening criteria with rigor and transparency.

Beyond 3.20, Schneider Electric disclosures also cover other climate mitigation and circular economy activities. Under activity CCM 3.5, which addresses the manufacture of energy efficiency equipment for buildings, only the most efficient cooling systems such as those rated in the highest two populated energy efficiency classes, and UPS systems with PowerChute capability qualified as aligned. For activity CCM 3.6, which covers the manufacture of low-carbon technologies, greenhouse gas emission savings were calculated using Schneider Electric's saved and avoided emissions methodology, which has been independently audited in accordance with the ISO 14067:2018 standard.

In the circular economy domain, activity CE 1.2 presented challenges in assessing alignment due to the complexity of the technical screening criteria. As a result, Schneider Electric adopted a conservative approach and disclosed all eligible revenues under this activity as non-aligned. Nevertheless, Schneider Electric continues to advance its circularity efforts through the EcoDesign Way™ process and its end-to-end circularity program, as detailed in **section 2.2.2.3**. Similarly, under activity CE 4.1, revenues from predictive maintenance systems and software were considered eligible but not aligned, given the current inability to determine whether these solutions are used to monitor fossil fuel engines.

See detailed proportion of turnover from Taxonomy-eligible and -aligned activities in the template required by EU Taxonomy Delegated Act on Article 8 on **pages 185 to 187.**

2.2.2.4.2 Calculation of Taxonomy-eligible and -aligned capital expenditure (CapEx)

As per specification of CapEx as detailed in Annex 1 of the Delegated Act on Article 8, the denominator of the Taxonomy-eligible CapEx KPI is equal to additions to tangible and intangible assets of the financial year 2025 (including IFRS 16 rights of use), considered before depreciation, amortization, and any remeasurement, including those resulting from revaluations and impairments for the financial year 2025 and excluding fair value changes. The denominator also covers additions to tangible and intangible assets resulting from business combinations that occurred during the financial year 2025.

At Schneider Electric, total tangible assets resulting from the above definition represents EUR 1,111 million over 2025, including EUR 1,104 million from additions, as disclosed in note 13 of the Group financial statements. The total covered IFRS 16 rights of use over 2025 represents EUR 739 million, including EUR 736 million from additions, as disclosed in note 13 of the Group financial statements, and EUR 3 million from business combinations.

The total intangible assets resulting from the above definition represents EUR 987 million over 2025. This amount is split as follows: EUR 471 million from additions, as disclosed in note 12 of the Group financial statements, including EUR 369 million of capitalized R&D projects as disclosed in the note 12 of the Group financial statements, and EUR 516 million from business combinations.

As per specification of CapEx as detailed in Annex 1 of the Delegated Act on Article 8, all CapEx based on IFRS 16 related to long-term leasing of buildings are considered eligible. None of these are aligned since the Group rental real estate portfolio does not meet all Taxonomy-alignment criteria described in activity CCM 7.7 (acquisition and ownership of buildings). CapEx related to assets, processes, and business combinations associated with Taxonomy-eligible and -aligned activities were calculated with a high level of granularity using allocation keys of eligible, and respectively aligned, revenue per business and operations, except for R&D and IFRS 16 CapEx. The allocation keys methodology is considered as a conservative approach as it is based on the current activity of each product line, which does not consider the transformations driven by the product lines' investments in the calculation of Taxonomy-eligible and -aligned CapEx KPIs.

As described more exhaustively in **section 2.3.1.2.2**, product-related R&D projects of the Group aim to demonstrate a substantial carbon footprint saving through more efficient products and systems. Those improvements are measured with a lifecycle assessment shared publicly in the Product Environmental Profile, aligned with ISO 14067 and verified by an independent third party. Thus, 2025 R&D capitalized expenditures directly linked to capitalized product-related R&D projects are considered both eligible and aligned according to activity CCM 3.6 (manufacture of other low carbon technologies).

See detailed proportion of CapEx from Taxonomy-eligible and -aligned activities on pages **185 to 187.**

2.2.2.4.3 Taxonomy-eligible and -aligned operating expenditure (OpEx)

The denominator of the Taxonomy-eligible and -aligned OpEx KPI represents EUR 2,131 million over 2025, corresponding mainly to non-capitalized R&D costs (as disclosed in Note 5 of the Group financial statements), costs incurred in relation with support and platforming, costs of IT global applications dedicated to R&D, costs relative to continuous engineering costs for quality, productivity and obsolescence, short-term vehicle leasing, maintenance and property asset management costs.

It represents less 10% of the Group's OpEx. Schneider therefore applies the exemption provided by the European Taxonomy and do not report a detailed breakdown due to immateriality.

2.2.2.4.4 Do Not Significantly Harm (DNSH)

As defined in Article 3 of the Taxonomy Regulation, an activity shall qualify as environmentally sustainable only if it does not significantly harm any of the other Taxonomy environmental objectives.

Schneider Electric's activities are subject to the specified DNSH requirements where the objective to which they belong is shown:

- Climate change mitigation (CCM)
- Protection of water and marine resources (WTR)
- Transition to a circular economy (CE)

As the Group's activities are linked to only 3 of the 6 environmental objectives, icons for the 3 remaining objectives are not shown.

For activities belonging to environmental objectives, as shown by the icons below, this means that they must not do significant harm to:

Climate change mitigation

Schneider Electric relies on fossil fuel backup generators in few of its manufacturing sites. Those generators have been used in 2025 for backup power in sites in Mexico, India and the US. Repair, refurbishment and remanufacturing centers do not rely on fossil fuel backup generators. More information in **section 2.2.2.1**.

Schneider Electric has developed strategies to account for and reduce the GHG emissions of its activities along the value chain.

Read more about Schneider Electric's strategies and actions for GHG emissions reduction in **sections 2.2.2.1.1 on page 127 and 2.2.2.1.4 on page 137** the Group's GHG footprint **in section 2.2.2.1.7 on page 151**, as well as the underlying methodology in **section 2.2.5.1.1 on page 261**.

This applies to activities belonging to objectives:

Climate change adaptation

Schneider Electric has assessed physical climate risks that are material to its activity. The Group has put dependencies analysis at the heart of its risk management and performed a prospective climate risk and vulnerability assessment to identify and price the materiality of physical climate risks that may affect Schneider Electric sites, extended supply chain, and economic activities under different IPCC scenarios and different timelines (short, medium, and long term). In line with these assessments, the Group has implemented adaptation solutions consisting of several resilience initiatives.

Read more about the Group climate risk management and adaptation measures in **section 2.2.2.1.2 "Climate-related impacts, risks, and opportunities" o**n **page 131**.

This applies to activities belonging to objectives:

The sustainable use and protection of water and marine resources

Schneider Electric regularly assesses water-related risks. In 2022, the Group conducted a water footprint analysis along the value chain, covering water consumption, scarcity, eutrophication, ecotoxicity, and acidification. Due to the nature of most of its industrial processes (manual and automatic assembly), water withdrawal of the Group's operations is considered limited.

Despite the limited water withdrawal inherent to our assembly-based processes, Schneider Electric proactively assesses risk using the WWF Water Risk Filter. In 2025, the Group identified 79 sites in water-scarce areas and deployed conservation plans to 100% of them (SSE #11). These efforts drove a decrease in water-withdrawal intensity to 48 m³/€M revenue (–55% vs. 2017).

The Group has implemented initiatives to preserve water quality and avoid water stress – read more about the Group's water management in the **section 2.3.1.2.8 on page 282.**

This applies to activities belonging to objectives:

The transition to a circular economy

Schneider Electric assesses the availability of techniques and, where feasible, adopts those that maximize the value of its resources, considering waste as a resource and ensuring that its waste remains within a circular system.

Beyond avoiding landfill and looking at traditional recycling solutions, Schneider Electric strives to move up the waste hierarchy and find alternative solutions for its resources, aligned with its strategic principles design and innovate, use better, use longer, and use again.

Requirements related to construction and demolition waste management in low-carbon mobility infrastructures are not applicable to Schneider Electric as the Group only operates as an electrical and automation solution provider in those projects.

Read more about the Group's transition to a circular economy in **section 2.2.2.3 "Resource use and circular economy | ESRS E5" on page 162.**

This applies to activities belonging to objectives:

Pollution prevention and control:

Schneider Electric automated the reporting of its EU Taxonomy revenue and included a rule to remove from the taxonomy-aligned revenue the revenue from products that don't meet the criteria from the DNSH Pollution prevention and control, leveraging on product environmental data accessible in mySchneider portal. In 2025, this calculation rule has been updated to reflect the amendment of the generic criteria for DNSH to pollution prevention and control regarding the use and presence of chemicals adopted by the European Commission in a delegated act on 4 July 2025. Product substances data are based on detailed data collection and tools that gather hazardous substance information from suppliers and assess product compliance through the bill of materials. Data availability is restricted by the reliance on supplier declarations and voluntary Full Material Disclosures (FMDs). Assumptions about average percentages and quantities are necessary. The non-compliance to specific requirements, more stringent than current EU regulations contributes to 7% of Schneider Electric's total revenues being non-aligned.

Read more about the Group's strategy to substitute hazardous substances in **section 2.2.2.2.1 "Eliminating hazardous substances" on page 156.**

On the manufacture, placing on the market, or use of chemicals, Schneider Electric provides the following precisions:

- Regulation (EU) 2017/852 of the European Parliament and of the Council of 17 May 2017 on mercury and repealing is not applicable to Schneider Electric, as the company does not use mercury in its products nor in its manufacturing activities.
- Regarding the directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS) and the Regulation concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), Schneider Electric's revenues coming from products with substances listed in the Annex II and not under Annex III or IV of RoHS Directive's exemptions are declared as non-aligned with the EU Taxonomy. None of Schneider Electric products are using REACH restricted substances (Annex XVII) in the scope of the restriction and the Group follows the POP restrictions. The Group has deployed significant efforts to measure and further comply with those requirements, even outside of the European Union (i.e., beyond the scope of the regulation).
- Regarding substances listed in Annexes I or II to Regulation (EC) 1005/2009, Schneider Electric substituted 100% of ozone depleting substances from its offers on a worldwide basis.
- Regarding substances laid down in Article 57 of Regulation (EC) 1907/2006 and identified in accordance with Article 59(1) of that Regulation, except where it is assessed and documented by the operators that no other suitable alternative substances or technologies are available on the market and that they are used under controlled conditions, Schneider Electric declared as non-aligned all revenues coming from such products.
- Regarding substances laid down in Article 57 of Regulation (EC) 1907/2006, and not listed in Article 59(1) of that Regulation, the Group notes that obtaining material declarations and data from suppliers beyond tier 1 is particularly challenging and is not in a position to quantify the impact of excluding products using substances that may be included in the list of substances subject to authorization but not currently identified in the candidate list. The Group is progressively improving the traceability of the components of each product beyond its tier 1 suppliers, working towards obtaining more comprehensive information. However, achieving this objective will necessitate advancements in legislation.

Other requirements are met and included in Schneider Electric Global Environmental Directives and all restrictions are applied globally.

Requirements related to pollution prevention and control on overground high voltage lines and noise, vibration, dust, and pollutant emissions reduction during construction and maintenance of low-carbon mobility infrastructures are not applicable to Schneider Electric as the Group only operates as an electrical and automation solutions provider in those projects.

This applies to activities belonging to objectives:

The protection and restoration of biodiversity and ecosystems:

The Environmental Impact Assessment Directive (2011/92/EU) mandates project developers to conduct an Environmental Impact Assessments (EIA) for projects with significant impacts. Schneider Electric participates in both Annex 1 and 2 projects, but only as a contractor. Even if with this role, the Group is not subject to completing an EIA nor the biodiversity risk mitigation on low-carbon mobility infrastructures, it has integrated in 2023, Environmental, Social and Governance (ESG) risks into its project selection process for bidding. ESG risk analysis became part of the factors in Go/No-Go decisions. This ESG risk management process has been reinforced with the support of external risk management experts defining a clear governance. The process verifies project developers' Environmental and Social Impact Assessments (ESIAs) and mitigation actions.

In cases where Schneider Electric intends to build a new site, the Group may need to complete an EIA. However, due to the nature of the activities performed on Schneider Electric's sites, those projects are not likely to have significant effects on the environment and are not listed in the Annex I nor in the Annex II of the Directive 2011/92/EU. Schneider Electric Real Estate team is monitoring any new constructions or extension with their third-party to ensure that license to build which includes EIA where relevant are correctly undertaken by them.

Schneider Electric has defined a process to conduct Environmental Site Assessments (ESA) as part of its due diligence phase of new mergers and acquisitions, primarily to detect contamination of soil, ground water surface, water sediment, and soil vapor from known or unknown releases of chemicals, petroleum, or related wastes.

The VP Safety Environment and Real Estate, accountable for the EHS compliance of the entity under due diligence, has established an assessment framework and conducts the necessary checks in all due diligence processes as part of the Due Diligence team.

Schneider Electric requires a Phase I ESA to be performed on all global real estate transactions involving manufacturing properties and, other potentially higher risk sites including factories, distribution centers, or properties with prior industrial activity. The ESA is performed by an independent environmental consultant.

Schneider Electric's assessments and actions on biodiversity are detailed in **section 2.3.1.2.1 Biodiversity on page 280.**

This applies to activities belonging to objectives:

2.2.2.4.5 Minimum safeguards

As defined in Article 3 of the Taxonomy regulation, an activity shall qualify as environmentally sustainable only if it is carried out in compliance with the specific minimum safeguards detailed in the regulation. Schneider Electric takes reference from the Final Report on Minimum Safeguards by the Platform on Sustainable Finance as a guidance to report against minimum safeguards, which looks at four key areas: human rights, corruption, taxation, and fair competition.

Human rights

The company has established an adequate human rights due diligence process as outlined in the UNGPs and OECD Guidelines for MNEs.

For details, see our Vigilance plan as well as **section 2.2.1.2 Double materiality assessment: main sustainability impacts, risks and opportunities on page 114.**

Corruption

The company has anti-corruption processes in place.

For details, see **section 2.2.4.1 Zero tolerance for corruption on page 247**.

Taxation

The company treats tax governance and compliance as important elements of oversight, and there are adequate tax risk management strategies and processes in place.

For details, see our Vigilance plan as well as **section 2.2.1.2 Double materiality assessment: main sustainability impacts, risks and opportunities on page 114.**

Fair competition

The company promotes employee awareness of the importance of compliance with all applicable competition laws and regulations.

For details, see **section 2.3.3.4 Compliance with competition law on page 310.**

Below is a mapping of Schneider Electric activities eligible under the current EU Taxonomy, to provide a better understanding for its stakeholders.

Activity name and code as specified in the EU Climate, Environmental and Disclosure Delegated Acts		Activity definition as specified in the EU Climate and Environmental Delegated Acts	Corresponding business activities of Schneider Electric
CCM 3.1	Manufacture of renewable energy technologies	Manufacture of renewable energy technologies, where renewable energy is defined in Article 2[(1)] of Directive (EU) 2018/2001.	• Manufacture of technologies that are essential parts of the systems producing electricity from renewable energy sources: inverters, mounting frames, solar panels, other solar equipment, wind farm microgrid, and others
CCM 3.5	Manufacture of energy efficiency equipment for buildings	Manufacture of energy efficiency equipment for buildings.	• Building management systems (except fire safety and access control) • Power metering systems for buildings • Smart monitoring and regulation of electricity or heat in buildings, such as thermostats and controls for lighting systems • Cooling systems • Insulating products
CCM 3.6	Manufacture of low carbon technologies	Manufacture of technologies aimed at substantial GHG emission reductions in other sectors of the economy, where those technologies are not covered in CCM activities 3.1 to 3.5 of the Annex.	• UPS with an audited methodology to calculate GHG emission reductions
CCM 3.20	Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation	Manufacture, installation, maintenance, or service of electrical products, equipment, or systems, or software aimed at substantial GHG emission reductions in high, medium, and low voltage electrical transmission and distribution systems through electrification, energy efficiency, integration of renewable energy, or efficient power conversion.	• Transmission and distribution wiring devices for wiring electrical circuits • Low voltage electrical products, equipment, and systems • SF_6-free medium voltage switchgears and control gears that increase the controllability of the electricity system • Demand response and load shifting equipment, systems, and services • Communication, software and control equipment, products, systems, and services for energy efficiency • Manufacture of variable speed drives

Activity name and code as specified in the EU Climate, Environmental and Disclosure Delegated Acts		Activity definition as specified in the EU Climate and Environmental Delegated Acts	Corresponding business activities of Schneider Electric
CCM 6.14	Infrastructure for rail transport	Construction, modernization, operation, and maintenance of railways and subways as well as bridges and tunnels, stations, terminals, rail service facilities, safety and traffic management systems including the provision of architectural services, engineering services, drafting services, building inspection services, and surveying and mapping services and the like as well as the performance of physical, chemical and other analytical testing of all types of materials and products.	• Equipment, projects, as well as modernization and maintenance services for rail transport infrastructure
CCM 6.15	Infrastructure enabling low-carbon road transport and public transport	Construction, modernization, maintenance, and operation of infrastructure that is required for zero tailpipe CO_2 operation of zero-emissions road transport, as well as infrastructure dedicated to transshipment, and infrastructure required for operating urban transport.	• Equipment, projects, as well as modernization and maintenance services for zero-emissions road transport, as well as infrastructure required for operating urban transport
CCM 6.16	Infrastructure enabling low-carbon water transport	Construction, modernization, operation, and maintenance of infrastructure that is required for zero tailpipe CO_2 operation of vessels or the port's own operations, as well as infrastructure dedicated to transshipment and modal shift and service facilities, safety and traffic management systems.	• Equipment, projects, as well as modernization and maintenance services for low-carbon port infrastructure • Equipment, projects, as well as modernization and maintenance services for electrification and efficiency of ports' operations
CCM 6.17	Low carbon airport infrastructure	Construction, modernization, maintenance, and operation of infrastructure that is required for zero tailpipe CO_2 operation of aircraft or the airport's own operations, and for provision of fixed electrical ground power and preconditioned air to stationary aircraft as well as infrastructure dedicated to transshipment with rail and water transport.	• Energy management equipment, projects, as well as modernization and maintenance services for low-carbon airport infrastructure
CCM 7.5	Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	Installation, maintenance, and repair of instruments and devices for measuring, regulation, and controlling energy performance of buildings.	• Service plans related to building management and power metering systems in buildings
CCM 8.2	Data-driven solutions for GHG emissions reductions	Development or use of ICT solutions that are aimed at collecting, transmitting, storing data and at its modeling and use where those activities are predominantly aimed at the provision of data and analytics enabling GHG emission reductions.	• Software and data-driven solutions aiming at improving efficiency in building design, planning, and construction
CCM 9.3	Professional services related to energy performance of buildings	Professional services related to energy performance of buildings.	• Technical consultations such as energy audits, simulations, and trainings • Energy management services • Energy performance contracts

Activity name and code as specified in the EU Climate, Environmental and Disclosure Delegated Acts		Activity definition as specified in the EU Climate and Environmental Delegated Acts	Corresponding business activities of Schneider Electric
WTR 1.1	Manufacture, installation and associated services for leakage control technologies enabling leakage reduction and prevention in water supply systems	Manufacture, installation, or provision of associated services for leakage control technologies that enable leakage reduction and prevention in water supply systems.	• Leakage control technologies for water supply systems
WTR 4.1	Provision of IT/OT data-driven solutions for leakage reduction	Manufacture, development, installation, deployment, maintenance, repair, or provision of professional services for IT or OT data driven solutions to control, manage, reduce, and mitigate leakage in water supply systems.	• Real-time network modeling and optimization • Leakage calculation, control, and reporting
CE 1.2	Manufacture of electrical and electronic equipment	Manufacture of electrical and electronic equipment for industrial, professional, and consumer use.	• Electrical and electronic equipment
CE 4.1	Provision of IT/OT data-driven solutions	Manufacture, development, installation, deployment, maintenance, repair, or provision of professional services for design or monitoring of software and/or IT/OT systems, built for: remote monitoring and predictive maintenance; providing identification, tracking, and tracing of materials, products, and assets to support circularity of material flows or other objectives of the Taxonomy; lifecycle performance management software supporting the monitoring and assessment of circularity performance.	• Remote monitoring and predictive maintenance systems • Lifecycle performance management software
CE 5.1	Repair, refurbishment, and remanufacturing	Repair, refurbishment, and remanufacturing of goods that have been used for their intended purpose before by a customer.	• Repairing, refurbishing, or remanufacturing products that have already been used
CE 5.2	Sale of spare parts	Sale of spare parts beyond legal obligations.	• Sale of spare parts
CE 5.5	Product-as-a-service and other circular use- and result-oriented service models	Providing customers with access to products through service models, which are either use-oriented or result-oriented services.	• Software as a Service offers

Proportion of Turnover and CapEx from Taxonomy-aligned activities

Financial year (N)	2025														
					Breakdown by environmental objectives of Taxonomy aligned activities										
KPI (1)	Total (2)	Proportion of Taxonomy eligible activities (3)	Taxonomy aligned activities (4)	Proportion of Taxonomy aligned activities (5)	Climate Change Mitigation (6)	Climate Change Adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)	Proportion of enabling activities (12)	Proportion of transitional activities (13)	Not assessed activities considered nonmaterial (14)	Taxonomy aligned activities in previous financial year (N-1) (15)	Proportion of Taxonomy aligned activities in previous financial year (N-1) (16)
Text	EUR m	%	EUR m	%	%	%	%	%	%	%	%	%	%	Currency	%
Turnover	40,152	89%	12,664	32%	29%	0%	0%	3%	0%	0%	32%	0%	0%	10,737	28%
CapEx	2,837	92%	689	24%	23%	0%	0%	1%	0%	0%	24%	0%	0%	542	22%
OpEx	2,131	NA	NA	NA										NA	NA

Proportion of Turnover from Taxonomy-aligned activities continued

Reported KPI Turnover		Turnover											
Financial year (N)		2025											
					Environmental objective of Taxonomy aligned activities								
Economic Activities (1)	Code (2)	Taxonomy eligible KPI (Proportion of Taxonomy eligible Turnover) (3)	Taxonomy aligned KPI (monetary value of Turnover) (4)	Taxonomy aligned KPI (Proportion of Taxonomy aligned Turnover) (5)	Climate Change Mitigation (6)	Climate Change Adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)	Enabling activities (12)	Transitional activities (13)	Proportion of Taxonomy aligned in Taxonomy eligible (14)
Text	Text	%	EUR m	%	%	%	%	%	%	%	(E where applicable)	(T where applicable)	%
Manufacture of renewable energy technologies	CCM 3.1	2%	108	0%	0%						E		13%
Manufacture of energy efficiency equipment for buildings	CCM 3.5	3%	716	2%	2%						E		55%
Manufacture of low carbon technologies	CCM 3.6	0%	31	0%	0%						E		100%
Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation	CCM 3.20	34%	8,196	20%	20%						E		60%
Infrastructure for rail transport	CCM 6.14	0%	47	0%	0%						E		76%
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	1%	198	1%	1%						E		98%
Infrastructure enabling low-carbon water transport	CCM 6.16	0%	43	0%	0%						E		92%
Low carbon airport infrastructure	CCM 6.17	0%	43	0%	0%						E		88%
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	1%	591	2%	2%						E		88%
Data-driven solutions for GHG emissions reductions	CCM 8.2	0%	0	0%	0%						E		0%
Professional services related to energy performance of buildings	CCM 9.3	4%	1,449	4%	4%						E		88%
Manufacture, installation and associated services for leakage control technologies enabling leakage reduction and prevention in water supply systems	WTR 1.1	0%	11	0%			0%				E		100%
Provision of IT/OT data-driven solutions for leakage reduction	WTR 4.1	1%	5	0%			0%				E		2%
Manufacture of electrical and electronic equipment	CE 1.2	39%	0	0%							E		0%
Provision of IT/OT data-driven solutions	CE 4.1	4%	1,201	3%				3%			E		83%
Repair, refurbishment and remanufacturing	CE 5.1	0%	17	0%				0%					84%
Sale of spare parts	CE 5.2	0%	0	0%				0%					0%
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	0%	8	0%				0%					100%
Sum of alignment per objective					29%	0%	0%	3%	0%	0%			
Total KPI Turnover		**89%**	**12,664**	**32%**	**29%**	**0%**	**0%**	**3%**	**0%**	**0%**	**32%**	**0%**	**35%**

Proportion of CapEx from Taxonomy-aligned activities

Financial year (N)		2025												
					Environmental objective of Taxonomy aligned activities									
Economic Activities (1)	Code (2)	Taxonomy eligible KPI (Proportion of Taxonomy eligible CapEx) (3)	Taxonomy aligned KPI (monetary value of CapEx) (4)	Taxonomy aligned KPI (Proportion of Taxonomy aligned CapEx) (5)	Climate Change Mitigation (6)	Climate Change Adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)	Enabling activities (12)	Transitional activities (13)	Proportion of Taxonomy aligned in Taxonomy eligible (14)
Text	Text	%	EUR m	%	%	%	%	%	%	%	(E where applicable)	(T where applicable)	%
Manufacture of renewable energy technologies	CCM 3.1	2%	2	0%	0%						E		4%
Manufacture of energy efficiency equipment for buildings	CCM 3.5	13%	14	1%	1%						E		4%
Manufacture of low carbon technologies	CCM 3.6	11%	321	11%	11%						E		100%
Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation	CCM 3.20	20%	298	11%	11%						E		52%
Infrastructure for rail transport	CCM 6.14	0%	1	0%	0%						E		44%
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	0%	3	0%	0%						E		81%
Infrastructure enabling low-carbon water transport	CCM 6.16	0%	1	0%	0%						E		72%
Low carbon airport infrastructure	CCM 6.17	0%	1	0%	0%						E		37%
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0%	3	0%	0%						E		85%
Acquisition and ownership of buildings	CCM 7.7	26%	0	0%	0%						E		0%
Data-driven solutions for GHG emissions reductions	CCM 8.2	0%	0	0%	0%						E		0%
Professional services related to energy performance of buildings	CCM 9.3	1%	10	0%	0%						E		45%
Manufacture, installation and associated services for leakage control technologies enabling leakage reduction and prevention in water supply systems	WTR 1.1	0%	0	0%			0%				E		93%
Provision of IT/OT data-driven solutions for leakage reduction	WTR 4.1	0%	0	0%			0%				E		2%
Manufacture of electrical and electronic equipment	CE 1.2	17%	0	0%				0%			E		0%
Provision of IT/OT data-driven solutions	CE 4.1	2%	35	1%				1%			E		72%
Repair, refurbishment and remanufacturing	CE 5.1	0%	0	0%				0%					73%
Sale of spare parts	CE 5.2	0%	0	0%				0%					0%
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	0%	0	0%				0%					95%
Sum of alignment per objective					**23%**	**0%**	**0%**	**1%**	**0%**	**0%**			
Total KPI CapEx		**92%**	**689**	**24%**	**23%**	**0%**	**0%**	**1%**	**0%**	**0%**	**24%**		**26%**

2.2.3 Social information | ESRS S1, S2, S3, S4

In this section

2.2.3	**Social information | ESRS S1, S2, S3, S4**	**188**	2.2.3.2	Sustainable relations in the value chain | ESRS S2	223
2.2.3.1	Great people make Schneider Electric a great company | ESRS S1	189	2.2.3.3	Ethical relations with affected communities | ESRS S3	234
			2.2.3.4	Consumers and end-users | ESRS S4	239

Introduction

This section presents comprehensive information on the European Sustainability Reporting Standards (ESRS) S1, S2, S3, and S4.

These standards guide the reporting on own workforce, workers in the value chain, affected communities, and consumers and users.

This section is divided in four sub-sections:

1. **"2.2.3.1 Great people make Schneider Electric a great company | ESRS S1** describes the Group's strategy to ensure it provides the best possible working experience for its employees while supporting the Group's overall business strategy. It details the positive and negative material impacts, along with the associated mitigation measures and adaptation strategies, and covers working conditions, health and safety, equal treatment, and training and skills development.
2. **"2.2.3.2 Sustainable relations in the value chain | ESRS S2"** provides information on how Schneider Electric impacts workers in the value chain, especially with regards to its suppliers' employees and contractors. It details the strategies in place to prevent or mitigate negative impacts. It addresses working conditions, health and safety, and forced labor.
3. **"2.2.3.3 Ethical relations with affected communities | ESRS S3"** specifies disclosure requirements related to the communities affected by the Group, and the ethical relations Schneider Electric has with them. It provides insights on the impacts, risks, and opportunities related to these specific relations.
4. **"2.2.3.4 Consumers and end-users | ESRS S4"** specifies disclosure requirements related to Schneider Electric's consumers and end-users. It details the impacts, risks, and opportunities related to personal safety and the overall data privacy of these consumers and end-users.

2025 highlights

163k
Average employees at the end of December 2025.

100%
Of the employees paid an adequate wage.

99%
Of the employees completed "AI for all Awareness" training.

98%
Of Schneider Electric's strategic suppliers achieved conformance in the Decent Work program.

2.2.3.1 Great people make Schneider Electric a great company | ESRS S1

2.2.3.1.1 Overall Strategy

Having committed employees is essential for the Group to perform well and to align with its strategy.

Schneider Electric's own workforce

The Group's own workforce encompasses a variety of employment contracts, catering for the dynamic needs of the organization and its global operations. The Group employs close to 160,000 people over 70 countries and works with more than 20,000 non-employees.

This diverse contractual and country landscape enables Schneider Electric to maintain a robust and responsive own workforce, aligned with the Company's strategic objectives and operational excellence.

Read more about the employee definition in the **section 2.2.5.1 CSRD Methodologies**

Link between strategy and the impact, risks, and opportunities

The Group's ability to attract, develop and retain talent with critical skills is fundamental to its strategy and business model.

As it expands globally and advances digital transformation, the Group prioritizes creating optimal working conditions to secure top talent in technology, software, services, sustainability, supply chain, and electronics.

The Group's balanced multi-hub footprint is a strategic asset for talent attraction and retention, providing ample career development and opportunities for local and regional talents. In response to the rapidly evolving "next normal", the Group is accelerating employee skills development and preparing leaders to foster human connections in an increasingly digital environment. This focus on training and skills development is essential to mitigate skill gaps, enhance organizational agility, and sustain a competitive edge.

The Group's strategy relies on its ability to attract talent at all levels, which is crucial for executing the Group's strategy and fostering innovation for customers.

Schneider Electric is mindful of the potential workforce impacts its strategy has. The Group recognizes the opportunities for job creation and the reskilling or upskilling of its workforce in alignment with its sustainability objectives. Through careful planning and execution of its transition strategies, the Group aims to balance its environmental commitments with the well-being and development of its workforce.

2.2.3.1.2 Working conditions

Impacts, risks, and opportunities

	Working conditions
Negative impact	**Affect the mental and physical health of employees**
Negative impact	**Excessive working hours and poor work-life balance**
Positive impact	**Contribute to the physical and mental health of employees**

The worldwide context with climate change challenges, geopolitical issues, and technology has accelerated the need for employees' well-being and resilience. Schneider Electric firmly believes that well-being generates performance and performance generates well-being.

Well-being can be a unique competitive advantage if tackled properly. Schneider has identified three main risks around those topics:

- Poor working conditions may result in psycho-social risks, endangering performance and productivity.
- Market research shows that well-being at work is on a persistent decline, hitting minority groups harder.
- Employee engagement, performance, and retention are at risk when employee well-being is deteriorating.

On the flip side, the opportunities are huge when inclusion and care are by design in all processes and behaviors:

- Figures on stress and psychological risks, from Ecole du Stress shows that for every EUR 1 invested in well-being prevention programs and practices, a company saves EUR 2.2.
- A study from Forbes ("The Future of Work Depends on Supporting Gen Z") shows that overall, inclusion and well-being are strong drivers of attraction and retention among all generations, especially the younger ones.

Schneider Electric defines its strategy taking into consideration those risks and opportunities, internal and external trends, insights and feedback from leaders and employees, and its desire to continue nurturing an inclusive and caring environment. Since 2020, the Trust Charter included a chapter on well-being and new ways of working, highlighting behaviors expected from managers and employees. The Group fosters a culture of psychological safety where employees can disclose mental health needs without stigma and access tailored support. Schneider Electric's approach includes flexible working arrangements, Employee Assistance Programs, and trainings to ensure adjustments are implemented consistently and respectfully.

The Group has answered to these impacts, risks and opportunities through five axes :

- Working organization
- Compensation and benefits
- Responsible workplace
- Social dialogue
- Adequate wage

The main characteristics of Schneider Electric's employees are displayed in the last section

Working organization

Policies

Global Family Leave Policy

As a caring, inclusive, and responsible employer, Schneider launched its Global Family Leave Policy along with care leave in 2017. Through its policy, the Group supports employees with personal time at critical life stages and empowers everyone to manage their "unique life and work" to enable them to be at their best.

In 2023, the Group globally deployed the updated Global Family Leave Policy for all employees, where parental and care leave were increased. While countries have flexibility to define eligibility and policy details per statutory and/or market requirements, the policy establishes a global minimum standard for paid family leave.

Additional to the Group's Global Family Leave Policy and, in support of global standards and local empowerment, back-up family care benefits are offered in some countries to assist employees with family care needs when they experience disruption'in regular care arrangements. In the absence of a Group-level back-up family care policy, the Group highlights examples of back-up family care benefits that are offered at the country level.

Globally, the Group also offers an Employee Assistance Program with coverage in over 96% of its operating countries which provides additional support and resources for mental well-being and family care.

Beyond the Global Family Leave Policy and Employee Assistance Program, some countries where Schneider Electric operates provide support in the form of on-site childcare facilities, childcare contributions, and breast-feeding and lactation benefits.

The policy is accessible to employees via the intranet and has been approved by the Chief Human Resource Officer, reviewed by the Senior Vice-President Total Rewards & Performance, with policy ownership by the Vice-President, Total Rewards & Performance Innovation & Strategy.

Global Family Leave

Care for employees and supporting their unique work and life

Parental *(primary)*	Parental *(secondary)*	Care	Bereavement
20 weeks paid	4 weeks paid	2 weeks paid	1 week paid, with immediate family defined by country

Establishing Global Minimum Standards and Local Empowerment

Local adaptability is possible! Proofpoint: the definition of Immediate Family

Flexibility@Work Policy (Flex@Work)

Schneider Electric's Global Flex@Work Policy creates a global standard for flexible work arrangements, defined for all employees in terms of location and time. It also includes specific modalities for certain roles such as sales and shop floor.

1. Flex Location: Hybrid (in their country of work, if role allows), with number of days working remotely defined locally.
2. Flex Time: Flexible schedule (depending on role); Volunteering. The policy also acknowledges and reinforces the right to disconnect, with flexibility modalities and working time tracking Group standards, allowing rest and disconnect.
3. Optional pathways can be defined locally according to each country's maturity on the topic and to remain competitive and tailored to work profiles (e.g., shorter Fridays, returnship programs, compressed week).

The global Flex@Work framework, introduced in response to feedback in the Group's 2020 global employee survey, empowers employees to balance professional and personal responsibilities. The policy addresses hybrid work holistically, providing employees with support and resources for their productivity as well as their mental health, acknowledging the clear link between mental health and work-life integration. The policy also accompanies the broader shifts of a global, digital, and ever-changing environment, and contributes to a more agile, inclusive, empowered, and trusting Group culture.

The policy is approved by the Group's Chief Human Resources Officer and owned by the head of the Inclusion & Care team who is responsible for its implementation across the organization. There are no applicable international standards to align the policy with.

Action plans

Mental health and well-being

Built on a foundation of trust and respect, Schneider Electric continuously implements and improves its policies, education, and practices to support employees and respect their unique lives and ways of working. Schneider Electric is committed to creating a workplace where mental health is openly discussed and supported without stigma. The organization actively promotes conversations about emotional and psychological well-being and encourages employees to seek help when needed. Through global awareness campaigns, leadership engagement, and sharing real employee stories, the organization normalizes discussions around mental health and demonstrates that seeking support is a sign of strength. Schneider Electric's annual employee engagement survey includes questions on well-being, psychological safety, and work-life balance. As per the survey, 76% of employees feel that the organization actively looks after the well-being of its employees (+10 points vs. baseline year 2019) and 81% of employees say that they have the flexibility to modify their work arrangements as needed. These numbers help the organization understand the impact of its policies and actions as well as help inform the future actions.

Schneider Electric's global campaigns, such as Mental Health Awareness Month, feature employee-led sessions and storytelling to foster openness and reduce stigma. Local Employee Resource Groups and well-being champions play a key role in shaping programs that reflect cultural and regional needs. The Group also adapts the mental health programs to local contexts. In 2025, multiple sessions were organized globally and regionally for the Mental Health Awareness Month, where over 7,000 employees participated in the campaign.

A volunteer-based global mindfulness team holds annual events to support employees. These mindfulness practice sessions are held in multiple languages for the employees. In 2025, 62 mindfulness practice sessions were organized, in English, Spanish, and French by internal trainers. The organization's financial well-being campaigns provide employees with tools and education to manage personal finances confidently, reducing stress and supporting mental health. By integrating fair pay and financial wellbeing into the organization's Care & Smart Work strategy, a foundation for psychological safety, engagement, and sustainable performance is created. In December 2025 the organization delivered a global webinar about financial well-being from wallet to workplace.

The organization is committed to equip its people with the skills to support mental health in the workplace. The organization provides training for dedicated individuals through programs such as the UK Mental Health First Aider initiative and the India Lean In program, creating local champions who can offer guidance and support.

Mental health support

Mental health is a vital aspect of Schneider Electric's overall Inclusion & Care strategy. Schneider Electric integrated mental health into its global well-being's focus in 2019, and has provided all employees with a playbook, and series of trainings (available in multiple languages) on how to manage mental health challenges. In 2025, "We All have Mental Health", an e-learning module focused on what mental health means, and how to recognize the signs of mental health challenges and act, ranked among the top five most completed non-mandatory trainings by new hires. In addition, employees have access to Employee Assistance Programs in most regions. The organization complements this with digital well-being platforms, local counseling services, and global awareness campaigns to normalize conversations around mental health.

Support employees with cancer and chronic diseases

In 2023, Schneider Electric joined the #WorkingwithCancer foundation, launched at the World Economic Forum in Davos. An internal pledge was published in March with sponsorship from the CEO, in addition to participation in best-practice survey and data collection. In 2024, Schneider deployed a one-stop shop on benefits and education resources related to cancer in the top 12 Schneider Electric countries.

Other examples of global and local practices

A new real estate workplace guidebook was launched in 2024 including a dedicated chapter for inclusive and welcoming workplaces mandating key principles of inclusion and care (accessibility, healthy food, wellness room, health care on site, gender-neutral lactation room, and more).

The Group also has dedicated programs to educate and support employees on new, smarter ways of working, mindfulness in the workplace, and working in a hybrid world.

Schneider Electric has implemented many services at its sites throughout the world (gym facilities, concierge, creativity rooms, cultural events, mindfulness activities, back-up dependent care, lactation rooms, and more) to support all employees' mental load, energy recovery, and overall resilience.

Schneider Electric has long supported the personal and professional development of its employees by enabling the balance of external commitments with professional responsibilities. In France, this commitment is reflected in initiatives such as the 2022 agreement with the Ministry of the Interior in support of Volunteer Firefighters and the signing of the ProMilès manifesto in 2024. In 2025, the Group further strengthened its engagement through the introduction of specific measures for operational reservists (military, gendarmes and police officers) and for the spouses of personnel mobilized in the context of national defense.

Compensation and benefits

Policy

Schneider Electric ensures its diverse global workforce is treated in a fair and ethical way which affirms its position as an Impact Company. Its inclusive reward portfolio expands beyond pay and is a meaningful mix of compensation, benefits, development, and workplace environment. It is designed to cater to the diverse needs of its professionals, fostering inclusivity, empathy, support, and well-being with fairness and equity.

The Group provide a comprehensive portfolio of benefits that support employees at every life stage. These benefits offer meaningful choices across well-being, flexibility, and financial protection, ensuring peace of mind for employees and their dependents.

All policies, compensation and benefits decisions adhere to principles of inclusion and care, and comply with local statutory and collective agreements. Benefits are tailored to local contexts, ensuring compliance with social, tax, and legal regulations, while remaining market relevant. The Group benefits portfolio is primarily country-driven, aiming to provide consistency within each territory.

Schneider Electric is committed to delivering best-in-class compensation and benefits, in a fair and equitable way. This commitment is essential to achieving the Group's objectives and to mitigating risks.

The implementation of Group policies on compensation and benefits is overseen by global, regional, and local reward organizations, to ensure compliance with local laws and regulations.

Global compensation and benefit standards and policies are accessible to employees via the intranet and have been approved by the Chief Human Resource Officer, reviewed by the Senior Vice-President, Total Rewards & Performance, with policy ownership held by the Vice-President, Total Rewards & Performance Innovation & Strategy.

Action plans

Career architecture and compensation process

Schneider Electric has a global career architecture to support HR processes and programs and to enable Schneider Electric to engage, develop, and move talent across different businesses and geographies. The career architecture aligns to the Group's organizational structure and to market practices to ensure the reward package offered for a role is fair and competitive. This architecture serves as the foundation towards greater transparency on career development and progression.

Pay competitively and pay-for-performance

Schneider Electric aims to reward its global workforce based on the impact of their performance, potential, skills, and contribution to others' success.

Schneider Electric employees are encouraged to seek, give, and receive feedback, empowering them to take ownership for driving their individual impact. Managers are encouraged to have routine meaningful conversations throughout the year that include coaching, feedback, and recognition with the constant revisit of goals and priorities. Individual performance is assessed in a fair and objective manner based on the impact across three dimensions:

- Individual achievements,
- Behaviors in alignment with IMPACT Values,
- Contribution to others' success.

For most employees, compensation structures include fixed and variable (incentive) elements. Compensation programs and decisions are based on individual performance and behaviors, Company performance, and competitive market positioning in alignment with the Group's pay-for-performance philosophy.

Short-term incentive plan

The annual Short-term incentive plan (STIP) balances the overall Group performance and individual performance. It is designed to encourage and motivate employees to turn ambitious targets into action and embrace the values of the Group. It aims to make an impact together and achieve the collective ambition of becoming an energy technology leader. With a strong sustainability component included, annual short-term incentives for the Group's executives and plan-eligible employees - overall over 80,000 plan-eligible employees - reinforce Schneider Electric's commitment to be a trusted partner in sustainability and efficiency.

To review the Group's commitment to profitable growth, a new sales over-performance condition has been added. If the STIP target for organic adjusted EBITA margin improvement is not achieved, then the STIP Group organic sales growth achievement is capped at 100%.

To promote a strong sales culture where salespeople go above and beyond to help customers make the most of their energy and resources, bridging progress and sustainability, Schneider Electric offers levels of differentiated reward for sales employees to enhance motivation and results focus.

The Short Term Incentive Plan policy is accessible to employees via the intranet and has been approved by the Chief Human Resource Officer, reviewed by the Senior Vice-President Total Rewards & Performance, with policy ownership by the Vice-President, Total Rewards & Performance Innovation & Strategy.

Long-term incentive plan

Schneider Electric's Long-term incentive plan (LTIP) offers share ownership opportunities to the Group's key talents and critical roles to align their rewards with the interests and expectations of Schneider Electric shareholders. Mirroring the framework for short-term incentives, a portion of the award is subject to the achievement of sustainability objectives.

Read more on the Long-term incentive plan in **section 4.2.5** of Chapter 4

Global benefit standards

Schneider Electric regularly reviews compliance with its global benefit policies and principles to ensure that its inclusive global benefit standards are delivered for all employees. These policies and standards cover access to healthcare, retirement and savings, paid and unpaid leaves, and insurance on accident and life.

One of Schneider Electric's underlying benefit objectives is to ensure all its employees are equipped to manage their basic health and well-being and to provide adequate security to both employees and their dependents. The Group is committed to providing employees access to a well-being at work program – translated into a dual standard of access to healthcare and well-being training programs. It also provides access to an inclusive and comprehensive standard of healthcare coverage (outpatient, hospitalization, key health risks/chronic conditions, maternity, children) defined by local regulations and employment agreements.

In addition, the Group commits to provide financial security to employee dependents, in the event of an employee's death, in the form of a minimum standard of life insurance coverage of at least a multiple equivalent to one year's salary.

Global recognition program

The global recognition program – first launched in 2016 – gives employees a unified digital experience to formally recognize and celebrate people who consistently demonstrate the Group's IMPACT Values and go above and beyond. Schneider Electric fosters a culture where employees give and receive regular feedback and coaching from their managers and colleagues and encourages the recognition of small and big achievements. The employees come together on the portal to celebrate meaningful career milestones, including Years of Service anniversary, new joiner welcome, and respectful retirement card.

Employee share ownership plan

The Worldwide Employee Share Ownership Plan (WESOP) is one of the Group's key annual reward programs, offering employees across the globe the opportunity to become shareholders of the Company under preferential conditions.

WESOP is deeply embedded in the Group's culture, serving as both a cultural and reward differentiator with a positive impact on employee engagement, attraction and retention. Over the years, Schneider Electric has strengthened and expanded this program to foster a sustainable base of employee shareholders that reflects the diversity of its workforce, reinforces the sense of belonging, and aligns employees with the Company's performance and shared success. In this context, WESOP forms part of the Group's sustainability commitments under its 2025 roadmap (SSE #19).

As part of SSE #19, Schneider Electric committed to achieving a 60% subscription rate among eligible employees in the annual WESOP by 2025, positioning the program as a key driver of SSE. The scope covers 28 recurring participating countries, among the 47 countries involved, representing 88% of the eligible headcount. WESOP has delivered strong performance: starting from a 53% subscription rate in recurring countries in 2019, the program surpassed its 60% 2025 ambition in 2021 and has consistently maintained this momentum, reaching 62.8% this year.

At the Group level, WESOP was successfully launched in 47 countries in 2025, achieving a subscription rate of 60.4%, consistent with 2024. India and China significantly outperformed with subscription rates above 80%, together accounting for approximately 31% of total subscriptions in the 2025 capital increase.

As of December 31 2025, employee shareholding represented 3.3,% of Schneider Electric's share capital and 5.9% of voting rights. 81% of employee shareholders were located outside France, including 13% in China, 16% in India, and 10% in the United States. These figures also include employee shareholding through long-term incentive plan allocations.

Responsible workplace

Employee engagement process

The employee listening program plays a vital role in fostering a culture where every voice matters at Schneider Electric. Central to this program is the employee engagement survey, where employees are invited to share their honest feedback and which measures several key drivers, including well-being, inclusion, recognition, and empowerment.

The insights gathered provide a deeper understanding of employees' perspectives, highlighting both strengths and opportunities for growth. This serves as the foundation for action planning across the organization. Leaders are guided to co-create with their teams, fostering ongoing dialogue and shaping a workplace that is responsive, inclusive, and future-ready.

This process also contributes to the impacts, risks, and opportunities mentioned in the beginning of this chapter.

Action plan

Supported by a global network of engagement partners and HR business partners, each year managers communicate results to their teams and formulate impactful action plans to drive change.

Several initiatives are implemented to empower managers:

- Manager journey defined through three phases: Assess (understand team results), Huddle (share results and collaborate on focus areas), and Act (finalize and implement action plan).
- Manager Report and Dashboard Toolkit, enabling managers to quickly share results with their teams.
- Action planning guide and communication templates for consistency and efficiency.
- Inspiration through sharing the experiences and learnings of other managers.
- Dedicated manager results dashboard, with guiding content and reminders of key next steps.

An example of listening in action comes from the teams in China, responding to requests for more digital and AI skills, and career development support. Key actions included AI capability-building initiatives, clearly defined competency models, and a dedicated AI corner for learning resources.

Target

Schneider's ambition is to reach 75% engagement score by the end of 2025 (SSE #24).

2025 highlights:

- Ambition achieved: 75% employee engagement score, as assessed in the 2025 survey (+2 points compared to 2024),
- High response rate of 89% (with 129,543 responses, which represents 7,738 more answers than in 2024),
- The top two scoring drivers indicate that employees feel empowered (82%) in their work, and benefit from flexible work arrangements (81%),
- Recognition (60%) and collaboration (61%) noted as two lowest scoring drivers requiring continued focus,
- 80% of the employees agree on the positive impact of the action plans around engagement and 43% of the managers have access to team level results.

The survey includes two open-ended questions, where employees can submit their comments on what makes them proud to work at Schneider Electric and what they identify as areas of improvement.

Through these comments, employees have expressed pride in being part of an inclusive culture while delivering innovative and sustainable solutions for customers. They benefit from flexibility, well-being support, and a strong sense of purpose, along with time for learning and development.

Also identified were opportunities to further strengthen cross-functional teamwork through enhanced communication, in addition to implementing simplified workflows and smarter tools for greater efficiency.

Social dialogue

Policy

Social dialogue and freedom of association at Schneider Electric are fully embedded in the wider context of its inclusion culture, ethics, and social responsibility. As a global company, Schneider Electric believes that its responsibility goes beyond compliance with local and international regulations and is therefore committed to conducting its business ethically, sustainably and in a responsible manner. Ambitioning to be one of the most local of global companies, the Group acknowledges that, as its borders are expanding, its activities and impacts are not only local but also global, therefore its social responsibilities are growing.

In the context of transformative growth, it is the Company's ambition to maintain the highest confidence and engagement from all employees, sharing vision and getting insights directly from employees, or through their representatives, depending on the legal framework, to ensure a fair two-way dialogue everywhere. Policies and agreements in place define the framework for this two-way dialogue.

In addition, social dialogue at Schneider Electric includes a continuous listening culture with the annual survey "OneVoice", sent to all employees, allowing them to share their feedback on a voluntary basis, on key topics related to their workplace and experience appreciation.

In its Trust Charter (Schneider Electric's Code of Conduct), Schneider Electric commits to follow all the requirements to build and sustain fruitful and mutually beneficial relationships between labor organizations and management, in accordance with local regulations, in every country where it operates. In its Group Human Rights Policy, Schneider Electric reaffirms those principles as the basis for a regular dialogue between management and employees. To that purpose, Schneider Electric respects the individual right of its employees to freely join, participate in, or quit labor organizations to assert and defend their interests.

Read more in **section 2.2.1.1.3** on **pages 106 to 114**

Read more on the Human Rights Policy in **section 2.2.3.2.2 on page 224**

Subsequently, Schneider Electric guarantees that any employee wishing to do so, shall be protected against any internal measure limiting his or her freedom of association, such as discrimination of any kind, pay loss, or dismissal.

In case of any issue, employees are encouraged to report, using the internal reporting tool for unethical behavior or misconduct, called the "Trust Line", available 24 hours a day, 7 days a week.

Schneider Electric also values the importance of dialogue with freely appointed employee representatives, employee representative bodies (e.g., works councils or employee forums), or organizations (trade unions), and supports collective bargaining. In addition, to provide multi-cultural social dialogue on transnational projects, the top level of leadership is engaged: both the Company's Chief Executive Officer and the Chief Human Resources Officer meet the European Works Council (EWC) members each year in person and the seat of EWC Chairperson is held by the HR Senior Vice-President in charge of Europe (that represents the largest organization of Schneider Electric in terms of number of employees), demonstrating Schneider Electric's strong involvement in that two-way dialogue.

Action plan

Social dialogue at Schneider Electric is managed at country level by HR leaders with the employee representative bodies and/or unions, in compliance with local legislations.

On transnational topics, engagement with employee representatives from European countries is described in the agreement signed in 2014. It contains engagement rules for the information, consultation and participation of Schneider Electric employees and representatives in Europe, the composition of the EWC (which comprises employee representatives covering European Economic Area countries, with the addition of the UK and Switzerland), the various roles of its members (Chairperson, Core Council, Secretary, plenary members) as well as the cadence of engagement, i.e. the yearly meeting with the plenary members, in addition to the quarterly meeting with the Core Council, as per circumstances. Each year, the level of participation from top leaders of the Company, as well as the strong participation rate of all employee representatives from Europe, demonstrates common interest in this dialogue.

Schneider Electric recognizes the importance of involving employee representatives in the Company's decision-making process, thus reaffirming its intention to provide regular, efficient, multi-cultural, and innovative social dialogue at the European level, considering the voice of employees on the transnational projects, related to the Group's development, to people, to economic, financial, and social strategies at European level.

In addition, Schneider Electric joined the Global Deal initiative in 2017, which promotes social dialogue and sounds industrial relations, as effective means for achieving decent work and inclusive growth.

Since 2021, social dialogue has been included in the Group's social reporting on Decent Work. Local Human Resources teams report on a yearly basis on the presence of employee representation bodies in their countries and the percentage of employees covered by collective agreements.

Social dialogue at European level

In the last years, Schneider Electric has enhanced the intensity and the impact of social dialogue at European level, inviting top-level of management to contribute to social dialogue, to present in person their business strategy, and to make decisions.

The Group strengthens contributions of the EWC members on strategic topics through active workshops for reflection and ideation, namely for the evolution of the Company's Disability & Inclusion strategy and the deployment of the Global Senior Talent program. EWC members were also involved in the next steps of the Duty of Vigilance. Presentations and updated were also shared to gain member's feedback on the importance of AI for the Company, its customers, and people.

Social dialogue in France

In 2025, Schneider Electric negotiated and signed in France more than 20 collective bargaining agreements that are now mainly negotiated at Group level, so that they can benefit to all French employees, regardless of their employing entity. These collective agreements apply in various areas (rewards and benefits, disability at work, gender equity, etc.). Then, through the renewal of disability at work provisions, the Group reaffirms its commitments to strengthen employment of workers with disabilities with concrete actions including recruitment, integration, job retention, and shared awareness on the topic. This relies on structured governance, sector partnerships, and a dedicated budget to ensure inclusive and sustainable governance across French entities. In 2025, Schneider Electric Industries and Schneider Electric France employees renewed all works council members, with over 11,500 employees electing representatives in November.

Social dialogue in the United States

A regular two-way communication is maintained in the United States with both union and non-union teams to share key business updates and gather employee feedback.

Across both union and non-union sites, the Company remains committed to develop key competencies, enhance digital acumen, and foster a safe and respectful workplace.

These priorities are supported by initiatives such as:

- Ethics delegates to promote a speak-up culture;
- Workshops to strengthen positive employee and labor relations;
- Learning corners, aligned with personal interests and professional growth;
- Enhanced digital communication, enabling more efficient site-level and Company-wide communication;
- International campaigns, on-site events, discussion groups, and trainings focused on trust, inclusion and care.

Social dialogue in Mexico

In 2025, in respect of Mexican laws, Schneider Electric reviewed with employee representatives and unions four collective bargaining agreements, including the voting process of 11,776 unionized employees in eight locations, in addition to annual salary negotiations, impacting three sites.

Social dialogue in China

Schneider Electric in China continues to drive a robust culture of social dialogue across 30 legal entities and 100 locations. In 2025, the Group deepened this commitment by establishing a multi-tiered dialogue framework to ensure every employee has a voice.

The Group sustained regular listening through the annual employee survey; all inputs are systematically analyzed to identify key focus areas. Furthermore, the union convened the 2025 Employee Congress, attended by 130 delegates, providing transparency into a five-year union performance and financial results, facilitating the discussions on well-being proposals, and including the election of a new union committee. At plant level, the "Ohno Circle" initiative further embedded dialogue into daily operations, enabling shopfloor employees to voice their observations, which has led to the identification of 13,888 improvement points in safety and quality.

This dialogue is translated into tangible outcomes; integrated teams from Human Resources, local management, and the union collaborate to turn employee feedback into concrete actions, which range from technical career paths building to digital employee experience enhancements. There are also other actions such as workplace accessibility upgrade and well-being webinars.

Beyond the work environment, the dialogue is extended to employees' families through "Family Day" and "SE Next Generation" events, involving over 3,700 participants across five cities in sustainability-themed activities such as tree planting and disability inclusion.

Social dialogue in India

In India, Schneider Electric continues to build a strong culture of open and respectful communication will all the employees, unionized and non-unionized, with no discrimination.

Across manufacturing plants and office locations, the Company maintains peaceful and harmonious industrial relations through continuous engagement and structures dialogue. These discussions are held with unions and employee committees. Topics such as salary, medical benefits, and workplace conditions are addressed and resolved through mutual dialogue.

In locations without formal unions, management actively engages with the elected employee representatives. These representatives are part of committees such as the Works Committee / Welfare Committee, which focuses on employee welfare. The Company has also set up active committees for Health & Safety, Canteen, Sports, and Transport.

Special emphasis is placed on the well-being of women employees through dedicated forums. The Prevention of Sexual Harassment (POSH) Committee fully complies with legal requirements and includes both internal members and external legal experts. This ensures a safe, respectful, and inclusive work environment for all.

Collective bargaining coverage and social dialogue

	Collective Bargaining Coverage		Social Dialogue
Coverage Rate	**Employees – EEA**	**Employees – Non EEA**	**Workplace Representation (EEA only)**
80–100%	Austria Belgium Czech Republic Finland France Germany Greece Hungary Italy Norway Poland Portugal Spain Sweden		Austria Belgium Bulgaria Croatia Czech Republic Denmark Finland France Germany Greece Hungary Ireland Italy Latvia Lithuania Netherlands Norway Poland Portugal Romania Slovenia Spain Sweden
60–79%			
40–59%		Asia Pacific	
20–39%	Denmark	North America Rest of the world	
0–19%	Bulgaria Croatia Estonia Ireland Latvia Lithuania Netherlands Romania Slovakia Slovenia	Western Europe[1]	Estonia Slovakia

A survey was launched to HR Leaders in each country around the world. Each legal entity within the scope of the sustainability statements (CSRD) provided data on Employee Representation and existence of collective bargaining agreements. This information was cross-checked internally with a newly created field on Collective Bargaining Agreement (CBA) coverage in the Group's global HR tool. In the calculation process, local labor regulations in several countries were also taken into account to simplify and verify the accuracy of the data collected. Based on consolidated global data, around 52% of the Schneider Electric employees are covered by collective bargaining agreements and 84% are represented by workers' representatives, further strengthening two-way dialogue. The change compared with last year reflects improved data quality rather than any underlying shift in non-EEA countries.

Additionally, as per collected data from EEA countries:

- Around 90% of the employees at Schneider Electric are covered by collective bargaining agreements, against 91% in 2024.
- Around 98% of total employees are represented by employee representatives locally.

Low representation in some EEA countries is linked to countries with small headcounts. However, in all EEA countries where Schneider Electric operates, each country with more than 150 employees has at least one seat at the EWC to represent and voice employees' views (as per 2014 EWC agreement). In addition, as per same EWC agreement, UK and Switzerland have employee representatives at EWC.

At global level, as per the Global Human Rights Policy, Schneider Electric protects freedom of association and values social dialogue with employee representatives, in respect of local rules. Global standards are being defined to go further in all the countries where the Group operates. This comes in addition to the listening culture (One Voice annual employee survey), the internal whistleblowing platform on potential unethical issues (Trust Line), and the existing Decent Work program for the employees of the Group.

(1) Western Europe countries not in the EEA, meaning United Kingdom and Switzerland

Adequate wage

Policy

Schneider Electric firmly believes that earning a living wage is a fundamental human right and an essential element of decent work. This commitment is included in the Human Rights Policy and Trust Charter, guiding the efforts of the Group to ensure that all employees receive at or above a living wage to meet their families' basic needs which include food, housing, sanitation, education, healthcare, clothing, transportation, and communication plus discretionary income for a given local standard of living.

Schneider Electric conducts annual living wage gap analysis since 2018. Starting in 2021, the Group committed to paying 100% of employees at least a living wage as part of Schneider Sustainability Essentials (SSE #20). The SSE #20 reporting protocol is accessible to employees via the intranet and has been approved by the Senior-Vice President, Total Rewards & Performance. The company works with the expert consultant Fair Wage Network to ensure compliance. An external company provides limited assurance to ensure year-over-year compliance with this commitment.

The living wage standards are also described in the Human Rights Group Policy. The policy is accessible to employees via the intranet and has been approved by the Chief Executive Officer, reviewed by Chief Sustainability Officer, Chief Governance Officer & Secretary General, Chief Human Resources Officer and Executive Vice President Global Supply Chain with policy ownership by Senior Vice President Corporate Citizenship & Institutional Affairs.

Action plan

Collaborating with Fair Wage Network since 2022 allowed the Group to improve geographical coverage, develop a dynamic web-based living wage benchmark, and initiate an independent review and certification of the living wage gap analysis. Schneider Electric was certified in March 2024, by the Fair Wage Network, being qualified as a "Living Wage Employer" for a second consecutive time, valid until December 31, 2025. To measure compliance with the living wage, a gap analysis is conducted every year post salary review for all our Schneider Electric employees treated as permanent workforce. All employees employed by fully integrated entities, with open-ended or fixed-term contracts, whether full-time or part-time, are considered part of the permanent workforce.

In 2025, living wage benchmarks were integrated into the Group's "Fair Pay Simulator," making it more accessible and user-friendly for the HR community. While the tool now includes living wage benchmarks data, its primary purpose remains to simulate compensation offers in a way that is market competitive and fair by preventing pay gap creation. It supports key HR processes such as promotions and salary adjustments.

Targets and metric

Cycle	Targets[1]	Details
2021-2025	SSE #20	Pay 100% of our employees at least a living wage
2026-2030	Out of Sustainability Impact 2030	100% of employees are paid at least a living wage

As part of its commitment to SSE #20, the Group has conducted an analysis. Identified living wage gaps were closed during the year, ensuring all employees receive a living wage and that no new gaps emerged. The definition of adequate wage used for the sustainability statements (CSRD) is the same as the one mentioned in the Policy section above. On December 31, 2025, the compliance rate for all Schneider Electric's employees to receive an adequate wage was 100% within the scope of both SSE #20 and the sustainability statements (CSRD). The Group is maintaining the same ambition for 2030.

Read more on the methodology of SSE in section 2.4.1.2 on **pages 320 to 325.**

(1) For more information about the differences between the 2021-2025 cycle and the sustainability statements (CSRD) entity scopes, please refer to **section 2.2.1.**

Characteristics of Schneider Electric's employees

Number of employees (head count)	2025	2024
Total employees by gender	**159,844**	**159,002**
Female	54,716	54,680
Male	105,031	104,291
Other	26	13
Not reported	71	18

Country (top 20)	2025	2024
Australia	2,484	2,390
Brazil	1,619	1,544
Canada	2,679	2,590
China	16,784	16,378
Egypt	1,414	1,640
France	15,244	15,131
Germany	5,667	5,371
Hungary	2,498	2,375
India	24,460	22,663
Indonesia	2,933	2,890
Italy	3,481	3,310
Mexico	15,968	19,380
Philippines	3,136	3,189
Poland	2,545	2,483
Singapore	1,519	1,621
Spain	4,958	4,796
Sweden	1,260	1,282
Thailand	1,257	1,349
United Kingdom	4,660	4,710
United States	24,908	23,759

Average number of employees (head count) [1]	2025	2024
Total employees by gender	**161,777**	**157,275**
Female	55,485	53,814
Male	106,196	103,437
Other	20	10
Not reported	76	14

Country (top 20)	2025	2024
Australia	2,504	2,381
Brazil	1,951	1,527
Canada	2,680	2,553
China	16,583	16,463
Egypt	1,546	1,632
France	15,193	15,060
Germany	5,652	5,384
Hungary	2,499	2,368
India	23,669	22,202
Indonesia	2,983	2,808
Italy	3,428	3,300
Mexico	17,964	18,911
Philippines	3,167	3,142
Poland	2,529	2,474
Singapore	1,566	1,616
Spain	4,976	4,785
Sweden	1,263	1,269
Thailand	1,292	1,354
United Kingdom	4,687	4,688
United States	24,778	23,213

(1) The average number of employees is also presented in the note 25 (page 540) of **section 5.5 Notes to the consolidated financial statements**, and in the introduction of this section. The difference between the two figures is explained by a different reporting scope (see **section 2.2.1.3 Basis for preparation** for more details).

Number of employees (head count) by gender & contract type	2025	2024
Total employees	**159,844**	**159,002**
Permanent employees	*147,631*	*145,649*
Female	49,619	49,241
Male	97,910	96,376
Other	26	13
Not reported	76	19
Temporary employees	*12,153*	*13,254*
Female	5,070	5,390
Male	7,080	7,862
Other	0	0
Not reported	3	2
Non-guaranteed hours employees	*60*	*99*
Female	22	48
Male	38	51
Other	0	0
Not reported	0	0
Full-time employees	*156,399*	*N/A*
Female	52,706	N/A
Male	103,607	N/A
Other	26	N/A
Not reported	60	N/A
Part-time employees	*3,445*	*N/A*
Female	2,009	N/A
Male	1,424	N/A
Other	0	N/A
Not reported	12	N/A

Number of employees (head count) by region & contract type	2025	2024
Total employees	**159,844**	**N/A**
Permanent employees	*147,631*	*N/A*
Asia Pacific	45,444	N/A
North America	43,508	N/A
Western Europe	40,363	N/A
Rest of the world	18,316	N/A
Temporary employees	12,153	N/A
Asia Pacific	10,786	N/A
North America	200	N/A
Western Europe	534	N/A
Rest of the world	633	N/A
Non-guaranteed hours employees	*60*	*N/A*
Asia Pacific	0	N/A
North America	0	N/A
Western Europe	60	N/A
Rest of the world	0	N/A
Full-time employees	*156,399*	*N/A*
Asia Pacific	56,101	N/A
North America	43,448	N/A
Western Europe	38,038	N/A
Rest of the world	18,812	N/A
Part-time employees	*3,445*	*N/A*
Asia Pacific	122	N/A
North America	268	N/A
Western Europe	2,918	N/A
Rest of the world	137	N/A

Distribution of employees (percentage) by age group	2025	2024
Over 50 years old	21%	20%
Between 30 and 50 years old	60%	59%
Under 30 years old	19%	21%
Total Employees	100%	100%

Contextual information to understand employee data

In 2025, Schneider Electric's overall headcount remained stable, reflecting a disciplined focus on operational excellence and scalability. The Group has continued to expand talent hubs in India and the US to strengthen leadership in electrification and digitalization, while making slight adjustments in Mexico to enhance regionalization and cost competitiveness.

In 2025, 22,527 employees left the company, resulting in a turnover rate of 13.9% which was a slight increase in comparison to 12.6% in 2024. This is indicative of the Group's continued transition towards a high-performance culture centered on efficiency and sustainability.

2.2.3.1.3 Employee health and safety

Context

Health and Safety is a foundational pillar of Schneider Electric's Trust Charter. It enables the Group to maintain its license to operate for all its activities, and to earn the trust placed in Schneider Electric by employees, customers, contractors and stakeholders.

Schneider Electric's ambition is to provide a safe and healthy environment for all its employees, so they can perform to their full potential, positively impact the safety of the customers, and return home safely.

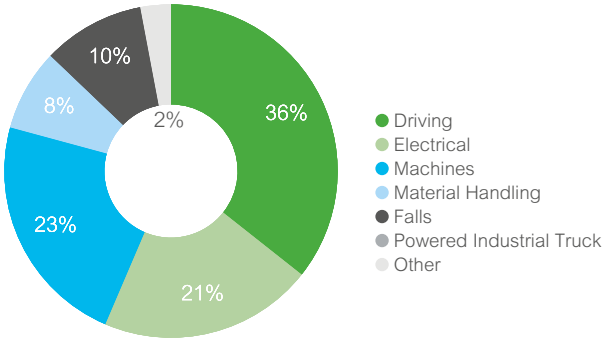
Impacts, risks, and opportunities

	Health and safety
Negative impact	**Injury to Schneider Electric employees**
	Employee exposure to chemical, biological and physical agents resulting in adverse health impacts

The Group is aware of the legal risks associated with potential fines due to non-compliance with health and safety regulations. Civil risks may emerge from potential claims by employees or customers, and reputational risks could result from any damage to the Group's image, particularly when incidents involve employees working on client sites.

The Group also recognizes the importance of health and safety in the workplace and has identified the Top 10 Hazards that pose potential risks to the health & safety of its employees: Driving, Electrical, Machines, Material Handling, Falls and Powered Industrial Trucks are the top hazards over the last 5 years.

Breakdown of the last 5 years serious incidents by hazard



Data from last 5 years.

Policy

Schneider Electric is committed to investing in its people and its workplace as stated in its Group Safety & Occupational Health Policy, which is reviewed each year, is fully aligned with ISO 45001 standard, and is published externally.

The implementation of the Health & Safety Policy is monitored by the Chief Compliance Officer, covering entire operations of employees and of contractors or individuals under the company's supervision.

Schneider Electric is committed to a healthy and safe workplace for all, by developing a Resilient Safety Culture, where Trust, Speak Up, Just Culture, Continuous Learning, Engagement, and Leadership are essential to this ambition. These principles guide us how the Group work and support its shared responsibility to prevent incidents and care for each other.

Every employee plays a vital role in identifying and mitigating risks and hazards - whether at work, on the road, at customer sites, or anywhere Schneider Electric is represented.

The Group engages at every level:
- Fosters an inclusive and caring environment where everyone contributes to safety.
- Builds trust through open dialogue and empowers everyone to Speak Up for safety.

The Group leads with accountability:
- Leaders at all levels integrate safety into every decision.
- Schneider Electric sets bold safety goals and acts to achieve them.

The Group masters high-risk activities:
- Proactively identifies high-risk activities, applies the most effective controls, and anticipates the possibility of human error.
- Only qualified and competent teams are assigned to high-risk tasks, with rigorous monitoring.

The Group applies global standards:
- Upholds legal requirements, Schneider Electric's Safety Standards, and uses safety best practices to protect everyone.

Action plan

Delivering robust health and safety oversight worldwide

Health and safety is one of the risk drivers of the Enterprise Risk Management (ERM) model, used to identify Key Risk Indicators (KRIs) and implement action plans to reduce risk. The idea of this model is to concentrate, at global level, on risks that can result in serious or fatal accidents. This involves looking beyond the top 10 hazards, analyzing the controls preventing accidents from occurring, and connects to Schneider Electric's High Potential Severity (HiPoS) program. These hazards, that have the potential to result in serious accidents, also have a deeper analysis by global experts, and the learnings are then shared with the full organization. Both the ERM and HiPoS programs contribute to the annual global Health and Safety Improvement program.

Health and Safety reports are created by the VP Global Health and Safety and presented to the executive level, during the quarterly Quality and Safety board. The report includes Health and Safety performance vs. targets and Health and Safety program deployment update.

There is also a monthly Global Health and Safety steering committee to share Health and Safety performance vs. targets, Health and Safety program deployment and best practice sharing, with the Regional and Organizational Health and Safety VPs.

Schneider Electric continues to expand its global safety software, enabling employees, contractors, and visitors to report incidents, near misses, and safety observations, and track corrective actions.

The connected action plan related to machine safety involved an upgrade of the Machine Safety Code of Practice, with new chapters added on bending machines, lathes and milling machines. All industrial sites are required to implement the new standard and provide training on the new standard to Engineering, Maintenance and Safety departments.

The focus on investigating High Potential Severity (HiPoS) incidents, has resulted in more than 100 "shared lessons learnt" being published and available for sites to implement the action plans and hence prevent accidents.

"S.A.F.E. First" is at core of the strategy, developed as a personal reminder to pause and reflect on safety before beginning any task (Self-check, Activity check, Facility check, Environment check). "S.A.F.E. First" is one of the key action implemented to deliver a robust health and safety oversight worldwide.

Reinforcing health and safety awareness from all Schneider Electric's employees

The safety culture assessment has evolved into a program called "Safer Future", which includes a safety climate survey, which is internationally known as NOSACQ50. In 2025 this safety questionnaire has been deployed to all Schneider Electric employees globally. The results are analyzed at local and global level, helping to identify action plans to improve the safety culture maturity. The employee engagement in the 2025 safety survey was 54% which exceeded the 2025 ambition of 50%.

Employees access directives, programs, and training via the Health & Safety intranet portal, complemented by quarterly "H&S Spotlights" and leadership messages. As part of these resources, the company ensures that employees benefit from regular health & safety training programs, which help reinforce awareness and good practices across the workforce. Engagement is reinforced through internal social media and reporting tools, and employees are encouraged to turn safety opportunities into risk-reduction actions. Recent initiatives include a code of practice for R&D, office safety, and machinery.

An electrical safety communication program was deployed in Q3 2025. Electrical control measures have been strengthened by increasing the scope when personal voltage detectors are used.

Executing health and safety audits and certifications

Local action plans, managed by each region, complement the global plan, and includes the improvements identified by the Environment Health and Safety Assessment (EHSA) deployment, the ISO 45001 implementation, and the safety culture assessment.

In 2025 Schneider Electric has enhanced the global safety digital solution with a new "Point of Work Risk Assessment" module. This solution is used to assess risk by the Service team when working on customer worksites and performance is tracked with dashboards.

To ensure successful implementation of the Schneider Electric Health and Safety strategy, Annual Environmental Health and Safety Assessments (EHSA) are performed in industrial and customer-facing sites worldwide, by the site Health and Safety team and validated by the regional Health and Safety specialist. This global process measures compliance against Health and Safety directives, identifies improvement opportunities and recognizes excellence.

All Schneider Electric sites prepare a Health and Safety legal register, audit themselves against the required regulations and implement actions to close the gaps. The full process is audited every three years as part of the ISO 45001 which is implemented on all industrial sites and is externally audited by an accredited body. The key elements of certification to ISO 45001 includes annual site management review and internal site audit program, and external audit program at site and corporate level.

Management of hazardous substances is also audited as part of the ISO 45001. Engineering controls such as ventilation, enclosure of hazardous substances, and regular maintenance of equipment and extraction systems are control measures implemented to control the risk. Safety Data Sheets and other information on hazardous substances are made available to employees and included in the work area training. A new software tool to manage Safety Data Sheets and reduce risk associated with hazardous substances has been deployed to pilot countries in 2025 to test the suitability of the module and the positive impact it will have when deployed globally. Health surveillance of workers exposed to hazardous substances are implemented to ensure the control measures are working and the employees are working in a safe and healthy environment. When the hazardous substances cannot be fully controlled with engineering controls, personal protective equipment is provided to employees. There are also measurement of concentration levels in the work environment and regular medical checks for employees regarding workplace exposure to hazardous substances.

Global Risk Consultants perform loss prevention audits for industrial sites to ensure that the required standards for fire prevention and emergency planning are in place.

In 2025, the Group has developed a code of practice on machine safety, accident investigation, product stability. This code of practice will be translated to the Schneider Electric Safety Trust Standard. This Safety Trust Standard will monitor compliance against these standards through an internal audit program. A new digital Risk Assessment Module will also support the 2026–2030 Health & Safety Strategy.

Advancing health and safety excellence through 2030

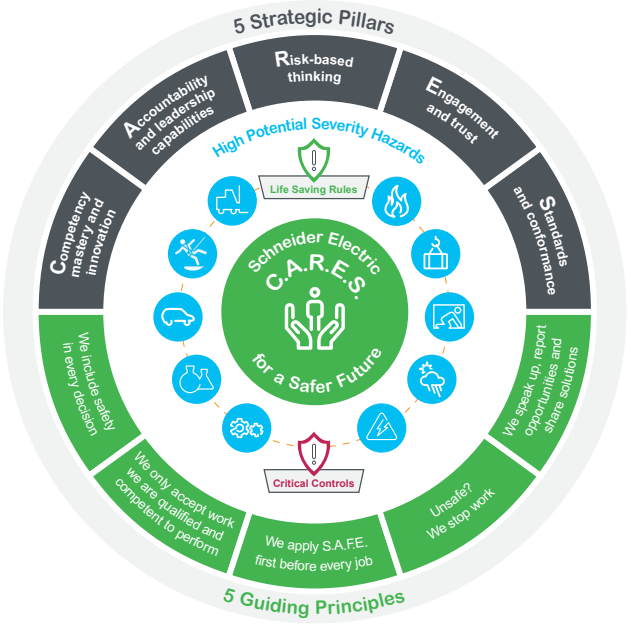
Schneider Electric's strategy focuses on embedding safety as a core value, driven by leadership accountability and employee engagement. Guided by the C.A.R.E.S. framework (Competency, Accountability, Risk, Engagement, Standards) progress is measured through the annual *Safer Future Survey*.

Key strategic pillars include:

- Engagement & Trust: Inclusive safety culture through transparent communication.
- Risk-Based Thinking: Anticipating human error and applying rigorous controls.
- Accountability & Leadership Capabilities: Integrating safety into decisions and ensuring team competency.
- Competency, Mastery & Innovation: Continuous learning to identify and manage risks.
- Standards & Conformance: Compliance with internal and external regulations.

The strategy addresses 10 high-severity hazards and is reinforced by Life Saving Rules and critical controls, that reinforce safety as a license to operate.

2026-2030 Schneider Electric C.A.R.E.S. for a Safer Future.



Targets and metrics

Cycle	Targets[1]	Detail
2021-2025	SSE #14	Decrease the Medical Incident rate to 0.38 by 2025, from a 0.79 baseline in 2019
2026-2030	Out of Sustainability Impact 2030	Schneider Safety Culture Maturity index to reach Resilient Level (3.35) at global average through the SAFER Future Survey by 2030

(1) For more information about the differences between the 2021-2025 cycle and the sustainability statements (CSRD) entity scopes, please refer to **section 2.2.1**.

Health and Safety performance results

In 2020, Schneider Electric set a five-year safety ambition related to SSE #14 to reduce the Medical Incident Rate (MIR) to 0.38 by 2025, from a 0.79 baseline in 2019. The MIR is the number of work-related medical incidents (including injuries and occupational illnesses) multiplied by one million hours (average hours of 500 employees working for one calendar year) divided by the total hours worked. Work-related injuries and occupational illnesses requiring medical treatment are included. Medical incidents, where the injured party requires hospital treatment for more than 24 hours, are classified as serious.

Read more on the methodology of SSE in **section 2.4.1.2** on **pages 320 to 325.**

In 2025, 165 medical incidents were recorded, translating to the best ever MIR performance of 0.46, a 23% reduction versus 2024, equivalent to a 80% achievement of the program ambition. No employee fatalities were recorded and four medical incidents were classified as serious. Of the four Serious medical incidents, three were related to machine safety and one serious medical incident was connected to electrical safety.

Of the 165 medical incidents, 21 were work related ill health incidents, connected with industrial ergonomics.

In terms of indicators specific to the sustainability statements (CSRD), 55% of employees are working in Schneider Electric sites with ISO 45001 certification and are covered by a health and safety management system. The rate of recordable work-related accidents for the employees was 0.44, connected with 146 work-related accidents. There were no work-related injuries or work-related ill health fatalities in Schneider Electric's own workforce in 2025.

Health & safety metrics	2025	2024
% of employees covered by health and safety management system	100%	100%
% of employees covered by health & safety management system - ISO 45001 certified sites	55%	43%
% of non-employees covered by health & safety management system - ISO 45001 certified sites	82%	N/A
Number of fatalities - employees	0	0
Number of fatalities - non-employees	0	0
Number of fatalities - workers in the value chain	0	1
Number of recordable work-related accidents - employees	146	168
Number of recordable work-related accidents - non-employees	37	N/A
Rate of recordable work-related accidents - employees	0.44	0.54
Rate of recordable work-related accidents - non-employees	0.49	N/A

As per the sustainability statements (CSRD) definition followed in the metrics above and as per Schneider Electric context, the non-employees are all the agency workers who are mainly based on factories and the workers in the value chain are all the individuals in Schneider Electric's upstream and downstream value chain such as cleaning services or security services. In terms of scope, there is as well a difference between the sustainability statements (CSRD) and the SSE as the sustainability statements (CSRD) are including more sites.

Recognition and awards

Schneider Electric North America has won the Operational Excellence Achievement Award given to organizations with 50 or more locations achieving Occupational Excellence.

Schneider Electric UK & Ireland has been awarded the RoSPA Gold Medal (eight consecutive Golds) Award for health and safety performance and the RoSPA Fleet Safety Gold Medal (nine consecutive Golds) Award for managing occupational road risk.

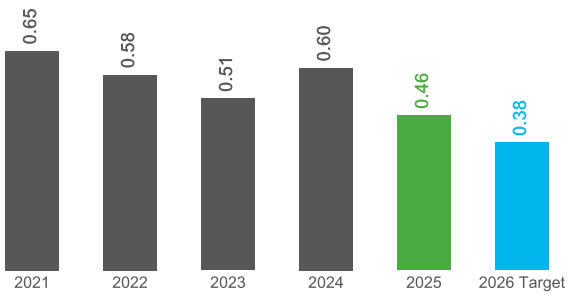
Schneider Electric's Riga Plant has won second place in the State Labour Inspectorate's competition "Be sure that work is safe!"

Schneider Electric India received customer recognition for outstanding EHS performance & safe project completion on their project sites.

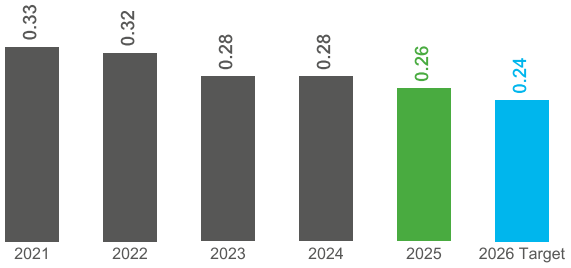
Schneider Electric Thailand received prestigious award for occupational health and safety on a large customer project presented by Thaioil public company.

The Schneider Electric service team in South America won a electrical safety award for their use of Personal Voltage Detectors:

MIR historical trend



LTIR historical trend



2.2.3.1.4 Equal treatment

Impacts, risks, and opportunities

Equal treatment and opportunities for all	
Positive Impact	**Improve employees' well-being and feeling of belonging**

The Group sees a business opportunity in increasing employee engagement, which can lead to improved productivity rates. Not investing in skills development poses a risk, as the organization may lack the necessary competencies to meet business needs. Being perceived as an ethical company enhances the Group's employer brand and aids in attracting and retaining talents.

The world is polarized, with megatrends creating both inequities and opportunities for just energy and digital transitions. These transitions require inclusion of all stakeholders. As an Impact Company, Schneider Electric must expand its inclusion and care-by-design journey to drive impact across customers, people, and the ecosystem.

By promoting equal opportunities and an inclusive culture, the Group enhances employee well-being and engagement, positioning Inclusion & Care as a key business and people priority in today's ESG-driven landscape. The opportunities are material:

- A Boston Consulting Group report shows that companies with more diverse management teams have reported 19% higher revenues due to innovation.
- Research cited in a Forbes article, published by Cloverpop, found that inclusive decision-making significantly improves business outcomes. Diverse teams make better decisions up to 87% of the time, and decisions executed by these teams deliver up to 60% better results.
- A study from Harvard Business Review shows that employees reporting a feeling of belonging, where they feel included and cared for are 3.5 times more engaged.

Inclusion & Care is a marker of Schneider Electric and can continue to be a unique competitive advantage if tackled properly and genuinely. Schneider has identified three main risks around those topics:

- If workforce diversity does not reflect the markets served, the Group risks losing innovation, talent attraction and retention.
- Lack of fairness and equity in people processes threatens engagement, performance, and corporate reputation.
- Increasing regulatory complexity across geographies requires strategies informed by risks, opportunities, and stakeholder insights.

Schneider Electric defines its strategy taking into consideration the risks and opportunities, internal and external trends, insights and feedback from leaders and employees.

Schneider Electric believes this leads to greater engagement, performance, and innovation, and creates access to the best possible talent pools around the globe.

Policies

Inclusion policy

Schneider Electric's Trust Charter articulates that the organization aims to offer equal opportunities to everyone, everywhere. The Group wants its employees – no matter who they are, or where they live in the world – to feel uniquely valued and safe to contribute their best, free from harassment, victimization, and discrimination of any kind.

The Group's Inclusion Policy recognizes that diversity comes in many forms; visible and non-visible, including cognition, experience, education, gender and gender identity, age, nationality, ethnicity, color, physical appearance, sexual orientation, disability status, religious, cultural and socio-economic background, life experience, location, and more. There are no applicable international standards to align policy with.

The Group brings its ambition to life by empowering all employees to develop inclusive practices and behaviors, ensure fairness and equity in core people processes and policies, and advocate internally and externally for change with partners, such as UN Women through the Gender Equality Facility (GEF), and the World Economic Forum (WEF).

Digital Accessibility Policy

Schneider Electric is committed to the inclusion and care of all, so that everyone belongs and thrives. That includes ensuring equal access and usability of the Company's digital assets for all individuals, including those with disabilities. Schneider Electric strives to meet worldwide accessibility standards, guidelines, best practices, and laws. The Digital Accessibility Policy, outlines its commitment to digital accessibility. It applies to all digital assets created, procured, or used by Schneider Electric, regardless of the platform or device on which they are accessed, and to all Schneider Electric employees, affiliates, contractors, and sub-contractors that are involved in the creation or modification process of digital assets.

The policy is aligned with Web Content Accessibility Guidelines (WCAG) and mentions the Americans with Disabilities Act (ADA), Section 508 of the Rehabilitation Act, the European Union Web Accessibility Directive, Revised Section 508 Standards, and EN 301549. The policy is approved by the Chief Human Resources Officer and the Chief Digital Officer of the Group and is managed by the Group's Global Accessibility Office. The Disability Inclusion and Accessibility Steering Committee along with external subject matter experts were involved in the drafting and reviewing of the policy.

Global Workplace Adjustment Policy

The Group believes that inclusion is not just a value, it is a business imperative. Schneider Electric is committed to creating an environment where all employees can thrive and contribute their best, regardless of disability, impairment, or long-term condition. This policy outlines Schneider Electric's approach to Workplace Adjustments, ensuring that individuals with specific needs are supported through tailored solutions that enable them to perform their roles effectively and comfortably.

Workplace Adjustments may be physical (hard) or non-physical (soft), and can include:

- Physical adjustments such as assistive technologies and software, ergonomic equipment (keyboard, mouse, etc.), accessible furniture (chair, desk, etc.), fixtures and fittings, and accessible facilities, or alternative formats.
- Non-physical adjustments such as flexible or remote working (e.g., Schneider Electric's Global Flex@Work Policy), role modifications, adjusted targets, mentoring, or policy adaptations.

Schneider Electric is committed to ensuring that individuals who identify as having a disability, impairment, or long-term condition encounter no barriers throughout their employment journey. By embedding these practices into the ways of working, the Group reinforces its commitment to inclusion and care.

Group Anti-Harassment & Anti-Discrimination Policy

Schneider Electric ensures that all employees, no matter who they are, or where they live in the world, feel uniquely valued and safe to contribute their best. It requires everyone feeling free from any type of harassment, victimization, or discrimination. Failure to maintain a responsible workplace may expose Schneider Electric to liability for harassment or discrimination claims from the person who has allegedly been harassed or discriminated or the alleged perpetrator for failure to protect employees against such conduct. Moreover, the Group could be exposed to reputational risk. Benefits of fostering a responsible workplace include a positive work environment, talent retention, enhanced Company reputation and reduced legal risks.

To uphold this, Schneider Electric maintains a "zero-tolerance" policy for workplace misconduct, a key focus of the Ethics & Compliance program. This program, overseen by the Chief Compliance Officer, is led by a dedicated HR Compliance team that defines and implements measures to prevent workplace-related issues. Locally, it is operationalized by Regional Compliance Officers under the supervision of their regional Ethics & Compliance Committees defining the local strategy.

Schneider Electric implemented in 2018 an Anti-Harassment Policy, serving as an employee manual to address and prevent misconduct violating the dignity of employees. In 2023, Schneider has deployed a new Anti-Harassment & Anti-Discrimination Policy which reinforces Schneider Electric's zero tolerance for any kind of harassment or discrimination in the workplace and sets forth clear rules and processes. Harassment can involve bullying, sexual harassment, physical harassment (also called violence), discriminatory harassment, psychological harassment, verbal harassment, and digital harassment. Discrimination occurs when someone is treated unfairly due to personal characteristics, such as disabilities, age, race, gender, religion, sexual orientation, marital status, and more. This policy is not aligned with any international standards due to the absence of a comprehensive global framework on the prevention of harassment and discrimination in the workplace. It is owned by the Group HR Compliance Officer and approved by Chief Governance Officer and Secretary General and Chief Human Resources Officer. It also reinforces employees' rights and responsibilities, notably regarding anti-retaliation. Managers and Human Resources Business Partners' roles have been highlighted as well as the possible reporting mechanisms.

Read more on the Whistleblowing policy in **section 2.2.1.1.3, on pages 110 to 112.**

Pay Equity Pledge

The principles of fairness, equity, ethics, and transparency are fully embedded in the Group's values. Employees are fairly compensated for their skills and contributions through reward policies and processes. Furthermore, Schneider Electric is committed in upholding a comprehensive compensation and benefits policy.

Read more on the compensation and benefits in **section 2.2.3.1.2 on page 189.**

Schneider Electric has pledged to ensure fair compensation for equivalent work and has been overseeing pay fairness since 2015 using various methods and strategies. In 2021, the company made a pledge to Pay Equity as part of SSE #18, with the goal of achieving it by the end of 2025. Schneider Electric committed to attain and maintain a pay gap below 1% by 2025 for both females and males as per the internal methodology. An external company provides limited assurance on Pay Equity to ensure year-over-year progress toward closure of pay equity gaps. The pay equity reporting protocol is accessible to employees via the intranet and has been approved by the Senior Vice-President, Total Rewards & Performance.

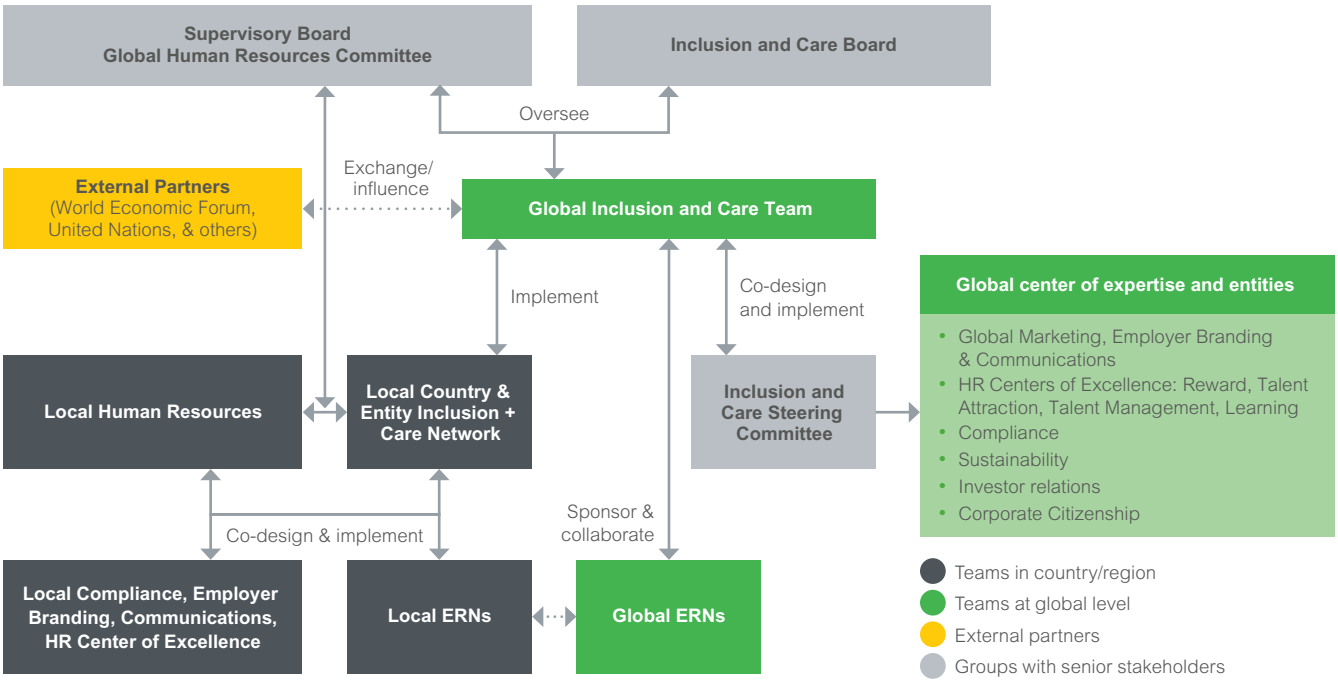
Governance

The implementation of Schneider Electric's Inclusion & Care strategy involves several different bodies and stakeholders, working hand in hand with the global team.

The Global Inclusion and Care team, reporting to the SVP Talent, Inclusion & Culture who also acts as the Chief Diversity Officer, defines the strategy and is accountable to deliver on Schneider Electric's transformation, working with the Group's Executive Committee and the Group Global Inclusion & Care Board. Progress and results of the ambition are also reported to the Board of Schneider Electric (Human Capital & Remunerations Committee and Governance, Nominations & Sustainability Committee) on an annual basis. The team works in close collaboration with the HR Centers of Excellence (Talent Attraction, Talent Management, Learning, and Rewards), and the Sustainability, Compliance and Risk Management, Employee Communications, and Marketing and Employer Branding teams, as well as with the broader ecosystem.

Schneider Electric's Global Inclusion & Care Board is a group of top leaders from all the Group's markets, sponsored by the Executive Committee, which acts as a sounding board for the Global Inclusion & Care strategy, and as internal and external Inclusion & Care champions. In 2025, the Inclusion & Care Board met four times to discuss topics such as gender and pay equity, discrimination and harassment, and accessibility.

Partnering inside and outside the organization



Schneider Electric entities develop local action plans based on the global strategy and employee feedback, while meeting local regulations and addressing country-specific needs.

To support the local focus, leaders, ambassadors, and champions have been appointed in more than 100 countries/zones and entities to develop and lead local action plans. This global network convenes bi-monthly to share progress and best practices.

Beyond this governance structure, all employees at Schneider Electric are held accountable through the IMPACT Values.

Action plans

Creating a standard of inclusion and care for all

The Group believes that there is no well-being without inclusion, and no sustainable performance without well-being. Inclusion means fostering respect, trust, and psychological safety, where every individual feels seen, heard, and valued. This conviction drives the bold and differentiating strategy of Schneider Electric: Inclusion & Care by Design.

The Group's Core Values, Leader's Code of Conduct, and Trust Charter ensure all employees, managers, and leaders are trained and held accountable to a standard of inclusion and care for all. Schneider Electric prioritizes health, safety, and well-being as foundational to thriving performance. This includes promoting smart working, simplifying ways of working to free up energy, and cultivating a culture of care - where people look after themselves and each other. When people thrive, they bring their best to work. #WorkSmartWorkWell. Also, the Group is committed to representing the diversity of the world in its teams and ensuring equal opportunities for success and growth. The group believes that transparency leads to greater trust, and drives better outcomes for all; and has committed to more transparency in data, ambitions, partnerships, and initiatives. To support cultural awareness and understanding, as well as celebrate the uniqueness of the Group's global teams, the Group hosts events, webinars, communications, and more for International Women's Day, Pride Month, Mental Health Day, International Men's Day, Global Accessibility Awareness Day, and International Day of Persons with Disabilities.

Inclusion and respect building programs

Building on the opportunity, as per the study from Harvard Business Review, to create an environment where employees feel included and cared for, the Group introduced the following actions:

- Uncomfortable Conversations: In 2025, a global and regional series of webinars was conducted to have open conversations on topics, such as performance and mental health, financial wellbeing, climate change, to create awareness, and educate the employees of the Group.
- E-learning: These initiatives are designed to increase awareness, understanding, and respect for different cultural backgrounds, practices, and perspectives:
  - Building an Inclusive & Caring Mindset is a global e-learning, mandatory for all new hires within Schneider Electric Core. The training helped employees explore what it means to build an inclusive and caring environment and why it matters that everyone belongs and thrives to help Schneider win. Employees get a first-hand look of different situations that employees could be facing, how they can respond, and how to get support for oneself and colleagues in cases of misconduct.
  - In 2025, the "Digital Upskilling" program "Digital Boost" which aims at preparing Schneider Electric's workforce for its digital transformation was leveraged to educate employees about digital accessibility. Over 50k employees leveraged the program to upskill themselves in 2025.
  - Unconscious Bias e-learning available to all employees to help understand what hidden bias means, explore clear steps to keep decision-making objectives, and how to call out bias when seen, and explore the importance of building a culture of respect, learn to recognize the different forms of harassment, and understand the actions to take (as employees and managers) when witnessing such conduct.
- Employee Resource Networks (ERNs): An ERN, is a voluntary, employee-led group based on a shared identity or experience and provides employees the opportunity to unite, share experiences, and provide mutual support in the workplace. ERNs foster inclusion and care within the Company's mission, values, and business goals. In 2025, Schneider Electric accelerated the global rollout of its Disability, Accessibility, and Allies (DAA) Employee Resource Network, with six countries: France, US, Canada, Mexico, China, and India, successfully launching their local chapters, now collectively representing approximately 60% of the global workforce of Schneider Electric.

Anti-harassment and anti-discrimination

To build a common understanding and alignment, Schneider Electric also created a mandatory training entitled "Building an Inclusive and Caring Mindset". In addition, in 2024, the Group has deployed a "Prevent and manage harassment and discrimination" training for Human Resources Business Partners and managers, and some specific trainings were deployed in line with local initiatives to prevent sexual harassment in specific countries (e.g. India, Germany, Austria, Switzerland).

To enhance workplace-related alert handling, the Group introduced an updated e-learning in 2024 for its HR internal investigators, ensuring impartiality and consistent practices. The number of HR investigators was increased to bolster investigation capabilities across all regions, complemented by workshops in multiple geographies and a pilot mediation program in France. In 2025, this approach evolved into a structured onboarding and training program for all new HR investigators, including a mandatory e-learning module and a half-day workshop, followed by annual refresh sessions. A dedicated HR Investigators Community was also launched, with over 300 HR investigators, providing regional collaboration channels, access to reference materials, and quarterly workshops. Regular global and local engagement activities were introduced, with monthly monitoring to ensure completion and consistency across the network. In addition, HR processes were strengthened through background check updates to the Personnel Management Security Policy, enhanced Hiring Guidelines with a focus on compliance (including re-hire processes), and the creation of a new Ethics & Compliance questionnaire for the Interview Guide Tool.

In 2025, a dedicated communication plan was carried out, promoting the Anti-Harassment & Anti-Discrimination Policy and raising awareness. A live webinar, entitled "Uncomfortable Conversation about Sexual Harassment" was hosted, discussing sexual harassment in the workplace and answering employee's questions. More than 4,000 employees attended the session. In addition, an Anti-Sexual Harassment Protocol was introduced to guide employees on how to react if they are victims or witnesses of sexual harassment. This was supported by a new e-learning module and the launch of an awareness video based on a real anonymized case, reinforcing practical understanding and engagement. In addition, Schneider Electric encourages the Speak Up mindset to allow employees and stakeholders to report any violations of the Group's ethical standards or any workplace-related concerns.

Diversity and equity, at every level

Schneider Electric is committed to representing the diversity of the world in its teams and ensuring equal opportunities for success and growth. Schneider Electric desires to reflect the world where humans are living in so that the Group can better serve its customers and clients. To ensure this, the Group aims to provide equal opportunities to all and makes talent decisions based on skills and qualifications for the role irrespective of any other identifying characteristics.

Pay Equity strategy

In support of advancing Pay Equity, the Company executes a holistic strategy to improve and maintain fair compensation while preventing creation of new pay gaps.

Schneider Electric's holistic strategy

Process	Education and Awareness	Tools and Analytics	Governance	Advocacy

In execution of the holistic Pay Equity strategy, the Group closely monitors the salary offers of new recruits, salary adjustments from employee promotions, and other employee career movements. Continuous monitoring of pay equity status is made possible by the Pay Equity Dashboard and its resulting analytics. Additionally, managers and HR professionals are trained to be unbiased and mindful of every pay decision they make. Prevention of new pay gaps is supported by the Group's "Fair Pay Simulator" which was deployed to HR in 2023. The simulator provides visibility to pay equity positioning, enabling better pay decisions for recruit offers, promotions, and other salary adjustments. Since its launch, the tool has undergone several enhancements to further strengthen its effectiveness.

Since 2018, pay equity has been an integral part of the annual Global Salary Review processes, to address identified gaps.

Pay equity advocacy is another key aspect of the Group's Pay Equity strategy. Schneider Electric leaders advocate internally and externally for fair and equitable pay which further reinforces the Group's commitment to fair pay.

Fair and equitable talent processes

To mitigate the risk where employees do not have the same opportunity to grow and advance because a lack of fairness and equity in people processes, Schneider Electric is committed to transparent and equitable access to career opportunities, growth and development to the fullest potential, and equal pay for equal work for all its employees worldwide, depending on the cost of living.

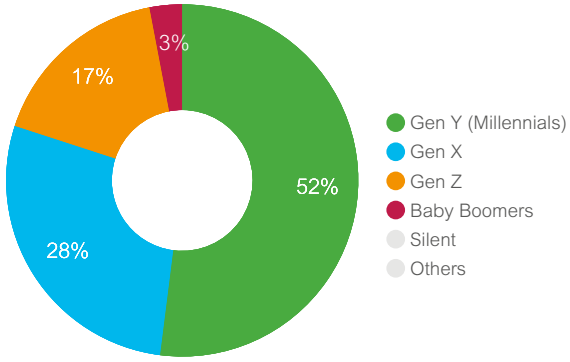
Talent decisions are based on skills, values, performance, and potential, and the Group counts on each leader to be fair and equitable when making a hiring or promotion decision to help advance its overall goal to create a skilled and diverse workforce for the future. To check and mitigate hidden bias in its main Human Resource programs, the Group has built-in reminders and prompts for moments that matter, including recruitment, performance, and salary review processes.

Read more on the compensation and benefits in **section 2.2.3.1.2 on page 189.**

Multi-Generation

Schneider Electric creates opportunities for future talent through apprenticeships, internships, and its global innovation challenge, Schneider Go Green. The Group fosters career growth for all generations with initiatives like Career Days, upskilling, coaching, and mutual mentoring. Schneider Electric is equally committed to supporting talent in the later stages of their career to have meaningful and fulfilling development, and to recognize and leverage their unique expertise and experience to boost learning and innovation across generations.

Generation Diversity(1)



Origin, ethnicity, and nationality

Schneider Electric believes in a multi-local world with locally tailored solutions supported by teams across the globe to best meet its customers' needs with customization, quality, and speed. The Group's multi-hub model is key to delivering on this ambition with teams that represent diverse origins, nationalities, ethnicities, locations, and cultural backgrounds. The multi-hub model focuses on attracting and developing local talents for global and local roles, and ensuring leadership reflects the backgrounds present in local markets. The opportunity for Schneider Electric to be the "most local of global companies" with a balanced multi-hub footprint to enable customer proximity, innovation, speed, and collaboration are key differentiators for long-term success.

- 92% of Country Presidents are either local or regional talents.
- 54% of employees are in new economies; 31% of leadership roles.
- 183 nationalities are represented in the global workforce of the Group, across 102 countries.

Disability inclusion and accessibility

Schneider Electric is committed to promoting and including people with disabilities throughout its operations worldwide. In March 2022 the Group established the Global Disability Inclusion and Accessibility Office, addressing the needs of people with disabilities through a strategy of Inclusion & Care by Design, for people with disabilities. This is underpinned by global awareness and education about what is the largest minority group in the world, consisting of 1.3 billion people.

The Group focuses on all dimensions of disability: visible, invisible, permanent, and temporary. These include physical motor or physical health, sensory, cognitive, and neuro diversities, and psychological, emotional, or behavioral.

The Group's approach of "accessibility by design" creates holistic disability inclusion through four pillars:

- Customer First design: Accessible product, software, and UI/UX design.
- People, processes, and tools: Accessibility by design in all processes (recruitment, procurement), platforms, and tools.
- Brand and communication: For all events and communication – internal and external, digital, physical, and virtual.
- Physical workplace: Accessible buildings and workplaces applying universal design principles, local legislation, Global Schneider Real Estate standards, and the International Accessibility Standards.

The Disability Inclusion and Accessibility Office governance consists of two executive sponsors, the Chief Human Resources Officer, and the Chief Digital Officer, along with a Steering Committee of six executives covering all aspects of the Group's aforementioned pillars.

Building awareness and education on disability, inclusion, and accessibility is a key element to moving the needle. Schneider Electric ran two global campaigns in 2025: Global Accessibility Awareness Day in May, and UN International Day of Persons with Disabilities in December.

In 2025, to ensure equal opportunities, fairness, and a consistent experience for all, and to mitigate the potential for bias, as part of the annual employee engagement survey, Schneider Electric conducted a Self-ID campaign. Without Self-ID data, Schneider Electric has to make assumptions about the employee population and the talent processes, and thus limiting the representation efforts to gender. The Self-ID campaign was conducted in 2025 in Canada, Mexico, and the US. 37,294 employees responded, out of which 13% of employees self-identified as living with a disability, while 17% of employees preferred not to answer.

Schneider Electric's approach is grounded in the social model of disability, which recognizes that disability arises not from the individual's condition, but from the barriers the society creates for them, whether physical, attitudinal, systemic, or technological. These barriers limit full participation. Rather than focusing on "fixing" the person, the Group focuses on removing barriers to enable every employee to contribute meaningfully and perform at their best.

(1) Percentage rounded up to the unit; the silent generation represents 0.1%; This pie chart is out of scope for the sustainability statements (CSRD) and excludes data for both the United States and Canada.

This means Schneider Electric does not rely solely on legal definitions of disability. Instead, the Company takes a proactive and inclusive stance: if an individual is experiencing challenges in the workplace due to a condition or circumstance, the Group considers what adjustments can be made to support them. In some cases, this may go beyond local compliance requirements, reflecting the commitment of the Group to creating a truly inclusive and caring work environment for all.

That said, Schneider Electric France continues to lead in disability inclusion by exceeding the mandatory 6% (already 6.10% in 2024) quota and investing in comprehensive initiatives. These include awareness and education programs for all employees, accessible workstations to support employees with disabilities, partnerships to drive inclusive recruitment, and outsourcing to companies that employ people with disabilities. In addition, Schneider Electric Kingdom of Saudi Arabia earned official certification as an Inclusive Workplace for People with Disabilities from the Ministry of HR & Social Development, reinforcing the Group's commitment to creating equitable opportunities.

LGBT+ inclusion

Schneider Electric recognizes the lesbian, gay, bisexual, transgender, and intersex people (LGBT+) community and its members. The Group aims to build awareness and advocate for the community and wants its employees to be allies, playing a decisive role in creating an open and safe community where individuals are comfortable bringing their whole authentic self to work. While Schneider Electric entities must align with the Company's strategy described throughout the Inclusion Policy, countries have the flexibility to adapt the policy at country level according to local laws, market practice, perceived value to employees, and specific business requirements.

Schneider Electric is committed to the United Nations Free and Equal Standards of Conduct for Business on Tackling Discrimination against LGBT+ People, standing up for equal rights and fair treatment for LGBT+ people everywhere. Across the globe, Schneider Electric has also made public statements of support to advance LGBT+ inclusion. By adopting these standards, the Group pledges to respect and stand up for the human rights of LGBT+ workers, customers, and members of the public; to support its LGBT+ employees, further build inclusion in the workplace, and to prevent discrimination, including workplace discrimination, against LGBT+ people.

In 2025, as part of the annual employee engagement survey, Schneider Electric conducted a Self-ID campaign in Canada, China, and Mexico to better understand the employee demographics. 52,788 employees responded out of which 7% of employees self-identified as part of LGBT+ community, while 18% of employees preferred not to answer.

Global strategic partnerships

- United Nations GEF: Global platform uniting business, governments, UN bodies, and civil society to accelerate gender equality worldwide.
- United Nations Women's Empowerment Principles (WEPs). Schneider Electric became the first multinational Group to achieve 100% commitment to the WEPs across its global leadership team.
- WEF Global Parity Alliance: Cross-industry community sharing DEI best practices and research to improve parity outcomes. Schneider Electric endorsed the Good Work Standards (healthy, resilient, equitable workplaces).
- The Valuable 500 (V500): Coalition of 500 companies advancing disability inclusion; reporting on representation, objectives, training, ERNs, and digital accessibility
- Business Disability Forum: Network improving experiences for disabled employees and customers; co-developing a global inclusion assessment tool.
- Disability: IN, a leading nonprofit resource for business disability inclusion worldwide.

Targets and metrics

Cycle	Targets[1]	Detail
2021-2025	SSI #8	Increase gender diversity in hiring (50%), front-line management (40%) and leadership teams (30%)
2026-2030	Sustainability Impact 2030: Inclusion for all	40% of women in leadership

Gender balance ambition[2]

Schneider Electric began its journey to becoming a gender-balanced organization more than 15 years ago and has identified increasing the share of women in its workforce and leadership as a business imperative. To support this aim, the Group has stated ambitions on increasing female representation in the overall global workforce and seeks to engage all genders in the journey.

In 2021, Schneider Electric renewed its commitment to gender balance with SSI #8 aiming to increase gender diversity – with women representing 50% of all new hires, 40% of frontline managers, and 30% of senior leadership by 2025*.

Read more on the methodology of SSI in section 2.4.1.1 on **pages 315 to 320.**

(1) For more information about the differences between the 2021-2025 cycle and the sustainability statements (CSRD) entity scopes, please refer to **section 2.2.1.**

(2) From 2025 onwards, diversity targets are not connected to any incentive structure, and do not apply to countries prohibiting the establishment of such targets. The global SSI target has been restated accordingly. The gender balance metric is a global strategic ambition. It does not apply to territories that prohibit such ambition. The Schneider Electric policy is to always select the best candidate for any position based on skills, experience and potential (irrespective of their gender, age, origin, disability, appearance, etc...).

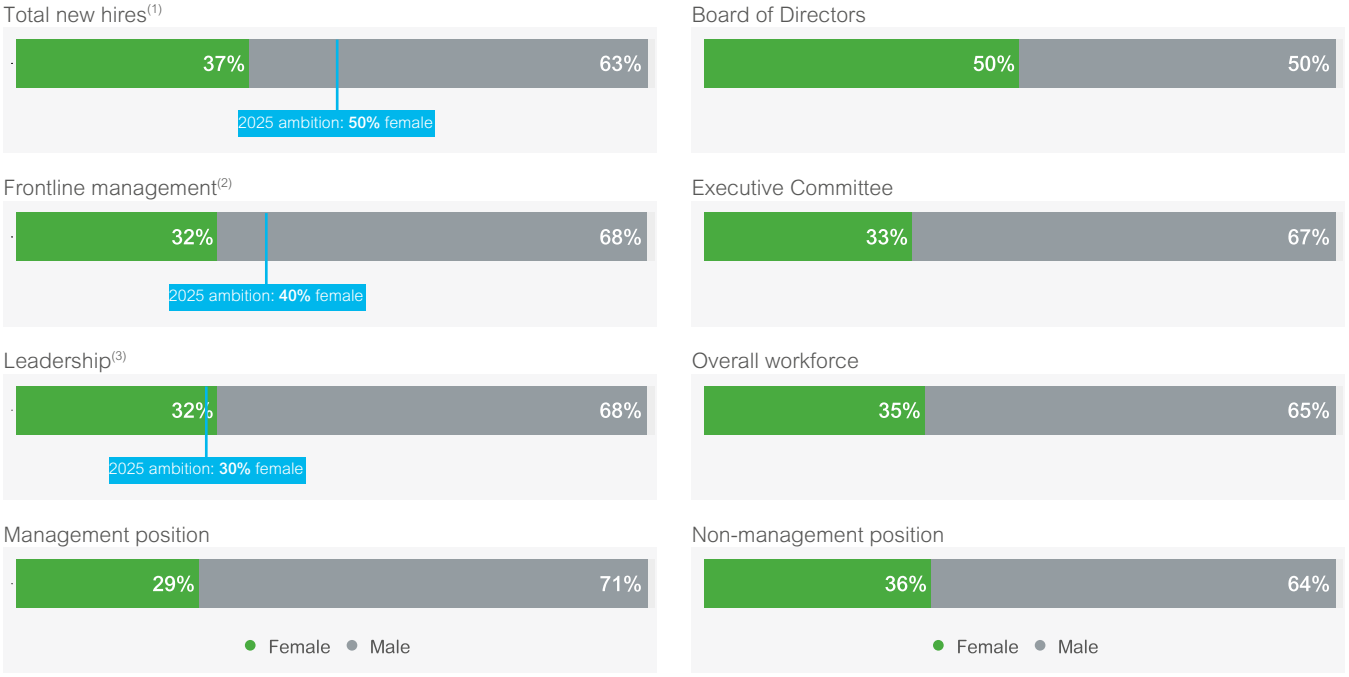
In 2021, the baseline was 41/23/24 – with women representing 41% of all new hires, 23% of frontline managers, and 24% of senior leadership. In 2025, women represented 37% of all new hires, 32% of frontline managers, and 32% of senior leadership. The gender breakdown table outlines the numbers for SSI #8, along with other elements.

While significant progress has been made in the representation of women, especially on the Board and Executive Committee levels, the Group recognizes that there is more work to do at all levels in the organization.

As the Group completes the 2025 cycle, a new ambition for 2026-2030 has been defined: 40% women in leadership positions.

This gender balance metric is a global ambition. It is not connected to any incentive structure, and does not apply to territories that prohibit such ambition. The Schneider Electric policy is to always select the best candidate for any position based on skills, experience and potential (irrespective of their gender, age, origin, disability, appearance, etc.).

Gender breakdown



(1) Total New Hires – all new hires in 2025 (SSI #8)
(2) Frontline management – junior and mid-level management whose direct reports are individual contributors only. (SSI #8)
(3) Leadership – VPs and above, excluding direct reports to the CEO. (SSI #8)

Gender Distribution by Head Count

Number of leaders (head count) by gender	2025	2024
Female	422	405
Male	972	946
Other	–	–
Not reported	–	–
TOTAL EMPLOYEES	**1,394**	**1,351**

Gender Distribution by Percentage

Number of leaders (percentage) by gender	2025	2024
Female	30%	30%
Male	70%	70%
Other	0%	0%
Not reported	0%	0%
TOTAL EMPLOYEES	**100%**	**100%**

The two tables showcase the gender distribution in number of employees (head count and percentage) at top management level at Schneider Electric. Employees who are Vice Presidents and above, excluding direct reports to the Group CEO are considered as leaders.

Trainees, apprentices, and VIEs are excluded for the reporting 2025. The tables will show some variance when compared to the SSI #8 due to scope differences mentioned above.

Anti-harassment and discrimination metrics

At Schneider Electric, stakeholders may report potential violations of the Anti-Harassment & Anti-Discrimination Policy either by contacting an appropriate person in the Group and/or by using the Trust Line, Schneider Electric's whistleblowing system.

As part of the Speak Up mindset, and as developed in the Whistleblowing Policy, Schneider Electric employees have a responsibility to report potential unethical behaviors. To voluntarily report a potential violation of laws and regulations, and/or of the Group's Trust Charter and/or Group policies, whistleblowers can use all reporting channels available.

At Schneider Electric, internal stakeholders, may report concerns either by contacting an appropriate person in the Group (manager, HR business partner, Legal Counsel, or Compliance Officer) and/or by using the Trust Line, Schneider Electric's whistleblowing system. All the potential channels used should be, at the end, linked back to the Trust Line system as a consolidation tool of this type of information. Overall, case management is a structured process led by Ethics & Compliance team.

Incidents, complaints and severe human rights impacts	**2025**	2024
Number of incidents of discrimination – cases filed	1,500	1,122
Number of incidents of discrimination – cases validated	893	683
Number of incidents of discrimination – cases substantiated	392	233
Number of complaints – cases filed	2,869	2,319
Number of complaints – cases validated	1,707	1,371
Number of complaints – cases substantiated	734	N/A
Number of complaints filed to National Contact Points	0	0
Amount of fines, penalties, and compensation for damages as result of above incidents	k€210	k€280
Number of severe human rights incidents	0	N/A
Of which cases of non-respect of UN Guiding Principles and OECD Guidelines	0	N/A
Amount of fines, penalties, and compensation for damages as result of above incidents	€0	N/A

In 2025, no complaint was filed at the National Contact Points for Schneider Electric in 2025. Focusing specifically on reported issues of discrimination, harassment, and sexual harassment, the Group received 1,500 potential violations. Of these, 893 were determined to be valid. Additionally, among the cases related to discrimination, harassment, and sexual harassment that were closed in 2025, 392 were substantiated following investigation, for which appropriate actions have been taken. All these elements are reviewed and analyzed by the Ethics & Compliance team to ensure an improvement on this matter and to ensure equal treatment for all within Schneider Electric.

Read more on the Whistleblowing policy in section 2.2.1.1.3 on **pages 110 to 114.**

At the end of the year 2025, the Group Schneider Electric has fines, penalties, and compensation for damages as result of incidents of discrimination amounting to k€210. These incidents include harassment, sexual harassment, and complaints filed.

For more details about methodology and result of SSE #18 please refer to **section 2.2.5.1 CSRD Methodologies**.

For more details about methodology and result about remuneration ratio please refer to **section 2.2.5.1 CSRD Methodologies**.

Remuneration metrics

Remuneration metrics	**2025**	2024
Gender pay gap – Unadjusted	20.2%	22.1%
Gender pay gap – Adjusted	2.5%	2.0%
Remuneration ratio	111	95

Gender pay gap

The unadjusted gender pay gap shows the difference of average pay level between female and male employees globally without considering their country of work, level (grade), salary structure, role, or other factors. The result is affected by the purchasing power parity in the countries, differences in pay levels for different jobs based on different responsibilities between employees in each geography. Variations between the two years are attributed to refinements in the calculation and changes in the Group headcount.

The analysis of the gender pay gap for roles with comparable levels of responsibility within a country has also been conducted to calculate the adjusted gap: the data has been segmented by country and level (grade) to provide a more precise comparison of average pay levels between females and males. Each group (country and level) has been assigned a respective weight depending on the headcount, and the results have been calculated into one global figure as a weighted average.

0.04% of the population was not covered in the calculations above as their gender differs from female or male.

Remuneration ratio

Annual Total Remuneration Ratio measures the ratio between the level of compensation of the highest paid individual and the median compensation of the employees.

The slight variation in the Annual Total Remuneration Ratio between 2024 (95) and 2025 (111) results from a leadership transition that occurred in late 2024. Due to this change, the remuneration for the highest-remunerated role reflected compensation for one position from January to October 2024, and compensation for a different, higher-remunerated role only from November to December. In 2025, however, remuneration for the entire year corresponded to the higher-remunerated role, which explains the year-on-year change in the ratio.

2.2.3.1.5 Training and skills development

Impacts, risks, and opportunities

Training and skills development	
Positive Impact	**Improve employability**

In today's landscape, attracting, developing, and retaining talent is critical to sustaining business success. Schneider Electric is committed to a robust workforce and talent strategy that integrates development, recruitment, and external partnerships to strengthen future readiness and cultivate a culture that supports sustainable careers for all employees. At the same time, continuous learning and upskilling programs enhance employee employability, empowering individuals to grow, adapt, and meet future business challenges.

The risk of not attracting, developing and retaining the best talent in the market, especially for critical skills, would have an impact in terms of:

- Cost of recruiting and onboarding;
- Gaps in critical skills to drive growth and innovation and to stay ahead of the competition;
- Succession pipeline for critical expert and leadership positions; and
- Schneider Electric's employer brand.

Policies

Programs

Signature policies and programs from the Group include:

- A robust talent management system to review annually the development plans for all employees, identify key talent such as experts and high potentials, prepare key successions and developments via local and global talent reviews, and make talent selections through People Committees (including for executive positions).
- An annual performance management and development approach with fair, transparent, and competitive rewards and development, supported by regular meaningful career conversations.
- A digital ecosystem powered by AI, Schneider Career Hub, that democratizes access to development opportunities for employees, including internal mobility, projects, and mentoring, with skills at the core. It provides clarity in career development and supports upskilling to build future-ready capabilities.
- A refreshed Career Moves Policy that establishes clear standards and governance for internal mobility, enhancing transparency around key criteria and decision-making guidelines, and placing skills as the primary driver and reinforcing employee ownership in career development.
- Learning and development programs for employees at different stages of their professional career and specific talent segments (e.g., Digital, AI, Software, Services, Electronics, Commercial, Supply Chain, and Sustainability), with a strong focus on digital and human skills, commercial excellence, leadership, technical, and functional expertise.
- A Global Flexibility@Work Policy and a balanced multi-hub footprint to enable its employees to have more flexibility and manage their unique life and work in the way that works best for them.
- A robust talent attraction strategy to acquire the right skills from the market with focus on building talent pipelines, modernizing the talent acquisition ecosystem, data driven sourcing and a personalized candidate experience.

These key policies and programs ensure the investment in the attraction, upskilling, and development of talent at all levels, creating equitable opportunities and the right environment for employees to learn and grow, while empowering them to own their career. Along these lines, Schneider Electric has reflected this commitment through two of its six long-term sustainability goals – create equitable opportunities and harness the power of all generations – and formalized this in its Trust Charter (Schneider Electric's Code of Conduct) within the Trusted Teams chapter.

Governance

The Executive Committee regularly discusses the overall health of the global workforce, leadership pipeline, and succession strength for top positions, including during the monthly Executive People Committee and the year-end global talent reviews with the CEO and Chief Human Resources Officer. In addition, the Executive Committee meets regularly to make critical selection and succession decisions and review specific talent attraction and development strategies, for example, expert talent, digital talent, and global top potential talent. This is supported by integrated HR information systems and analytics platforms which provide data and analysis in the areas of workforce planning and talent management. In addition, regional, business, and function People Committees also meet regularly to review talent in their perimeter.

Action plans

Schneider Electric believes that all its employees are talent and deserve equal chance of opportunity. The company empowers them to grow to their fullest potential, developing new skills and building careers for today and tomorrow, enabled by the Group multi-hub organization model. Establishing a strong brand as an employer, the promise to current and future employees is communicated through the Employee Value Proposition "Impact starts with us", driven and anchored by a meaningful purpose. In addition, the Group invests in learning and development for the wider ecosystem, including universities and schools, partners, customers, and the wider community.

The Group has developed a two-pronged approach to talent development, in order to prepare the workforce of the future – for all employees and for specific target groups. Most activities are driven through an annual People Calendar, which is adopted globally to ensure that development is accessible to all employees.

- For all employees, the Group ensures there are tools and processes in place to set individual performance and development goals, and to access learning and development opportunities for their current role, as well as to prepare themselves for diverse career paths around the world. Curiosity and Mastery, as two of Schneider Electric's IMPACT Values, set the tone for employees to be open to new challenges, embrace a Learn Everyday mindset, and proactively build their expertise through continuous upskilling for themselves, their teams, and their communities.
- In the OneVoice employee survey, 80% of employees responded favorably to being able to renew their skills through learning and development opportunities.
- For specific groups of talent, there are targeted skill acquisition and development programs to support Schneider Electric's commercial, digital, and leadership transformations and to equip its blue-collar workers for the supply chain of the future. There is a strong focus on high potentials, expert talent, and employees at different career stages, including early career talent and those who are in a later stage of their career. An annual talent review process operates across the Group to help ensure that key talents, including high potential and technical and digital expert talent, are identified, recognized, and supported with targeted development paths and

Schneider Electric also places strong emphasis on the role and accountability of its leaders and people managers, as they are the architects of the business and culture. Their role is vital to help take the company to the next level.

The 2021 Culture & Leadership survey of around 2,000 Schneider Electric leaders, started in 2017, validated steady progress on the overall Group leadership and culture transformation. Key strengths include strong ethics and integrity, sense of purpose, and customer focus, as well as a positive spirit and willingness to go above and beyond. The evolution of the Leadership Driver Score in OneVoice results shows a strong 14-point increase from 61% in 2012 to 75% in 2025.

At Schneider Electric, leadership is not only about guiding the business direction - it's also about shaping the culture that drives its collective success and cultural transformation. It is essential that leaders embody Schneider's IMPACT Leader Code, which is built on three commitments: Invent the Future, Deliver the Mission Together, and Build Great Teams.

Schneider Electric also recognizes that leaders do not achieve in isolation, and that growth is always a team effort. One of the most effective ways to support leaders to own and act on the IMPACT Leader Code commitments is by giving them timely and constructive feedback, which enables their continuous development, growth, and upskilling. Because great leaders bring out the best in their people - and it works both ways.

Therefore, in 2025, Upward Feedback process has been modeled around the IMPACT Leader Code commitments, and launched exclusively to VPs, SVPs, and EVP members, serving as a compass for their development. In 2025, over 800 (78%) of these leaders opted-in to participate in Upward Feedback.

Upward Feedback allows eligible leaders to gather confidential and aggregated input from their direct and functional/project reports through a brief questionnaire based on the IMPACT Leader Code. The resulting report offers insights into their strengths, growth areas, hidden potential, and blind spots.

Attracting talents to shape the workforce of the future

In 2025, the Company focused on four key areas to strengthen its ability to attract the right skills from the market:

- **Building talent pipelines:** Schneider Electric's Brand to Hire strategy builds strong talent pipelines by linking early attraction to hiring outcomes. Through its Candidate Relationship Management platform, the company nurtures candidates and maintains engagement throughout their career journey, ensuring access to top talent and critical skills aligned with business priorities.
- **Modernizing the Talent Acquisition Ecosystem**: A refreshed, digital-first approach simplifies the candidate experience, offering borderless and self-paced opportunities that promote equity and accessibility for all applicants.
- **Leveraging Data to Attract Top Talent**: By applying standardized practices in Talent Intelligence, Schneider Electric uses data and external insights to make proactive decisions about where and how to source critical skills - accelerating hiring, improving talent quality, and maintaining competitiveness in key markets.
- **Personalizing the Candidate Experience:** Schneider Electric delivers personalized, timely communication throughout the candidate journey, reinforcing its employer brand and increasing offer acceptance rates. This commitment has earned the Company the prestigious Candidate Experience Award (CandE) across all regions.

As part of SSI #10, Schneider Electric's five-year goal is to double the growth in the early career "next generation" pipeline. This will be accomplished through Schneider Electric's Brand to Hire strategy, shifting from traditional methods to more digital, borderless, and self-paced approaches to promote fairness and attract those interested in Schneider Electric and sustainability.

The updated University strategy of the Group will balance global programs, strategic university partnerships, and country-specific initiatives to achieve this.

Key initiatives in 2025:

- Go Green Competition: Engaged 11,500 students and collected 1,000 sustainability-focused ideas in partnership with Access to Energy programs.
- Early Career Programs: Graduate programs, internships, apprenticeships, and co-ops with structured training paths.
- Targeted University and Technical School Engagement.
- Campus Engagement: Hybrid approach combining virtual fairs, webinars, office tours, and mentoring; expanded partnerships with technical and trade schools to build technical talent pipelines.

Achieving ambitious impact together

Schneider Electric's approach to performance management is anchored by the Group's Employee Value Proposition "Impact starts with us" and it is a key enabler to its collective success and demonstration of its IMPACT Values.

At the heart of this culture is the belief that everyone is a talent and has the potential to be an Impact Maker, translating their goals into real actions through meaningful discussions, feedback, coaching, and recognition. Impact is not measured solely by activity, but the outcomes which benefit customers, the business, or the team.

Employees' overall impact is assessed considering the following three dimensions equally:

- Individual behaviors aligning with IMPACT Values.
- Individual achievements.
- Contributions to others' success.

Schneider Electric employees are encouraged to seek, give, and receive feedback, empowering them to take ownership for driving their individual impact. Managers are encouraged to have regular, agile, and meaningful conversations throughout the year with coaching, feedback, and recognition while revisiting goals and priorities. Managers set team goals aligning with the collective team priority to win as a team and achieve together. In 2025, 99.09% of eligible employees(1) completed a performance and development review.

Enabling sustainable careers

The Group recognizes that its people are their greatest competitive advantage and equipping them with the right skills is the key to leading the energy technology industry and accelerating innovation and performance. The Group encourages employees to build a sustainable T-shaped career by striking the balance between deepening their expertise in different domains and broadening their skillset through experiences in diverse contexts to increase their impact. This will help them keep themselves relevant and marketable in a rapidly changing world.

To empower and engage employees with this approach, Schneider Electric held its fifth edition of "Career Days" for all employees in 2025. Under the theme "From insights to impact: Understand, shape, build, and grow your career" over 100 events took place with participants from 100+ countries; getting inspired by diverse career stories, learning about skills and market trends, having career conversations, and being equipped with tools and resources to develop, grow, and shape their future.

94% of employees surveyed were positive about the program, highlighting that it helped them reflect on their career aspirations, encouraged them to own their career, and inspired them to build a more sustainable career. The Career Days theme, design, and activities are shaped each year by Schneider Electric's strategic people priorities and by employee feedback gathered through the annual engagement survey and the targeted Career Development survey.

Schneider Electric harnesses the power of all generations by promoting lifelong learning, upskilling, and development for everyone – from new graduates to experienced employees. The Group offers a range of career development programs that support talent at every stage and help build a strong pipeline for the future.

In 2021, Schneider expanded its approach by launching the Senior Talent program, recognizing the unique expertise and value of employees in the later stages of their careers. The program empowers them to design their next chapter through meaningful career conversations and personalized development plans, supported by opportunities such as new contractual options, upskilling, knowledge transfer, career pivots, recognition, care, and personal planning.

Read more on the SSE #23: Provide meaningful development program for at least 90% of employees in the later stages of their career in section 2.1 on **pages 85 to 88.**

The program was recognized by the OECD in their brief on Career paths and engagement of mature workers and won 2 Bronze Awards at the 2025 Brandon Hall Group Excellence Awards in the categories Diversity, Equity & Inclusion and Career development.

The Group strengthens this commitment through Sustainability Impact 2030 by aiming for 100% of senior talents engaged in their own development or on the development of others.

To learn more about the program see the **Senior Talent white paper** and **section 2.3.2.5 Future Ready program on page 300**.

(1) This includes employees whose employment status is active (or suspended, which is country specific), who are on permanent/ fixed term contract type, who are information workers, and those who were hired on or before September 30, 2025, in addition to country or entity specific conditions. This indicator is not from the CSRD.

Boosting expertise and knowledge across the organization

Schneider Electric strongly believes that its position as an energy tech leader is driven by the innovative contributions of its skilled and expert employees.

The Electrifier program recognizes employees with remarkable achievements, expertise, and leadership, offering them opportunities to contribute to strategic business drivers in realms such as technology, innovation, strategy, supply chain, digital, and operations, while empowering them to make the most of their careers. The program is structured around four business streams (Create, Sell, Supply, Service), 28 Domains of Competencies, and is articulated around three levels of expertise: Electrifier, Senior Electrifier, and Fellow Electrifier. This setup was designed with the objective of bolstering the core of Schneider Electric's business, while pioneering advancements on Electricity 4.0, Industry 4.0, and its Sustainability Solutions.

The Electrifier program offers a streamlined application process, a tailored development plan, career prospects, and an evolving reward system in tune with market dynamics. It cultivates a vibrant, glocal community dedicated to transforming innovation into influential business outcome. Their Open Innovation Platform enables Electrifiers to collect innovation ideas, connects them to turn those ideas into reality and inspires the Group's leaders to make a visible impact together.

The Group actively promotes a learning and teaching culture by developing its internal trainer capability to foster curiosity and a Learn Everyday culture. To systematically boost expertise and institutional knowledge, investment was made in a global community of internal trainers through a focused cycle of recognition, development and connection. This strategy transforms individual mastery into collective organizational capability. In 2025, the Company connected over 3,500 certified trainers through a virtual "Igniting Curiosity" event, fostering peer learning and innovation. This empowered community delivered over 13,000 sessions, directly reaching 86% of its global workforce – creating a scalable and embedded engine for organization-wide upskilling.

As a core enabler of Schneider's 3E holistic learning strategy, the Communities@Work program accelerates upskilling by fostering peer-to-peer knowledge sharing and social learning. This scalable ecosystem connects employees to share critical expertise, directly strengthening its organizational agility and creating a continuous learning culture.

Key 2025 advancements strengthened this ecosystem and its strategic impact, and over 1,100 leaders now drive engagement through this network. Supported by clear governance and aligned with the Company's innovation agenda, Communities@Work has become a proven, scalable mechanism for sustaining knowledge flow and building a future-ready workforce.

Upskilling for today and tomorrow at scale

Upskilling @Scale: Advancing workforce capabilities in 2025

In 2025, the Company strengthened its Upskilling @Scale strategy, an enterprise-wide approach to accelerate skill development in line with business priorities and technological transformation. This shift emphasizes a skills-first, business-integrated model, embedding learning into daily work and focusing on critical capabilities for emerging roles.

Key achievements:

- Employees averaged 23[(1)] hours of learning, covering compliance, culture, and skill-based training aligned with individual and organizational goals.
- Expanded access and scale through Coursera, offering 10,000+ courses from 200+ institutions to all active employees. By year-end, 38% of employees had engaged with Coursera, reflecting strong adoption and interest in self-directed learning.

Complementing this broad access with Coursera, the global academies and learning teams also deployed dedicated upskilling programs for key workforce segments such as Sales, leadership and Global Supply Chain employees, as well as for critical skill areas like digital and AI. These targeted interventions, developed in partnership with business leaders were guided by a robust skill architecture and supported by data-driven insights to ensure relevance and impact.

(1) **Calculation:** Total Completed Training Hours (2025) ÷ Number of Employees with >0 completed training hours ('In-Progress' hours are excluded from this calculation). This indicator is not part of the sustainability statements (CSRD).

Key programs focused on critical skill upgrading include:

Program title	Target audience	Program description and desired business benefit	Quantitative and Qualitative Impact of the program
SkillUP@Scale for Sales	**Over 16,000 sales employees worldwide.** In Q4 2025 , Schneider Electric launched the **Skill UP Next Gen,** upgrading the SkillUp program to become an AI-powered solution that personalizes training for its sales team. This next-generation program integrates modular learning, AI-driven coaching, and actionable insights to support sales enablement goals and drive market saturation across the augmented sales force.	**Customer-centric commercial transformation remains a strategic priority, to drive sustainable and profitable growth through the development of high-impact sales capabilities.** **Skill UP** is a fully digital learning platform embedded within the CRM to promote learning in the flow of work. It accelerated the company's digital transformation and strengthened consultative selling practices. With **Skill UP Next Gen**, the Group has now introduced a future-ready solution, aligned to its ambition to become a skills-based organization. Beyond core sales skills, the platform expands its upskilling scope to include: • Customers and their ecosystems. • Offers and technologies. • Governance and tools. **Skill UP Next Gen** delivers modular courses tailored to country-specific growth priorities, enables sellers to learn through AI-supported role plays and commercial coaching, and provides actionable insights for learners, managers, and enablement teams to guide development.	**Skill UP global deployment impact** • Over **75%** of sales employees engaged with SkillUP for learning and upskilling. • Learners demonstrated a measurable skill improvement of **+5 points** across programs. • Net Promoter Scores (NPS) ranged from **21 to 34**, indicating strong learner satisfaction. **Skill UP Next Gen rollout** The progressive deployment of the new augmented upskilling solution began in Q4 2025. Its impact will be assessed through **actual business outcomes captured in the CRM** throughout 2026.
CoMET– Competency Management for Global Supply Chain	The program targets **11,000+ Global Supply Chain employees** across **150+ sites worldwide**.	The CoMET (Competency Management) program is designed to align employee skill development with global business strategy by assessing and building competencies across roles. It translates organizational skill needs into structured development plans that empower employees to succeed. Through an end-to-end process, CoMET maps required skill sets to specific roles and conducts targeted assessments. These assessments identify expertise and competency gaps, which then inform personalized learning plans to support upskilling in critical areas. Additionally, CoMET enables certification of experts across various domains. Under a defined structure, certified experts mentor others, fostering expertise in targeted skills. This approach strengthens site autonomy and builds a self-sustaining expert network, enhancing operational efficiency.	The **CoMET program** has been rolled out across Schneider Electric's entire Global Supply Chain (GSC), building a robust network of certified experts to enhance its manufacturing and logistics capabilities. **Key achievements to date:** • **A Global Expert network**: **7,600** employees certified, creating a deep bench of specialized knowledge. • **Digital Upskill**: **87% assessment coverage achieved**, certifying 888 experts across 9 digital domains. • **Technical Excellence: 90% assessment coverage achieved,** certifying over **2,000 experts** across 130 technical competencies.

Key programs focused on critical skill upgrading include:

Program title	Target audience	Program description and desired business benefit	Quantitative and Qualitative Impact of the program
			Building expertise for the "Be Green Sites" initiative To directly support the Group's most business-critical sites, the "Be Green" initiative monitors expertise coverage in key skill domains: • **Digital Be Green:** 89% coverage at 88 key sites. • **Technical Be Green:** 85% coverage at 62 key sites. • **Product Knowledge Be Green:** 99% coverage at 52 key sites. This structured approach ensures that targeted skill development is aligned with the Group's business needs, while fostering a robust expert network across the organization.
Building Great Leaders (BGL)	The BGL program is designed for **all people managers** in the Company, spanning three levels: • **L1:** First-Time Managers. • **L2:** Experienced frontline Managers. • **L3:** Managers of Managers.	Launched in 2019, the BGL program was designed to develop people managers and shape the Company's leadership culture. It established a unified framework for leadership behaviors, equipping managers to navigate diverse leadership challenges based on their experience and maturity. BGL includes three chapters combining online modules, live virtual or in-person sessions, 360° assessments, peer learning pods, and application-based learning through the Bring Your Own Challenge (BYOC) approach. While the format remains consistent across three leadership levels, **L1 (First-Time Managers), L2 (Experienced Frontline Managers), and L3 (Managers of Managers),** the content is tailored to meet the specific developmental needs of each level, aligned with the Company's **IMPACT Values**. Core capabilities developed include trust, feedback, coaching, delivering results, empowerment, and well-being. BGL was successfully scaled globally. The program is delivered locally across territories and offered in seven languages. **Outlook 2025 and beyond** In response to evolving internal and external dynamics, BGL is undergoing a redesign with a new partner. A refreshed version is set to launch in 2026, continuing the Company's commitment to leadership excellence.	BGL has driven leadership growth for over **8,400** managers through **481** cohorts, a success demonstrated by a consistently outstanding Net Promoter Score (NPS) of **8.5/10** across all levels and programs. **Participant feedback highlights:** • **80%** reported overall satisfaction. • **87%** indicated they are likely to apply the learning to their job. • **83%** felt the program positively impacted their daily work. • **79%** found the content relevant to their role. Facilitator-led sessions in Chapter 2 received an average rating of **9.1/10**, reflecting high-quality delivery across both virtual and in-person formats. Qualitative feedback consistently highlights appreciation for the program's content, application-based learning through **BYOC**, and facilitation excellence. BGL's global reach, **deployed in over 80 countries,** underscores its scalability and relevance across diverse leadership contexts. In 2024, **India received the Gold Award** for the Best First-Time Manager program, with BGL recognized as a key learning initiative contributing to this achievement.

Key programs focused on critical skill upgrading include:

Program title	Target audience	Program description and desired business benefit	Quantitative and Qualitative Impact of the program
Digital and AI upskilling	Digital and AI upskilling programs were rolled out to over 145,000 employees, with digital skills targeted at all white-collar roles and AI learning extended across all employees.	This initiative encompasses two interconnected programs designed to future-proof the entire workforce by building digital capabilities and AI fluency. It combines abroad Digital Upskilling program (focused on six core digital domains) and a targeted AI Upskilling@Scale program to embed AI capabilities across the organization. **The learning journey is structured to guide employees from awareness to mastery through a blend of internal and external resources**: • Foundation and assessment: Digital Boost: A gamified diagnostic tool that helps employees assess their digital skills across six areas: Data, AI, Cybersecurity, Digital Tools, Technologies, and Digital Mindset. • Personalized learning paths: Based on assessment results, employees receive tailored training recommendations. • Core learning modules: – Digital Upskilling: Offers a wide range of courses, from foundational knowledge to specialized deep dives via platforms like Coursera. – AI Upskilling@Scale: Features "AI for ALL Essentials" for baseline literacy, plus four tailored learning paths for Experts, Business Stakeholders, All Employees, and Leaders. Followed by hands-on learning experiences such as Promptathons, Copilot for Web sessions, webinars, and Tech Talks to integrate AI into daily work. • Support and enablement: – Digital Skills dashboards: Individual dashboards for employees to track progress, and manager dashboards to visualize collective skills and drive talent readiness. – AI Adoption champions: A network of 1,000+ champions to drive local activation and peer-to-peer learning.	The integrated programs have fostered a culture of continuous learning for digital adaptability and AI-fluency, yielding significant quantitative and qualitative results. **Wide reach and engagement:** • Over 56,000 employees completed the Digital Boost assessment, followed by more than 112,300 training courses on digital topics, taken by approximately 50,000 employees. • More than 142,000 employees (99.1% of the workforce) completed "AI for ALL Awareness" training, with a high satisfaction score of 4.8/5. **Deepened expertise:** • 51,800 employees advanced to complete additional AI training (moving from awareness to mastery). • Over 16,000 participants engaged in hands-on Copilot and Promptathon sessions. • Over 24,000 participants joined Data&AI Talks Webinars to discover value generated with AI. **Organizational impact:** • Accelerated adoption: Created digital adaptability and systemically embedded AI fluency across all business units and geographies. • Data-driven management: Provided managers with actionable insights for talent development via the Digital Skills dashboard. • Inclusive growth: Extended digital learning to blue-collar employees, ensuring equitable access to skill development. • Strategic alignment: Supports the Company's sustainability goals and empowers employees as Digital Citizens. • External recognition: The AI Upskilling@Scale program earned a Silver Award from Brandon Hall Group for its learning impact.

A digital ecosystem to enable development opportunities for all

Schneider Career Hub is the Group's new AI-powered platform for career development – a one-stop shop to understand, shape and grow careers at Schneider Electric. It builds on the success of the Open Talent Market (OTM), and replaces it with improved technology, more integrated and personalized experience that enables employees to grow their skills, and careers with purpose.

Through Schneider Career Hub, employees can explore career paths, discover learning opportunities, and connect with internal job opportunities aligned to their skills and aspirations. This reflects Schneider's commitment to a future where skills create opportunity, and every employee is supported in owning their growth. It is the first step in a broader transformation that places people skills, growth, and future-readiness at the center of how Schneider work and lead.

Read more on the SSE #21: **Increase 4x the number of employee-driven development interactions on the Open Talent Market (OTM)** in section 2.1 on **pages 85 to 88.**

In 2025, Schneider Electric advanced its transformation into a skills-based organization by strengthening a connected learning ecosystem. At its core is My LearningLink (MLL), a global platform offering personalized digital and classroom learning, accessible on desktop and mobile. Shop floor employees benefit from Digital Learning Corners, ensuring equitable access. This learning ecosystem extends beyond employees, reaching a vast global audience of partners and customers through the mySchneider Partner Portal, where learning resources are actively utilized worldwide.

Targets

Cycle	Targets[1]	Detail
2021-2025	SSI #10	Double hiring opportunities for interns, apprentices, and fresh graduates
	SSE #21	Increase 4x the number of employee-driven development interactions on the Open Talent Market (OTM)
	SSE #22	>90% of employees undergo digital upskilling through the Digital Citizenship program
	SSE #23	Access to meaningful career development programs for >90% employees during later stages of their career
2026-2030	Sustainability Impact 2030: Inclusion for all	100% of senior talents engaged in their own development or development of others

In line with its ambition to build a highly skilled workforce enabled by technology, the Group has set some ambitious targets to be achieved by 2025:

- SSI #10: Double hiring opportunities for interns, apprentices, and fresh graduates.
- SSE #21: Increase 4x the number of employee-driven development interactions on the Open Talent Market (OTM).
- SSE #22: >90% of employees undergo digital upskilling through the Digital Citizenship program.
- SSE #23: Access to meaningful career development programs for >90% employees during later stages of their career.

In the continuity of this ambition to build a highly skilled workforce, the Group has also set an ambitious target to be achieved by 2030: having 100% of senior talents engaged in their own development or on the development of others.

Read more on the methodology and results of SSI in section 2.4.1.1 on **pages 315 to 320.**

Read more on the methodology and results of SSE in section 2.4.1.2 on **pages 320 to 325.**

(1) For more information about the differences between the 2021-2025 cycle and the sustainability statements (CSRD) entity scopes, please refer to **section 2.2.1.**

2.2.3.2 Sustainable relations in the value chain | ESRS S2

2.2.3.2.1 Overall strategy

Impacts, risks, and opportunities

Working conditions (in the value chain)	
Negative Impact	**Affect the mental health of value chain workers**
	Risk detriment to the physical health of value chain
Positive Impact	**Contribute to the well-being of workers in the value chain by promoting responsible & ethical working conditions**
Health and safety (in the value chain)	
Negative Impact	**Injury to workers in the value chain**
	Value chain workers exposure to chemical, biological and physical agents resulting in adverse health impacts
Forced labor (in the value chain)	
Negative Impact	**Jeopardize fundamental human rights and damage the physical or psychological integrity of workers in the value chain**

The analysis of key opportunities takes place notably during the creation of a new SSI.

It shows the following impacts:

- Forced labor and other labor rights abuses in the value chain, in particular for migrant workers.
- Non-decent working conditions in the value chain, in particular concerning health and safety, excessive working time, or wages below local living wage levels.
- Mental health risks, which are increasing as anxiety levels rise about the future of work and life amid disruptions globally.
- Safety of customers and end-users due to quality offer risk.
- Discrimination and harassment in the workplace, augmented by the risk of population displacement due to climate impact is a growing risk.
- Continued employability may be jeopardized as the disruption of office and factory work by new digital technologies could lead to poor working conditions in the value chain, ultimately affecting the mental and physical health of workers.

Context

Global supply chains power the economy, yet many workers lack fair wages, safe conditions, and social protections. Geographic and governance disparities amplify these risks, impacting families and creating systemic vulnerabilities. The United Nations Guiding Principles (2011) set clear expectations for corporate accountability, but challenges persist, as International Labour Organization (ILO) reports 28 million people in forced labor in 2021. Armed conflicts, climate change, and technological disruptions further threaten workers, business resilience, and societal stability.

In response to these challenges, Schneider Electric has built over the years an extensive framework of policies, processes, and special interventions, that the Company is continuously improving based on the learnings acquired along the way.

Description of supply chain

Owing to the location, size, and nature of the Group's operations, its supply chain is impacted by climate change, resource scarcity, and human rights issues across the world. While the impact of Schneider Electric's own operations is relatively limited, the footprint of its wider supply chain is more significant as millions of more workers are involved in the upstream value chain than employed in the Company and affected by the evolving trends.

Geographical spread of the supply chain

The Group's supply base is spread across four major geographical regions, almost in an equal manner, namely:

- North America
- Europe
- China
- International region, consisting of IMEA sub-region (India, Middle East, Africa) and EAJPS sub-region (East Asia, Japan, Pacific, South America)

Sectoral spread of the supply chain

Schneider Electric purchases various goods that will become part of the finished products: raw materials such as copper, steel, plastics, or aluminum; electrical and electronic components; and fabricated components. The Group also purchases goods and services which are not related to the products but supporting the operations of the Company. Each of these four purchases categories imply specific risks for the workers in their supply chains as described below:

- Raw materials: Schneider Electric works with a diverse set of raw materials companies, involved in primary or secondary processing of the materials. The workers in this value chain are primarily working in a factory/heavy manufacturing setup along different stages of raw material processing up to finished goods and involved in managing distribution centers and warehouses. The workers in this category are often exposed to extreme work environments, including working in high temperatures, noise, and vibration, and working with heavy equipment or chemicals. The workers in this category are at risk of physical injury and other occupational health and safety concerns due to prolonged exposure to extreme work environment.
- Electrical and electronic components: The companies in this category are often working in manufacturing units involved in the assembly of various sub-electronic components and associated manufacturing processes. These include a variety of semi-conductor modules, passive components, displays, connectors, cords, relays, etc. The distributors form an important category of suppliers in this segment as well. The workers involved in this segment often work in closed, artificially lit environments, doing repeated actions over a prolonged period. The machine and equipment used are relatively smaller in size, hence closer attention is required during the work. The nature of operations may also include occasional exposure to harmful emissions associated with chemicals used or processes and musculoskeletal impact of repeated actions over prolonged period.
- Fabricated components: The fabricated components are parts manufactured using raw materials or semi-finished materials by deploying a variety of processes. These operations involve working with a variety of machines in a manufacturing setup. This segment also employs exposure to high noise, vibration, surroundings, and use of machines doing a variety of mechanical operations. The health and safety impact due to continued exposure to such work conditions and physical injury are key concern areas owing to the nature of operations.
- Indirect procurement and services: These are often companies which provide the services, equipment, or infrastructure that are critical for Schneider Electric in discharging its operations. The companies in this segment come from a variety of contexts including software, hardware, marketing and communications, travel, legal, etc. Due to the diverse context, the workforce involved is a mix providing generic services such as housekeeping to highly specialized services such as advisory, and segments across manufacturing and commercial activities.

2.2.3.2.2 Policy framework guiding sustainability in the value chain

Human Rights Policy

Schneider Electric's Global Human Rights Policy was last updated in 2025 and approved by the Group's Chief Executive Officer. It is articulated around three principles.

1. Schneider Electric is committed to fully respecting and applying laws and regulations in all countries where it operates.
2. Schneider Electric is committed to fostering and promoting human rights throughout all its operational sites and subsidiaries worldwide.
3. Schneider Electric supports human rights beyond its borders, leveraging its large network of partners and stakeholders to promote the implementation of actions that will ensure the respect of people's rights.

The Human Rights Policy's objective is to define the Group's position on human rights along its value chain, including forced labor, health and safety, and working conditions. The Group states in the document that "to the best of its knowledge, it refrains from working with business partners that are using forced or compulsory labor in their operations" and that it "is committed to ensuring that human rights are respected not only in its own operations but throughout its value chain. The Group considers that a company should seek to provide decent work not only to its own employees but the same should be extended to its value chain".

It also stipulates that, where appropriate or requested, Schneider Electric endeavors to support its business partners throughout the value chain in addressing situations that may involve potential adverse impacts and to increase relevant stakeholders dialogues. It further states that the Company may decide to terminate a business relationship should circumstances so require. The Human Rights Policy also serves as a reference framework guiding the day-to-day activities of Schneider Electric and its employees.

The policy is available in 19 languages and applies to all Schneider Electric affiliates. It is applicable to all Schneider Electric permanent or temporary employees working on Group premises. It also aims to inspire external stakeholders. The policy provides a framework and gives guidance to employees and teams on how to behave in their daily operations or when facing a specific situation.

Schneider Electric's Human Rights Policy is available publicly on **www.se.com**

Alignment with international standards and frameworks:

Schneider Electric endorses the following principles or guidelines:

- The international human rights principles encompassed in the Universal Declaration of Human Rights (as part of the International Bill of Human Rights), which sets out a common standard for all types of organization.
- The Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, which formulate recommendations for companies, including for the respect of human rights.
- The ILO Declaration on Fundamental Principles and Rights at Work.
- The UNGPs on business and human rights which precisely define the roles and responsibilities of States and businesses on these matters. Schneider Electric is committed to these Guiding Principles and to the United Nations Convention on the Rights of the Child and International Labor Organization Convention 138.
- The Institute for Human Rights and Business (IHRB) Dhaka Principles for migrations with dignity.

The procedures implemented by Schneider Electric, notably its Vigilance plan and Ethics & Compliance program, ensure that the Group adhere to the EU Taxonomy "minimum safeguards" requirements referred to in Article 18 of Regulation (EU) 2020/852.

Specific internal standards and guidelines complement the policy:

- The migrant workers guidelines, guided by the "Dhaka Principles for Migration with Dignity". The document provides a framework to help Schneider Electric's teams, as well as partners such as recruitment agencies, ensure that any migrant worker in Schneider Electric's ecosystem is protected from any abuse or malpractices.

Schneider Electric Supplier Code of Conduct (SCoC)

The SCoC is the policy instrument dedicated to the organization's supply chain, which illustrates the expectations from suppliers, on business conduct. The Supplier Code of Conduct covers the full range of expectations from human rights, ethical conduct, environmental management, occupational health and safety, material and resource use, engagement with sub-suppliers, and access to remedy. On the human rights topics, it includes explicit reference to child labor, human trafficking, modern slavery, and forced labor as unacceptable practices.

Read more on the Trust Line in section 2.2.1.1.3 on **pages 106 to 114.**

The SCoC is included in the contractual obligations with the suppliers. It is part of the family of documents in the Trust Charter of the Company.

Schneider Electric Supplier Code of Conduct is available publicly on **www.se.com**

This policy-level commitment is the guiding source for various programs implemented by Schneider Electric with its suppliers in its value chain.

Supplier Guidebook

To sensitize all current and potential suppliers about expectations and various stages of collaboration with Schneider Electric, a Supplier Guidebook is documented. Initially launched in 2016 and updated regularly, the document articulates expectations for suppliers on sustainable development in the following five areas: environment, fair and ethical business practices, sustainable procurement, labor practices, and human rights, and subsequently focuses on various stages for approval, qualification, and performance evaluation of the suppliers.

Governance

A Duty of Vigilance Committee, set up in 2017 and chaired by the Executive Vice-President, Global Supply Chain (Executive Committee member), has the oversight of the human rights issues on in the value chain. The Committee's objective is to provide a discussion on strategic orientation and prioritize initiatives and the resources allocated to their implementation. This Committee also reviews the actions in progress and their results and defines decisions on next steps for action.

Read more on this Committee in **section 3.3.5 Governance on page 399.**

In addition to this Committee, all sustainability initiatives implemented with upstream supply chain partners are headed by the Vice-President, Sustainable Procurement, who is responsible for consolidating the various actions in a concerted strategy and accountable for driving the impact with supply partners and procurement department.

Also, in 2023, a Vice-President, Human Rights was nominated in the Corporate Citizenship department, reporting to the Chief Corporate Citizenship Officer. His role is to oversee the Group's human rights due diligence, and design appropriate measures to prevent, mitigate, or remediate human rights impacts in the Group's value chain.

Schneider Electric integrates the performance of upstream sustainability programs with suppliers into its procurement scorecard, reviewed monthly by the Global Procurement Committee, led by the Chief Procurement Officer (CPO). These reviews provide a structured platform to monitor progress, identify bottlenecks, address challenges, and define support actions for procurement teams. Performance is also assessed under the broader Global Supply Chain governance, ensuring visibility for executive leadership and enabling cross-functional collaboration. This approach fosters transparency, early risk detection, and proactive remediation planning across the value chain.

Beyond internal governance, the Group is engaged in various coalitions to advance human rights in its value chain:

- Schneider Electric's CEO is a commissioner at the Business Commission to Tackle Inequalities (BCTI).
- Multiple Schneider Electric leaders are taking part in the World Business Council for Sustainable Development (WBCSD) Equity Action working group.
- Schneider Electric is a Sponsor of the United Nations Global Compact (UNGC) the Forward Faster initiative on Living Wages.
- Taskforce on Inequality & Social Financial Disclosures (TISFD).
- The RBA since 2018, to focus on decent working conditions in the supply chain, with peers from different industries.
- Joined the Hello Accelerator with Ashoka and Ikea to advance the situation of migrants in Europe.
- *Entreprises pour les droits de l'Homme* (EDH – Businesses for Human Rights), a leading French association of businesses providing its members with tools and advice on implementing the UNGPs.
- RHSF since 2017. The Group is part of their project "Lab 8.7" that gathers companies to work on preventing the risks of child, forced labor, and more broadly indecent labor in the supply chain.
- Participation in the Copper Mark initiative.

2.2.3.2.3 Integration of sustainability in the procurement process

Onboarding new suppliers: Supplier Approval Module

Schneider Electric applies sustainability criteria during new supplier onboarding to ensure compliance and address any issues before integration into the value chain.

Read more on the Supplier collaboration steps in the **section 2.2.4.2.6 Action plan on page 255.**

General Procurement Terms & Conditions

All existing Schneider Electric suppliers must abide by the General Procurement Terms & Conditions, as part of contractual obligations. The instrument applies the principles and guidelines of ISO 26000, and the rules defined in the ISO 14001 standard to all suppliers. As part of the obligations, the suppliers, when entering business relations with Schneider Electric, commit to respect all national legislations; Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) regulation; Restriction of Hazardous Substances (RoHS) directives; and, more generally, the laws and regulations relating to the prohibition or restriction of use of certain products or substances. Suppliers are also expected to report the presence and country of origin of all conflict minerals supplies in accordance with the requirements of the US DoddFrank Act of 2010, known as the "Conflict Minerals" law. In this context, Schneider Electric has a "conflict-free" objective.

Additionally, the General Procurement Terms & Conditions were updated in 2023 to include participation in the supplier-specific sustainability initiatives implemented as part of Schneider Sustainability Index, which included the initiatives around decarbonization, resource, circularity, and human rights.

Consult and download Schneider General Procurement Terms and Conditions from the Suppliers page on **www.se.com**

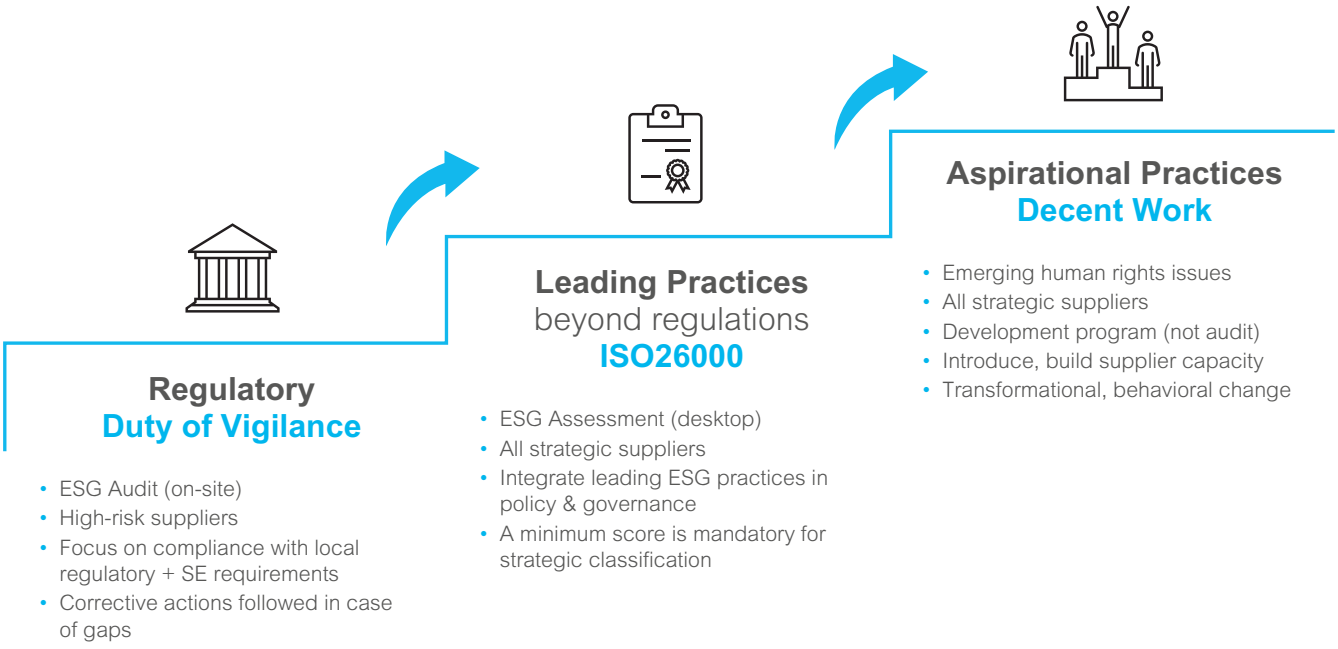
2.2.3.2.4 Risk-based approach to sustainability in supply base

In addition to new suppliers, Schneider Electric has almost 50,000 legacy suppliers spread across different regions of the world.

While SAM (Supplier Approval Module) ensures that all new suppliers are screened for ESG concerns and if identified are resolved before resuming the onboarding, there is a special process and family of interventions dedicated to the issues of human rights with the existing suppliers, having ongoing business relationship with the Company.

These interventions are implemented at three levels:

1. The foundational level, which aims to secure the industrial hygiene and focus on high-risk segments owing to the industrial sector or geography of operations. This includes the Duty of Vigilance Program, which is implemented with the high ESG risk suppliers and ensures regulatory and ESG compliance at site level.
2. To ensure that the focus is not only on basic levels of compliance and that supplier partners constantly improve their operational practices in the spirit of continuous improvement; all the strategic suppliers are mandated to implement ISO 26000 guidance and improve their sustainability profile.
3. Schneider Electric believes in being a pioneer and this spirit is extended to expectations from its supply partners as well. To ensure the Group can anticipate potential trends, risks, and issues before they become mainstream, an aspirational intervention is deployed via the Decent Work program. The requirements of this program take inspiration from the Decent Work agenda of the ILO and harmonizes with the priorities of several other international initiatives such as UNGC, SDGs (Sustainable Development Goals), and EU Commission. It also informs itself with concurrent discussions on emerging human rights issues. The program requires companies to implement preventive controls within their organizational framework (policies and processes) thus reducing the likelihood of occurrence of malpractices and providing a secure and sanitized (both physically and psychologically) work environment, creating a positive influence, and enhancing overall worker well-being.



2.2.3.2.5 Vigilance plan for suppliers and contractors

Duty of Vigilance with suppliers

Read more on the Vigilance Plan in section 3.3 on **page 394.**

The Sustainability Matters on the conditions of workers in the value chain and on forced labor in the value chain are material issues identified in the Schneider Electric materiality analysis. The Company has deployed a robust governance and supplier engagement framework to perform a risk analysis to screen and mitigate the risk of workers in upstream. The Company's supply chain is exposed to varying levels of risks depending on the environmental, social, and ethical contexts of the countries in which they operate. These country-related risks are one of the important factors in customizing risk profile of suppliers.

To evaluate and mitigate the sustainability risk from its global suppliers, Schneider Electric conducts a risk evaluation of its entire supply base on an annual basis. This evaluation covers sustainability risks and specific parameters such as the type of industrial process used by the suppliers, their technology, and the geographic location. This allows the Group to factor in risks that may arise from a country's specific situation (social, political, etc.). These parameters are compiled in a third-party independent database (RBA methodology, ex-EICC, of which Schneider Electric has been a member since January 2018). Schneider Electric's entire core network of about 50,000 tier 1 suppliers is processed through this methodology and is refreshed every year with the new supplier baseline to identify high risk suppliers.

The non-high-risk suppliers are deemed appropriate for remote/self-assessment, via an ESG questionnaire. The supplier responses to the questionnaire are evaluated by a team of specialists. Upon identifying any response which requires further deep dive, the team engages with the suppliers for clarifications. Post the clarification, if the need is felt, on-site audits may be triggered. For the suppliers who are classified as high risk, on-site audit by Schneider Electric auditors is conducted.

The Duty of Vigilance (SSE #17) Program has a mandate of on-site audit of 1,000 high-risk suppliers by the end of 2025 and 3,000 medium-risk suppliers are evaluated based on desktop review and followed up by an on-site audit, in case of any high concerns. The annual target is 200 on-site audits and 600 remote evaluations per year for non-high-risk suppliers between 2021 and 2025.

SSE #17 has been achieved with total 4,348 suppliers audited at the end of 2025 : 1,476 on-site audits and 2,872 remote assessments overall. In 2025, 222 on-site audits were performed, and 74 suppliers answered to the self-assessment questionnaire.

Read more on the methodology and results of SSE in section 2.4.1.2 on **pages 320 to 325**.

To implement the key tenets with the suppliers in scope, Schneider Electric follows the RBA ESG criteria, which includes worker rights, environment management, occupational health and safety, and its inclusion in the governance of the Company. This common set of requirements is used to evaluate supplier performance via on-site audits. The high-risk suppliers of Schneider Electric are subjected to on-site audit, conducted by specialized auditors. At the end, an audit report is generated which is shared with the supplier to develop a corrective action plan and implement the measures. For the most serious non-conformances, each case is escalated to the CPO.

An analysis of the 192 "top priorities" raised in 2025 shows the following issues are the most recurring:

- Labor standards (64% of top priority non-conformance issues):
  - Lack of respect of working time and resting days (time measurement systems are often insufficient). Corrective action can be wages for regular and overtime hours correctly calculated and paid to all workers.
- Health and safety (29% of top priority non-conformance issues):
  - Insufficient fire alarm and protection systems ; workers exposure to chemicals etc. Corrective action can be appropriate controls for worker exposures to chemical, biological, and physical agents.
- Environment and management systems (7% of top priorities):
  - Insufficient waste management and pollution prevention systems.

The freedom of association and collective bargaining was identified as one of the least common non-conformances, identified in only 7 of the 200+ audited suppliers. Six out of seven have already closed the issue, and one supplier provided a roadmap to address it by March 2026.

In case of any findings in vigilance, the supplier needs to implement the corrective actions, and then a revised on-site audit is done. Once all non-conformances are resolved the risk status can be lowered. However, to ensure continuous monitoring and continuity of the controls, the supplier is revisited in a fresh audit cycle after three years. As of end of 2025, Schneider Electric has closed 95% of all types of non-conformances from 2024 and 58% of all types of non-conformances from 2025, and corrective actions are ongoing.

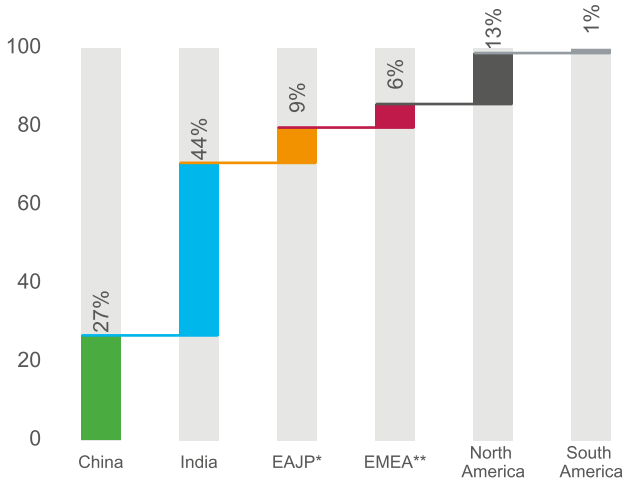
Schneider Electric adopts an active approach, helping suppliers resolve any issue by sharing good practices and providing them with guidance and training. Closure of non-conformances are checked mainly through an on-site check a few months after the audit. When non-conformances are not resolved (mainly top priorities), escalation to the CPO may lead to the end of the business relationship. In 2025, four business relationships with suppliers were ended due to non-conformance to the Vigilance plan.

As part of this Duty of Vigilance Program, 26 batteries suppliers have been audited since 2018, including 12 in 2025 as a special focus. The Group continues to engage with them, including in relation to the EU battery regulation.

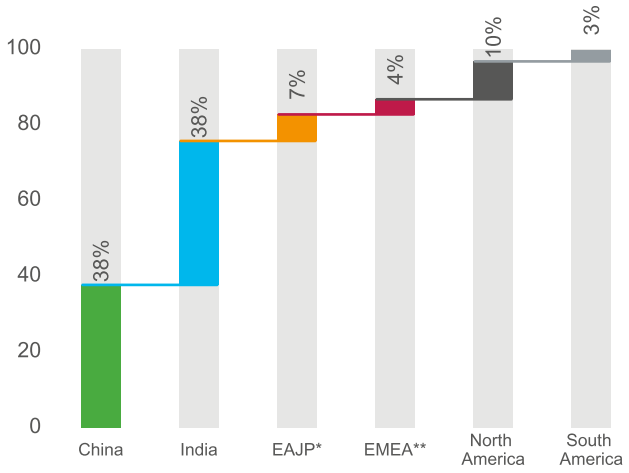
Self-assessments

In 2021, a specific self-assessment questionnaire was developed, building on the experiences of on-site audits performed during previous years. Among the questions asked, the core ones aim to check whether the suppliers are compliant on mandatory subjects of labor, human rights, environment, and health and safety. The two main goals of this assessment are to help the supplier to reflect on its compliance to vigilance standards, and for Schneider Electric to identify whether on-site audits may be necessary. During 2025, 74 suppliers submitted answers.

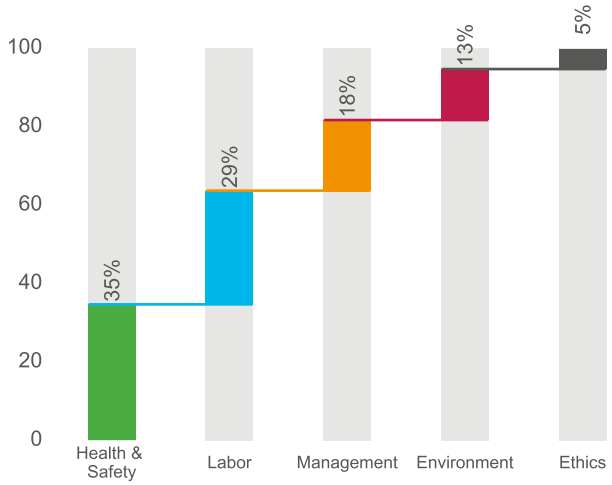
% Risky suppliers identified in 2025 by geography



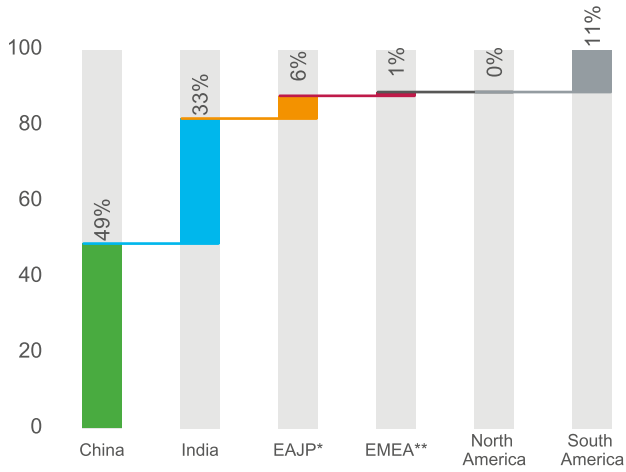
% Audits carried out in 2025 by geography



% Non-conformances in 2025 by topic



% Non-conformances in 2025 by geography



* EAJP: East Asia Japan Pacific
** EMEA: Europe Middle East Africa

Impact

From the beginning of the program in 2017 to the end of 2025, about 1,500 suppliers had been audited on-site, and 16 500+ non-conformances were raised, and subsequently remediated. The 222 on-site audits performed in 2025 have allowed Schneider Electric to raise 1,700+ non-conformances ; we can observe this year a decrease of the overall ratio of Non Conformances per supplier compared to previous years.

Out of these non-conformances, 192 are assessed as “top priority” and are given very specific attention during the re-audits of the suppliers.

Schneider Electric’s objective is to close 100% of all types of non-conformances identified, whatever their priority level.

Overall, the resolution of non-conformances identified since the program’s inception in 2017 has supported the improvement of the working conditions for an estimation of 400,000 employees. As example, correct minimum wages, safe working conditions, maximum working hours, overtime paid in line with the law.

Duty of Vigilance with project contractors

Schneider Electric's products and solutions are usually combined into larger systems such as electricity distribution and energy management in a building, or production process automation in a factory. The building of such systems can be complex and typically involves several different parties before they are commissioned by end-customers. For Schneider Electric, there are two options: to sell components through channel partners who take the responsibility to build and deliver the system; or to build and deliver the system directly for the end-customer, as a project. This second option requires coordinating several project contractors (panel manufacturers, system integrators, building contractors, etc.), usually on the premises of the end-customer. These projects are primarily off site (mostly on customer premises, existing or future), and they involve several different parties, global or local. Therefore, relationships with contractors are specific to a contract, and not necessarily recurrent. In 2025, Schneider Electric worked with approximately 9,000 solution suppliers (with a total spend of approximately EUR 1.6 billion).

- Human Rights risks: As project sites are in countries where Schneider Electric may not be present, and involve independent subcontractors, there is a risk that the policies recommended by Schneider Electric on health and safety, as well as decent workplace, may not be properly implemented. The main risks are physical accidents and injuries, or the unfair treatment of employees (wages and salaries, resting time), especially temporary and/or foreign employees.
- Business Ethics risks: Projects that are conducted in countries where business ethics standards are insufficient may be subject to ethical risks such as corruption, bribery, or pressures of a similar nature.
- Cybersecurity risks: Some subcontractors may have digital interactions with the end-customer and Schneider Electric at the same time. Therefore, their level of cybersecurity and data protection may create some risks for the project and the final customer.

A rigorous management of subcontractors supports a reduction in risks of incidents or accidents on site, and therefore protects workers, the communities living around the project site, and the final customer's employees and assets.

Out of the 9,000 solutions suppliers, Schneider Electric has identified about 230 solution suppliers categorized as "high risk", using the same methodology as for suppliers. Since 2018, around 125 of those suppliers have been audited, with 15 audits performed in 2025 leading to Schneider Electric raising 105 non-conformances. Out of these non-conformances, 11 were assessed as "top priority" for 5 suppliers.

The most recurring non-conformances with high-risk solution contractors are related to management systems, in terms of establishing adequate management reviews and defining responsibilities for implementation of management systems. In addition to these non-conformances, specific risks related to local contract negotiation may occur.

Actions following non-conformances are the same as with other suppliers (re-audits, trainings, workshops). Specific measures are implemented for this project environment: Schneider Electric implements regular reviews of safety incidents on customers' sites, involving the Global Safety team and the Project Management leadership.

The Group has also reinforced training on Anti-Corruption and Business Agent policies for its employees involved in commercial negotiations. The project follow-up with contractors and the selection processes for contractors have been adapted to ensure vigilance topics are considered early in the project stage.

2.2.3.2.6 Continuous improvement based on the ISO 26000 standard

The key focus of Schneider Electric is to ensure that suppliers treat sustainability as a journey and continue to improve their sustainability performance via organizational maturity on an ongoing basis. This is achieved by mandating strategic suppliers to adhere to ISO 26000 guidelines and share performance results KPIs as part of their journey to achieve higher performance threshold.

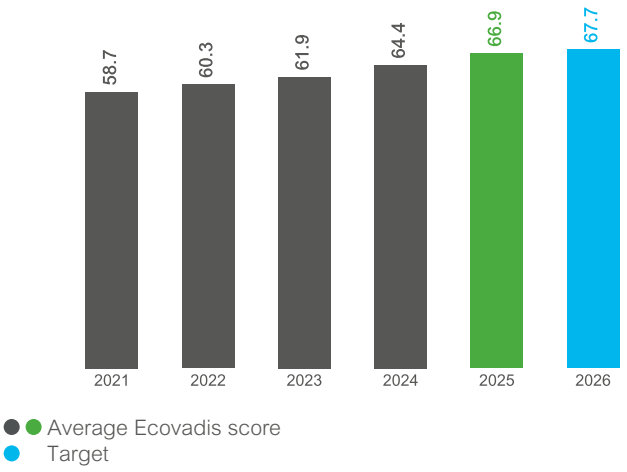
ISO 26000 is a voluntary guidance for companies and provides a framework for organizations to operate in a socially responsible manner, considering the interests of various stakeholders, including employees, customers, suppliers, communities, and the environment. As it is not a management standard, Schneider Electric has partnered with a third-party service provider, EcoVadis, to provide evaluation of the performance of the suppliers and assigning a score.

A score is assigned based on answers across four pillars: (1) Labor and human rights, (2) Environment, (3) Ethics, and (4) Sustainable procurement. Based on the results, suppliers must develop and deploy a corrective action plan, then retake the evaluation.

All strategic suppliers of Schneider Electric are mandated to participate in the ISO 26000 program. Suppliers are assessed for conformance. If the score goes below 50 points, it results in revocation of the strategic status, impacting their business growth.

To drive evolution of the suppliers towards higher maturity and degree of performance, Schneider Electric has adopted a global ambition to have a global average score of 65 points for all strategic suppliers by end of 2025. This ambition is split into annual targets. Against the target for 65 points to be achieved by end of 2025, a score of 66.9 points was achieved.

ISO 26000 program progress



2.2.3.2.7 Other action plan on sustainable programs

Decent Work program

The Decent Work program encourages suppliers to go beyond regulatory compliance and normative business practices. The program is dedicated to human rights and takes inspiration from the work of the ILO and includes key tenets into the program content.

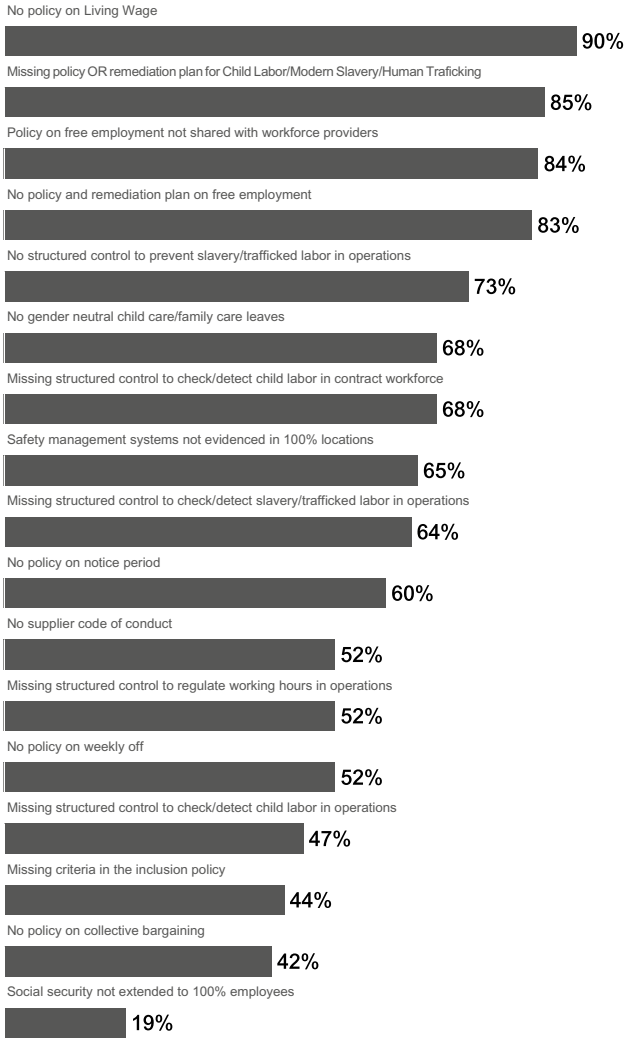
The program also combines key requirements and focal areas of several other international frameworks and bodies such as United Nations Global Compact, European Commission, United Nations Sustainable Development Goals and even aligning with the key requirements of SA8000 management standard.

The scope of the program includes strategic suppliers (supplier classified as Recommended and Core within Schneider ecosystem) across direct (also known as production) and indirect (known as non-production) procurement. The initiative adopts the approach of a development program, acknowledging that the program criteria may be new for many suppliers who will need support with capacity building, and constant engagement throughout implementation. The evaluation of supplier performance is carried out through an online questionnaire that is rolled out via Schneider Supplier Portal – Supplier Relationship Management (SSP-SRM) – Schneider Electric's supplier relationship portal. A specifically trained team of associates from Global Procurement Services (GPS) lead the launch of the initiative. The suppliers are required to respond to the questions and upload evidence to support the responses. All responses and accompanying evidence are evaluated to meet the minimum criteria of decent work. These responses and documents are assessed by specially trained reviewers. The reviewers come from within Schneider Electric as well as third-party agencies who specialize in business and human rights. In cases where the supplier actions do not meet the minimum requirements, feedback is given, and corrective actions need to be implemented by the suppliers in a timely manner. Upon rectification, the information needs to be resubmitted along with the evidence for the re-evaluation. To better engage suppliers and identify the common areas of improvement for deploying more effective supplier capacity building initiatives, the responses were analyzed. Below is the summary of the most frequent gaps identified during the year.

The most common area of improvement was lack of awareness about the concept of Living Wage. In line with the overall program approach, the strategic suppliers were introduced to the concept of living wage. The details of various living wage methodologies, including the Wage Indicator Foundation, freely accessible living wage database, co-sponsored by Schneider Electric, were made available to suppliers. Through various capacity building sessions, indicative roadmap and stages of deployment were explained. As part of the next phase of the program, the suppliers will be trained to undertake wage gap assessment including commitment to initiate the activity.

The overall approach of the program is close engagement with constant training, capacity building, handholding and communication with suppliers to ensure they normalize the topics, understand the actions required, initiate actions for behavioral change and gradually initiate the implementation in the future. On average, for every supplier 7 – 8 rounds of engagement sessions are conducted.

Most frequent non-conformances



Key pillars of the Decent Work program include:	
1. **Employment opportunities**	Employment opportunities should be available to all eligible, in a transparent, well-informed manner, and without any charges, as a right. In case of any expense incurred by the worker towards obtaining employment, the same should be reimbursed by the employer. The work should respect and uphold the dignity of employees and proactively create an environment to address and resolve modern slavery, forced labor, and bonded labor. There should be a process to ensure no child is employed.
2. **Adequate earnings and productive work**	Employment should be a source of economic independence and dignified living. The gradual decline of industrial wages and the COVID-19 crisis have severely impacted the economic outlook of the workforce, globally. Companies should review wage policies to ensure the affordability of a dignified living by the workers. Additionally, employment should equip the workforce to improve current skill sets and knowledge for future employability.
3. **Decent working hours**	Excessive working hours is a legal violation, often accepted as “necessary”. It is generally connected with low industrial wages and used as an excuse to not provide appropriate wages. Companies should review and remediate excessive hours and should align with the legal and/or international requirements.
4. **Stability and security of work**	Employment should be a source of economic stability and peace of mind. Uncertainty of job security increases stress and makes the workforce vulnerable to abuse and hazardous working conditions. The problem has been exacerbated due to COVID-19-related job losses.
5. **Social dialogue and workplace relations**	Employees should have the right to engage with management and collectively put across their concerns and demands. Collective bargaining and freedom of association encourages workers to raise concerns in a timely manner, acts as a barometer and early warning system to assess worker satisfaction, and reduces worker vulnerability.
6. **Fair treatment in employment**	Employment should be based on merit and the ability to do the job, and fair treatment should be extended to all employees. Differences in lifestyle, choices, etc., often become a source of discrimination, victimization, and harassment. This curbs freedom of expression, hiding preferences, and creates mental health challenges. Companies should ensure a workplace that accepts diversity and provides an inclusive work environment.
7. **Safe work**	Employment should result in economic independence and augment the ability to exercise a healthy and prosperous life. It should not result in ill-health, risk to well-being, or be a source of injury/misery.
8. **Social protection**	Industrial wages are often not sufficient to provide adequate living standards. The problem is exacerbated in cases of health emergencies. Social protection, provided by employers/governments, provides a much-needed safety net from economic shock, descent into poverty, and vulnerability. Companies should ensure that all employees have access to social security safety net.
9. **Purchasing practices**	Purchasing practices and requirements significantly impact working conditions. They influence the working culture of the supplier organization to meet customer requirements. The power of procurement can be a strong driver for positive change to include decent work conditions as a prerequisite among the supply chain partners, when balanced with other commercial criteria.
10. **Balancing work and family life**	Family responsibilities disproportionately impact genders and result in unequal participation in economic activities. Workplaces should strive to create a level playing field and provide all possible opportunities to employees to participate in economic activities without compromising the family responsibilities, which may require periods away from work (e.g., maternity, family care, flexible hours, and adequate childcare). The work environment should act as a leveler/equalizer and not augment the disparity.

Decent work criteria comparison with other initiatives

Key pillars	SE DW	ILO	UNGC	EU Com	SDGs	SA8000
Employment opportunities	Yes	Yes	Yes	Yes	Yes	Yes
Adequate earning and productive work	Yes	Yes	Yes	Yes	Yes	Yes
Decent working hours	Yes	Yes				Yes
Stability and security of work	Yes	Yes				Yes
Social dialogue and workspace relations	Yes	Yes	Yes			Yes
Fair treatment	Yes	Yes	Yes		Yes	Yes
Safe work	Yes	Yes			Yes	Yes
Social protection	Yes	Yes				Yes
Purchasing practices	Yes		Yes			Yes
Balancing work and family life	Yes	Yes			Yes	
Disciplinary practices						Yes
Management system						Yes

Abbreviations

ILO – International Labour Organization **UNGC** – UN Global Compact **EU Com** – European Commission
SDGs – Sustainable Development Goals **SA8000** – Social Accountability 8000

Schneider Electric has taken an overall ambition to ensure 100% of its strategic suppliers achieve conformance in the program by end of 2025 (SSI #6). This ambition is split into annual targets. In 2022 1% of the strategic suppliers, in 2023 21%, in 2024 63% and by the end of 2025, 98% of strategic suppliers achieved conformance.

Read more on the methodology of SSI in section 2.4.1.1 on **pages 315 to 320.**

Social Excellence program

In addition to the above-mentioned engagement, the Company has initiated development of a Social Excellence program, which aims to go beyond tier 1 suppliers and onboard them on the human rights journey.

Since 2023, the Group has been implementing a pilot program to assess how such a program, focused on upstream, can be developed and deployed. While the program is still in exploratory stage, it has provided invaluable insights that will help in conceptualizing a full-fledged program.

Towards this, the Group has identified a particular product and created 3 work streams to evaluate the risk. These include:

- Traceability workstream:
  Suppliers of the pilot product have been identified and contacted through a third-party digital platform to assess their Human Rights performance and collect information on their sub-suppliers, to improve transparency and accountability throughout the supply chain. On a scope of more than 100 suppliers contacted and after 6 months, only 30% of suppliers answered correctly to Human Rights and sub-tier information requirements. This pilot thus reveals that mapping suppliers beyond tier 1 is still a challenge today as it takes time, it is resource-intensive, and data received varies in quality, especially as you move deeper into the supply chain.
- Geographies workstream: Using the RBA risk evaluation tool, high-risk countries are identified, and suppliers located in those countries are engaged via the Workers Voice tool to identify key impacting areas.
  The Workers Voice initiative proved to be a powerful and rapid tool for identifying risks directly from workers. It involves rolling out a Human Rights anonymous survey to the employees of selected suppliers. The pilot in Vietnam in 2024 showed that this type of mobile-based questionnaires can uncover issues not visible through the traditional tools of the Group, such as sexual harassment or stress. As a follow-up activity of the survey, results were shared with suppliers and action plans were implemented in the factories to ensure the root causes were addressed. This tool thus reveals very complementary to on-site vigilance audits. Collaborative approach with suppliers and direct engagement with rights holders fosters mutual improvement. The use of this tool will be expanded in coming years.
- Raw materials workstream: Focuses on the critical minerals as identified by the International Energy Agency (IEA) and aims to gain understanding on these raw materials supply chains structure and the risks associated. Each raw material presents unique human rights risks and requires a tailored approach. There is no one-size-fits-all solution, long-term engagement and sector collaboration are essential. Early efforts to map risks and define mitigation plans are underway, but progress depends on industry willingness and regulatory alignment. Towards this, Schneider Electric aligned with the Responsible Mineral Initiative and engaged strategic suppliers of Cobalt, Nickel, Lithium, Natural Graphite, Copper, Mica via the Extended Mineral Reporting Template (voluntary requirement) to report and disclose the information about the upstream smelters and their validation under Responsible Mineral Assurance Process (RMAP).

This outreach was launched in July 2025, covering 244 suppliers and as of December 2025, six months into the initiative, 50% of the spend was identified as coming from smelters conforming to RMAP requirements. This process will continue in 2026 to engage more suppliers and the conclusion of the 1st year initiative will be reported along with the conflict minerals reporting.

In addition to the above, Schneider Electric also implements programs in accordance with country-specific requirements.

Supplier Diversity program

In the US, the Company implemented a Supplier Diversity program, which aims to promote the utilization of qualified and competitive diverse businesses in procurement.

The program includes suppliers that are certified as one (or more) of the following: Small Business Enterprise (SBE), Veteran-Owned Enterprise (VET), Disadvantaged Business Enterprise (DBE), Minority-Owned Enterprise (MBE), Women-Owned Enterprise (WBE), Disabled-Owned Enterprise (DOBE), LGBT+ Owned Enterprise (LGBT), or Businesses located in Historically Underutilized Business Zones (HUBZone).

The Company accepts all third-party certifications by organizations such as: the National Minority Suppliers Development Council (NMSDC), Women's Business Enterprise National Council (WBENC), the National Gay and Lesbian Chamber of Commerce, and Disability: IN.

Suppliers are required to successfully complete Schneider Electric's supplier evaluation and onboarding process to demonstrate their capabilities prior to being invited to a competitive bid. Once invited to the bid, suppliers are only awarded business based on the strength of their bid submission.

Supplier communication and engagement

The Company follows a customized communication plan for full spectrum of policies and programs to its suppliers. The Schneider Electric Supplier Platform is the preferred mode of communication with suppliers. Additionally, several other avenues of engagement are deployed as deemed effective. These include:

- Inclusion of the sustainability requirements, and Supplier Code of Conduct in the contractual instruments.
- Webinars and thematic digital connect sessions.
- One-to-one communications, keeping specific suppliers in the loop; Procurement colleagues to inform, train, and schedule engagement on various programs.
- Dedicated training and capacity building sessions are organized for suppliers, in group as well as one-to-one settings for ISO 26000 and decent Work program.

Conflict Minerals program

Regarding conflict minerals and extended minerals, Schneider Electric is working with an expert third party to collect and analyze the information from its suppliers (CMRT & EMRT), to identify the source of the minerals in question and ensure they are recognized as "conflict-free" within established international standards such as the Responsible Minerals Initiative (RMI), the London Bullion Market Association (LBMA), and others.

The data collection campaign includes all five due diligence steps recommended by the OECD. Supplier CMRTs are collected throughout the year, and in case of non-conformant or non-audited, smelters or refiners are identified, suppliers are contacted to work on the removal of those SoRs from the supply chain. By the end of 2025, the Group achieved significant progress, with 89% of identified smelters and refiners in its supply chain being designated as compliant with recognized third-party validation schemes.

All strategic suppliers are required to provide updated CMRT and perform due diligence. Additionally, suppliers delivering products containing mica, cobalt, copper, lithium, nickel, graphite are required to complete the EMRT (Extended Minerals Reporting Template).

2.2.3.2.8 Targets

Cycle	Targets[1]	Detail
2021-2025	SSI #6	To ensure 100% of its strategic suppliers provide decent work to their employees
2021-2025	SSE #17	4,000 on-site and remote supplier audits as part of the vigilance plan
2021-2025	ISO 26000	Achieve 65 point average EcoVadis score for all strategic suppliers by the end of 2025
2026-2030	Sustainability Impact 2030: Industry Catalyzer	100% of strategic suppliers are engaged in implementing advanced decent work practices
2026-2030	Out of Sustainability Impact 2030: Vigilance Plan	Perform 200 on-site audits as per the Vigilance Plan per year and up to 2030
2026-2030	Out of Sustainability Impact 2030: ISO 26000	Achieve 72 point average EcoVadis score for all strategic suppliers by the end of 2030

(1) For more information about the differences between the 2021-2025 cycle and the sustainability statements (CSRD) entity scopes, please refer to **section 2.2.1**.

2.2.3.3 Ethical relations with affected communities | ESRS S3

2.2.3.3.1 Context

Impacts, risks, and opportunities

	Affected communities
Negative Impact	**Violate economic, social, and culture rights of local communities**
	Violate rights of indigenous communities

There is increasing research and evidence on the potential impacts of energy transition-related industries on local and indigenous communities.

Schneider Electric has identified, thanks to the risk mapping from its Vigilance Plan, six categories of potentially affected communities:

- Local communities living adjacent to Schneider Electric's sites.
- Local communities living adjacent to Schneider Electric's direct suppliers' sites.
- People living adjacent to logistics and distribution centers.
- People living around mines in Schneider Electric's upstream supply chain, including indigenous people.
- People living adjacent to waste management sites, downstream Schneider Electric's value chain.
- People living around customer projects, in particular in the extractive industries sector and power generation.

2.2.3.3.2 Policy

The affected communities topic is governed by Schneider Electric's Human Rights Policy, specifically the section "**2.1 Local communities and Indigenous people**". Through this policy, the Group seeks to build an understanding of communities potentially affected by its activities in its value chain, engage with them and minimize impacts on populations, whether local or indigenous communities.

The policy also stipulates that, where appropriate or requested, Schneider Electric endeavors to support its business partners throughout the value chain in addressing situations that may involve potential adverse impacts and to increase relevant stakeholders dialogues. In case negative impact may have occurred, the Trust Line, Schneider Electric's internal and external alert system, can be used by communities potentially affected by Schneider Electric's activities throughout the value chain to raise concerns and alerts, as the mechanism is publicly available.

Read more on the Trust Line in section 2.2.1.1.3 on **pages 106 to 114.**

Schneider Electric's Human Rights Policy is available publicly on **www.se.com**

The affected communities topic also falls under the Group's ambition set forth in the Vigilance plan, to be a role model in its interactions with customers, partners, suppliers, and communities on ethics and the respect and promotion of human rights. At a later stage, some specific policy may be drafted to further structure the framework.

The strategic part of the Human Rights Policy as well as the measurement and its full deployment is led by the Corporate Citizenship department, composed of Human Rights experts supported by Human Resources and Global Supply Chain departments as well as countries, the Internal Audit team, and Compliance functions.

Read more on the Human Rights Policy in section 2.2.3.2.2 on **page 224**.

Read more on the Vigilance plan in **section 3.3 on page 394.**

The Duty of Vigilance Steering Committee, chaired by the Executive Committee member in charge of the supply chain and composed of senior leaders who represent key internal stakeholder, is responsible for overseeing the topic of affected communities.

To better understand the topic of affected communities and its specific issues, the Group is engaged in various coalitions, allowing to gain insights into perspectives of affected communities:

- The United Nations forum on Business and Human Rights
- The United Nations Global Compact (UNGC) Decent Work initiative and Forward Faster initiative on Living Wages
- The Taskforce on Affected Communities of the French UNGC
- The Responsible Business Alliance (RBA)
- Responsible Steel
- The Copper Mark

Schneider Electric participates several times a year in initiatives, conferences, or working groups organized by these different organizations. For example, the Group participates in awareness-raising sessions about affected communities organized by UNGC France, helping to strengthen understanding, engagement and mitigation actions on the topic.

Besides its participation in these coalitions, the Group has not yet engaged directly with affected communities. Schneider Electric is still investigating which communities and what engagement would be relevant.

2.2.3.3.3 Impacts and risks

The table below presents, on a 1 to 4 scale, a simplified view of the human rights risks identified for each affected community. In this report disclosures will focus on the most material risks, that is those rated 3 and 4.

	Around Schneider Electric sites	Around suppliers' sites	Around logistics and distribution	Around mines	Around end-of-life management sites	Around customers' projects
Proximity to Schneider Electric and leverage	Med	Low	Low	V. Low	Low	Med
Communities' economic, social, and cultural rights (adequate housing, adequate food, water and sanitation, land-related and security-related impacts)	2	3	1	4	3	3
Communities' civil and political rights (freedom of expression, freedom of assembly, impacts on human rights defenders)	1	1	1	4	1	3
Particular rights of indigenous peoples (free, prior, and informed consent, self-determination, cultural rights)	1	2	1	4	1	3

This table reflects a gross impact measurement carried out by Schneider Electric's Human Rights and Vigilance experts, using the *severity x likelihood* scoring methodology.

Internal assessment used to guide scoring:
- Vigilance risk assessment for Schneider Electric's 30 largest sites carried out in 2020.
- Ongoing Vigilance risk assessment of communities living around customers' projects sites (see below section "People living around customers' projects, in the extractive industries sector and power generation").

External reports used to guide scoring:
- Transition Minerals Tracker: 2025 Analysis, Business & Human Rights Resource Centre.
- Top 10 Business & Human Rights Issues in 2025, Institute for Human Rights and Business.
- Sustainable and Responsible Critical Mineral Supply Chains, International Energy Agency.
- The Global E-Waste Monitor 2024, United Nations Institute for Training and Research.

2.2.3.3.4 Local communities living adjacent to Schneider Electric's direct suppliers' sites

Schneider Electric's suppliers include companies in various industries and countries, which could cause pollutions to soil, air, or water ; generate noise, or impact traffic around their sites, and could potentially impact local communities.

Specific sustainable procurement programs are in place to prevent environmental and social risks at Schneider Electric's direct suppliers:
- Supplier Qualification process including sustainability performance as key evaluation criteria.
- Adhesion to Schneider Electric's Supplier Code of Conduct.
- On-site and remote supplier audits as part of the Vigilance plan (SSE #17).
- ISO 26000 for strategic suppliers.

Read more in **section 2.2.3.2 on page 223.**

2.2.3.3.5 People living around mines in Schneider Electric's upstream supply chain, including indigenous people

Risks related to raw material extraction and transformation in Schneider Electric's upstream supply chain are difficult to evaluate precisely because they are located far upstream, which makes data difficult to obtain. For this reason, the evaluation of risks is mostly based on external reports.

According to the Transition Minerals Tracker 2025 Analysis, key impacts on communities around mines include:
- Clean, healthy, and sustainable environment;
- Water pollution;
- Attacks against human rights defenders;
- Access to water;
- Occupational health and safety;
- Impacts on livelihoods;
- Land rights; and
- Personal health.

Schneider Electric's approach is to evaluate those risks and implement prevention or mitigation plans for each material, prioritizing them by procurement volume and human rights risks.

The Group is engaged in various programs relating to raw materials:

- Conflict minerals program (tin, tungsten, tantalum, gold) and Extended Minerals Reporting Template (cobalt, copper, nickel, lithium, natural graphite, mica)
- SSI #4 program (aluminum, steel, plastics) with the ambition to increase green material content in products to 50%.

Read more on the methodology of SSI in section 2.4.1.1 on **pages 315 to 320.**

For raw materials that are necessary for Schneider Electric's activities and are not yet covered by one of the programs mentioned before, a specific study has been started to better understand the impact of these industries. This study will also allow Schneider Electric to investigate the existing certifications and coalitions for these raw materials. The impacts of the mining industry being far upstream and the leverages to act being thus limited, the Group's strategy is to work with other actors to improve the social and environmental conditions of mineral extraction through certifications and coalitions.

In addition to aiming for more certification of its raw material procurement, Schneider Electric is accelerating its circularity strategy to limit the consumption of raw materials, and thereby potential associated risks.

2.2.3.3.6 People living adjacent to waste management sites, downstream Schneider Electric's value chain

According to the Global E-Waste Monitor 2024, 14 billion kilograms of e-waste was estimated to be disposed of as residual waste in 2022, the majority of which is landfilled globally. The non-treatment of this waste therefore has significant consequences in terms of soil and water pollution and impacts on biodiversity. Moreover, 18 billion kilograms of e-waste was estimated to be handled in low- and lower-middle-income countries with no developed e-waste management infrastructure, mostly by the informal sector. The lack of adequate infrastructure can therefore also impact the health of individuals who find themselves managing this waste through the informal sector.

In the downstream value chain, Schneider Electric is actively working to secure compliance with local regulations, including the WEEE Directive (Waste from Electrical and Electronic Equipment) and the Batteries and Battery Waste Regulation. These EU laws incorporate Extended Producer Responsibility (EPR) provisions, compelling Schneider Electric to prevent products within scope from ending up in landfills at their end-of-life.

Also, the Group's electrical and electronic equipment products include end-of-life instructions, offering customers guidance on safe management and disposal when they become waste.

2.2.3.3.7 People living around customers' projects, in the extractive industries sector and power generation

Ongoing customer projects

Since 2021, Schneider Electric extended its Vigilance risk assessment to cover local communities residing close to sites where the Group is implementing projects for customers. This analysis was conducted remotely through interviews with customer project managers. These projects can be, for example, the building of an electrical switchgear station to distribute electricity, either to a grid or to large private users. Depending on the profile of the end-customer, these projects necessitate the on-site coordination of several types of contractors. Relationships with local communities, when relevant, are usually handled by the main contractor, or by the end-customer.

To identify the main sites presenting potential risks, Schneider Electric has pre-selected customer projects based on the combination of two criteria – country risk and customer activity. 40 customer projects were selected for a review.

Projects reviewed can be grouped into three categories, each reflecting the type of involvement of Schneider Electric, and the mitigation capabilities of Schneider Electric:

- Type 1: Schneider Electric provides switchgear and/or industrial equipment, is also the main contractor for the project, and is present on site. Mitigation actions can be decided and implemented by Schneider Electric.
- Type 2: Schneider Electric provides switchgear and/or industrial equipment, but it is not the main contractor. Mitigation capabilities are limited.
- Type 3: Schneider Electric provides software and control, and is mostly working remotely, being present on site only for final testing and commissioning. Mitigation capabilities are very low.

As of end 2025, 30 projects have been reviewed and results can be summarized as follows:

Type 1: 2 projects – Schneider Electric operating as the main contractor

- Renovation of medium voltage electrical substations.
- Very large city, dense urban area.
- Sites already existing, limited surface (one building).
- Limited civil work (refurbishing) in a closed area.
- Almost no impact on population living nearby (two-days street closing).

Type 2: 19 projects – Schneider Electric as one of the suppliers to a large contractor or customer

- 9 projects are medium voltage equipment ex-works delivery; no presence on customer site.
- 2 projects are reinforcements of safety systems on existing mining sites.
- 4 projects are very large new projects on land:
  - 3 are for a customer expanding a refinery
    - Large civil work on previously unoccupied land.
    - End-customer and local authorities are in charge on site.
  - 1 is for a customer building an irrigation network for agriculture.
    - Location in a semi-desertic area – no population living on site.
- 4 projects are new Data Centers

Type 3: 9 projects – Schneider Electric as provider of software, mostly remotely

- Projects are mostly software systems, that do not involve any on-site work as there is no hardware to deliver and install.

Although this analysis is done on a limited sample, it points to the following conclusions:

- A large majority of Schneider Electric projects are having limited impact on local communities as they are either:
  - Not located close to any populated area;
  - Taking place on already built facilities;
  - Delivered ex-works to the client, with no on-site involvement from Schneider Electric; or
  - Involving software offers only, that are entirely delivered remotely.
- A minority of projects involve large civil works on site, that may affect the local environment or local communities. This almost only happens when the end-customer is conducting a complex and highly specialized project (refinery, factory, extraction site, etc.). In these instances, Schneider Electric is only one of several vendors, and does not handle relations with the local population. In such cases however, Schneider Electric wishes to apply the highest level of ethical and responsible commitment in its relations with the end-customer to ensure that the project complies with high sustainable and ethical standards.

Focus on EACOP project

EACOP (East Africa Crude Oil Pipeline), along with the Tilenga project, is operated by a joint venture between two states (Uganda and Tanzania), and two private companies (CNOOC and TotalEnergies). It consists of several extraction sites, and a pipeline to connect these sites to a port on the Indian Ocean coast.

The Group provides equipment for the supervision and safety of the infrastructure and contributes to the integration of renewable energy sources to reduce the CO_2 emissions.

Schneider Electric has commissioned an independent third-party expert, to conduct a risk assessment based on the International Finance Corporation's Performance Standards on Environmental and Social Sustainability. The assessment has been updated with the status of discussions with the EACOP joint venture, local stakeholders (individuals or non-governmental organizations) and Total Energies. In addition, Schneider Electric organized two field visits on the project site (in Uganda and Tanzania), led by its Chief Compliance Officer.

Based on these assessments and observations, Schneider Electric considers that EACOP joint venture, local authorities, and local stakeholders are addressing the environmental and human rights concerns raised by some local stakeholders and media outlets. As the project continues, Schneider Electric will continue to engage with stakeholders and to monitor relevant remediation actions.

Overall, Schneider Electric is confident that the work with EACOP is consistent with its ethical and sustainability standards.

Risk review of customers' projects

At Schneider Electric, delivering solutions in complex and sensitive environments requires a comprehensive approach to risk management. The Group Solutions Business Process Policy establishes clear rules and responsibilities to ensure that all risks – including those related to affected communities – are identified, assessed, and addressed before any commitment is made. This policy applies globally and covers operational, legal, financial, supply chain, and ESG risks, reflecting Schneider Electric's commitment to responsible business conduct and stakeholder expectations.

The ESG risk review process is structured and integrated into the earliest stages of the opportunity lifecycle. Major solutions are screened for ESG risks from the outset, with assessments covering environmental impact, human rights, and governance considerations. When a project presents heightened sensitivity or potential controversy, the process includes escalation to a dedicated ESG Committee composed of senior executives. This ensures that decisions on such projects are taken at the highest level of the organization, with full consideration of the potential impacts on communities and alignment with Schneider Electric's commitments and values.

Risk management at Schneider Electric is a collective and transparent process, involving all relevant functions and levels of the organization. Every employee engaged in the business solutions is expected to apply their expertise to anticipate and mitigate risks, working collaboratively and proactively with colleagues across disciplines. The Solutions Risk Management (SRM) team plays a central role in coordinating a 360° risk review, bringing together subject matter experts to provide management with an unbiased and consolidated analysis. This aims at ensuring that decisions are made with a full understanding of potential impacts on communities, reputation, and long-term value creation.

2.2.3.3.8 Opportunities

Beyond mitigating the negative impacts linked to its value chain, Schneider Electric also seeks to have a positive impact by implementing various programs on employment, education, training, entrepreneurship, women empowerment, infrastructure improvement, access to green energy, and non-discrimination (based on ethnicity, gender, religion, etc.). The absence of such initiatives by Schneider Electric could lead to adverse consequences, such as the perpetuation of inequality, a lack of opportunities for marginalized communities, and a deterioration of living and working for the individuals concerned.

Read more on these programs in section 2.3.2 on **page 288.**

2.2.3.3.9 Targets

Cycle	Targets[1]	Detail
2021-2025	SSE #17 Suppliers Vigilance	4,000 on-site and remote supplier audits as part of the vigilance plan
	SSI #4 Green Materials	Increase green material content in products to 50%
2026-2030	Sustainability Impact 2030 / Industry Catalyzer	50% of materials selected to provide superior environmental and social value

(1) For more information about the differences between the 2021-2025 cycle and the sustainability statements (CSRD) entity scopes, please refer to **2.2.1**.

2.2.3.4 Consumers and end-users | ESRS S4

2.2.3.4.1 Personal safety of consumers and end-users

Context

Schneider Electric deeply values the trust that customers and employees place in its products and services to ensure their safety and protect their property. Learning from events in other industries, Schneider Electric understands the importance of quality to customers and the potential brand damage that can result from a loss of trust and perceived quality. Consequently, Schneider Electric has elevated its already high standards to set a new benchmark for quality in the industry. Continuous quality improvement is now a central element of the organization's strategy and is fundamental to achieving its overall business purpose and mission. Recognizing the benefits of delivering superior quality, the Group has accelerated its Company-wide quality transformation.

Impacts, risks, and opportunities

Personal safety of consumers and end-users	
Negative Impact	**Trigger physical harm or property damage**

Schneider Electric operates globally with a wide-ranging portfolio of customer solutions. The corresponding complexity of the product portfolio and supply chain brings with it risks and opportunities for quality. Many of the Group's solutions serve mission-critical industries where product quality and safety are a critical topic. Consumers and end-users subject to product usage risks and defaults in implementation resulting in physical harm or property damage are mainly panel builders, system integrators, IT solution providers, electricians, digital and service providers, specifiers, and end-users.

Product malfunctions or failures could result in Schneider Electric incurring liabilities for tangible or intangible damages, or personal injuries. The failure of a product, system, or solution may not only pose a risk to the physical integrity or property of Schneider Electric's customers, but it can also entail costs related to product recall, result in new development expenditure, and consume technical and economic resources, on top of brand or reputational damage.

Schneider Electric's products are also subject to multiple quality and safety controls governed by national and supranational regulations and standards. Maintaining compliance with new or more stringent standards or regulations could result in capital investment. At the end of the day, these quality controls pretend to impact positively all the consumers and end-users mentioned above. Risks identified by Schneider Electric regarding products, projects, system quality, and offer reliability can be:

- Design-related safety, compliance, and quality concerns.
- Manufacturing and logistic problems.
- Field execution and services related.
- Software security and quality.
- Supplier and supply chain-related.

The risk of design-related safety and quality concerns can specifically have negative impacts on the consumers in the middle of the value chain, such as electricians or panel builders. The above-mentioned risks could significantly impact the Group's financial performance. The business reputation of Schneider Electric could also be negatively impacted.

Schneider Electric Quality Policies

The policy of Schneider Electric is to propose only products, solutions, and services that are safe when properly used for their intended purpose or for other reasonably foreseeable purposes. In this sense, Schneider Electric Quality Policies contribute to a continuous effort by the Company to avoid any product usage risks and defaults in implementation resulting in physical harm or property damage.

At Schneider Electric, the "Customer Satisfaction and Quality network" covers all layers, functions, global supply chain, operations, and lines of businesses.

Schneider Electric's Quality Policies are available to all stakeholders including consumers and end-users on **www.se.com**

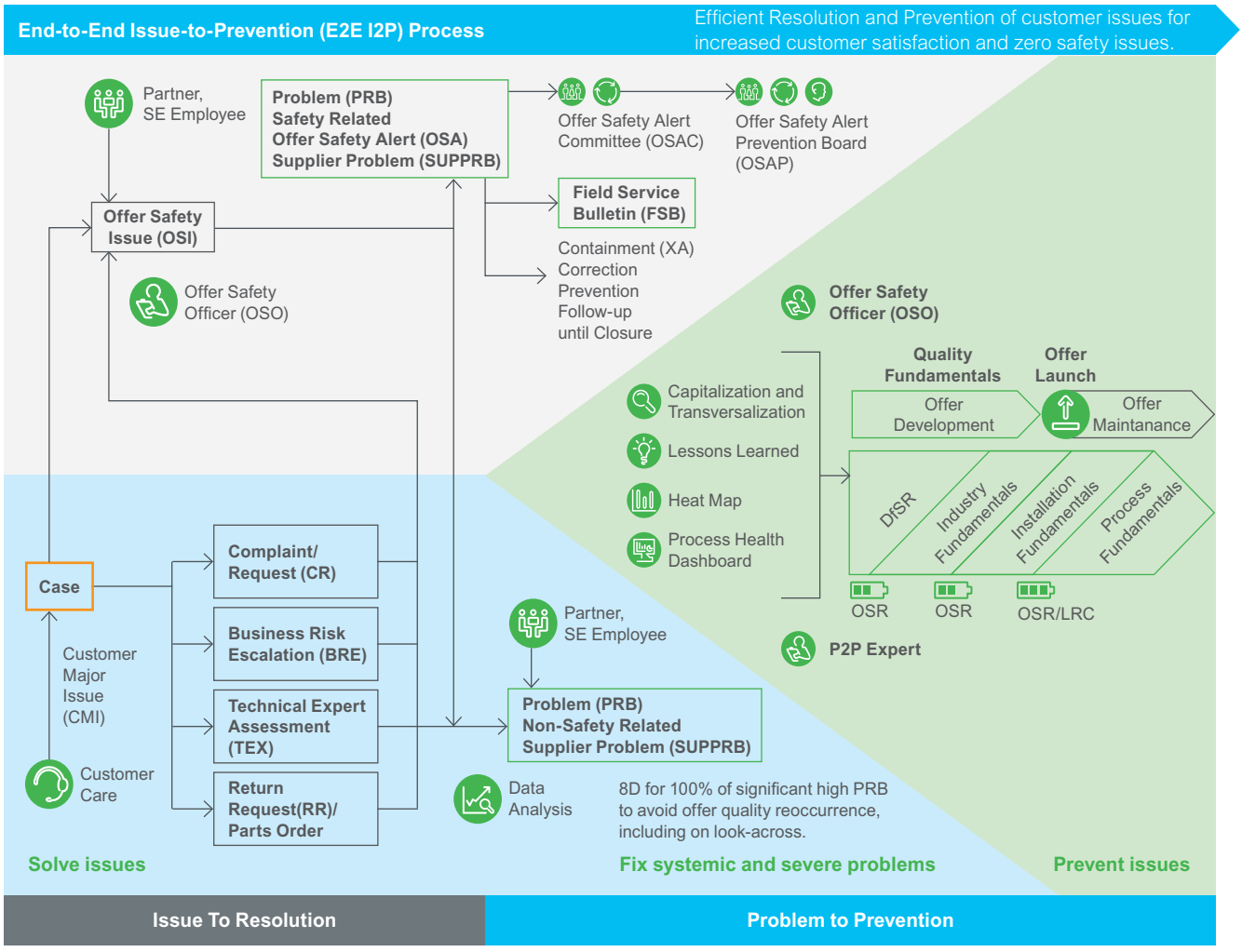
Identifying, addressing, solving, and preventing safety quality issues

The full understanding of the different risks that may affect Schneider Electric's consumers and end-users is also frequently done throughout the year thanks to a deep analysis of all the product recalls received by Schneider Electric. This continuous analysis enables the Group to drive its activities and its quality guidelines in the direction of a proper personal safety of its consumers and end-users.

In line with the Quality Policy, it is the obligation of Schneider Electric to notify customers of any known safety issues caused by its offer that may result in bodily injury or property damage, and include instructions for immediate remedial actions, even after the end of the useful life of the offer.

To address this requirement, Schneider Electric has implemented several quality directives that require the application of systematic processes for all offers sold or manufactured by Schneider Electric:

- Quality Directive "Managing Customer Safety Risks". This directive requires the application of Schneider Electric's systematic processes to properly address potential offer safety risks of bodily injury or property damage discovered inside or outside Schneider Electric.
- Quality Procedure "Offer Safety Review". The overall objective of offer safety is to reduce the risk arising from the use of Schneider Electric's products, solutions, or services throughout their lifecycle. Offer safety reviews are conducted by Offer Safety Review Committees and are used to help ensure that offers are safe when properly installed (based on safety manual), maintained, and used for their intended purpose and other reasonably foreseeable use or misuse.
- End-to-End "Issue to Prevention" (E2E I2P) process. E2E I2P is designed to identify, address, and solve quality issues affecting the customer, and to understand and correct the root causes at the source of the issues and learning from that understanding to prevent the reoccurrence of similar issues in the future.



When the consumers and end-users of Schneider Electric are using the Customer Care service, a short satisfaction survey is proposed to evaluate their trust in its structures and processes, and to raise their concerns or needs and have them addressed. Contact information of the Customer Care service of the Group is available in the different communication and packages that the Group is continuously sharing with its consumers and end-users.

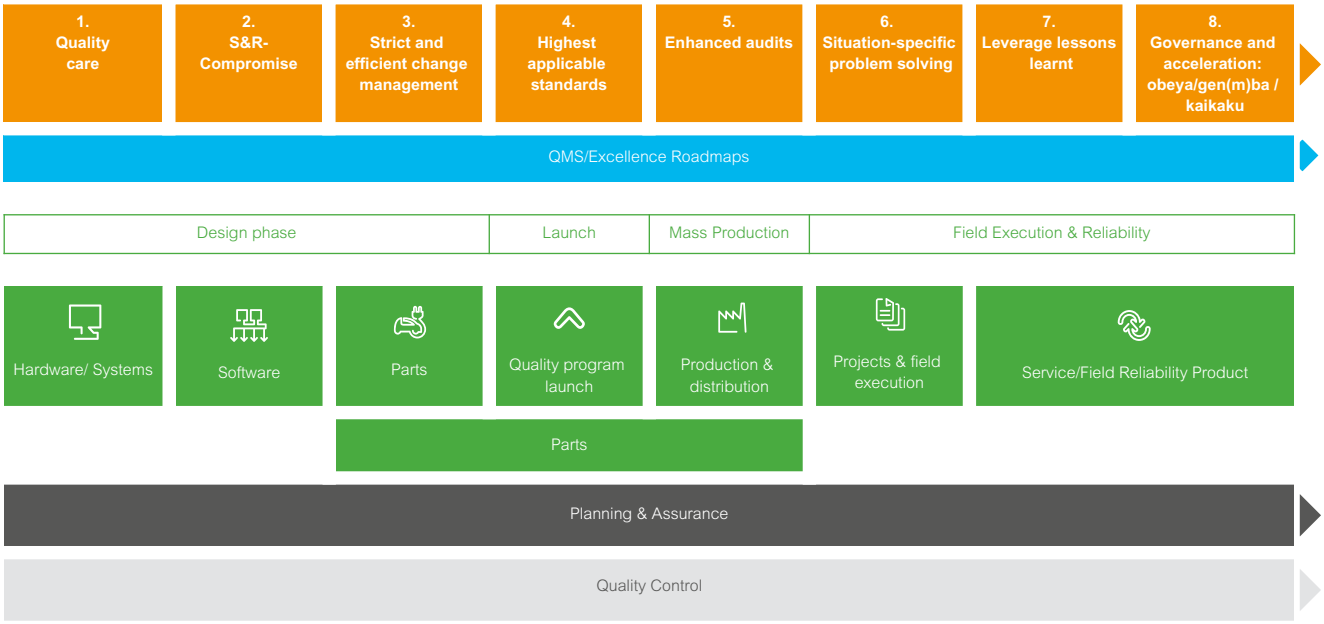
How the process works

Within the E2E I2P process and aligned with the Quality Directive "Managing Customer Safety Risks," Schneider Electric has implemented a robust process for managing safety issues related to its offers. Any occurrence or near-miss involving bodily injury or property damage potentially linked to a Schneider Electric offer must be reported as an Offer Safety Issue (OSI) within 24 hours. Reporting does not imply liability or acknowledgment of a safety risk caused by a Schneider Electric product, but ensures proper expert analysis and eventual confirmation. The process emphasizes that concerns about confidentiality or cost should not delay reporting; employees can use the Schneider Trust Line if pressured not to report.

Once confirmed as a safety risk, the Offer Safety Alert process is triggered. A Problem Leader forms a cross-functional team to identify affected products and customers, define urgent containment actions, and prepare communication strategy and remediation plans. The Offer Safety Alert Committee (OSAC) reviews risk analysis, draft notifications and proposed actions, giving a "Go" or "No-Go" decision. Upon approval, the team finalizes the remediation plan - including finalizing and approving the Product Safety Notice, Customer Letter, and supporting documents - and ensures supply chain readiness, and coordinates internal and customer communications.

Remediation owners in each country share safety notices and track customer' acknowledgments until closure, validated by Country Presidents. Regular OSAC follow-ups ensure progress and formal closure. This process guarantees timely reporting, analysis, containment, and remediation of safety issues with clear governance and accountability.

Putting the quality strategy into action



Quality strategy

The Group integrated Quality Fundamentals into daily activities, on all its portfolio - including Projects and Services - to strengthen processes and establish standardization for proactive identification, prioritization, and mitigation of risks.

Schneider Electric's Quality Strategy embeds quality across the entire value stream, from design to field operations, ensuring safety, reliability, and customer satisfaction. This strategy is supported by significant resource allocation, including the creation of a Quality Academy, expansion of quality-focused roles, and deployment of Quality Fundamentals across all business functions. Thousands of employees have been trained through immersive workshops, reinforcing a culture where every employee, from frontline staff to executives, is accountable for quality.

Quality Management System and internal audit

A comprehensive Quality Management System integrates safety protocols and training into daily operations. Each job role has a defined safety curriculum, covering risk assessment, mitigation tools, and preventive measures. Regular internal audits ensure compliance and continuous improvement, while external audits – including ISO 9001 assessments and customer-led evaluations – validate product and service safety.

Product/service safety undergoes regular external audits as part of the ISO 9001 standards assessment conducted by external bodies. In specific situations, external audits focusing solely on product/service safety are performed by certification bodies or customers, either directly or through third-party organizations.

The QMS has evolved to include strategic alignment, process optimization, and stakeholder collaboration. These audits not only ensure compliance but also uncover opportunities for improvement, helping Schneider Electric proactively manage risks and deliver positive outcomes for consumers and end-users.

Quality in design phase

To prevent material negative impacts, Schneider Electric launched a Design for Safety and Reliability Standard, introducing mandatory Quality Fundamentals for design. This ensures that new offers meet the highest safety and robustness standards. The Customer Satisfaction & Quality (CS&Q) function enforces strict compliance, halting launches that fail to meet quality criteria.

Recognizing the growing importance of software, the Company appointed a Software Quality Leader and introduced Software Quality Fundamentals based on DevSecOps (Development, Security, and Operations) and Agile principles. These initiatives aim to reduce defects, enhance reliability, and prevent harm to consumers and end-users.

Quality in industrialization and launch

The Group adopted Advanced Product Quality Planning (APQP) to improve product launches. This cross-functional approach brings together design, manufacturing, and service teams to co-create reliable and serviceable solutions. Quality Fundamentals were embedded into prototype and pre-series phases, and roles were redefined to strengthen accountability.

This “zero-defect” program ensures first-time-right launches, reducing the risk of recalls and enhancing customer trust. The effectiveness of these actions is tracked through performance metrics and customer feedback, ensuring continuous improvement.

Quality throughout the supply chain

Schneider Electric demonstrates zero compromise on safety and regulatory compliance through a robust Potential Failure Mode and Effects Analysis process to identify most important risks, achieving breakthrough risk elimination or mitigation actions across the supply chain in 2023 and sustaining this level through 2024 and 2025. Kaikaku (radical change) events were launched to embed quality fundamentals across hundreds of manufacturing and distribution lines.

To further the quality culture and accelerate transformation, the Group introduced a Quality Index to measure behaviors and outcomes, providing transparency, recognizing leading plants, and allocating resources to improve lagging sites. Change management was strengthened to assess risks before production, while Artificial Intelligence (AI) and machine learning are leveraged to detect weak signals and prevent issues.

Three major initiatives were launched within Schneider Electric’s supply base in 2023 and reinforced over 2024 and 2025. First, the Supplier Qualification process was analyzed and updated for efficiency and robustness, including the addition of the Quality Fundamentals, software supplier qualifications, and counterfeit component programs. Second, the Group is standardizing on the widely known APQP process with external suppliers for new project offers. In addition to these new offers, the Group launched a program to apply the Production Part Approval Process (PPAP) to legacy critical parts and changes of suppliers. Finally, in support of the strategy, the Group continues to invest in building quality expertise, most recently expanding battery and electronics competencies.

Digital tools such as real-time process control, traceability, and statistical process control were deployed across 500+ manufacturing lines. These tools enhance transparency and enable rapid response to quality issues.

Leveraging Schneider Electric’s formidable Smart Factory capabilities, the Group is innovating ways to digitally build-in quality. From process quality assurance and control to reducing administration, the Group has identified hundreds of applications for AI and machine learning.

Quality improvement

Schneider Electric’s “Issue to Prevention” process continues to deliver valuable insights to root causes of problems and their responding improvement opportunities. The process was further strengthened through the implementation and verification of corrective and preventive actions, and by creating a mechanism to share learning horizontally across the Group.

All these actions cover all layers, functions, global supply chain, operations, and lines of businesses.

Targets

Cycle	Targets[1]	Detail
2021-2025	SSE #15	Reduce total number of safety recalls issued to 0
2026-2030	Out of Sustainability Impact 2030	Zero safety recalls issued

The Group has been impacted by three approved product recalls in 2025, against five approved product recalls in 2024. With the quality transformation, Schneider Electric has focused on correcting and preventing the reoccurrence of quality issues, seeing a substantial reduction in the number of safety-related product recalls to five in 2024, to three in 2025, against the 22 approved product recalls in 2023.

Through the combined effects of the enforcement of the Offer Safety management process and the deployment of the actions described above, the Group made progress setting a new standard for the industry by declaring its ambition to drive toward zero recalls by the end-2030 horizon. This ambition has been materialized by the implementation of the SSE #15 bringing visible results between 2024 and 2025 with a reduction of the units per recalls by 32%.

Read more on the methodology of SSE in section 2.4.1.2 on **pages 320 to 325.**

2.2.3.4.2 Data privacy

Impacts, risks, and opportunities

Data privacy of consumers and end-users	
Negative Impact	**Risk private and sensitive information leaks**
Risk	**Potential legal risks**

Schneider Electric strongly supports the fundamental rights to data privacy and protection and believes that the global implementation of a digital strategy must reconcile economic objectives and respect for fundamental human rights, including the right to protection of personal data and privacy.

As part of the mission to deliver connected solutions that help consumers manage energy consumption, from their homes to electric vehicles, Schneider Electric processes data related to lifestyle and usage patterns. In the unlikely event of a security incident, unauthorized disclosure could impact consumer privacy and trust. This is why data privacy and protection are core priorities at Schneider Electric, supported by robust policies, processes, and technologies designed to minimize risk and uphold the highest standards of privacy and compliance. Schneider Electric cybersecurity and data protection policies, processes, and measures are designed to minimize the likelihood of the risk to consumers' private life materializing.

To be transparent to consumers about data protection, the Group engages with them through various touch points. Consumers browsing the Group's website can access the online data privacy policy and cookie notice of Schneider Electric for information about online data processing activities. For specific information about data processing activities (processing purposes, data categories, data sharing,etc.) carried out in the framework of connected product offers, consumers can consult the related privacy notice, prepared considering internal Privacy Notice Guidelines.

Additionally, consumers can contact Schneider Electric to exercise their data protection rights at the email address: Global-Data-Privacy@schneider-electric.com or on a web form available in the online data privacy policy. They can also raise questions on data processing or data protection or make a complaint at this email address: DPO@schneider-electric.com or this post mail address: DPO, 35 rue Joseph Monier CS30323, 92506 Rueil-Malmaison – France. The Group CCC (Customer Care Centers) are also available for customer requests.

Various mechanisms are available to collect and address consumers' concerns related to a data protection risk. Schneider Electric has put in place a Trust Line, where anybody can report a violation of the Trust Charter (Schneider Electric's Code of Conduct), the policies, or the law. Through this Trust line, there was as well no sever human rights issue connected to Schneider Electric's consumers and end-users in 2025.

The Trust Line can be accessed at **www.se.com**

Schneider Electric has implemented a process where anybody can report security vulnerabilities or incidents so they can be addressed by its SOC, which operates 24/7/365.

Cybersecurity reports can be made via Schneider Electric website on **www.se.com**

Internal reporting channels are also available. Potential data breaches, impacting personal information, are considered Priority 1 incidents which are investigated, assessed, and remediated in accordance with Schneider Electric's Cybersecurity Incident Management Policy by Company security and privacy teams. Also, as indicated above, internal processes are in place to collect and then fulfill consumers' individual rights requests and claims in a timely manner, with the support of relevant teams, local country privacy contact, and the DPO Office.

(1) For more information about the differences between the 2021-2025 cycle and the sustainability statements (CSRD) entity scopes, please refer to **2.2.1**.

Policies and governance

The Group's Trust Charter, Data Charter, Data Golden Rules, Binding Corporate Rules (BCR), Data Privacy Policy, cybersecurity policies, and internal standards and procedures provide the foundation for Schneider Electric's global commitment to the protection of consumers, and end-users' data privacy and protection. They address key data privacy and protection controls such as:

- Data Privacy Principles of purpose limitation, fairness and lawfulness, proportionality, data quality, individual rights protection, security, transparency, and storage limitation (Data Privacy Policy, BCR, Privacy by Design Guidelines, Data Retention Policy, Data Deletion Policy, Data Classification Policy).
- Data sensitivity (Data Classification Policy, Data Masking Standard).
- Vendor management (Data Privacy Policy and Supplier Security Management Policy).
- Data retention limitation (Data Retention Policy and Data Deletion Policy).
- Accountability (Data Privacy Policy, Digital Certification Procedure).
- Security (User Access Management, Password & Authentication Requirement, Network Security, Back-up and Recovery, other cybersecurity policies).
- Data breach management (Cybersecurity Incident Management Policy and Crisis Simulation Policy).
- Data localization and cross-border data transfers (Data Privacy Policy, BCR, Data Residency Policy).

The Group's overarching General Information Security Policy and all supporting security policies are in line with broadly recognized industry standards and regulations such as ISO 27001, NIST Cybersecurity Framework, and ISA/IEC 62443). ISO 27001 and ISO 27701 demonstrate Schneider Electric's ongoing commitment to manage the high-value assets securely in compliance with regulations.

The Data Privacy Policy is updated yearly taking into consideration key regulatory frameworks such as the General Data Protection Regulation (GDPR), California Consumer Privacy Act (CCPA), and Personal Information Protection Law (PIPL). Schneider Electric's BCR have been updated as needed to address new regulatory requirements and submitted to the Group's Lead Supervisory Authority.

The Group's Privacy by Design Guidelines, reference document for developers of product offers, have been drafted in consideration of multiple recognized frameworks, including GAPP – Generally Accepted Privacy Principles (2009), ISO 29100:2011 – Information technology – Security techniques – Privacy framework (2011), OECD – Privacy Framework (2013), APEC – Privacy Framework (2015), Council of Europe – Convention 108+ (2018), and regulations including GDPR, CCPA and PIPL.

Schneider Electric closely follows regulatory and standards evolutions and trends. It is:

- A founding member of the ISA Global Cybersecurity Alliance and a member of both the Paris Call and Cybersecurity Coalition.
- A signatory of the Cybersecurity Tech Accord and works with partners towards addressing supply chain security.
- An active contributor to the WEF's Cybersecurity Center, sitting at the advisory board of its Oil and Gas group to strengthen resilience across the industry, leveraging collective intelligence and expertise.
- A Gold Member of the IAPP, International Association of Privacy Professionals.
- An active contributor to the CEDPO – Confederation of European Data Protection Organizations – and AFCDP – *Association Française des Correspondants à la Protection des Données* (French Association of Data Protection Practitioners).
- A member of the Information Technology Industry (ITI) Council.

Cybersecurity and data protection policies are foundational to the Group's security and data protection posture as they are compulsory for all employees and contractors. These policies are made available to employees on Schneider Electric's intranet in a policy-dedicated platform. The Group's internal Data Privacy Policy is also accessible in a link available at the bottom of the Schneider Electric intranet and in a Data privacy-dedicated page. Schneider Electric's policies set management's tone and provide requirements for secure behaviors (people), practices (processes), and environment (data and technology) throughout the Group.

Schneider Electric's data governance ecosystem revolves around a network of Data Officers, coordinated by Chief Data Officers in geographies and functions, who are responsible for implementing the Group's Data Golden Rules and Data Privacy Policy within their perimeters. A Group Data Protection Officer (Group DPO), a DPO Office, and a network of Data Privacy Contacts in key countries advise on data privacy obligations and monitor compliance.

To support the implementation of the Data Privacy Policy, a dedicated framework has been established to serve as a roadmap for Data Privacy Contacts, helping them to apply the necessary compliance controls. In addition, regular training and awareness sessions are held with this community to maintain engagement and keep them informed of any policy or regulatory changes. An annual Data Protection Assessment is also conducted to evaluate the maturity level achieved in applying the framework. This includes targeted reviews and evidence-based validation to ensure that the reported maturity levels are accurate.

A central body governs the Company-wide cybersecurity portfolio, coordinating the execution of strategic and operational initiatives, and orchestrating a broader community of security practitioners distributed across businesses and territories.

Action plan

Schneider Electric has been building its data protection program around various processes including:

- Digital Certification – Every digital asset is assessed for security and privacy controls before launch, as required by policy.
- Individual Rights Management – Requests handled via central contact points, supported by a request form and workflow tool rolled out in 2024–2025.
- Supplier Data Protection – Data Protection Addenda secure personal information; Security and privacy due diligence performed on critical suppliers.
- Data Processing Register – Inventories data processing activities.
- Data Breach Management – Processes to identify, investigate, log, and notify required parties.
- Maturity Matrix – Tracks progress in personal data protection.

The Offer Lifecycle Management integrates Secure Development Lifecycle principles, embedding cybersecurity, data protection, and privacy requirements from design through development. Privacy by Design Guidelines guide technical specifications. Completed products undergo risk-based assessments, including:

- Formal Cybersecurity Review (FCSR);
- Mobile Applications Governance; and
- Digital Offer Certification, in accordance with the Digital Certification Policy.

The Company regularly revisits and strengthens its data protection processes and measures. Several actions are ongoing, including:

- A data privacy and protection program has been rolled out in Europe, the USA, China, India, and other key countries through a Data Golden Rules checklist and a Data Privacy Playbook. It provides a governance model and covers essential components such as data privacy awareness, the inventory of data processing activities, the provision of privacy notices, the identification of activities requiring DPIAs (Data Protection Impact Assessments) and their performance, and supplier DPAs.
- To monitor progress and maturity, annual Data Protection Assessments are performed in each country, reviewed by the Global Privacy team and reported to the Chief Data Officer
- Annual training and awareness campaigns are made (either global or tailored to a specific population in countries or functions), with updated GDPR and global privacy training planned for 2026.
- To facilitate the exercise of their data protection rights by consumers, a dedicated web form accessible via the online privacy policy on the Group's website was implemented (2024-2025), supported by a workflow management tool to ensure a streamlined process.

An online complaint collection form will be made available to data subjects via the online privacy policy on se.com in the course of 2026.

Targets

Cycle	Targets[1]	Detail
2021-2025	N/A	N/A
2026-2030	Out of Sustainability Impact 2030	100% completion of Privacy by Design training by employees involved in designing & developing offers that process consumer personal data

The Group ambitions to have a Privacy by Design training completed by 100% of its employees involved in design and development of offers processing consumer personal information, by 2030.

Schneider Electric has developed data privacy training modules targeting roles responsible for Data Protection and Privacy, such as but not limited to Security and Protection Advisors. This will be rolled out as a priority within its Home Solutions Division with targeted employees involved in the launch of a new Offer or of a new version of an existing Offer. Considering offer development cycles, the Group expects to have trained 100% of the targeted employees by the end of 2030. Training completion will be monitored through internal tools.

(1) For more information about the differences between the 2021-2025 cycle and the sustainability statements (CSRD) entity scopes, please refer to **section 2.2.1**.

2.2.4 Governance information | ESRS G1

In this section

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Introduction

This section presents comprehensive information on the European Sustainability Reporting Standard (ESRS) G1. This standard guides the reporting on responsible business conduct, covering ethical behavior, fair commercial practices, and the governance systems that support integrity and accountability across the organization.

This section is divided in three subsections:

1. **"2.2.4.1 Zero-tolerance for corruption | ESRS G1"** outlines the Group's approach to preventing, detecting, and addressing any form of corrupt behavior. It presents the strategies designed to strengthen ethical conduct across all operations; and the reporting channels and monitoring mechanisms in place to mitigate risks and ensure full compliance with applicable anti-corruption regulations.
2. **"2.2.4.2 Supplier Relationship Management and late-payment prevention"** explains how Schneider Electric promotes responsible and fair business practices within its supply chain. It details the processes for assessing suppliers, monitoring compliance, and preventing late payments, in line with regulatory requirements, to support a resilient and sustainable value chain.
3. **"2.2.4.3 Cybersecurity"** describes the Group's efforts to protect its digital environment, safeguard data, and ensure the resilience of its operations. It outlines how its measures support regulatory compliance and reinforce trust among customers, employees, and other stakeholders.

2025 highlights

98.3%
Of the functions-at-risk having completed the anti-corruption and anti-bribery training program.

0
Convictions for violation of anti-corruption and anti-bribery laws.

Top 25%
In external ratings for Cybersecurity performance.

80%
Of invoice payments aligned with standard payment terms.

2.2.4.1 Zero tolerance for corruption

2.2.4.1.1 Context

Corruption is illegal and refers to the abuse of entrusted power for private gain. It damages ecosystems by eroding trust and confidence, which are crucial for sustainable economic and social relationships. Additionally, corruption poses threats to the rule of law, democracy, and human rights. It undermines good governance, fairness, and social justice, distorts competition, hampers economic development, and jeopardizes the stability of democratic institutions and the moral fabric of society.

2.2.4.1.2 Impacts, risks, and opportunities

	Corruption and bribery
Risks	**Debarment from public tenders or public funds**
	Potential legal proceeding, prosecutions, sanctions, and fines
	Reputational damage
Negative Impacts	**Pressure on own employees to participate in corrupt practices**
	Pressure on suppliers and/or contractors to participate in corrupt practices

Schneider Electric's exposure to corruption risk materializes through various negative factors, in particular:

- Pressure on Schneider Electric's own employees to participate in corrupt practices, potentially leading to personal judicial consequences, and a decline in employees' morale and engagement; and
- Pressure on suppliers, channel partners, and contractors to participate in corrupt practices, such as pay bribes to secure contracts or payments.

Moreover, the Group faces significant legal and reputational consequences associated with corruption, including:

- Legal consequence: potential fines related to non-compliance with laws and regulations, such as December 9, 2016, French law known as the Sapin II law, which could result in fines of up to EUR 500 million.
- Reputational consequence: reputational damage with media exposure, potentially impacting stakeholder trust and brand perception.

By contrast with those risks, there is competitive advantage in approaching this proactively. Companies can experience significant improvements when they hold themselves to high standards of integrity. The primary benefits range from increasing employee satisfaction, improving workplace culture, maintaining legal compliance, and strengthen public reputation. It can also reinforce the engagement and loyalty of customers, partners, suppliers, and local communities.

2.2.4.1.3 Policy

Anti Corruption Policy

The Anti-Corruption Policy was updated in 2021 and signed by Jean-Pascal Tricoire, the then Chief Executive Officer & Chairman, and Hervé Coureil, Chief Governance Officer & Secretary General. This policy has been undergoing an update in 2025 to consider the 2024 risk assessment results and to align it with the requirements of the United Nations Convention against Corruption, and will be published in 2026.

The Anti-Corruption Policy meets the requirements of the French Sapin II law, to consider results of the Ethics & Compliance risk mapping, including potential negative factors faced by Schneider Electric businesses and operations, and to provide employees with examples illustrating situations they may face. The policy considers the results of the risk assessment conducted with key internal stakeholders across all Group processes, as well as benchmarking actions to understand the expectations of external stakeholders, ensuring it is appropriately aligned. Furthermore, in countries where legislation requires it, work council reviews have been organized to consider social dialogue.

This policy acts as a handbook for all Schneider Electric employees and affiliates to be consulted when in doubt about the appropriate behavior to adopt. It is not intended to address every issue one may encounter, but it provides appropriate examples of corruption risks and offers guidance to resolve many ethical dilemmas. The policy aims to mitigate the risks identified in section **2.2.1.2.5 Double materiality assessment results**. In case of serious doubt about the behavior of a third party or an employee which may be potentially contrary to the provisions of the policy, it sets out the process to report the concerns through the whistleblowing system.

Schneider Electric's Anti-Corruption Policy is available publicly on **www.se.com**

Conflict of Interest and Gift & Hospitality policies

To reinforce the Anti-Corruption Policy, Schneider Electric has established specific policies and procedures on Conflict of Interest and Gifts & Hospitality updated respectively in 2025 and 2023, accompanied by extensive digitalization, simplification, and clarification of the processes. These enhancements were made with a particular focus on providing practical examples to facilitate comprehension. To ensure that employees grasp the modifications effectively, a range of informative and explanatory resources have been made readily accessible, communicated through various channels, and explained in various awareness sessions. At Group level, communication on large events, such as the Paris Marathon or Innovation Summits, are consistently paired with reminders of the Gifts & Hospitality policy requirements, reinforcing the Group's commitment to ethical practices.

Governance

As stated in the Trust Charter and Anti-Corruption Policy, Schneider Electric has zero tolerance for corruption and is committed to comply with all applicable anti-corruption laws. This commitment is demonstrated by strong and continuously developing anti-corruption actions, which are part of the Ethics & Compliance program. The Ethics & Compliance program is led by the Ethics & Compliance department, under the authority of the Chief Compliance Officer, to ensure its efficiency through a dedicated Compliance Program team in close collaboration with the Anti-Corruption Controls and the Fraud Examination teams.

The Compliance Program team is made of a central team, covering Policy, Awareness, Learning & Change Management; Compliance Operations; and Risk & Control, and is locally operationalized by Regional Compliance Officers under the supervision of their regional Ethics & Compliance Committees defining the local strategy, and supported by a community of Ethics Delegates, Schneider Electric's network of trusted ambassadors locally. Ethics Delegates are well-respected employees with high personal integrity to support the promotion of the Ethics & Compliance program, influence behaviors, and help embed ethics and compliance in daily business practices across Schneider Electric. In 2025, the community grew to over 700 Ethics Delegates, representing over 70 countries. This global and locally animated network actively supports Regional Compliance Officers, fostering a strong culture of ethics and compliance throughout the organization.

Schneider Electric's Board of Directors oversees the maturity level and effectiveness of the governance and organization, risk management systems, processes and controls, and communication and training through the Audit & Risks Committee.

2.2.4.1.4 Action plan

Management commitment

Group management demonstrates unwavering commitment to anti-corruption efforts through their actions and initiatives. Management regularly releases informative videos, which are extensively communicated to all employees, and which highlight the Company's zero-tolerance policy towards corruption, emphasizing the importance of integrity and ethical decision-making at all levels of the organization.

The program is supervised at Board level, by the Executive Committee through the Group Function Committee, and through dedicated committees, notably for the anti-corruption controls program. These committees also approve certain program actions, including risk mapping. Management has also made some call for actions to all middle- and first-line managers through dedicated communication channels.

Risk Mapping and Compliance Framework: To meet the legal obligations specified by the Sapin II law, the Company launched a risk mapping exercise focusing on corruption risks in 2018. In 2024, this risk assessment was updated as part of the new Ethics & Compliance risk mapping.

The process at regional level was as follows:

- **Step 1** – each region defined its local risk universe considering local specific risks.
- **Step 2** – each region assessed its gross risks and effectiveness of its local mitigation measures, generating a mapping of regional net risks. In addition, a global risk mapping was consolidated at Group level.
- **Step 3** – each region defined action plans to reduce the risk exposure. In addition, a set of global action plans was established at Group level.

Separate from the risk assessment carried out in 2024, Schneider Electric established specific risk maps for newly acquired entities currently being integrated.

Risk-Based Anti-Corruption Program: Based on the Ethics & Compliance risk mapping results, Schneider Electric adopts a risk-based anti-corruption program. To this end, Schneider Electric focuses on "at-risk" employees in third party-facing roles and therefore are involved in activities representing potentially a risk exposure from a compliance standpoint. They are identified through job activities based on risk assessment results, Internal Audit recommendations, and whistleblowing cases. The list is reviewed yearly to update job codes and add new ones if needed, based on new risk identification. The 2025 list contains 504 different job codes categorized into various job families. 85% of the affected population is distributed across the following key job families: Customer Projects & Services, Finance, Sales, Procurement, and Marketing.

Awareness

Through its internal communications, Schneider Electric aims to provide employees with essential baseline information on the Company's commitment to integrity. In 2025, several communication campaigns on anti-corruption were organized within the Company, with specific focus on third-party management and anti-corruption controls, gifts, and hospitality, as well as conflict of interest, to support the 2025 Annual Conflict of Interest Disclosure Campaign for targeted employees exposed to conflict of interest risks. The objective was to effectively communicate updates on the anti-corruption program, enhance employee awareness of corruption risks, and equip them with the necessary tools to address them, encouraging them to seek help whenever needed. Schneider Electric also regularly shares other communication assets on integrity-related subjects to its employees.

Schneider Electric organized a live event on December 9, 2025, to raise awareness about combating corruption. The event aimed to educate employees on preventing unethical conduct through real stories of how Schneider Electric manages corruption risks.

Schneider Electric communicates externally to stakeholders about its commitment to integrity and the execution of the anti-corruption program. This communication is carried out through a dedicated webpage and specific external channels. Additionally, the Company actively engages with various extra-financial rating organizations by responding to their questionnaires on anti-corruption related matters.

Training

- Schneider Electric has developed a suite of anti-corruption e-learnings, providing guidance on real life risk scenarios, designed to meet the trainees' needs and expectations. Trainings are supported by videos from top leaders demonstrating the "tone at the top", are available in 14 languages, and are mandatory for all targeted employees exposed to corruption risks, are identified by the corruption risk mapping. In 2025, those e-learnings were rolled out to more than 73,000 employees, with a completion rate of 98.3%

Moreover, the year saw ad hoc anti-corruption learnings delivered to specific audiences in functions deemed to be priorities (e.g., Finance). In 2025, the Anti-Corruption Essentials was also taken by Schneider Electric's Board members.

98.3%

percentage of at-risk functions employees that have completed the anti-corruption training programs (98.9% in 2024); this percentage is related to the SSE #13 scope and so differs from the scope of the sustainability statements (CSRD).

Third-parties due diligence

Third-party relationships may create risks for companies, including corruption exposure and impact on brand and reputation. Conducting third-party due diligence is important to make informed decisions and avoid potential compliance, regulatory, and reputational issues. To this end, Schneider Electric has established procedures to prevent, detect, and manage corruption risks in business relationships. These procedures involve steps such as risk assessment, screening, investigation, review, and audit. They ensure that adequate actions are taken to mitigate risks effectively.

Customers and suppliers: When forming relationships with customers and suppliers, Schneider Electric employs a meticulous screening and continuous monitoring process supported by automated tools and risk matrices to assess the risks of corruption and export control. High-risk cases trigger enhanced due diligence. Continuous monitoring ensures timely updates and mitigation actions.

Business Agents: Schneider Electric has a policy on intermediaries, called "Business Agents". Their use is strictly limited and subject to strong governance. Due diligence on Business Agents focuses on corruption and integrity risks, supported by screening against sanctions lists and adverse media, mandatory questionnaires, compliance certifications, and continuous monitoring. A dedicated set of anti-corruption controls applies to these engagements, including contractual safeguards, approval workflows, and compliance attestations. In addition, Schneider Electric leverages anomaly detection techniques to identify unusual patterns in transactions and reinforce preventive measures.

Sponsoring and donations: Comprehensive risk screenings are conducted to ensure legal and ethical operations in sponsorship activities and to mitigate corruption and reputational risks. Additionally, Schneider Electric's Philanthropy program is governed by strong practices, including thorough due diligence to assess donation-related risks in compliance with laws and local contexts. Specific anti-corruption controls are applied to these activities, such as mandatory documentation, approval chains, and verification of beneficiaries. Furthermore, anomaly detection is used to monitor for irregularities and reinforce transparency in sponsorship and donation processes.

Mergers and acquisitions: A specific process was put in place to ensure compliance of M&A operations with anti-corruption and export control regulations. The process aims to identify, manage and mitigate those risks at the earliest possible stage and plan how to integrate the acquired entity through dedicated Trust Standards.

Schneider Electric is also a third party for its clients and is subject to evaluation as such. The Group regularly responds to questionnaires and other additional requests regarding the Company's compliance policies, programs, trainings, governance, and audit controls. To respond to those requests, the Group has a dedicated internal platform – called Trust Center, which centralizes documentation and ensures timely and consistent responses.

Whistleblowing

At Schneider Electric, stakeholders may report potential violations of the Anti-Corruption Policy either by contacting an appropriate person in the Group and/or by using the Trust Line, Schneider Electric's whistleblowing system. Additionally, for the reporting year 2025, Schneider Electric was not convicted for any violation of anti-corruption and anti-bribery laws, same as in 2024.

Read more on the **Whistleblowing Policy and grievance mechanisms** in section 2.2.1.1.3.

Anti-corruption accounting controls

Schneider Electric implemented enhanced accounting control procedures to prevent corruption. In 2022, a cross-functional program was launched, involving Accounting, Internal Control, Digital, Ethics & Compliance, Procurement, Sales, and Marketing teams. The program focused on digitalizing preventive and detective controls, with sponsorship from Executive Committee members. Priorities were determined based on the 2024 Ethics & Compliance risk assessment, covering areas such as Gifts & Hospitality, Travel & Expenses, Sponsorship, Donations, Business Agents, Marketing Development Funds, and Performance Bonuses. Throughout 2025, the Group continuously reviewed and adapted this controls framework, which was also independently assessed through an Internal Audit mission.

Monitoring, audit, and continuous improvement

Schneider Electric continuously assesses and updates its processes and action plans related to the prevention and detection of corruption. This involves a comprehensive approach that considers various factors such as risk assessment results, internal control, audit, and whistleblowing findings, and aligning with the expectations of relevant authorities. By integrating insights from these sources, the Group ensures that its actions plans are robust, adaptive, and aligned with evolving regulatory requirements, thereby reinforcing it dedication to combating corruption and upholding the highest standards of integrity. Annually, the Group conducts comprehensive evaluations of the action plans to gauge their effectiveness. Through in-depth result analysis, the Group gains valuable insights that inform its continuous improvement efforts.

In addition, the anti-corruption program is part of the Group's second line of defense data-driven and dashboard-monitored control program and the Group's Internal Audit program with specific tasks related to anti-corruption. Schneider Electric also continued to execute in 2025 the central monitoring of key anti-corruption processes such as Business Agents, Conflict of Interest, Gifts & Hospitality, and Whistleblowing. The outcome of these controls is regularly shared with key stakeholders to ensure continuous process and design improvements, including through an automated dashboard that is updated monthly and shared with Regional Compliance Officers.

Alongside investigations initiated through whistleblowing channels, advanced anomaly-detection capabilities leveraging artificial intelligence have been implemented. These tools draw on established fraud-risk indicators and detection models to review millions of transactions and identify unusual or high-risk activity. Alerts generated through these systems are assessed and, where appropriate, can lead to formal internal investigations. This proactive approach has delivered significant results in recent years.

In November 2025, Egypt, Jordan, and Iraq achieved ISO 37001 certification for the Anti-Bribery Management System. The insights and lessons learned from this certification process will support Schneider Electric in evaluating the geographical expansion of this initiative.

For more details on Group Internal Audit, please refer to chapter 3, **pages 361 to 370.**

2.2.4.1.5 Target and metric

Anti-corruption target

Cycle	Targets[1]	Detail
2021-2025	SSE #13 Train our employees on Cybersecurity and Ethics every year	Schneider Electric aims to have 100% of its employees trained in Ethics (Trust Charter and Anti-Corruption for eligible employees)
2026-2030	Out of Sustainability Impact 2030	100% annual completion of Anti-corruption training

Schneider Electric aims to have 100% employees trained in Ethics (Trust Charter and Anti-Corruption for eligible employees) and Cybersecurity as part of SSE #13 commitment. By the end of 2025, SSE #13 achieved a 98.3% completion rate. The scope of this SSE #13 differs from the scope of the sustainability statements (CSRD) mentioned below.

Read more on the methodology of SSE in **section 2.4.1.2 on page 320.**

Metric on prevention of corruption and bribery

Anti-corruption and bribery training

	At-risk functions	All Managers[2]	Other own employees
Training coverage			
Total	74,576	16,011	83,089
Total receiving training	73,336	12,411	10,571
Frequency			
How often training is required	Annually	Annually	Annually
Topics covered			
Corruption	✓	✓	✓
Facilitation payments	✓	✓	✓
Conflict of interest	✓	✓	✓
Gifts and hospitality	✓	✓	✓
Business Agents	✓	✓	✓
Policies dedicated	✓	✓	✓
Speak Up mindset	✓	✓	✓

This analysis shows that 98.3% of the functions-at-risk have completed these training programs compared to 96.9% in 2024.

2.2.4.2 Supplier Relationship Management and late payment prevention

2.2.4.2.1 Context

Schneider Electric focuses not only on business results but also on the impact across its value chain, aligning with suppliers to reduce environmental impact, create social value, and build long-term resilience – enhancing transparency, mitigating risks, and driving industry-wide sustainability as a business opportunity.

2.2.4.2.2 Global supply chain

Schneider Electric is one of the most local of global corporations, with a uniform revenue footprint across major geographies. While this provides a balanced market position, it also results in a supply base that is distributed across the world. In 2025, Schneider Electric sourced goods and services from more than 50,000 suppliers, amounting to a spend of approximately EUR 19 billion. This diverse supply base represents a unique combination of mature companies operating on a global scale, and small and medium scale enterprises serving local or niche markets and categories, providing simple assembly to complex manufacturing activities.

Deeply committed to advance the United Nations Sustainable Development Goals (UN SDGs), and delivering solutions for sustainability and efficiency, Schneider Electric is in a unique position to influence and support its supply chain partners across the world to embrace more sustainable social and environmental practices.

(1) For more information about the differences between the SSI-SSE 2021-2025 cycle and the sustainability statements (CSRD) entity scopes, please refer to **SSI reporting perimeter in section 2.1.1.2.3 page 83**.
(2) All the managers within Schneider Electric are considered here, whether they are at-risk function employees or not.

2.2.4.2.3 Impacts, risks and opportunities

Supplier relationship management	
Negative Impact	**Compromise suppliers' financial stability**
Positive Impact	**Promote maturity on human rights, decent work, and fair business practices**

Owing to the size, scale, and nature of the Group's operations, its operating environment can have a direct negative impact on the overall financial stability of all its suppliers, and is directly impacted by climate change, resource scarcity, and potential human rights issues across its global supply base. By engaging suppliers in specific, through time-bound programs, the Group can create concerted actions which deliver tangible results.

Schneider Electric drives measurable progress on human rights, decent work, and fair business practices by actively reducing risks for workers and affected stakeholders across its value chain. By reinforcing ethical conduct, anti-corruption controls, and responsible sourcing, Schneider Electric supports a business environment where suppliers, employees, and communities directly benefit from higher standards of transparency, integrity, and respect for human dignity. This approach contributes to tangible improvements in people's wellbeing and more resilient, sustainable value chains.

The business ethics that Schneider Electric is continuously implementing also have the purpose of helping to avoid some risks such as suppliers' financial instability.

2.2.4.2.4 Sustainable procurement framework and strategy

Schneider Electric has deployed a sustainable procurement framework, which institutionalizes mechanism to proactively screen, identify, and mitigate sustainability risk from suppliers and embed preventive controls into the procurement processes. This aims to embed sustainability in the routine operational activities of all Procurement teams working around the world.

The framework identifies key ESG thematic areas where Schneider Electric can drive industry transformation. By collaborating with supply partners on climate action, circularity, and human rights – and challenging the status quo – the Group unlocks new growth opportunities. Its ambitious sustainability roadmap inspires partners as industry frontrunners, shaping the future. This pursuit reveals hidden efficiencies, operational improvements, and new markets, creating competitive advantage and positively impacting financial performance. All engagements confirm that sustainability is good for business and must be viewed as an opportunity. This framework has also been reviewed to provide the 2026-2030 one.

Sustainable procurement framework 2021–2025

Vision: **Collaborate** with global supplier network for an inclusive and net-zero world, where ecosystems and resources are preserved, and people get access to economic opportunities and decent lives.

Environment			Social			Governance
The Zero Carbon Project	Green Materials	Sustainable Packaging	REACH/ RoHS	Conflict Minerals	Decent Work	Social Excellence	
Reduce CO_2 emissions from top 1,000 suppliers' operations by 50% (SSI #3)	Increase green material content in products to 50% (SSI #4)	100% packaging uses recycled cardboard and no single-use plastic (SSI #5)	Continued adherence and compliance to regulations governing hazardous materials and conflict minerals		100% of strategic suppliers provide decent work to their employees (SSI#6)	Deploy a "Social Excellence" program through multiple tiers of suppliers (SSE #12)	• Supplier Approval Module (SAM), Schneider Electric Quality Management (SSQM) • Sustainable Development, Environment, and Ethics & Compliance Terms & Conditions • Quarterly Business Review • Trust Line • Sustainability throughout its Procurement Excellence System

ISO 26000:	Improve sustainability profile of suppliers though leading ESG practices (strategic suppliers)
Duty of Vigilance:	4,000 suppliers assessed under Vigilance Program **(SSE #17)**
Supplier Code of Conduct:	Summarizes the most fundamental requirements from Schneider Electric towards its Suppliers

Sustainable procurement framework 2026–2030

Environment

Towards Zero Carbon Pathway

1500 suppliers are on a Zero Carbon Pathway to decarbonize our supply chain

Responsible Material

50% of Procurement spend is from purchase of responsible materials
(scope is material contributing to 80% weight of all purchased goods)

Regulation/Compliance

REACH, RoHS, Conflict Minerals + Extended/Critical Minerals, deforestation,…

Social

Decent Work *chapter 2*

Engage all strategic suppliers to implement advanced Decent Work practices

Governance

Embedded everywhere

- *Contractual obligation*
  - *Master Supply Agreements*
  - *General Terms Conditions*
- *Supplier life cycle*
  - *Supplier Qualification (SAM)*
  - *Supplier performance*
  - *Supplier development*
  - *Quarterly Business Review*
- *Procurement Excellence System*
- *Procurement decision-making processes*
  - *Supplier selection*
  - *RFQ & business award*
- *Grievance mechanism & remediation*
  - *Trust line*

Foundation

ISO26000:	*Improve sustainability profile of suppliers though **leading ESG practices** (strategic suppliers)*
Duty of Vigilance:	***ESG de-risking** through on-site supplier audit under Vigilance Program*
Supplier Code of Conduct:	*Summarizes the most **fundamental requirements** of Schneider Electric from suppliers*

2.2.4.2.5 Policy

Schneider Electric's global procurement mission drives customer value through energy management transformation, delivering growth while embedding sustainability at the core of sourcing. With priorities on quality, innovation, cost, cash, and sustainability, enabled by a connected digital supply chain, suppliers are key to performance. Sustainability is institutionalized across the supplier lifecycle as a strategic enabler, reinforcing Schneider Electric's leadership in responsible sourcing.

Schneider Electric is following a specific policy called the Schneider Procurement Policy Book that participates in both the Company's and its suppliers' financial stability.

This policy is validated by the Vice President Procurement Quality & Process Excellence. The Chief Procurement Officer is the most senior level in the organization that is accountable for the implementation of this policy. The Procurement function is accountable for the suppliers' selection and overall performance. Additionally, some specific responsibilities are shared with and supported by related organizations and specific functions (R&D, Quality, Legal, etc.), who play a key role in elaborating the relevant information and expectations to the Group's suppliers. Therefore, the interaction with Schneider Electric's suppliers involves several internal stakeholders, and every relationship must be handled within the relationship framework established by the Procurement function, regardless of the size of the suppliers.

The objective of the Schneider Electric Procurement Policy Book is to describe Schneider Electric's Procurement Policy and guidelines. The policy also aims to mitigate the risks and negative impacts identified in section 2.2.4.2.3 and work fairly with the Group's suppliers. The application scope of the Schneider Electric Procurement Policy Book covers all procurement activities: Direct Procurement, Indirect Procurement, Business Unit Procurement. Policy and guidelines included in the Schneider Electric Procurement Policy Book must be followed by all members of Procurement. This also applies to the organizations within Schneider Electric who have a relationship with the Group's suppliers.

The Schneider Electric Procurement Policy Book includes several elements, including the way to manage sustainability with its suppliers, its policy for suppliers that are also key Schneider Electric customers, its payment means and terms, its Procure-to-Pay rules, as well as its Supplier Guidebook.

Moreover, supply chain finance, also known as supplier finance or reverse factoring, is a set of solutions that optimizes cash flow by allowing businesses to lengthen their payment terms to their suppliers while providing the option for their large, small, and medium suppliers to get paid early. This supply chain finance process is also presented and explained in the Schneider Electric Procurement Policy Book.

Overall, the Schneider Electric Procurement Policy Book is for internal use within the Group, and publishing this Book outside of Schneider Electric is forbidden. However, some of the guidelines mentioned within are external documents and are available to suppliers through Schneider Electric's official website. This is the case for its Supplier Guidebook, its Terms & Conditions (T&Cs), and its Supplier Code of Conduct.

To sensitize all current and potential suppliers about expectations and various stages of collaboration with Schneider Electric, all suppliers are provided with a Guidebook which is updated regularly. The document articulates expectations for suppliers on sustainable development in the following five areas: environment, fair and ethical business practices, sustainable procurement, labor practices, and human rights, and subsequently focuses on various stages for approval, qualification, and performance evaluation. It explains how to do sustainable business with Schneider Electric by explaining its organization model, its commitments towards them, and its expectations. The implementation of this Supplier Guidebook is the result of ongoing collaboration with all its suppliers ensuring a sustainable relationship with all of them.

Consult and download Schneider's Supplier Guidebook on the Suppliers page on **www.se.com**

The foundation of Schneider Electric's sustainability ambition is its Supplier Code of Conduct. It is the mother document of all supplier relationships and lists out the basic expectations with its suppliers across, but not limited to, environment, human rights and decent work, fair business practices, sustainability procurements, and occupation health and safety. The document also provides access to remedy by means of the Trust Line, which is the ethics hotline of Schneider Electric. Any partner can access this helpline to raise concerns associated with ethical or sustainability standards with respect to business association. The Supplier Code of Conduct is also included in the General Terms & Conditions, and in all other contractual documents.

Consult and download the Schneider Electric Supplier Code of Conduct from the Suppliers page on **www.se.com**

For more information on policies regarding supplier sustainability, social programs, and governance, see **section 2.2.3.2 on page 223.**

2.2.4.2.6 Action plan

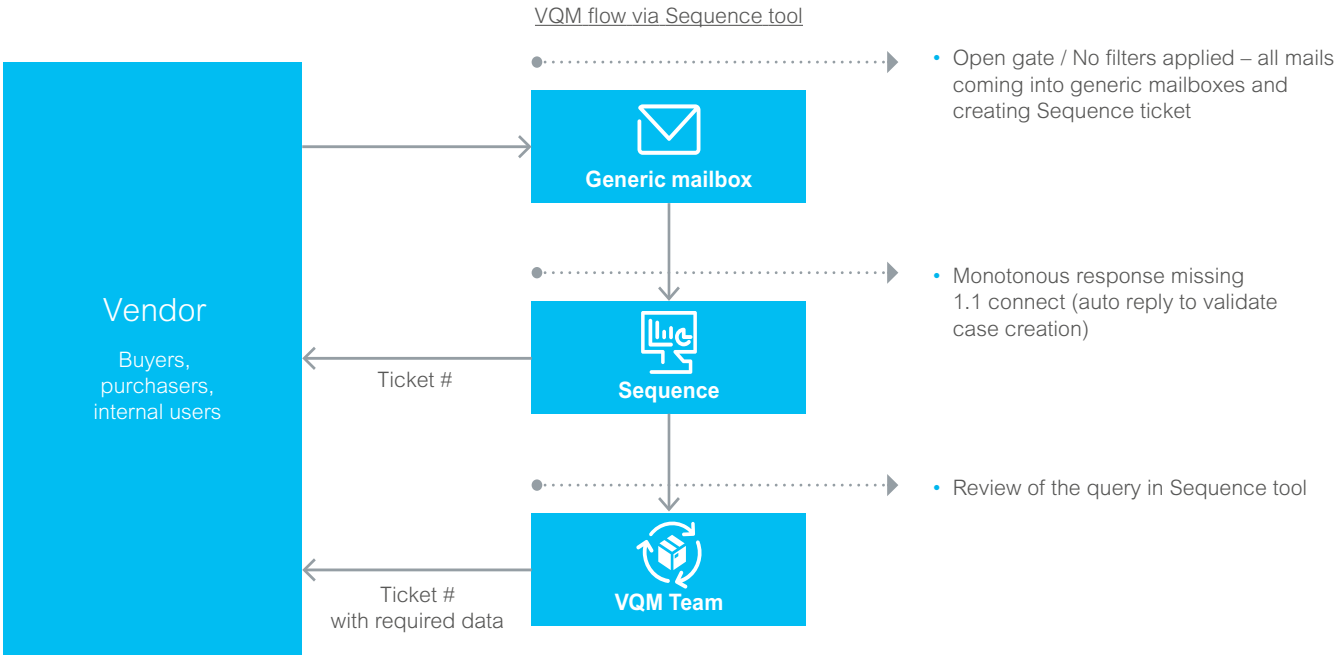
Vendor Query Management system (VQM)

The VQM system aims at ensuring transparent and effective communication with all of Schneider Electric's external suppliers, to support in the best possible way any queries from them. Accessible through personalized email addresses specific to each country, VQM is managed by multilingual and global teams. VQM team is put on top of the Schneider Supplier Portal (SSP) and is accessible to all Outside Group (OG) suppliers via a generic email address only.

VQM uses a ticketing tool named "Sequence": a ticket number is created for each vendor request, which is used to follow both externally (vendors) and internally the resolution of the request. The VQM team coordinates with various stakeholders (Procurement, Accounting, etc.) to obtain the needed answer, both to get an update of the situation and resolved the issue, if any.

Each month, VQM handles approximately 20,000 queries, allowing Schneider Electric's suppliers, including SMEs, to raise concerns regarding potential late payments, account statements, or balance confirmations. The average time to respond to a query is two working days. See below the VQM data process:

Existing progress flow of VQM managed via sequence



Supplier collaboration steps

The following is outlined in detail in the Supplier Quality Excellence Guide published and communicated to its suppliers. Schneider Electric deploys a four-step process comprising of a Supplier Approval Module (SAM), Supplier Qualification Module (SQM), Supplier Performance Module (SPM), and Supplier Development Process (SDP) to qualify new and legacy suppliers for continued business association, where sustainability performance is a key evaluation criterion.

Consult and download the Supplier Quality Excellence Guide on **www.se.com**

Supplier Approval Module (SAM) – Assesses new suppliers' capabilities and alignment with Schneider's expectations, including labor, ethics, environment, and occupational health & safety (L&EHS). Evaluation combines questionnaires and on-site audits by the Schneider Electric auditors.

Approval is mandatory before moving to technical and functional audits required for business qualification. A scoring method for supplier L&EHS performance determines whether suppliers can proceed to the next stage of the assessment (quality, procurement, etc.) or must improve before advancing.

Supplier Qualification Module (SQM) – After approval, suppliers undergo qualification to confirm technical feasibility with respect to the supplies. Successful completion allows commercial engagement.

Supplier Performance Module (SPM) – During the commercial stage, supplier performance is continuously evaluated across multiple parameters, including sustainability. Results influence the strategic nature of the business relationship (strategic or non-strategic)

Supplier Development Process (SDP) – A collaborative process during the commercial stage to address gaps and drive systemic, sustained improvements.

Schneider Supplier Portal – Supplier Relationship Management (SSP-SRM)

The results of approval and performance evaluation are available in real time on the Schneider Electric supplier portal (SSP-SRM) and are accessible to the global supply chain community, making supplier interactions/decisions more fluid and preventing any supplier with poor sustainability performance from entering the supply base.

The supplier's performance is tracked by Schneider Electric supplier leaders on a monthly or pluri-annual basis depending on the severity of the risks and classification of the supplier. All business reviews with suppliers and internal functional business reviews with department executives cover sustainability performance as a key criterion of evaluation.

The SSP is a tool enhancing collaboration within the Group's supplier ecosystem. By digitalizing supplier interactions, the Group aims to foster a transparent and accurate exchange of information with its suppliers. The SSP offers a comprehensive suite of features, including Supplier Single Sign-On (SSO), Supplier Qualification, e-Sourcing (RFx/Auctions), and Contract Management, facilitating a seamless Source to Contract process. Additionally, it streamlines Order & Delivery, Forecast Management, Inventory Management, and Invoicing & Payment under the Procure to Pay framework. Its commitment to Supplier Relationship Management is further demonstrated through Performance Management, Supplier Development initiatives, and robust Risk Management practices. The portal also enhances communication through Master Data Management, Online Feedback Collection, and a centralized onboarding process, all supported by tools such as the Supplier 360° Cockpit and a Generative AI Chatbot.

For more information, please visit the Supplier Guide Book on **www.se.com**

Third-party Management Program

Schneider Electric launched in 2025 a Third Party Risk Management program to build a capability, providing a 360 view on risks linked to the Group's third-party relationships. This capability will support the business into getting more visibility on risks (covering compliance, finance, cybersecurity, environment and human rights), and making informed decisions.

2.2.4.2.7 Targets and metrics

Cycle	Targets[1]	Detail
2021-2025	Paid On Time golden target	See section below
2026-2030	Out of Sustainability impact 2030	Achieve on-time payment rate of 90% by 2030 (invoice count ; invoice date basis)

Paid On Time (POT) golden target

Schneider Electric is committed to enhancing its supplier management practices, particularly in ensuring timely payments. To this end, the Group is closely monitoring its "Paid On Time" (POT) key performance indicator. POT is measured as the percentage of payments made within agreed purchasing payment terms per legal entity for OG vendors (paid on or before due date to be considered as "paid on time").

In 2025, the POT metric reached 80%, which is a significant improvement from the 71% recorded when this KPI started to be tracked in 2022. The target was set to 85% for 2025.

Throughout 2025, the Group concentrated its efforts on significantly reducing the number of blocked invoices, driven by timely corrective actions and structural process improvements aimed at limiting future occurrences. An invoice may be blocked when the three-way match – between the purchase order, goods receipt, and invoice – is not fulfilled. By maintaining this focus, Schneider Electric will continue to enhance its Payment on Time (POT) performance and positively influence the reduction of overdue payments.

(1) For more information about the differences between the 2021-2025 cycle and the sustainability statements (CSRD) entity scopes, please refer to section **2.2.1**.

Payment practices metrics

Schneider Electric is committed to ensuring timely and efficient payments to its suppliers. The Group understands the impact of late payments and have implemented processes to track and address delays root causes.

The Schneider Procurement Policy Book mentions clearly the Group payment means and terms. This section of the Schneider Procurement Policy Book aims to describe what is in place within the Group to ensure payments are made in due dates, therefore prevent late payments, including for SMEs.

Payment terms and means are part of the process that is ensuring the payment to Schneider Electric's suppliers is done in due time. It is the responsibility of all functions who are part of the Procure to Pay (P2P) process to ensure that payments are made in due time and to follow the process and controls to block any fraud attempt.

Payment term is one of the parameters of the relationship between a supplier and Schneider Electric's entities. The payment terms are negotiated in duly respect with the law of each country and payment term negotiation in compliance with payment policy is under the full responsibility of the buyers and supplier leaders. Schneider Electric is also following specific rules to ensure the payments to its suppliers are done in due time. These rules are called PGS rules for Platinum, Golden, and Silver rules.

The actual optimum payment terms are the following for main regions linked to PGS rules:

	Payment Term (days)
Europe	60
China, North America	90
Australia, MSME (Micro, Small, and Medium Enterprises) India	45
Indonesia, Malaysia, SAM (South America), non MSME India, Turkey	75
Philippines, Singapore, South Korea, Thailand, Taiwan, Vietnam	60
Japan	90

Potential deviation from these payment terms may result from either the result of a negotiation or internal Schneider willingness, including for SMEs, Start-up, etc.

In each region / market, Schneider Electric has "champions" animating the implementation of the standard Payment Terms. The GSC Procurement Business Finance team is animating this community of "champions" by delegation of the Group's Chief Procurement Officer.

In 2024, the Group relied on its procurement statistical database to produce the sustainability statements (CSRD) required KPIs, notably benefiting from the availability of a breakdown by supplier category. However, the relevance of this split was limited, as the "unknown" category accounted for approximately 50% of the supplier count.

To improve data accuracy, an in-depth review was conducted in 2025, leading the Group to source pay-on-time data directly from integrated ERP systems. This approach covers approximately 85% of the Group's operations, a level considered representative for reporting purposes. The change in data source does not affect the year-over-year comparison, except for the average number of days to pay suppliers based on spend, which has been adjusted from 66 days to 60 days for 2024. This revision results from improved calculation accuracy enabled by the new source tool, rather than any underlying change in performance. Given the insufficient representativeness of the supplier category breakdown, the Group has decided not to disclose this split at this stage. Actions are ongoing to enhance data quality and enable future disclosure.

Payment practices metrics	2025	2024
% of Payments Aligned with Standard Terms (count)	80%	79%
% of Payments Aligned with Standard Terms (spend)	66%	70%
Average Number of Days to Pay Suppliers (spend)	58	60

Currently, the top reasons for late payments are:

1. Late received invoices: suppliers send invoices long after the document issue date, the date from which payment terms are calculated. As a result, many invoices arrive close to or even past their due dates. Another recurring issue is suppliers failing to use the official invoice reception channels, preventing accounting teams from processing payments on time. In both cases, invoices only reach the official channel once they are already overdue. These situations represent 6% of the total invoice volume and 7% of all invoices paid.
2. Very short payment terms, especially 14 days and below, as they are creating a challenge to address payment process in such short timelines. They represent 5% of the invoice volume and 14% of all invoices paid.

All unpaid invoices are tracked in an online dashboard connected to the various ERPs, to ensure the fastest resolution possible.

For more information on methodologies, please refer to **section 2.2.5.**

For the full year 2025, Schneider Electric counts 2 outstanding legal proceedings related to late payments, regardless of the triggering event (against 10 in 2024).

2.2.4.3 Cybersecurity

2.2.4.3.1 Impacts, risks, and opportunities

	Cybersecurity
Negative Impacts	**Risk health and safety impacts on people through industrial accidents**
	Damage the natural environment through industrial accidents
	Risk theft of intellectual property and/or customers' sensitive data
	Disruption from failure in detection and protection capabilities in Schneider Electric's IT and OT environments
Risk	**Compliance risk**

2.2.4.3.2 Policy

As per the context of Schneider Electric, the negative impacts identified in the Double Materiality Analysis as industrial accidents pave the way for damage to customer assets and business disruption. A potential consequence is as well the theft or loss of intellectual property and/or customers' sensitive data. To address these potential consequences, a set of policies has been established. The aim is to define control requirements that reduce the potential impact of these consequences, while also fostering and enhancing trust with customers, authorities, and partners.

Cybersecurity policies are fundamental to the Group's security posture, mandating secure behaviors, practices, and environments for all employees and third parties with access to its network or IT systems. These policies are directly approved by upper management (Group CISO and above), who pay special attention to effective cybersecurity due to its impact on the organization's financial performance and Schneider Electric's reputation as a trusted partner for sustainability. These policies are the backbone of its cyber posture and provide guidelines and directions to ensure secure behaviors and practices across the Company.

They are stored in a centralized repository accessible to all employees and contractors with access to its IT assets and systems. They are communicated regularly through various channels, such as newsletters and online trainings, ensuring that all employees and relevant third parties with access to its network or IT systems are informed.

Policy owners, in collaboration with the Communications team, ensure that employees understand what a policy is, why it is important, the differences between policies, directives, guidelines, and procedures, and where to find them.

In addition to corporate commitment, its Executive Committee and Board of Directors play a crucial role in ensuring a seamless implementation of the Group's security policies. A central body governs the Company-wide cybersecurity portfolio, coordinating strategic and operational initiatives and orchestrating a community of security practitioners across businesses and territories. The policy owners and the Governance team are responsible for conducting frequent reviews and driving improvements or updates as needed. These updates are conducted annually to reflect the evolving threat landscape, regulations, and industry practices, with each review validated by the Senior Vice-President, Chief Information Security Officer (CISO) or even at Executive Vice-President level (responsible for the overall strategy and direction of the operations, functions, or businesses).

Additionally, the Company's overarching General Information Security Policy and all supporting cybersecurity, product security, and data protection policies aim to comply with recognized industry's standards and frameworks such as ISO/IEC 27000 series, NIST Cybersecurity Framework, ISA/IEC 62443, as well as regional regulations like the European Union Network Information Security (NIS2) Directive and Cybersecurity Resilience Act (CRA).

Schneider Electric public cybersecurity principles and whitepapers can be found in the Cybersecurity and Data Protection Posture page on **www.se.com**

2.2.4.3.3 Action plan

Cybersecurity training is part of the global mandatory Schneider Essentials program, assigned to all Schneider Electric employees through its global learning management system, with completion thoroughly tracked and regular reminders sent to ensure compliance, and reflects the Group's commitment to its Trust Charter and the principles of respect and good faith towards all stakeholders.

Schneider Electric continuously and consistently monitors its posture with the support of cyber scoring agencies. This enables the Group to identify and address vulnerabilities and weaknesses (along with intelligence-driven detections). By addressing findings that can negatively impact overall cybersecurity ratings and benchmarking of Schneider Electric's performance, the Group is supporting its maturity journey on cybersecurity, from a performance, risk, and communication perspective. Exposure monitoring for its IT and OT operations is conducted through Schneider Electric's 24/7 Security Operations Center (SOC), which actively monitors social media and the dark web, and leverages threat intelligence feeds. In parallel, the Group promotes cybersecurity through trusted and transparent information sharing, supports collective efforts to combat cyber threats, and collaborates with authorities and cross-industry organizations to secure the value chain and strengthen digital trust. Cyber scoring facilitates internal communication of cybersecurity reports with executives, explaining the effectiveness of the Group's security program within the business context. Each month, leadership receives a dashboard that helps identify pain points and mitigation actions. This methodology is also deployed with subsidiaries to encourage and sustain acceptable levels of maturity across the extended enterprise, enabling continuous benchmarking of performance against peers and real-time monitoring of the Company's exposed digital footprint.

Schneider Electric is committed to empowering its workforce by fostering a culture where cybersecurity is recognized as part of everyone's role. The Group actively encourages employees to "see something, say something," drawing on their understanding of cyber risks to maintain secure practices and encourage reporting when applicable. The Group has set up cyber risk leaders and professionals by domains of expertise or in risk areas such as finance, human resources, and manufacturing plants. Their role is to monitor the threat landscape, potential exposure, implement cybersecurity initiatives, and respond to incidents.

Schneider Electric has received several recognitions for its cybersecurity, product security, and data security performance.

The Group's external certificates can be also found in the **Cybersecurity and Data Protection page.**

ISO 27001 demonstrates Schneider Electric's ongoing commitment to manage its high value assets securely in compliance with regulations.

CREST Certification for Penetration testing acknowledges Schneider Electric's product security teams for their skills and proficiency when it comes to testing the resilience and security of the Company's products and systems.

Schneider Electric's global Secure Development Lifecycle process and central office is certified to Maturity Level 4 of the TÜV Rheinland Cyber Security Management (CSM) certification, as well as the ISASecure® SDLA certification.

Schneider Electric's Vulnerability Handling & Disclosure process is certified with ISO/IEC 30111:2019 and ISO/IEC 29147:2018 standards. This affirms Schneider Electric's commitment to address vulnerabilities affecting its products and protecting its customers.

In 2026, Schneider Electric has been certified mature, with a score of 991 (990 in 2025) based on international information security standards such as ISO 27001, NIST Cybersecurity Framework and Cybersecurity for ICS, PCI-DSS, and GDPR.

2.2.4.3.4 Targets

Cycle	Targets[1]	Detail
2021-2025	SSE #13 Train our employees on Cybersecurity and Ethics every year	Schneider Electric aims to have 100% of its employees trained in Cybersecurity
	SSE #16 Be in the top 25% in external ratings for Cybersecurity performance	Monitoring performance enables the Group to measure its improvement
2026-2030	Out of Sustainability Impact 2030	100% annual completion of Cybersecurity training

As part of its objectives for 2030, defined in the General Information Security Policy, Schneider Electric commits to manage cybersecurity potential consequences such as customer damage, business disruption, and intellectual property theft and loss. To do this, Schneider Electric aims to ensure that 100% of its employees are trained annually on cybersecurity (SSE #13), underscoring its dedication to maintain a robust security culture across the organization.

Additionally, Schneider Electric strives to be in the top 25% in external ratings for cybersecurity performance (SSE #16), reflecting its ongoing efforts to benchmark its security practices against industry standards and continuously improve its cybersecurity posture. This target is publicly accessible and serves as transparent evidence of its cybersecurity maturity, providing assurance to its customers.

SSE #13: At the end of 2025, SSE #13 achieved a 98% completion rate.

SSE #16: From a baseline score of 520 in January 2018, Schneider Electric scored in Advanced with an average of 798 for 2025 and ending the year with a score of 800 (900 being the maximum score possible). This score places Schneider Electric among the top 25%, according to the Bitsight website.

Read more on the methodology of SSE in **section 2.4.1.2 on page 320.**

(1) For more information about the differences between the 2021-2025 cycle and the sustainability statements (CSRD) entity scopes, please refer to **section 2.2.1**.

Requests	Schneider Electric received and handled 670 questionnaires related to cybersecurity, product security, and data protection in 2025, stemming from customers and authorities.
Maturity	The Group averaged a score of 798 with BitSight during the course of 2025. Schneider Electric holds 11 ISO 27001 certificates including 1 for transversal capabilities and supporting functions(1). Its global product penetration testing labs are CREST certified(2). 19 IT & Cyber internal audits were conducted in 2025. Schneider Electric received a score of 3.4 in a 2025 annual NIST maturity assessment by a top consultancy.
Training	Schneider Electric's mandatory training has been performed by 98% of employees in 2025. On top of the annual mandatory training, the Group deploys role-based cybersecurity training for its admins, HR, R&D, shop-floor and customer-facing employees. 97% as average of the customer-facing employees obtained their “Cyber Badge” in 2025 with end of the year completion of 94% for the training.
Industrial Security	1 Cyber Leader per site monitors alerts and vulnerabilities and supports incident response. 100% of sites are monitored in real-time for digital penetration. Since 2022, every new line is ISA/IEC 62443-3-3 & 2-4 Security Level 2 compliant.
Supplier Security	Out of ~50,000 unique suppliers tiered, ~6,000 are monitored, according to their criticality and exposure. ~73% of critical risk profile suppliers went through C-level security discussions. Exposure-based Cybersecurity, AI and Data Privacy & Protection Terms & Conditions for suppliers.
Vulnerability Management	The group's Product Vulnerability Handling & Disclosure process certification with ISO/IEC 30111:2019 and ISO/IEC 29147:2018. Security notifications are published, in response to vulnerabilities reported, on Schneider Cybersecurity Notification Portal(3).
Cyber Defense	Security Operations Center (SOC) operates 24/7 across Schneider’s worldwide digital and operational landscape. In 2025, the Group did not experience any cybersecurity incident impacting materially its financial statement. 100% of high severity incidents are contained and debriefed at the highest level of the Company. Schneider Electric leads periodical crisis simulations with its critical infrastructure clients and authorities.

(1) For more information, visit the “Cybersecurity and Data Protection Posture” page on **www.se.com**
(2) Read the press release “Schneider Electric’s Global Security Labs receive CREST pen-test accreditation” on **www.se.com**
(3) Access Schneider Cybersecurity Notification Portal from **www.se.com**

2.2.5 CSRD Methodologies and Tables

In this section

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2.2.5.1 CSRD Methodologies

2.2.5.1.1 Environment

Energy consumption

Schneider Electric monitors energy consumption at its approximately 1,000 sites worldwide (representing overall 4.9 million square meters), by either directly measuring or estimating energy use for each site. Sites are classified as either industrial (e.g., factory), logistics (e.g., warehouse, distribution center), or commercial (office, laboratories, service, hubs). Commercial buildings weight 24% of global footprint, the rest comes from R&D, Logistics and Industrial segments. The largest sites measure their energy consumption monthly through invoices using the EcoStruxure™ Resource Advisor software suite. EcoStruxure™ Resource Advisor provides a data visualization and analysis application that aggregates volumes of raw energy data into actionable information. These ca. 261 sites account for more than 75% of the Group's surface area and site global energy consumption. The energy consumption of the remaining sites is derived via extrapolation. Leveraging data collected at the measured sites, company-specific energy intensity factors per square meter are applied for the reported energy sources, tailored to site type as well as countries and regions. Thus, for each of the estimated sites, a granular energy consumption breakdown is available internally by energy source. This granularity informs the GHG emission calculation. The Group plans to expand its measured energy reporting process across the entire portfolio (everywhere where Schneider Electric pays the energy invoice) in the next two years to get the full visibility of its actual energy consumption and efficiency efforts.

Energy consumption figures reflect the best available data. However, it includes uncertainties arising from estimation of non-metered or indirect energy flows. Common sourced of uncertainty include:

- Use of modeled or extrapolated data for non-metered, or partially occupied facilities.
- Significant proportion of non-invoiced or estimated data for the last two months of the reporting year.
- Manual data collection from site contacts without mandatory invoice verification, or for facilities not owned by Schneider Electric.
- Potential misalignment between self-declared figures and actual invoice records.
- Third-party logistics (3PL) sites with operational control are excluded due to limited visibility.

Energy intensity based on net revenue

Both energy consumption and net revenue can be categorized based on their origin from high climate impact sectors (HCIS) and non-high climate impact sectors (nHCIS), following the European classification for industry sectors(1).

The software entities (AVEVA, ETAP, RIB, ProLeiT, Planon) are categorized as "Software Publishing" under "Information and Communication" (NACE Code J) resulting in a classification of their energy consumption and net revenue as nHCIS. Consequently, Schneider Electric considers all activities of the remaining legal entities as falling under HCIS, since they can be classified as "Manufacturing" (NACE Code C). This classification includes companies involved in the transformation of raw materials into finished products, which aligns with Schneider Electric's operations in producing electrical equipment, automation solutions, and energy management systems.

GHG emissions

The Group calculates its carbon footprint across the three scopes, in conformance with the Standards from the GHG Protocol: the Corporate Accounting Standard and the Corporate Value Chain (Scope 3) Standard.

Scope 1 and 2

For Scopes 1 and 2, the GHG emissions are coming from two types of sources: either stationary sources (i.e., sites) or mobile sources (i.e., the Company fleet). Under the accounting approach of the operational control, the Group considers all assets (i.e., sites or Company vehicles), that are operated, regardless of being owned or leased.

- **For sites**, the GHG emissions are derived from SF_6 leakages that are measured, and energy consumption that is either measured or estimated (refer to previous section). The energy consumption, or SF_6 leakages, are then converted into GHG emissions, by using various sources of emission factors, such as IPCC (Intergovernmental Panel on Climate Change), IEA (International Energy Agency), ADEME (French Agency of Environment and Energy), RE-DISS (Reliable Disclosure Systems for Europe), and EPA (Environmental Protection Agency).
- **For fleet**, most of the GHG emissions are calculated based on the reports from leasing companies, which either provide the fuel consumption, or the driven distance and the carbon intensity of driving over 1 kilometer. This allows to derive energy consumption and GHG emissions, using emission factors from ADEME for fuels, and IEA for electricity. In the absence of complete data from leasing companies, the GHG emissions are estimated by using estimations for actual distances based on contractual distances, and by using extrapolations based on fleet size and the type of powertrains.

(1) High climate impact sectors are those listed in NACE Sections A to H and Section L (as defined in Commission Delegated Regulation (EU) 2022/1288).

Scope 3

The methodology used is specific to each category:

- **Category 1 – Purchased goods and services:** the methodology is compliant with ISO 14069 principles and takes into account the wide heterogeneity of the procurement portfolio of the Group: raw materials, electronic and electrical products, printed circuit board assembly, fabricated components, along with non-production purchases (e.g., services such as insurance and banking services). As per the principles of carbon accounting, calculations are based on physical quantities as much as possible, using the tonnes of metals and plastics that are purchased. For the remaining part of procurement, calculations are based on the spend, to make sure all procurement activity is captured. Emission factors from various sources are being used, mainly from EIME (Life Cycle Analysis tool), EPA, Ecoinvent, and ADEME Base Carbone®.
- **Category 2 – Capital goods:** in the industrial context of Schneider Electric, these emissions correspond to the embodied CO_2 emissions in equipment and assets that have an extended life and are used for manufacturing processes, logistics purposes and hosting the operations of the Company. In practice, capital expenditures on construction , production and industrial suppliers are taken into account, and converted into GHG emissions by using spend-based emissions factors from EPA.
- **Category 3 – Fuel- and energy-related activities**: these emissions are derived from energy consumption data that are used for Scope 1 and 2 emissions; the upstream emissions methodology is dependent on the type of energy: for all energy types, a constant share of Scope 1 or Scope 2 emissions is taken into account (for instance approximately 20% for natural gas or oil); for electricity, the upstream emissions are based on a complete lifecycle perspective, including upstream emissions for the fuels of the power plants, transport and distribution losses of electricity generated, and embodied emissions of infrastructures.
- **Category 4 – Upstream transportation and distribution:** emissions from freight expenses are calculated in a dedicated tool with a detailed and comprehensive methodology. Using emission factors from DEFRA (Department for Environment, Food and Rural Affairs), ADEME, and EcoTransIT, the emissions are calculated from the activity data directly collected from the main transport suppliers of the Company, covering a large majority of spending on transportation services. It allows to calculate emissions for every single shipment from these suppliers. Emissions are calculated on a well-to-wheel perimeter and also include the radiative forcing of condensation trails from planes. Finally the emissions are extrapolated to capture the overall spending on transportation services.
- **Category 5 – Waste generated in operations:** this category includes the emissions for the waste treatment of industrial waste, recycled industrial waste, and office waste. Using average emission factors from Ecoinvent and IPCC, the emissions from office waste are derived from the number of employees (using a default ratio of office waste/employee/year); the emissions from industrial waste, either recycled or not, are derived from environmental reported data on waste volumes (in tonnes) and recycling rate for large industrial and tertiary sites.
- **Category 6 – Business travel:** GHG emissions are being calculated based on all types of business travels and for the different modes of transportation, by a third-party software solution. Emissions factors are coming from DEFRA. For air travel more specifically, the GHG emissions methodology considers the distance that is flown and the class inside the plane. Finally, the emissions are calculated on a well-to-wheel perimeter and also include the radiative forcing of condensation trails from planes.
- **Category 7 – Employee commuting:** the emissions are based on the headcount of employees of Schneider Electric by geographic regions. For a given region, the individual emissions are derived based on assumptions on commuting distances (kilometer traveled per year for commuting), and commuting mode (car, public transport, train, walk, or bicycle). These assumptions were chosen based on literature review and the experience of the consulting company Carbone 4; they are based on public statistics by country (e.g., ADEME for France). Finally, the emissions are calculated on a well-to-wheel perimeter, and also include the radiative forcing of condensation trails from planes.
- **Category 9 – Downstream transportation and distribution:** these emissions correspond to freight that is not directly paid by Schneider Electric. Therefore, the emissions are derived from an assumption on the share of transportation indirect cost in the procurement of commodities. For instance, based on previous carbon footprint experience and literature review, freight cost represents approximately 7% of cost of metals procurement. The indirect spend on freight is then translated into CO_2 emissions using an average split on freight types (either domestic or international freight) and the CO_2 intensity of these freight types (using Schneider Electric's own CO_2 intensity on paid freight). Finally, the emissions are calculated on a well-to-wheel perimeter.
- **Category 11 – Use of sold products:** these emissions correspond to the electricity consumption of Schneider Electric's products, mainly due to heat dissipation (Joule effect) during their whole lifetime. These emissions are not the volume of CO_2 emitted in the reporting year due to the use of all offers sold in the past, rather it is emissions of offers sold during the year and cumulated over their expected lifetime.

  Calculations are based on Environmental Product Declarations (EPD), leveraging the work on Product Environmental Profiles (PEP) as part of the PEPecopassport® program. These are Life Cycle Assessments (LCA) that go beyond carbon footprints (encompassing a more comprehensive range of environmental impacts) and cover >90% of Group's revenue from products. LCAs are performed with the EIME software and its database (Environmental Impact and Management Explorer), and they are based on service life of products (e.g., ten years), use phase assumptions during active, idle, and off phases. The PEPs are conformant with ISO 14025:2006 type III and ISO 14040. Using the data in PEPs, the use phase electricity consumption can be estimated for each category of products. The aggregation at Group level is based on offer-specific sales data by destination country. If offer-specific sales data is not available or cannot be matched with existing PEPs, then use phase electricity consumption is estimated based on the structure of the sales in base year 2021 and adapted to the geographic split of sales.

This electricity consumption is then combined with GHG intensity of the grid, on a country-by-country basis. The GHG intensities of electricity in each country are forward-looking (and not static during the lifetime of the products), based on a scenario from the International Energy Agency (IEA) that considers the future decarbonization of the grids. In addition, they include multiple GHGs (factored in a CO_2-equivalent unit), and they are based on a lifecycle perspective, i.e., including upstream emissions for the fuels of the power plants, transport, and distribution losses of electricity generated. The scenario used for modeling future decarbonization of the grids is the "Stated Policies Scenario" (SPS, aka STEPS) from the World Energy Outlook (WEO) released in end of 2022, which is based on current policies, as well as policies announced by governments at the time of publication of the scenario.

- **Category 12 – End-of-life treatment of sold products:** the GHG emissions from this category are vastly coming from the release of SF_6 gas. SF_6 is a gas used as an electrical insulator in medium voltage devices. It is a powerful GHG and therefore requires special treatment to prevent atmospheric emissions to occur. For estimating the GHG emissions from category 12, an assumption is made on the release in the atmosphere of SF_6 at product decommissioning, based on Schneider Electric's research, considering that some SF_6 in equipment is being recycled, while the majority is actually not being recycled. It must be noted that this figure is not derived from the volume of SF_6 released in the reporting year due to the end of life of all products sold in the past, but instead it corresponds to the future release of SF_6 gas contained in all relevant products from Schneider Electric that are sold during the reporting year. More precisely, the emissions are derived from SF_6 gas purchased by Schneider Electric and filled into the equipment, as per the sales data of the Company and the specifications of the products. The Global Warming Potential of SF_6 is an external data provided by the IPCC and has been recently updated in the 6th Assessment Report. The GHG emissions due to the release of SF_6 gas at end-of-life are completed with the generic GHG emissions from end-of-life treatment from all products, either with or without SF_6. For estimating this component of category 12, the Group is using a similar methodology than for category 11, leveraging the work on Product Environmental Profiles (PEP) as part of the PEPecopassport® program: the non-SF_6 emissions have been calculated in 2021 with PEP, and since then they are derived each year based on the evolution of volumes of sold products.
- **Scope 3 Categories not applicable for Schneider Electric:**
  - **Category 8. Upstream leased assets:** Schneider Electric uses the operational approach to calculate its carbon footprint; emissions due to energy consumption in leased assets are therefore already included in Scope 1 and 2 emissions.
  - **Category 10. Processing of sold products:** Schneider Electric does not sell intermediary products to third parties (manufacturers).
  - **Category 13. Downstream leased assets:** Schneider Electric does not lease assets to third parties (lessor's point of view).
  - **Category 14. Franchises:** Schneider Electric does not operate with a franchisor business model (no licenses are granted to other entities to sell Schneider Electric's products in exchange for payments such as royalties).
  - **Category 15. Investments**: Schneider Electric uses the operational approach to calculate its carbon footprint; the Group having no operational control over its equity investments, there is nothing to report under this category.

Scope & methodologies applied

The detailed methodologies above are the ones that apply to almost all the entities of the Group and, by extension, to the vast majority of the Group's GHG inventory. Yet, dedicated sustainability teams exist in few Schneider Electric subsidiaries such as AVEVA, Luminous, or Planon. While these teams may occasionally use diverging assumptions and approaches for GHG emissions calculation, notably for Scope 3, the overall methodologies are all aligned with the standards established by the GHG Protocol and their contributions to the Group's total GHG emissions are not material.

Please refer to the **"Basis for preparation" section** for more details about the scope of reporting.

Scope 1 and Scope 2 emissions cannot be separated between the consolidated account group and investees that fall outside this group, as the latter are not included in the scope of the sustainability statements (CSRD). Further details on this rationale can be found in **section 2.2.1.3 Basis for preparation** on investees such as associates, joint ventures, or unconsolidated subsidiaries that are not fully consolidated in the financial statements of the consolidated accounting group, as well as contractual arrangements that are joint arrangements not structured through an entity (i.e., jointly controlled operations and assets), for which it has operational control.

Uncertainties

GHG emission figures reflect best available data. However it includes uncertainties, such as:

- For Scopes 1 and 2 – The uncertainties mentioned in the section on energy consumption, since energy consumption data are the inputs for most of Scopes 1 and 2 GHG emissions.
- For Scope 3 – The use of industry averages for emission factors (as opposed to supplier-specific data for instance), and default assumptions (e.g., lifetime and use-phase scenarios for sold products).

Substances of concern (SOC) and very high concern (SVHC)

Calculation methodology

The methodology for reporting Substances of Very High Concern (SVHC) uses Schneider Electric's products REACH declarations repository (Check A Product), and its supplier declaration repository (ERIS) to identify impactful parts containing SVHCs above 0.1%. Total tonnage is calculated by multiplying total procurement quantities by the average SVHC percentage found in suppliers Full Material Disclosures (FMDs). A core assumption in this methodology is that the average SVHC percentage derived from these FMDs is representative of the remaining, non-sampled purchased quantities. Notably, Lead (the highest tonnage contributor) is excluded from this estimation; it is reported using direct primary purchase data from the Group's subsidiary Luminous, ensuring higher accuracy. For SoCs, the methodology is similar but more challenging due to the lack of mandatory communication and tools for SoC management.

Consequently, the methodology relies on a materiality assumption as the Group identifies major chemical inputs (e.g., epoxy resins, oils) and map them to procurement volumes. Where exact chemical composition data is unavailable, Schneider Electric uses.standard industry concentrations to estimate total SoC weight. This conservative approach bridges the gap caused by limited supplier data.

For Luminous, whose reporting accounts for a significant share of the SVHC tonnage classified as “leaving the company as parts of products,” the data-collection process is more straightforward. Luminous manufactures lead batteries using lead metal as a direct input. As a result, the amount of lead placed on the market through their products corresponds directly to the quantity of lead they purchase.

Main limitations and assumptions

Data availability is restricted by the reliance on supplier declarations and voluntary FMDs, which are not always comprehensive. The current tools used for compliance do not support full data aggregation, requiring significant manual effort for data extraction and analysis. This manual process involves opening each FMD to determine the percentage of Substances of Very High Concern (SVHC) and Substances of Concern (SoC) in parts. Additionally, assumptions must be made regarding average percentages and quantities due to incomplete data.

As such the figures reflect best available data but may include uncertainties arising from limited visibility of the supply chain. Common sourced of uncertainty include:

- REACH applicability is limited to the EU for SVHC; SoCs are not uniformly defined.
- Suppliers are not legally obligated to provide FMDs in many jurisdictions.
- BOMs and/or FMDs often indicate only presence, not exact quantities.
- Limited enforcement or auditing of supplier declarations outside regulated markets.
- Manual data consolidation is based on extrapolations for year-end months, which can lead to discrepancies with procurement data once available.

Resource Inflows

Schneider Electric determines the total weight of products and related sustainability indicators using a structured, data-driven methodology that consolidates procurement, plant-level, and supplier information across the Group. The reporting boundary includes all direct purchases of raw materials, components, and packaging, while excluding subcontracting, services, and software.

Overall total weight of products

Product weight is calculated by converting procurement spend into physical volumes using as much actual weight data that is available. Approximately 80% of raw materials and fabricated components are covered by plant-reported weights. For categories without direct volume data, the Group applies category-level analyses using quantities and unit-of-measure data to derive weight-to-spend ratios. The ratios are then multiplied by total spend to assess full coverage. Electronics weights are derived by aggregating known part weights, removing outliers, grouping comparable families, and applying gram-per-euro ratios to total category spend. This multi-source approach ensures 100% coverage while progressively reducing reliance on estimates through expanded data capture and supplier engagement.

Volume and percentage of sustainably sourced biological content

Biological materials are defined as sustainably sourced materials from living organisms that remain in their original state; in this context, only wood qualifies. Schneider Electric identifies key wood suppliers by region and collects confirmations of sustainability, certification, and adherence to the cascading principle. Actual weight data from European packaging is used to establish weight-to-spend ratios by material type, which are then applied to global spend to estimate total wood weight. The volume of sustainably sourced wood is calculated based on supplier-verified purchases with approved third party certification within the defined direct-spend boundary.

Volume and percentage of recycled components

Recycled content is calculated using supplier-validated data for key materials. For steel, only material produced via electric arc furnace is counted as recycled; for copper, at least 50% recycled content is required. Verified supplier volumes are converted to tonnes and multiplied by confirmed recycled content percentages. Thermoplastics are assessed using standardized percentage assumptions based on supplier declarations. Recycled paper and cardboard are calculated by combining supplier-reported recycled content with spend-based weight conversion ratios. Aluminium is currently conservatively reported with zero recycled content pending more detailed, supplier-specific data. The reporting will continually improve as more primary data is captured from suppliers.

Uncertainties related to resource inflows

Resource inflow figures reflect best available data. It therefore includes uncertainties arising such as:

- Biological material is captured based on procured wooden pallets, which may not capture all wooden pallets in circulation in Schneider Electric's operations
- Weights are not known for 100% of purchases, so an element of extrapolation and estimate are required.
- Some of the values require supplier response and confirmation. This may bring in some uncertainty since 100% of suppliers that are contacted do not necessarily reply

Resource Outflows

Durability

Given the lack of a standardized definition for “durability” within the industry, Schneider Electric has adopted the concept of Reference Service Life (RSL) to estimate the durability of products. As stated in EN 50693:2019, 3.35, the RSL is defined as “the lifetime that may be expected according to a particular set of conditions of use (reference set) and that may be used to estimate the lifetime under other conditions of use”. This definition provides a consistent framework for assessing product durability based on specific usage conditions.

To calculate the RSL, Schneider Electric extracts data from its Product Information Management (PIM) database, which contains detailed information on the expected service life of its products. Schneider Electric organizes its products using an internal classification system. This system categorizes products into four main levels: Product Line, Strategic Product Family, Product Family, and Product Group. Specifically, there are 75 Product Lines, 402 Strategic Product Families, 2,389 Product Families, and 16,800 Product Groups. The company has compiled RSL data for over 130,000 products (versus 35 000 products last year) and calculated an average RSL for each Product Line. This average RSL serves as a representative measure of durability for the Group's products, allowing to benchmark and report on product longevity effectively. To make the data more digestible and manageable, the durability KPIs are reported at the Product Line level. This approach provides a clear and concise overview of the product portfolio while maintaining the granularity needed for detailed analysis.

Recyclable Content

For products, Schneider Electric leverages the recyclability potential calculated during a Product Environmental Profile (PEP) generation as per the IEC TR 62635. Both data points needed for the calculation (product weight and recyclability potential) are managed within Schneider Electric’s Product Information Management (PIM) system. The amount of recyclable product (in tonnes) put on the market is determined for a single product as follow: recyclability potential × product weight. Schneider Electric applies this methodology for all products with available information on both recyclability and product weight, 70 000 products in 2025 (versus 7 000 in 2024).

Finally, the weight of each recyclable material per product is multiplied by the sales volume of those specific products, based on data from the Group's ERPs. This total is then divided by the overall weight of all products placed on the market, to determine the percentage of recyclable content in Schneider Electric products and the total tonnes of recyclable material provided to the market.

Luminous is the main non IT-integrated entity contributing to these indicators. In 2024, the reporting of sold units was done at product category level, this year the data granularity has been improved with reporting of sold units at product level, enabling a more accurate calculation of the recyclable content in products. The methodology is similar to the one described above.

For packaging, Schneider Electric’s current SSI #5 commitment on ‘primary and secondary packaging uses recycled cardboard’ is leveraged. In particular, internal assessments confirmed the successful transition from virgin to recycled cardboard with a content of at least 70%. This leads to a rate of recyclable content in its packaging of 70%.

A PEP digitalization roadmap, increase lifecycle assessment tool capabilities and packaging database improvement projects are on-going to increase product and packaging coverage over time.

As such recyclability figures reflect best available data but may include uncertainties arising from underlying data coverage. Common sourced of uncertainty include:

- Non-exhaustive coverage of all products’ recyclability potential,
- Limited visibility on packaging recyclability, particularly for packaging exceeding 70% recycled content thresholds,
- Inconsistency in ‘recyclability potential’ across subsidiaries due to varying local regulatory frameworks and recycling capabilities.

2.2.5.1.2 Social

Own workforce definition

The Group distinguishes its own workforce between employees and non-employees.

Employees are individuals, working either full-time or part-time, who have an employment relationship with Schneider Electric in accordance with national law and practice, including all types of contracts: open-ended contract, fixed-term contract, and non-guaranteed employees.

Non-employees in Schneider Electric’s own workforce include both individual contractors supplying labor (“self-employed people”), and persons provided by Schneider Electric who are primarily engaged in “employment activities”.

The contractual framework includes open-ended contracts, which provide employees with enduring engagement and the opportunity to grow and evolve within the Company. Fixed-term contracts are utilized for project-based work, allowing for agility and adaptability in response to changing business requirements. Non-guaranteed hours contracts offer a flexible own workforce solution, enabling the Company to efficiently manage fluctuations in demand. Lastly, part-time contracts are available, supporting employees in achieving a harmonious work-life balance while contributing valuable expertise to the Company.

Employee Headcount

Methodology

The number of employee (headcount) is a simple count of all employees within the organization at the end of each reporting period.

The average number of employee (headcount) is the average of the number of employee (headcount) at each month’s end during the reporting period.

Assumptions

- No distinction is made between active employees and those on leave (e.g., sick leave, maternity leave), unless otherwise specified.
- Trainees, and apprentices are out of scope ; the remaining contract types (open-ended contracts, Fixed-term contracts or non- guaranteed-hour employees) are included.

Employee turnover

Methodology

The employee turnover is the division of the total Number of employees who have left the company by the average Number of employees (headcount) over the same reporting period.

Assumptions

- To calculate the average number of employee headcount over the reporting period - refer to previous page.
- To calculate the number of employees who have left the undertaking, sum the relevant employees:
  - Types of contracts included: open-ended contracts, fixed-term contracts, non-guaranteed hours employees.
  - Types of contracts to be excluded: trainees, apprentices.
  - In TalentLink, the individual data record system could track the critical events over the entire employee lifecycle. This system has an indicator to show employee's assignment status at a selected period. It can indicate if someone is active, suspended or inactive. For employee who have left the company, the system will capture the type of terminations and indicate the status as inactive.
- Only the Inactive assignment status is included to measure the number of employees who have left the company. Types of terminations included are as follows: Voluntary termination, Dismissal, Retirement, Death in service.

Health and safety metrics

The Group currently reports medical incidents using the World Health Organization definition, which is widely recognized as the primary external reference standard.

In this sense, a medical incident represents any injury or illness that (a) is work-related, (b) meets the definition of an occupational accident or illness, and (c) received medical treatment as at least one of the 17 different cases of medical treatment stated in Schneider Electric's Global Health & Safety Directive.

In comparison, the ESRS definition is slightly broader, as it also includes incidents that did not require medical treatment but still resulted in restricted workdays or rest time (i.e., days lost). The Group is actively working to align its reporting practices with this expanded definition to ensure full compliance.

Gender distribution

Gender distribution in percentage of employees at top management level:

- Percentage of female employees at top management level = Female Employees at top management level / Total Employees at top management level * 100;
- Percentage of male employees at top management level = Male Employees at top management level / Total Employees at top management level * 100.

Remuneration ratio

For the benefits in cash and in kind, numbers are based on best possible estimates by grade and by country.

Compensation elements considered:

- 2025 fixed compensation;
- Variable compensation paid in 2025;
- Relevant bonuses and benefits (in cash and in kind) for 2025; and
- Value of the performance shares granted in 2025 at their fair value (IFRS) on the grant date.

Gender pay gap

Schneider Electric has made a commitment to Pay Equity under SSE #18 to attain and maintain a pay gap below 1% by 2025 for both females and males as per the internal methodology. SSE #18 methodology differs from the gender pay gap definition in the sustainability statements (CSRD). The table below explains the main differences identified between the methodologies:

	SSE #18	Sustainability statements (CSRD)
Methodology / Formula	Gap to be assessed for each gender based on the peer group. Peer group – employees in the same country, level (grade), and salary structure	Gap to be assessed as a difference of pay between genders. Calculation to be done through: • Unadjusted gap: pay gap assessed by gender; • Adjusted gap: pay gap assessed by gender, taking into account country and level (grade)
Calculation	Median	Mean
Scope of employees	Schneider Electric Core – Global Scope	Schneider Electric including Non-IT Integrated Entities – Global Scope
Scope of pay elements	Base Salary + Short-Term Incentives (at target) + Fixed Allowances (if applicable for a country)	Base Salary + Short-Term Incentives (actual) + Fixed Allowances (if applicable for a country) + Benefits in kind and in cash (estimates) + Long-Term Incentive

2.2.5.2 Disclosure Requirements presentation table

As per the ESRS guidance, the disclosure of material information in the report is pertinent to the material impacts, risks and opportunities following the respective disclosure and application requirements related to each sustainability matter. Material information is disclosed according to its significance, completeness, and capacity to meet the decision-making needs of the users.

Disclosure Requirement	Section	Page
BP-1 – General basis for preparation of sustainability statements	2.2.1.3 Basis for preparation	124
BP-2 – Disclosures in relation to specific circumstances	2.2.1.3 Basis for preparation 2.2.5.4 Declaration in terms of due diligence	124 273
GOV-1 – The role of the administrative, management and supervisory bodies	2.2.1.1.2 Integrated and transverse governance of sustainable development	103
GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	2.2.1.1.2 Integrated and transverse governance of sustainable development	103
GOV-3 – Integration of sustainability-related performance in incentive schemes	2.2.1.1.2 Integrated and transverse governance of sustainable development	103
GOV-4 – Statement on due diligence	2.2.5.4 Declaration in terms of due diligence	273
GOV-5 – Risk management and internal controls over sustainability reporting	2.2.1.2 Double materiality assessment: main sustainability impacts, risks and opportunities	114
SBM-1 – Strategy, business model and value chain	2.2.1.1.1 Schneider Electric's activities and business model	102
SBM-2 – Interests and views of stakeholders	2.2.1.1.3 Trust with stakeholders	106
SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	2.2 Sustainability statements | CSRD	100
IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	2.2.1.2 Double materiality assessment: main sustainability impacts, risks and opportunities	114
IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement	2.2.5 CSRD Methodologies and Tables	261
MDR-P – Policies adopted to manage material sustainability matters	2.2 Sustainability statements | CSRD	100
MDR-A – Actions and resources in relation to material sustainability matters	2.2 Sustainability statements | CSRD	100
MDR-M – Metrics in relation to material sustainability matters	2.2 Sustainability statements | CSRD	100
MDR-T – Tracking effectiveness of policies and actions through targets	2.1.1.2 Long-term commitments and tools to measure progress 2.2 Sustainability statements | CSRD	79 100
E1-1 – Transition plan for climate change mitigation	2.2.2.1.1 Climate strategy	127
E1-2 – Policies related to climate change mitigation and adaptation	2.2.2.1.3 Policies related to climate adaptation, mitigation, and energy	137
E1-3 – Actions and resources in relation to climate change policies	2.2.2.1.4 Actions related to climate change adaptation, mitigation, and energy	137
E1-4 – Targets related to climate change mitigation and adaptation	2.2.2.1.6 Detailed targets	148
E1-5 – Energy consumption and mix	2.2.2.1.7 Metrics	151
E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	2.2.2.1.7 Metrics	151

Disclosure Requirement	Section	Page
E1-7 – GHG removals and GHG mitigation projects financed through carbon credits	2.2.2.1.5 Investment and resources	141
E1-8 – Internal carbon pricing	2.2.2.1.5 Investment and resources	141
E1-9 – Financial effects	2.2.2.1.2 Climate-related impacts, risks, and opportunities	131
E2-1 – Policies related to pollution	2.2.2.2.1 Eliminating hazardous substances	156
E2-2 – Actions and resources related to pollution	2.2.2.2.1 Eliminating hazardous substances	156
E2-3 – Targets related to pollution	2.2.2.2.1 Eliminating hazardous substances	156
E2-4 – Pollution of air, water and soil	2.2.2.2.1 Eliminating hazardous substances	156
E2-5 – Substances of concern and substances of very high concern	2.2.2.2.1 Eliminating hazardous substances	156
E5-1 – Policies related to resource use and circular economy	2.2.2.3.3 Circular strategy and policies	163
E5-2 – Actions and resources related to resource use and circular economy	2.2.2.3.4 Circularity principles	165
E5-3 – Targets related to resource use and circular economy	2.2.2.3.3 Circular strategy and policies	163
E5-4 – Resource inflows	2.2.2.3.5 Resource Inflows and Outflows	174
E5-5 – Resource outflows	2.2.2.3.5 Resource Inflows and Outflows	174
S1-1 – Policies related to own workforce	2.2.3.1 Great people make Schneider Electric a great company | ESRS S1	189
S1-2 – Processes for engaging with own workers and workers' representatives about impacts	2.2.3.1.2 Working conditions	189
S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns	2.2.1.1.3 Trust with stakeholders	106
S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	2.2.3.1 Great people make Schneider Electric a great company | ESRS S1	189
S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	2.2.3.1 Great people make Schneider Electric a great company | ESRS S1	189
S1-6 – Characteristics of the undertaking's employees	2.2.3.1.2 Working conditions	189
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S1-9 – Diversity metrics	2.2.3.1.4 Equal treatment	206
S1-10 – Adequate wages	2.2.3.1.2 Working conditions	189
S1-14 – Health and safety metrics	2.2.3.1.3 Employee health and safety	201
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S1-17 – Incidents, complaints and severe human rights impacts	2.2.3.1.3 Employee health and safety	201
S2-1 – Policies related to value chain workers in the value chain	2.2.3.2.2 Policy framework guiding sustainability in the value chain	224

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S2-2 – Processes for engaging with value chain workers about impacts	2.2.3.2 Sustainable relations in the value chain | ESRS S2	223
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S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	2.2.3.2.8 Targets	233
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S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns	2.2.3.3 Ethical relations with affected communities | ESRS S3	234
S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	2.2.3.3 Ethical relations with affected communities | ESRS S3	234
S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	2.2.3.3.9 Targets	238
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G1-6 – Payment practices	2.2.4.2 Supplier Relationship Management and late payment prevention	251

2.2.5.3 Regulations correspondence table

Other EU legislation	ESRS	Disclosure Requirement	Datapoint	Name	Section	Page
SFDR	ESRS 2	GOV-1	21 d	Board's gender diversity	2.2.1.1.2 Integrated and transverse governance of sustainable development	103
SFDR	ESRS 2	GOV-1	21 e	Percentage of board members who are independent	2.2.1.1.2 Integrated and transverse governance of sustainable development	103
SFDR	ESRS 2	GOV-4	30; 32	Statement on due diligence	2.2.5.4 Declaration in terms of due diligence	273
SFDR	ESRS 2	SBM-1	40 d i	Involvement in activities related to fossil fuel activities		
SFDR	ESRS 2	SBM-1	40 d ii	Involvement in activities related to chemical production		
SFDR	ESRS 2	SBM-1	40 d iii	Involvement in activities related to controversial weapons		
SFDR	ESRS 2	SBM-1	40 d iv	Involvement in activities related to cultivation and production of tobacco		
EU Climate Law	E1	E1-1	14	Transition plan to reach climate neutrality by 2050	2.2.2.1.1 Climate strategy	127
Pillar 3 + Benchmark Regulation	E1	E1-1	16g	Undertakings excluded from Paris-aligned Benchmarks	2.2.2.1.1 Climate strategy	127
SFDR + Pillar 3 + Benchmark Regulation	E1	E1-4	34	GHG emission reduction targets	2.2.2.1.6 Detailed targets	148
SFDR	E1	E1-5	37	Energy consumption and mix	2.2.2.1.7 Metrics	151
SFDR	E1	E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	2.2.2.1.7 Metrics	151
SFDR	E1	E1-5	40 to 43	Energy intensity from activities in high climate impact sectors	2.2.2.1.7 Metrics	151
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SFDR + Pillar 3 + Benchmark Regulation	E1	E1-6	53 to 55	Gross GHG emissions intensity	2.2.2.1.7 Metrics	151
EU Climate Law	E1	E1-7	56	GHG removals and carbon credits	2.2.2.1.5 Investment and resources	141
Pillar 3	E1	E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks	2.2.2.1.2 Climate-related impacts, risks, and opportunities	131
Pillar 3	E1	E1-9	66a	Disaggregation of monetary amounts by acute and chronic physical risk	2.2.2.1.2 Climate-related impacts, risks, and opportunities	131
Pillar 3	E1	E1-9	66c	Location of significant assets at material physical risk	2.2.2.1.2 Climate-related impacts, risks, and opportunities	131
Pillar 3	E1	E1-9	67 c	Breakdown of the carrying value of its real estate assets by energy-efficiency classes	2.2.2.1.2 Climate-related impacts, risks, and opportunities	131
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SFDR	E2	E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil		
SFDR	E3-1	9	9	Water and marine resources		
SFDR	E3	E3-1	13	Dedicated policy		
SFDR	E3	E3-1	14	Sustainable oceans and seas		
SFDR	E3	E3-4	28 c	Total water recycled and reused		
SFDR	E3	E3-4	29	Total water consumption in m3 per net revenue on own operations		
SFDR	E4	E4.SBM-3	16 a i	Disclosure of activities negatively affecting biodiversity sensitive areas		
SFDR	E4	E4.SBM-3	16 b	Material negative impacts with regards to land degradation, desertification or soil sealing have been identified		
SFDR	E4	E4.SBM-3	16 c	Own operations affect threatened species		
SFDR	E4	E4-2	24 b	Sustainable land / agriculture practices or policies		
SFDR	E4	E4-2	24 c	Sustainable land / agriculture practices or policies		
SFDR	E4	E4-2	24 d	Policies to address deforestation		
SFDR	E5	E5-5	37 d	Non-recycled waste		
SFDR	E5	E5-5	39	Hazardous and radioactive waste		
SFDR	S1	S1.SBM-3	14 f	Risk of incidents of forced labor		
SFDR	S1	S1.SBM-3	14 g	Risk of incidents of child labor		
SFDR	S1	S1-1	20	Human rights policy commitments	2.2.3.2.2 Policy framework guiding sustainability in the value chain	224
SFDR	S1	S1-1	21	Due diligence policies on issues addressed by the fundamental ILO Conventions 1 to 8	2.2.3.2.2 Policy framework guiding sustainability in the value chain	224
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SFDR		S1-14	88 b + 88 c	Number of fatalities and number and rate of work-related accidents paragraph	2.2.3.1.3 Employee health and safety	201
SFDR		S1-14	88 e	Number of days lost to injuries, accidents, fatalities or illness	2.2.3.1.3 Employee health and safety	201
SFDR/Benchmark Regulation	S1	S1-16	97 a	Unadjusted gender pay gap	2.2.3.1.4 Equal treatment	206
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SFDR/Benchmark Regulation	S1	S1-17	104 a	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines		
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SFDR	S2	S2-1	18	Policies related to value chain workers	2.2.3.2.2 Policy framework guiding sustainability in the value chain	224
SFDR	S2	S2-1	19	Non-respect of UNGPs on Business and Human Rights principles and OECD Guidelines	2.2.3.2.2 Policy framework guiding sustainability in the value chain	224
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Grey lines = not material for Schneider Electric.

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2.3 Sustainable impact for all | Beyond CSRD

At Schneider Electric, sustainability is central to its strategy. As the world faces urgent social and environmental challenges, including biodiversity loss and climate change, companies must take decisive actions to be agents of change. Social and environmental innovation are core to Schneider Electric's purpose.

As an Energy Tech leader, Schneider Electric role is to act as a **catalyst for progress at scale** - not only for the Group but for its industry, its customers, its territories, and the communities it engages with:

- **Technological progress**: scaling the energy transition by putting technology, data and innovation at the core
- **Environmental progress**: contributing in a measurable way to climate action and resource preservation, by addressing structural causes rather than symptoms alone.
- **Social and Human progress**: ensuring that the transition creates real opportunities. Access to energy, skills development, economic inclusion, and the ability for everyone to grow professionally and personally, while bringing well-being and caring back to the center.

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2.3.1 Managing our environmental footprint

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Introduction

Schneider Electric understands that the planet's health is closely tied to the wellbeing of communities and economies worldwide. As biodiversity declines at an alarming pace, protecting its natural resources is essential for both Schneider's operations and the livelihoods of many.

Schneider's commitment to environmental, social, and governance (ESG) principles goes beyond merely complying with regulations such as the Corporate Sustainability Reporting Directive (CSRD); it reflects Schneider's dedication to reducing its reliance on natural resources.

Central to the Group's sustainability strategy is a focus on eco-design and the circular economy, which Schneider sees as vital for protecting biodiversity while addressing climate change. This innovative approaches enable Schneider to rethink product lifecycles, creating solutions that are both resource-efficient and sustainable in the long term.

Schneider's Environmental Data program serves as a cornerstone of its initiatives, providing a comprehensive framework to measure, categorize, and compare the environmental attributes of its products. By offering up to 35 environmental data points across categories like materials, energy efficiency, and environmental footprint, Schneider ensures transparency and empowers customers to make informed decisions.

Looking ahead, the Group is committed to accelerating its progress. In 2025, Schneider Electric reported a year-over-year reduction in CO_2 emissions across all scopes, showcasing the effectiveness of its strategies. The Group recognizes the importance of driving innovation and collaboration, engaging with partners, governments, and non-governmental organizations to foster meaningful policy evolution and societal transformation in the face of climate change.

2025 highlights

100%
sites covered with local biodiversity conservation and restoration programs

85%
of primary and secondary packaging is free from single-use plastic and uses recycled cardboard

100%
of sites in water-stressed areas have a water conservation strategy and related action plan

17%
of energy efficiency in Schneider Electric sites

2.3.1.1 Context

Managing Schneider Electric's environmental footprint requires an integrated approach. Climate, nature, and resources are deeply interconnected: climate change drives biodiversity loss, while healthy ecosystems and circular resource flows are essential for climate resilience. Environmental challenges are deeply interconnected, and every action Schneider Electric take, whether reducing emissions, designing for circularity, or protecting water, creates co-benefits across these areas.

Schneider Electric's climate strategy reduces pressure on ecosystems, while nature-based solutions help the Group to adapt to a changing climate through projects such as mangrove restoration in China, building resilience to storm surges, or forest protection in Mexico creating natural barriers to forest fires. Waste and water management safeguard ecosystems and strengthen supply chain resilience. Together, these programs form a connected system that mitigate risk and creates shared value for people, nature, and business.

This integrated approach to managing Schneider Electric's environmental footprint and ensuring long-term sustainability aligns with global frameworks and seeks to reinforce commitments on climate, circularity, and resource efficiency, ensuring that progress in one area accelerates and reinforces impact in others.

2.3.1.2 Minimize the Group's impacts and dependencies on nature

2.3.1.2.1 Biodiversity

The World Wide Fund for Nature (WWF) 2024 “Living Planet Report”[1] points out that rising temperatures are already driving mass mortality events, as well as the first extinctions of entire species: it shows an average 73% drop in monitored wildlife populations between 1970 and 2020. Every degree of warming is expected to increase these losses and the impact they have on people. This ecological crisis is not only an environmental concern but it is also a systemic risk to global stability. The World Economic Forum’s Global Risks Report 2025 reflects this reality by ranking biodiversity loss and ecosystem collapse as the second most severe global risk over the next decade, just after extreme weather events[2]. Together with critical changes to Earth systems and natural resource shortages, these risks threaten supply chains, resource security, and financial stability, with over half of global GDP highly dependent on nature and its services.

The urgency to accelerate corporate action on biodiversity management is also reflected in the increase in disclosure requirements; with increased expectations from investors and stakeholders for companies to be aligned with the Kunming-Montreal Global Biodiversity Framework (GBF) through the adoption of Taskforce on Nature-related Financial Disclosures (TNFD[3]).

The Group has aligned its targets with the GBF missions ‘to halt and reverse biodiversity loss by 2030’ and will begin to adopt TNFD recommendations, implementing best practices to facilitate transparency and consistency in nature related disclosures.

The Group has designed a program that is guided by science and follows the mitigation hierarchy[4] prioritizing actions to avoid, minimize, restore, and regenerate impacts across its value chain.

2.3.1.2.2 The Group’s commitment to biodiversity

Schneider Electric is committed to:

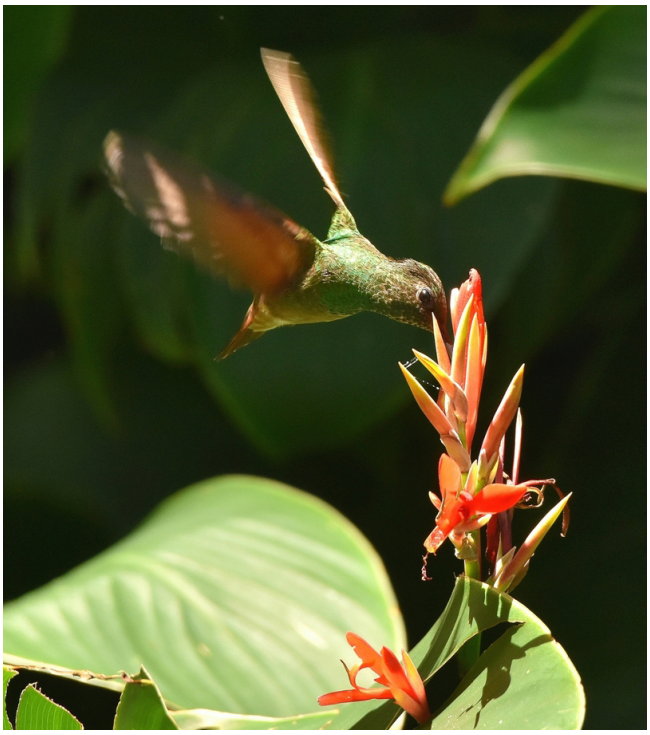
4. Quantify and regularly publish the assessment of the Group’s impacts on biodiversity.
5. Commit to reduce Schneider’s impacts and align biodiversity objectives with science.
6. Develop solutions and technologies that contribute to the preservation of biodiversity.
7. Engage and transform the value chain.
8. Act locally, engaging employees and partners.

In May 2024, Schneider Electric updated its Biodiversity Pledge to act4nature, creating specific and measurable targets with more granularity on how the different activities related to climate change, circularity, sustainable materials, and waste roadmaps are contributing to Schneider Electric’s ambition towards nature.

Consult Schneider’s commitments to act4nature international on **www.se.com**

(1) WWF "Living Planet Report", 2024
(2) "Global Risk Report 2025", World Economic Forum.
(3) Taskforce on Nature-related Financial Disclosures (TNFD) website
(4) Article “Net positive and the Mitigation Hierarchy”, The Biodiversity Consultancy.

Furthermore, in January 2026, Schneider Electric became a TNFD Adopter, strengthening its integration of nature-related risks and opportunities into the Group's strategy and governance. Building on its TCFD[1] foundations, the Group is preparing its first TNFD-aligned voluntary disclosures for the 2026 reporting year. As a first step to align with the TNFD recommendations, Schneider Electric will publish some reporting elements this year within its Sustainability Disclosure Dashboard to identify current alignment and priority areas for further enhancement.



Berylline Hummingbird captured during corporate "bioblitz challenge" by Federico Palafox, Senior Electrical Designer, Schneider Electric Rojo Gómez

Consult Schneider's latest Sustainability Disclosure Dashboard on **www.se.com**

2.3.1.2.3 Dependencies, risks, impacts, and opportunities

Biodiversity and nature are incorporated into the Company impacts and risk assessment activities outlined in section **2.2.1.2** on page **114** Despite the non-materiality, Schneider Electric remains committed to the protection and restoration biodiversity & nature.

Schneider Electric periodically assesses its impacts and dependencies on the four realms of nature defined by TNFD (land, ocean, freshwater, and atmosphere), and five main drivers of nature loss: climate change, Resource use/ replenishment, Land/ freshwater/ ocean use change, Pollution/ pollution removal, and invasive alien species introduction/ removal.

As the Group expands its efforts to manage its impacts along its value chain, it also recognizes significant opportunities to enhance the resilience of its supply chain through better partnerships with suppliers and customers.

2.3.1.2.4 Quantify impacts on biodiversity

The Group's baseline Biodiversity Footprint Assessment was published in 2020, the results of which can be found on **Schneider Electric blog**.

The Biodiversity Footprint Assessment identified that the most significant impact was linked to Schneider's contribution to upstream and downstream climate change, followed by land-use impacts from material sourcing.

The subsequent 2023 Biodiversity Footprint Assessment tracked progress and reflected the improvements on carbon emissions across Scopes 1 and 2 (operations emissions), and Scope 3 (supplier emissions).

The latest Biodiversity Footprint Assessment reinforced the main levers for reducing biodiversity impacts across the value chain, further confirming that:

- **Schneider Electric's Net-Zero commitment plays a critical role in reducing biodiversity pressure.** Climate change is one of the major pressures on biodiversity globally and represents the Group's primary impact on biodiversity (over 70%).
- **Schneider Electric's Responsible material program continues to significantly reduce the Group's pressure on biodiversity.** Sourcing of wood and metals are the main contributors to land use change and loss of biodiversity. Wood is primarily used for packaging purposes (cardboard, pallets, boxes); metals such are silver, copper, steel, aluminum are core to Schneider Electric's products.

In addition to the end-to-end Biodiversity Footprint Assessments, a focused analysis of Schneider Electric's sites identified the main drivers of biodiversity loss are related to land use change and pollution.

In 2025, Schneider Electric updated the initial the Integrated Biodiversity Assessment Tool (IBAT[2]) assessment using WWF "Biodiversity Risk Filter". The results showed that 243 Schneider Electric sites (with overlap between 1% to 100%) were located in close proximity to Protected Areas and KBA, and 34 Schneider Electric sites were located in areas with high biodiversity pressure – primarily in the US, France, Australia and China. Of those with overlap risk, 29% have active nature restoration-type programs deployed through SSE #8, which ambition is to deploy biodiversity conservation and restoration programs in 100% of Schneider Electric sites.

2.3.1.2.5 Develop solutions and technologies that contribute to the preservation of biodiversity

Schneider Electric's Sustainability Business expanded offerings with the acquisition of EcoAct in 2024. Rebranded as Schneider Electric Advisory Services in 2025, the team has complemented the deep energy and decarbonization core offerings with biodiversity, nature and nature-based solutions expertise. This expertise supports customers in assessing nature related-impacts, risks, and dependencies, biodiversity project development, and biodiversity-related credits.

(1) Task Force on Climate Related Financial Disclosures (TCFD) website
(2) Integrated Biodiversity Assessment Tool (IBAT).

The Group's EcoStruxure™ solution for water is a digital, end-to-end platform designed to help utilities and industrial water operators improve efficiency, sustainability, resilience, and operational control across the entire water cycle, from source and treatment to distribution and wastewater management. EcoStruxure™ includes analytics, digital twins, and monitoring capabilities to detect leaks, manage quality, forecast demand, and proactively optimize operations helping cut non-revenue water and operational costs.

As part of its offer portfolio, the Group is also committed to bringing water-efficient cooling technologies to the market, especially for data centers and IT infrastructure, both through product-level design choices and broader system-level optimizations enabled by digital tools and smarter architectures.

2.3.1.2.6 Engage and transform the value chain

Meaningful biodiversity outcomes can only be achieved by engaging and transforming the value chain, where the Group's largest impacts and dependencies on nature are located.

The findings from the Biodiversity Footprint Assessment enabled Schneider Electric to identify broader value chain levers, and understand how co-benefits from existing programs can support biodiversity outcomes.

Key indicators that contribute to biodiversity outcomes include:

Climate Change: greenhouse gas emissions represent Schneider Electric's most significant pressure on biodiversity in its end-to-end value chain.

- Reducing CO_2 emissions from top 1,000 suppliers' operations by 50% by 2025 (SSI #3)
- Delivering 800 million tonnes of saved and avoided CO_2 emissions to Schneider's customers by 2025 (SSI #2)
- Counting 150 Zero-CO_2 site by 2025 (SSE #1)
- Achieving Net-Zero ready operations in 2030 and Net-Zero emissions in end-to-end value chain by 2050

Land use / freshwater / ocean use change: reducing the consumption of virgin materials and building traceability in the supply chain are two complementary levers to reduce pressure on biodiversity from raw materials.

- Ensure that 100% of forest-derived commodities used for Schneider Electric's packaging are deforestation-free by 2035. This includes paper, cardboard and wood packaging.
- Increase green material content in Schneider's products to 50% by 2025 (SSI #4).
- Exempt 100 % of Schneider Electric primary and secondary packaging from single-use plastic, using recycled cardboard by 2025 (SSI #5).

For more information, please refer to **section 2.2.2.3.1 Business footprint: resource inflows and outflows on page 162.**

For more information, please refer to **section 2.4.4.1.3 Group site consumption, emissions and waste on page 342.**

2.3.1.2.7 Act locally, engaging employees and partners

As part of the SSE #8 program, Schneider Electric engages its employees and partners to deploy biodiversity conservation and restoration initiatives at sites.

Key commitments that contribute to biodiversity outcomes include:

- 100% of sites with local biodiversity conservation and restoration programs (SSE #8)

To meet this ambition, 279 sites must: (i) eliminate non-operational single-use plastics (e.g., cups and cutlery), and (ii) implement a site biodiversity and conservation program to address local ecological risks, engaging with stakeholders and including participatory sciences.

The program empowers employees to understand local ecological risks and take direct action, resulting in initiatives such as: tree planting drives in India and Canada; National Park collaborations in the US; Living walls in the UK; Firefly habitat restoration programs in Mexico, and wetland restoration in China.

At the close of the program in 2025, Schneider Electric achieved its objective of 100% sites covered by a biodiversity program, up from 85% in 2024.

At the core of its local strategy, the Group is also committed to water conservation at its sites, with a focus on areas subject to high water stress (SSE #11).

2.3.1.2.8 Water withdrawal, discharge, and stress

Water-related risks monitoring

Schneider Electric recognizes the critical importance of water for its operations, employees and local communities, particularly in water-stressed areas.

Schneider Electric regularly assesses water-related impacts, risks and dependencies. In 2022, the Group conducted a corporate water footprint assessment across the full value chain, covering water consumption, scarcity, eutrophication, ecotoxicity, and acidification. The assessment showed that direct water use and indirect energy-related water use in facilities accounts for less than 1% of Schneider Electric's overall water footprint; 18% was attributed to raw materials and 81% to the use phase of products.

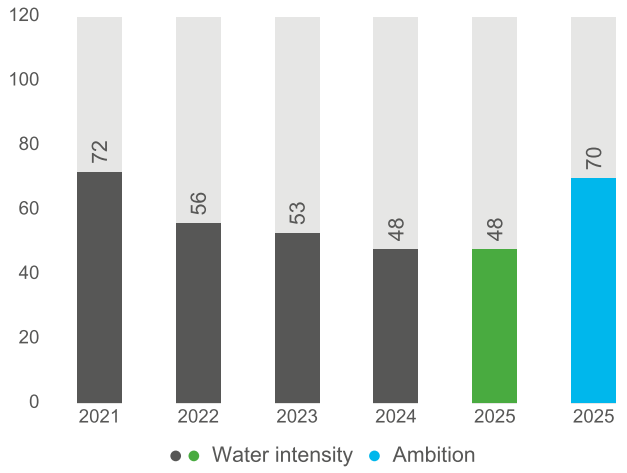
Schneider Electric's direct operations are not water-intensive, as industrial processes mainly involve manual and automated assembly. However, water remains essential for site operations, representing a small but important business continuity risk. Therefore, despite the non-materiality, water continues to be a priority in how the Company drive environmental excellence in its sites, with increased attention on sites located in the most water-stressed areas.

In 2025, Schneider Electric continued to prioritize water conservation by monitoring water stress levels at its sites and implementing water conservation strategies at main sites.

Key commitments that contribute to water risk reduction include:

- Reduce water withdrawal intensity by 35% by 2025 compared to 2017 baseline
- 100% of its water-stressed sites to have water conservation action plans by 2025 (SSE #11)
- Reduce water withdrawal intensity by 15% by 2030 compared to 2025 baseline

Annual water withdrawal intensity* (m³/€M)



* Scope of sites is GED 001 scope; Scope of total revenues is the Group's revenue

Water withdrawal

The Group measures water withdrawals from various sources, including the public network, groundwater, surface water, and other sources like rain and recycled water.

In direct operations, water is primarily used for cooling and sanitary purposes. A limited number of sites conduct specific processes such as surface treatment and paint lines for which water is used within degreasing and cooling.

In 2021, Schneider Electric set a target to reduce water intensity by 35% by 2025 compared to 2017, focusing on sites with high water withdrawal and in water-stressed areas.

In 2025, the Company achieved a water withdrawal intensity of 48 cubic meters per million euros of revenue, a 55% reduction from the 2017 baseline.

Water-stressed areas

The Group monitors water stress at all ISO 14001-certified sites, including factories, distribution centers, and offices. In 2021, Schneider Electric conducted an assessment of these sites using the World Resources Institute's Aqueduct Water Risk Atlas. Sites identified as "high" or "extremely high" were classified as water-stressed, regardless of the volume of water withdrawn. This allowed Schneider Electric to identify 79 sites located in water scarcity areas, accounting for about 47.8% of total water withdrawals. All sites identified in 2021 are part of the (2021-2025) SSE #11 program which aims for 100% of Schneider's water-stressed sites to have a water conservation strategy and action plan by 2025.

These plans involve conducting water use assessments to identify efficiency improvement opportunities, implementing best practices, providing technical and general water training for employees, and analyzing water use in various processes. In 2025, the Group achieved 99.8% of its 2025 ambition, continuing to prioritize water conservation efforts.

In 2025, further analysis using the WWF Biodiversity Risk Filter, identified priority river basins (those with high water stress and significant production volumes) as: Bay of Bengal, Rio Grande and Gulf of Mexico. Overall increase in water withdrawals in the priority river basins is largely influenced by expansion, market growth and increased workforce in India and Mexico.

Priority River Basin	# sites	2025 Water withdrawal (m³)	2021 Water Withdrawal (m³)	% change (2021-2025)
Bay of Bengal	15	158,909	159,764	-0.5%
Rio Grande	10	114,036	73,377	+55.4%
Gulf of Mexico	6	53,727	47,322	+13.5%

This data is being used to inform future strategy decisions.

2.3.1.2.9 Pollution mitigation

As Schneider Electric primarily functions as an assembler, its discharges into land, air and water are minimal. The Group's manufacturing sites are monitored in accordance with local regulations and performance validated through ISO 14001 certification and where required, additional third-party audits.

Discharges and emissions are tracked locally as mandated by current legislation. Permit exceedances, spill and uncontrolled releases are reported via internal incident reporting platform. In 2025, there were no reported spills or discharges that resulted in land, water or air pollution beyond permitted limits.

Impact to land

In Schneider Electric's manufacturing sites conducted their routine annual review of pollution risks as part of the Environment Risk Assessment & ISO 14001 monitoring process. No incidents of spills or discharges leading to soil pollution were reported in 2025, and hazardous materials and their associated wastes are managed in compliance with regulations.

Impact on water

Most of the water discharged by Schneider Electric consists of sanitary and canteen wastewater, which is sent to third-party facilities (municipal or industrial) for treatment without needing additional pre-treatment on site.

For water-based industrial processes such as surface treatments, Schneider Electric applies on-site wastewater treatment to reduce pollutants and ensure compliance with regulatory requirements. Increasingly, sites are implementing closed-loop systems to eliminate wastewater discharge, minimize freshwater withdrawal, and recover valuable raw materials.

No incidents of spills or discharges exceeding permits were reported in 2025.

Impact to air

Emissions of nitrogen oxides, sulfur oxides, and particulate matter are monitored at site level where applicable, in line with legal requirements. In these sites, performance is verified through external audits.

The Group manages emissions of Volatile Organic Compounds (VOC) emissions and invests in initiatives such as installing scrubbers, filters, and baghouses or improving production processes. The Group aims to reduce VOC emission intensity by 15% by 2030 compared to 2025 baseline. VOC emissions, primarily linked to production, have decreased from 29 kilograms per million euros in 2017 to 6.3 kilograms per million euros in 2025. These top VOC-emitting sites also explore opportunities to reduce and phase out the use of certain chemicals in industrial processes wherever possible.

Additionally, emissions of chlorofluorocarbons and hydrochlorofluorocarbons are monitored locally in accordance with applicable regulations. These emissions are primarily due to the operation of air conditioning systems and are not directly related to Schneider's industrial activities.

For more information related to pollution management at Schneider Electric, please refer to **section 2.2.2.2 Pollution mitigation | ESRS E2 on page 156.**

Noise, odors, and light

All Schneider Electric sites comply with local regulations regarding noise, odor and light pollution. Exceedances and complaints are reported via internal incident reporting platform.

In 2025, there were no reported exceedances or complaints relating to noise, odors and light pollution.

Environment management systems

Schneider Electric's commitment to implementing an environmental management system is driven by a global network of over 600 managers and experts. At the core of the Group strategy is the Integrated Management System (IMS), which standardizes and streamlines the deployment of various management systems across Schneider's plants, distribution centers, and large offices. The IMS includes compliance with ISO 14001, ISO 50001, ISO 9001, and ISO 45001 standards. Each site undergoes periodic audits, either externally by Bureau Veritas every three years or internally by expert teams, to ensure adherence to these standards.

ISO 14001 certification is crucial for maintaining robust environmental governance and supporting continuous improvement in environmental performance. Schneider Electric certifies all industrial and logistics sites with more than 50 employees and all large tertiary sites with more than 500 employees within two years of their acquisition or creation. For sites that do not meet the criteria for ISO 14001 certification – industrial and logistics sites with fewer than 50 employees, tertiary sites with fewer than 500 employees, and newly acquired or created sites – an environmental management system may be implemented on a voluntary basis, though it is not tracked at the corporate level. This approach ensures that the Group maintains high environmental standards across its operations while allowing flexibility for smaller or newer sites.

As of the end of 2025, 261 sites were certified to ISO 14001, covering approximately 74% of the Group's scope based on site surfaces, 64% in terms of energy consumption (i.e., for the whole Group, including both sites and fleet), and over 84% in terms of water usage, waste generation, and VOC emission.

Robust governance with key stakeholders across the entire organization is critical to achieve and maintain success in the numerous areas surrounding environmental risk and prevention.

The Group has therefore established the following engagement programs:

- The Environmental due diligence reviews of mergers, acquisitions, and disposals, at any site where chemicals are or have been used. Any environmental risks or liabilities identified are addressed through proper risk management activities.
- Third-party services assess the risk profiles of key sites in relation to certain external risks such as fires, earthquakes, floods, and other natural disasters. This process is combined with the business continuity planning efforts to gauge related risks and anticipate possible steps which would be required.
- Risks and mitigation actions are presented to the Board Audit & Risks Committee.

2.3.1.2.10 Energy management programs

Schneider Electric monitors its energy management programs in a variety of ways. Two such ways are energy productivity and energy efficiency.

Energy Productivity

Energy productivity is the amount of output the Group produces versus the amount of energy consumed (turnover/ MWh), and the goal is to increase this value by both increasing the Group's business performance while simultaneously reducing the energy consumed in its operations.

Schneider Electric has been a member of "Energy Productivity 100" (EP100), a Climate Group initiative, since 2017. Schneider's target is to double energy productivity by 2030 against the 2005 baseline, which means doubling the economic output from every unit of energy consumed within 25 years.

In 2025, the Group achieved 153% energy productivity compared to 2005 (against a 2030 target of 100%). By achieving its EP100 commitment 8 years early (in 2022), Schneider Electric demonstrates the feasibility of decoupling business growth from energy consumption. Simultaneously, it tangibly illustrates Schneider Electric products, solutions, and services are a core foundation to energy saving opportunities.

Energy Efficiency

Energy efficiency uses linear regression models to predict how much energy the Group would consume based on various inputs (production, weather, worked hours, etc.) vs. the actual energy consumed. The goal is to reduce energy consumption compared to predicted value by driving energy efficiency in its operations.

Despite not being part of the energy-intensive sector, due to its discrete and assembly-based industrial processes, Schneider has always been committed to efficiency since long before its EP100 commitment.

The Group monitors energy efficiency across its 200+ largest energy-consuming sites, which together account for over 89% of the Group's total measured energy consumption. In Schneider Electric operations, site energy experts along with SE Advisory Services work together to report and analyze energy consumption, identify energy saving opportunities, and deploy actions. Since 2005, the Group has fixed annual objectives for energy efficiency each year. Schneider met or exceeded its energy efficiency goals during the previous four programs of the Company (2009 – 2011, 2012 – 2014, 2015 – 2017, and 2018 – 2020), by achieving 10%, 13%, 10%, and 10%, respectively. In 2021, the Group renewed its commitment to improve energy efficiency by another 15% between 2019 and 2025, tracked under SSE #5. In 2025, 17.4% were achieved. For the next period, the Group is renewing its historical commitment on energy efficiency. The Group pledges a 10% energy efficiency improvement by 2030 against a 2024 baseline, utilizing EnPI-a normalized regression modeling. This methodology ensures a high-fidelity representation of Schneider Electric's progress by decoupling energy consumption from variable factors such as weather patterns and output levels. This energy efficiency program is deployed in sites with annual energy consumption above 3GWh, plus other strategic sites.

Schneider Electric utilizes its EcoStruxure™ architecture to achieve energy savings across its smart factories, distribution centers, and offices. Its Smart Factories have been recognized by the World Economic Forum (WEF) for leading the way in smart manufacturing. Three of these factories of only 17 worldwide, have been recognized as Sustainability Lighthouses. They, along with facilities in Batam, Indonesia, and Wuxi, China, are designated "Advanced 4th Industrial Revolution" (4IR) Lighthouses. Facilities in Wuhan, China, and Monterrey, Mexico, are recognized as Developing 4IR Lighthouses. Through its Smart Factory and Distribution Center (DC) programs, the Group has implemented advanced manufacturing technologies in over 67 smart factories and distribution centers over the past six years. In offices, Schneider Electric's EcoStruxure™ solutions, such as Building and Workplace Advisor, help minimize energy consumption and emissions, reduce costs, and enhance employee experience and comfort.

Energy Management System

Schneider Electric deploys energy management systems to supplement and improve energy efficiency programs. ISO 50001 certification is required for sites with annual energy consumption above 5 GWh. In addition, a number of sites voluntarily implement ISO 50001 in response to business requirements or stakeholders.

In 2025, 125 sites were ISO 50001 certified.

Energy management systems are deployed within the Integrated Management System (IMS) framework and are subject to periodic internal and external audits.

2.3.2 Delivering social impact for a fair transition

In this section

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Introduction

Schneider Electric's first priority is ensuring that the company and its partners uphold human rights for everyone, including decent work standards and the development of heightened human rights due diligence processes. The team updated in Human Rights Policy in 2025, available in 19 languages and has also published guidelines to protect the dignity of migrant workers.

The second priority is around giving lifelong learning opportunities to all generations. Currently, about 1 in 5 youth aged 8-16 are out of school (UN, 2022). As an Impact company, Schneider Electric is dedicated to equipping future generations with essential skills. In 2025, the Group reached its ambitious target of training 1 million individuals in energy management. This was possible thanks to The Youth Impact through Learning initiative, which exceeded its ambitions, and increased graduates from Schneider Electric Schools. This priority also supports Schneider Electric employees at the later stages of their career to continue enhancing their employability and create their desirable professional future. The Group also reached its ambition on the Senior talent program.

The third priority is around ensuring access to clean energy and electrical safety, enhancing individual development worldwide. The Group also reached its ambition, offering access to sustainable energy to more than 60 million people.

The last pillar is around innovation, which is key to empowering future leaders. Schneider Electric believes that directing capital and expertise towards social innovation, through impact investing, is crucial for an inclusive transition. In 2023, the Group launched the GIEF II fund, which focuses on investments in sub-Saharan Africa as a driver of change.

Finally, 2025 marked the 25th anniversary of the Schneider Foundation, reflecting the commitment of employees in North America, India, and the Pacific. Schneider Electric is very proud to have exceeded 93,000 days of volunteer work since 2017, illustrating the commitment of employees to making a difference.

2025 highlights

61M+
people have gained access to green electricity since 2009

93%
eligible employees in the later stage of their career benefited from the Senior Talent Program, which has been deployed in all Group countries

1M+
people trained in energy management in over 60 countries since 2009

7,200
farmers supported by Schneider Electric through its investment in Agros, pioneer in solar-powered irrigation

2.3.2.1 Improving lives through access to green electricity

2.3.2.1.1 Context

Today, more than 1.5 billion people have limited access to reliable electricity. In 2023, 666 million people had no electricity[1]. Despite significant progress in recent years, as SEforAll puts it, "electricity access is growing, but not for everyone".

In Sub-Saharan Africa, colossal additional efforts are required to achieve universal access:

- Around 565 million people do not have access to electricity. Hundreds of millions more have only limited or unreliable electricity;
- The pace of electrification is not sufficient relative to population growth, and the COVID-19 pandemic has slowed progress even further; and
- Based on the pace of electrification vs. population growth, in 2030, around 560 million people would remain without electricity, which would be 85% of the unelectrified world population.

Asia-Pacific is approaching universal electrification, thanks to ambitious government programs. Nevertheless, the grid can be unreliable or insufficient for productive use in remote areas where it must be supplemented with renewable energy solutions.

Access to green electricity offers a chance to live a better life, because it can have a positive multiplier effect on all socio-economic dimensions of the individual or community: livelihood, health, education, security, and empowerment of women, while fighting against climate change by replacing fossil solutions.

2.3.2.1.2 Access to Energy initiatives

Access to Energy's purpose is to bring green and reliable electricity to populations in emerging markets, both as a fundamental right and a means for social and economic development, by providing a safe, clean, affordable, reliable, and sustainable energy offer. At Schneider, this is called Electricity for Life and Electricity for Livelihood.

In 2025, Schneider has exceeded its 2025 ambition of bringing green and reliable electricity to 50 million people, cumulatively since the start of the program in 2009 :

- **Electricity for Life** means providing access to green electricity to off-grid communities. These communities need energy as a fundamental right to meet essential needs in homes (such as lighting, communication, and education); and
- **Electricity for Livelihood** means providing access to green electricity to communities with unreliable grids to support economic development and poverty reduction. For example, it empowers farmers by ensuring food security through irrigation, food storage, and processing, enabling self-transformation.

The Access to Energy social business works in synergy with the Youth Education & Entrepreneurship program and the Impact Investment funds, in a virtuous circle of providing products and solutions, capacity building, and support to startups.

2.3.2.1.3 Key segments

The Access to Energy social business focuses on the following key segments: healthcare, education, agriculture, livelihood and water.

Clean and reliable energy for rural schools and healthcare facilities

Solar solutions in healthcare facilities leads to marked improvements in outpatient visitation rates. This empowers the community by ensuring reliable energy for essential medical services. Meanwhile in schools, it provides a reliable power source, ensuring uninterrupted learning and enabling digital learning, thereby creating a more sustainable and resilient learning environment. In 2025, more than 500 schools and health clinics in remote and rural areas of South Asia and Africa have been equipped with access to clean and reliable electricity through Schneider Electric clean energy solutions, benefiting students in schools, and medical staff and patients in health clinics.

Clean energy for sustainable agriculture and livelihoods

Providing clean, reliable, and affordable electricity has a positive impact on the environment and farmers' livelihoods, leading to a more sustainable and resilient future. This helps reduce reliance on fossil fuels and promotes socio-economic development for farmers. Schneider has a range of clean energy solutions for irrigation and agro-processing applications.

Access to energy and water driving community progress in Egypt

In Marsa Matruh, Egypt, water scarcity once threatened agriculture and access to safe drinking water, worsening food insecurity for thousands. Schneider Electric Egypt, in collaboration with local partner Ahly Sabour and a local NGO, introduced a transformative solution: solar-powered climate-controlled greenhouses and water desalination systems, integrated with EcoStruxure™ digital monitoring platform. This initiative now provides clean water for both irrigation and drinking, significantly improving daily life and livelihoods. Powered by a solar photovoltaic system and advanced desalination technology, the project serves around 5,000 families – impacting over 20,000 people directly and indirectly. It delivers more than 21 million liters of clean water annually, and is a climate-controlled greenhouse with production capacity of 14 tons per year. The initiative also boosts crop production, fielding around 15,000 kilograms of vegetables annually, and mitigates over 73 tons of CO_2 emissions each year. This project is a testament to how sustainable energy can unlock brighter futures.

(1) Tracking SDG 7: The Energy Progress Report 2025, produced by the International Energy Agency (IEA), the International Renewable Energy Agency (IRENA), the United Nations Statistics Division (UNSD), the World Bank, and the World Health Organization (WHO).

2.3.2.2 Investing for high social impact

2.3.2.2.1 Context

Schneider Electric is committed to contributing to a transition towards a fairer and more inclusive society, in line with the United Nations Sustainable Development Goals (UN SDGs). According to the UN, achieving these goals requires between USD 5.4 – 6.4 trillion every year(1), calling for a major reorientation of capital towards sustainable activities. Impact Investments help to bridge this financial gap. They are "investments made with the intention of generating a positive, measurable social and environmental impact alongside a financial return"(GIIN(2)).

The ambition of Schneider Electric's Impact Investing practice is to fund and support high social and environmental impact initiatives in the domain of clean energy and digital services.

2.3.2.2.2 Group Impact Investing policy

Schneider Electric's impact investing leverages the company's expertise to drive a fair and inclusive transition through strong stakeholder coalitions. Activities follow strict rules:

- Investing minority stakes in partnership with recognized players;
- Providing efficient pro bono support through Schneider's network and expertise, to deliver the best social impact and minimize risk;
- Ensuring alignment with the Schneider Electric ecosystem; and
- Ensuring respect of ethical business practices.

Also, since 2024, Schneider Electric has aligned with the Operating Principles for Impact Management (OPIM), impact management principles designed by the Global Impact Investing Network (GIIN) to reinforce the impact funds' strategies.

Find Schneider Electric Impact Investing disclosure statement on **OPIM**

2.3.2.2.3 Governance

Each investment vehicle has its own governance structure generally composed of at least two bodies:

- A Board of Directors or a Supervisory Board in charge of legal and ethical oversight. In most cases, investors are represented on this Board.
- A Management Investment Committee, either fully independent or composed of investors, according to the legal structure. They ensure compliance with investment policies and are regularly updated on investment financial and impact performance.

In some cases, an Advisory Committee, a Strategic Committee, or an Impact Committee providing investment and impact strategies guidance. All investment vehicles are supervised by independent auditors.

2.3.2.2.4 Actions and impacts

Schneider Electric is a pioneer in the Corporate Impact Investment space, having launched its first investment vehicle, Schneider Electric Energy Access (SEEA), as early as 2009. With the strong belief that access to clean energy services is a fundamental right and key development lever, the Company has since initiated or participated in five vehicles to accelerate a just energy transition.

These vehicles operate across diverse regions, and all 47 portfolio companies focus on high energy-related impact. Through Livelihoods, Schneider Electric is also contributing to 27 carbon projects. Each vehicle operates in the sectors of reliable and clean energy services, affordable and energy-efficient housing, healthcare, digital and financial inclusion, environmental protection, and education. They also help create new jobs and generate revenues for underprivileged communities.

Schneider Electric employees also contribute to Impact Investing; by 2025, 6,220 employees in France had invested EUR 47.3 million in the Schneider Energie SICAV Solidaire fund. Beyond capital investment, they can provide technical expertise, operational mentorship, and strategic guidance to strengthen portfolio companies' impact and business models.

As such, between 2009 and 2024, Schneider Electric Impact Investments have enabled portfolio companies to have a positive impact on 36 million people, contributing to the creation of 9,201 direct jobs, the renovation of 102,000 square meters of homes, and the prevention of 17 million tons of CO_2 emissions.

See more information about Schneider's Impact Investing on **www.se.com**

2009 – SEEA Solidarity-driven fund Energy transition and inclusive economy	**2011 – Livelihoods I** (2017 and 2021 Funds II and III) Carbon Funds	**2015 – E3 Capital** Impact Fund Access to clean and reliable energy	**2020 – SEEA Asia** Impact Fund Energy transition and entrepreneurship	**2023 – GEIF II** Impact Fund Energy transition and entrepreneurship
Total funding amount: €7M	Total funding amount: €270M	Total funding amount: €75M	Total funding amount: €21M	Total funding objective: €43-60M
Investment amount from Schneider Electric: €3M	Investment amount from Schneider Electric: €36M	Investment amount from Schneider Electric: €21.5M	Investment amount from Schneider Electric: €6.3M	Investment amount from Schneider Electric: €20M
Region: Europe	**Region:** Worldwide	**Region:** Sub-Saharan Africa	**Region:** South and South-East Asia	**Region:** Sub-Saharan Africa
Co-investors: Schneider Electric's employees, Schneider Electric's health insurance MESE, and impact funds	**Co-investors:** Corporates	**Co-investors:** Development finance institutions (DFIs)	**Co-investors:** DFIs and asset management companies	**Co-investors:** Impact funds, family offices, and institutional investors

(1) Consult the article "Annual cost for reaching the SDGs? More than $5 trillion," United Nations.
(2) Global Impact Investing Network.

2.3.2.2.5 Examples of portfolio projects

SEEA: inclusive economy and energy poverty

Okra Solar

Supported by SEEA*, Okra Solar is an Australian social company committed to electrify off-grid households at affordable cost, primarily in Nigeria and Haiti.

Okra Solar designs and sells mesh-grids as an alternative to mini-grids and solar homes. This technology significantly reduces the installation and operating costs of microgrids, ultimately benefiting underserved communities.

The company generates a strong social impact by improving living conditions in remote areas, an economic impact by fostering business creation, and an environmental impact through the development of solar energy.

From its creation in 2016 until December 2025, Okra Solar has contributed to over 1,900 tons of avoided CO_2 emissions, created 193 decent jobs, and directly impacted a total of 40,200 beneficiaries with its mesh-grids.

Confident in Okra's team and its position on the market, SEEA has supported the company's growth with follow-on investments since 2018.

*Find more information on SEEA/A portfolio companies on SEEA/A Impact Report.

SEEA Asia: access to clean and reliable energy

ATEC

Supported by SEEA* Asia, ATEC is a company dedicated to promoting clean cooking while tackling climate change through innovative, modern, technology-driven solutions in Cambodia, Bangladesh, and Malawi.

The company offers two flagship products: Biodigester, which converts farm waste into safe cooking gas and organic fertilizer, and eCook, smart and safe cookstoves designed for underserved households and made affordable through pay-as-you-go installment plans. These solutions effectively drive the adoption of clean cooking, replacing traditional, inefficient, and highly polluting biomass options.

Validated by Gold Standard, ATEC's proprietary Internet-of-Things (IoT) enables real-time monitoring and carbon credit generation, unlocking carbon financing opportunities that help lower product costs, ultimately benefiting underserved communities.

As of December 2025, ATEC has contributed to over 144,800 tons of avoided CO_2 emissions, created 67 decent jobs, and directly impacted a total of 136,900 beneficiaries with its solutions.

*Find more information on SEEA/A portfolio companies on SEEA/A Impact Report.

Gaia and E3 Capital: access to energy in Africa

Candi Solar

Supported by Gaia and E3 Capital*, Candi Solar designs, procures, finances, and operates solar energy for small and medium businesses in India and Africa. Candi offers direct savings of 10% compared to using electricity from the grid or diesel generators.

The company uses a simple credit check and PPA model, focusing on the large group of underserved, higher-risk clients consuming less than 5 MW of power, and works with local EPCs and installers. It provides a high-quality solar solution that delivers long-term benefits with no upfront investment and immediate savings from day one. Candi is also currently co-developing monitoring and management tools in real time to improve site performance and income.

Their solution enabled the implementation of 35 installations representing 62 MWh of power, mitigating 7,600 tons of CO_2 in 2023.

*Find more information on GEIF II and E3 Capital portfolio companies on GAIA Impact Report and E3 Capital Impact Report.

Livelihoods: Carbon Fund and social impact

Hifadhi

Supported by the Livelihoods Fund, the Kenyan project "Hifadhi", developed by Climate Pal, seeks to mitigate deforestation through clean cooking and agroforestry.

Embu County in Kenya faces rapid forest loss – about 50,000 hectares a year – worsened by population growth and reliance on wood for fuel, with women often spending long hours gathering firewood.

The stoves provided through this project are made from locally sourced metal and ceramic, use a ceramic liner to retain heat longer and burn fuel more effectively. They are expected to cut wood consumption by 60% vs. traditional open fires.

In tandem with cookstove distribution, the project includes a reforestation component: planting not only timber trees but also fruit trees. These provide both carbon offsetting and income/food security benefits for communities.

Since 2013, the Hifadhi project delivered approximatively 60,000 cookstoves, benefiting more than 300,000 people and enabling the removal of more than 1,600,000 tons of carbon.

2.3.2.3 The Schneider Electric Foundation

2.3.2.3.1 Context and goals

Today, young people represent the largest and most educated generation in history. Yet, 251 million children and youths are still out of school[1]. In addition, 75% of young people lack basic work skills[2]. Education systems often fail to align with labor market needs, leaving young people behind and employers without talents.

At the same time, youths are actively engaged in just transition initiatives, not only through civil society efforts but also via their career choices, volunteering, involvement in NGOs, and more.

To successfully secure a sustainable future for all humanity, younger generations must have adequate access to guidance, training, and recognition.

The Schneider Electric Foundation's goal, under the aegis of *Fondation de France*, is to support and empower them to get involved and innovate, increasing their capacity to make a change. The Foundation goes about fulfilling this objective every day, all over the world, through concrete initiatives and programs.

2.3.2.3.2 Group policy

The Group's first Philanthropy Policy was implemented in 2023 and reviewed in 2024. Available in eight languages, its objective is to define Schneider Electric's position on philanthropy, its priorities, and its principles of action, in line with the 17 UN SDGs. It provides a coherent and consistent framework and process enabling Schneider Electric entities and employees to contribute and act.

In 2025, the EUR 4 million annual budget of the Schneider Electric Foundation was invested in more than 100 projects, supporting 265,165 youths with a key engagement of the Schneider Electric community, who contributing with 17,742 days of volunteering.

This commitment is being amplified with an additional EUR 30 million from Schneider Electric's entities and employees giving back in their communities. In total, more than EUR 34 million has been invested to help local communities worldwide.

2.3.2.3.3 Governance

Fondation de France is a non-profit organization that, since its creation in 1969, has been the bridge between donors, founders, and field structures to support projects across a range of general interest areas. It supports other foundations (982 in 2025) whose operations are governed separately, but who are legally part of *Fondation de France*. It is responsible for ensuring that their actions comply with its by-laws. The Executive Committee of the Schneider Electric Foundation determines the key focuses of its initiatives and the projects it supports.

Since 2019, the composition of the Schneider Electric Foundation's Executive Committee is composed of ten members: five from Schneider Electric (the CEO, two members of the Executive Committee, two representatives of the employees), five external experts, and one observer from *Fondation de France*.

Its missions are the following: define the strategic directions of the Foundation; validate the activity report and financial report; decide on the allocation of budgets by program and validate commitments exceeding EUR 200,000.

One to two Executive Committee meetings are organized each year.

The Foundation's Selection Committee meets every month and is composed of the General Delegate; the Corporate Philanthropy Director; and the Program Director, Youth Education & Entrepreneurship.

The Schneider Electric Foundation operates through a structured network of around 80 delegates covering 100 countries. Their role is to identify and select local partners empowering the youth, and to support entrepreneurship, sustainability awareness, and volunteering initiatives. Delegates inform employees about their entity's activities, and about the Foundation. Each proposed project is subject to a review process based on administrative and financial data by the Schneider Electric Foundation and by *Fondation de France* before funds are released. Following a project's launch, progress and reporting are monitored by the delegates.

Finally, the Foundation delegates coordinate the organization of the Schneider Electric Foundation's campaigns for international mobilization.

(1) UNESCO Report, 2024.
(2) YMCA-Deloitte Report 2024.

2.3.2.3.4 Key actions driven by the Schneider Electric Foundation

Schneider Electric's global presence allows it to have a greater reach and impact on underserved communities. The Group believes in contributing through different initiatives such as the Schneider Electric Foundation programs and initiatives. Through charity and donations, teaching and lending its time, the Company and its Foundations support local organizations and stimulate communities. Six main actions are driven by the Schneider Electric Foundation:

1. Youth Education & Entrepreneurship program.
2. Empowering employees to share expertise and drive impact through volunteering.
3. Measuring the social impact of the programs.
4. Supporting innovation and social entrepreneurship with emblematic projects.
5. Acting as a corporate citizen by supporting international causes with the Tomorrow Rising Fund.
6. Greater impact through the Schneider Electric Sister Foundations (North America, India, Australia).

2.3.2.3.5 Youth Education & Entrepreneurship program

Context and goals

Today's youth are forward-thinking, creative, and eager to drive change. To help them build meaningful futures aligned with their aspirations, education, technological literacy, social innovation, and entrepreneurship must go hand in hand.

Through the Youth Education & Entrepreneurship program, Schneider Electric and its Foundation equip young people with the skills and support needed to design solutions for a more equitable and sustainable future. By funding projects, sharing technical expertise, mobilizing employees, and advancing specialized partnerships locally, the program empowers youth and communities to create sustainable livelihoods and lead the energy transition.

By 2025, the program aimed to train 1 million youths, 10,000 trainers and support 10,000 entrepreneurs in energy management. These goals have already been surpassed ahead of schedule, reflecting the program's global reach and measurable impact.

The Program's success has earned international recognition, including the World Economic Forum's (WEF) Diversity, Equity and Inclusion Lighthouse Award, the Emirates Energy Award for Education and Capacity Building, and selection by UN Women as a global best practice for youth empowerment in climate action.

Volunteering and mentorship, promoted through the VolunteerIn network, remain key pillars of this success, enabling Schneider Electric employees worldwide to inspire, guide, and empower the next generation of changemakers.

Governance

The program follows the rules and governance of the Schneider Electric Foundation and *Fondation de France*.

Actions

The program is divided into three main areas:

1. **Support access to qualitative jobs through vocational and entrepreneurship training in the energy field,** key drivers of socio-economic and sustainable development across generations.
2. **Learn new skills for the future, technical and soft,** linked to the energy transition, giving younger generations the boost they need to succeed and build the world of tomorrow.
3. **Create the right ecosystem to spread entrepreneurial spirit and encourage innovation,** enhancing younger generations to define their future and take part in social and environmental challenges.

2.3.2.3.6 Empowering employees to share expertise and drive impact through volunteering

Context and goals

The Schneider Electric Foundation places a strong emphasis on employee engagement across all its initiatives. Since its creation in 2012, the Foundation's dedicated NGO, VolunteerIn, has been instrumental in organizing volunteer programs. These initiatives empower employees to actively contribute their time, expertise, and professional skills, becoming actors of Schneider Electric's societal commitments.

Governance

The Schneider Electric VolunteerIn Executive Board is composed of the Chairman, Chief Human Resources Officer; two Vice-Presidents, including Executive Vice-President Global Supply Chain; the Secretary, in charge of the Youth Education & Entrepreneurship program; the Treasurer, in charge of the SEEA solidarity investment fund; three Members (the Vice-President Inclusion and Care, a Volunteer representative and the Chief Citizenship Officer and Senior Vice-President Institutional Affairs).

One to two Executive Board meetings are organized each year.

Actions

In 2025, Schneider Electric expanded its skills based volunteering by establishing "Finance Hearts," a dedicated mentoring community where Schneider Electric's finance experts guide and support leaders of ESG-focused start-ups and NGOs. Through volunteering, employees not only support causes in youth, communities, poverty, and planet, but also enhance their own capabilities, broaden their perspectives, and strengthen cross-cultural collaboration. Volunteering is a powerful avenue for personal and professional growth, fostering leadership, empathy, and innovation.

The VolunteerIn digital platform serves as the central hub for all volunteer initiatives proposed by the Foundation. Accessible in 27 languages, it enables Schneider Electric employees worldwide to discover and apply for assignments that match their skills and interests, benefiting the Foundation's partners and their communities.

This program ensures that every employee has the opportunity to make a meaningful impact, leveraging their talents to create a more equitable and sustainable future.

Tomorrow Rising Season 2

Tomorrow Rising is a web series that showcases the real-life stories of young individuals who, through the support of Schneider Electric Foundation's programs, are building brighter futures for themselves and their communities.

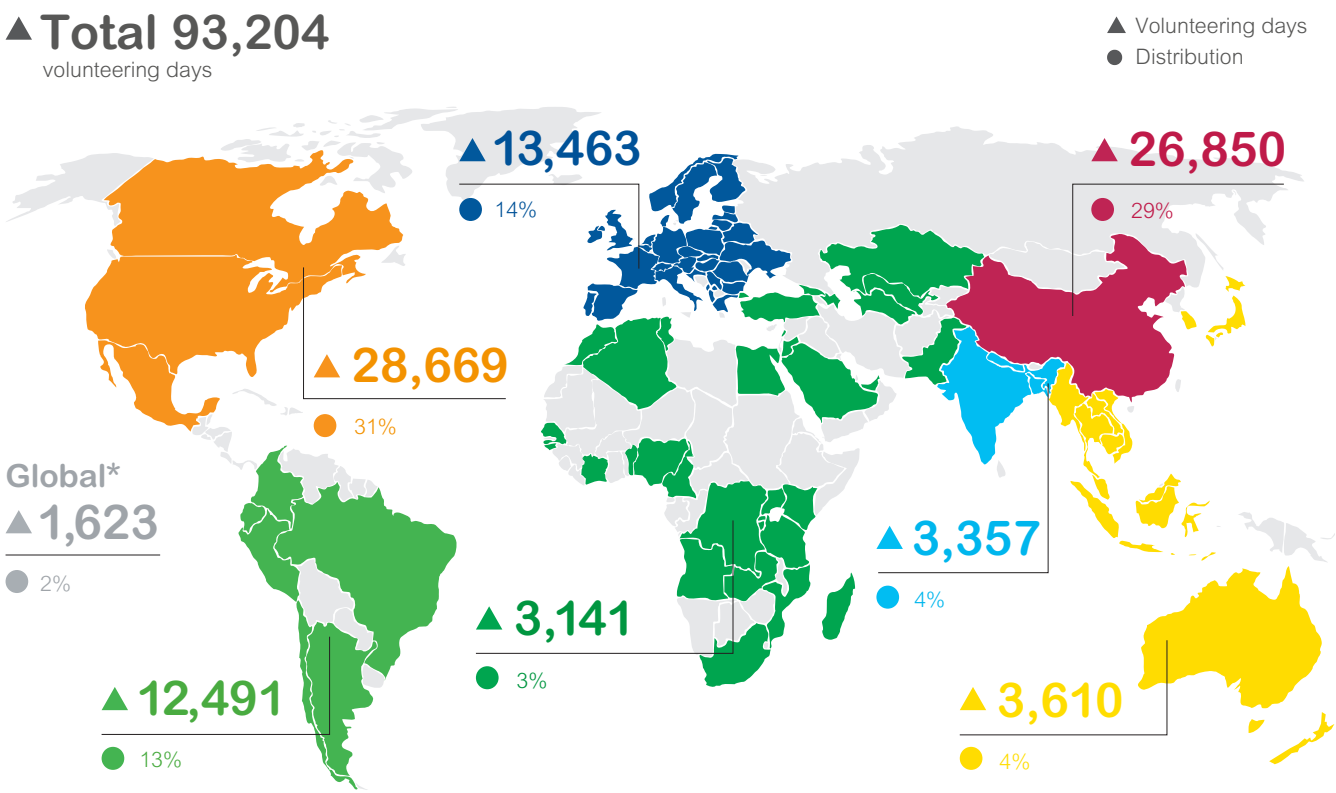
Six years after the first season, Tomorrow Rising comes back with a second season, featuring **five new characters in five different countries.**

Azael from Mexico is passionate about mathematics. Despite lacking financial support, Azael is determined to help his family and achieve his goals. **Christine** from Egypt is expected to set aside her dreams, but her passion for electricity pushed her to break barriers. **Farha** from France aspires to a career in electrical engineering but often struggles with self-doubt. Through mentorship, she is empowering herself and learning the importance of believing in her abilities. **Roswita** from Indonesia is a solar installation trainer in Sumba Island. She faces a tough decision: stay in her familiar surroundings and support her community or pursue new opportunities that could shape her future. **Shirley** from Peru wants to attend a prestigious public university to become an electrical engineer. Despite the challenges that stand in her way, she remains determined to prove her skills and pursue her dream.

Their powerful stories highlight the transformative impact of education, technical training, and mentorship on young people from vulnerable backgrounds around the world.

The episode of Roswita has won the Silver trophy at the 2025 Deauville Green Awards.

Employee engagement, cumulated per region since 2018



* Days in global/multi-country initiatives.

2.3.2.3.7 Measuring the social impact of the programs

The Schneider Electric Foundation continues to deepen its commitment to sustainable social impact through data-driven transformation.

In 2025, Schneider Electric and its Foundation reached a major milestone: 1 million individuals trained through the Youth Education & Entrepreneurship program. This achievement reflects not only scale but also meaningful change.

Through the global Social Impact assessment framework for the Schneider Electric Foundation, over 150 individuals from the partner organizations were trained to adopt this methodology - illustrating the Foundation's commitment to a global mindset shift and investing in capacity building.

Following this work, 4,900 responses representing 59,577 trainees from 25 NGOs were gathered. Data collected representing the YEE ETT program (with a margin of error < 5%) reveals that 73% of trained mastered technical skills, 85.9% gained soft skills, and six months after training, 73.4% were employed and 90% supported their families financially.

These insights also revealed key learnings: self-confidence is foundational but not linear, shaped by real-life challenges; entrepreneurship is essential, especially in fragile economies where it is often the only viable path; and gender gaps persist, limiting financial autonomy despite equal effort.

In parallel, the Foundation launched the impact measurement of the VolunteerIn program, starting in Q1 with Schneider Electric volunteers and now expanding to partner NGOs. Initial results show strong outcomes: 94% of volunteers developed new skills and 93% applied them at work, while 92% reported improved well-being and 85% adopted more socially responsible behaviors.

The program also strengthened collaboration and team spirit, with 73% of volunteers feeling empowered and useful, and 82% expressing increased appreciation of working at Schneider Electric. These insights reinforce the Foundation's systemic approach to fostering a culture of purpose, inclusion, and impact.

This data is key as it helps enhance the partnerships, adapt support, and ensure that the program continues to drive lasting change in people's lives.

2.3.2.3.8 Support innovation and social entrepreneurs with emblematic projects

The Schneider Electric Foundation also supports emblematic and international programs by making available its expertise of energy systems management, through donations in resources and/or knowledge, to encourage innovation for the energy transition.

In 2025, Schneider Electric France, coordinated by the Schneider Electric Foundation, signed a sponsorship agreement with the public institution *Rebâtir Notre-Dame de Paris*, contributing to the cathedral's restoration through in-kind donations and technical expertise.

The Group is providing cutting-edge energy management solutions, including a complete electrical distribution system, a Building Management System (BMS), and safety lighting. Schneider Electric is also responsible for engineering, commissioning, and training, ensuring the cathedral benefits from sustainable and secure energy infrastructure.

"It is a matter of course for Schneider Electric to take part in this type of action, as we have done in the past for the Comédie Française and the Antarctic station."

Gilles Vermot Desroches, SVP Corporate Citizenship and Institutional Affairs, Schneider Electric

Since 2016, Schneider Electric and Ashoka have collaborated to bridge the gap between business and social to create more social impact.

What began as a joint initiative, the "Youth Innovation for a Sustainable Future" call for projects, evolved into the creation of a community of social entrepreneurs. Comprising 25 winning projects, this community is supported with tools, knowledge, and opportunities to collaborate with business leaders. The goal is to help these changemakers sustain and scale their organizations, amplifying their impact on society.

This partnership exemplifies Schneider Electric Foundation's belief that innovation must serve both technological progress and human development. By empowering young entrepreneurs and integrating social purpose into business ecosystems, the Schneider Electric Foundation contributes to foster a more inclusive and sustainable future.

2.3.2.3.9 Acting as a corporate citizen: Tomorrow Rising Fund

Context and goals

Since its creation, the Schneider Electric Foundation has proposed 24 specific emergency and rebuilding campaigns. It acts as a relay and amplifies the mobilizations of local Schneider Electric entities following natural disasters or emergency situations in the concerned countries.

Actions and impacts

Schneider Electric's employees and entities have always demonstrated an incredible spirit of solidarity. In 2025, they contributed to a campaign following the devastating fire in Hong Kong.

2.3.2.3.10 Greater impact through the Schneider Electric Sister Foundations

The Schneider Electric Foundation operates in 100 countries, with additional impact through the activities of Sister Foundations in North America, India, and Australia.

North America

The Schneider Electric North America Foundation provides financial support, products, expertise, and volunteers to non-profit organizations that align with business priorities, values, and geographies. The goal is to make an impact in communities where Schneider's employees live and work.

They have strategic partnerships that focus on Disaster Relief, Energy Equity, STEM Education, and Inclusion & Care. They offer employee programs to support their commitment and efforts in their communities such as Matching Gift, Dollars for Doers, Corporate Grants, New Hire Gifts, and Volunteer Events.

In 2025, the North America Foundation contributed to over $7.9M in cash and product donations to roughly 3.5k charitable organizations and participated in 33k+ employee hours.

India

In 2025, Schneider Electric India Foundation has impacted many lives through various programs under youth, children, and community development.

- **Youth:** 56,140 youth (10,245 girls) were trained in electrical, automation, and solar domain. 328 trainers were trained under the "train the trainer" initiative.
- **Community:** 1,510 farmer families benefited from 137 solar irrigation pumps. Six Primary Health Centers, four Anganwadi's and one College in remote villages were provided with solar solutions. Four Climate Smart Villages provided clean energy to 413 tribal families.
- **Children :** 65,125 school children received digital education with 200 solar-powered digital classrooms.
- **Employee volunteering:** 2,000+ employees volunteered in various programs contributing 7,083 volunteering hours.

Pacific

The Schneider Electric Pacific Foundation advances community impact by supporting charity partners in Australia and New Zealand who are supporting underserved youth to find a pathway into employment through education. This includes high school programs, vocational training, and financial support, and is strengthened through employee programs such as matched giving, corporate grants, and volunteer initiatives.

In 2025, the Pacific Foundation contributed over AUD 279,000 in grants to key Australian charitable partners, including Raise Foundation, Beacon Foundation, and the Australian Torres Strait Islander Mathematics Alliance (ATSIMA). In New Zealand, the Foundation provided NZD 40,000 to Indigenous Education partners. Through the matched program, the Foundation generated additional donations to not-for-profit organizations across the region.

2.3.2.4 Youth Impact Through Learning: the workforce of tomorrow

2.3.2.4.1 Overview

In a world shaped by climate disruption, digital transformation, and shifting labor markets, the need for future-ready skills is rapidly increasing. Schneider Electric's "Youth Impact Through Learning" (YITL) initiative responds to this challenge by equipping youth and communities with the technical, digital, and entrepreneurial capabilities needed to participate in the energy transition.

Aligned with Schneider Electric's ambition to be an Impact Company, YITL contributes to global efforts to close the green skills gap, modernize vocational education, and promote lifelong learning.

The YITL initiative operates through six core programs:

1. Youth Education & Entrepreneurship: Supporting access to competencies and support for the youth to lead the energy transition.
2. Digital Learning: Online and extended reality (XR)-based platforms to expand access.
3. Educational Solutions: Industry relevant didactic training systems for hands-on technical training.
4. Equipment Donations: Providing Schneider Electric technologies for practical training.
5. Schneider Electric School (École Schneider Electric).
6. Engineers for School (IPE): Faculty development and institutional partnerships.

Together, these programs form a comprehensive strategy to enable lifelong learning, modernize vocational training, and build inclusive pathways to energy employment opportunities, through collaboration and strategic partnerships in the education segment.

Schneider's YITL programs are designed to equip learners with both technical skill and knowledge, as well as soft skills to enable their participation in careers for electrification and the energy transition.

2.3.2.4.2 Youth Education & Entrepreneurship program

1. Support access to qualitative jobs through technical and vocational education training in the energy sector

For over a decade, Schneider Electric has collaborated with more than 850 local and global partners across 60 countries. Through the Youth Education & Entrepreneurship program, supported by the Schneider Electric Foundation, more than 1 million young people have been trained through education tailored to local job markets and aligned with emerging technologies.

Schneider Electric and its Foundation are addressing the energy sector's skills gap through specialized partnerships and scalable learning models that generate systemic impact. The program advances inclusive participation by aligning education with climate action, supporting underserved youth and forcibly displaced communities, and creating pathways toward meaningful employment and resilient livelihoods in the green economy.

Schneider Electric and its Foundation implement innovative, transportable, and context-adapted solutions that extend access to technical and vocational training in regions with limited infrastructure. These flexible models integrate renewable energy, automation, digitalization, and entrepreneurship skills, ensuring that learning remains relevant to evolving local needs.

In Brazil, the Samaúma Boat, developed in partnership with SENAI (*Serviço Nacional de Aprendizagem Industrial* or National Industrial Training Service), provides renewable energy and basic electricity training to remote communities in the Legal Amazon region. Equipped as a floating classroom, it delivers 120 hours of hands-on training over four months, adapted to local realities and certified by national education authorities.

In Argentina, a mobile classroom is deployed in collaboration with Educando, equipped with renewable energy, automation, and robotics kits, enhancing teacher capacity and supporting the modernization of technical education in the Salta region.

Similarly, in Peru and Colombia, portable training benches and IoT laboratories enable access to technical education, enabling young people and adults to gain practical skills directly relevant to local employment opportunities.

These innovative models illustrate Schneider Electric's commitment to bridging educational gaps, and empowering youth to take part in the energy transition.

2. New Skills for the Future and Innovation for the energy transition

Beyond simply addressing climate change and advancing the energy transition, the New Skills for the Future and Innovation initiatives fundamentally empower future generations to become Impact Makers and invest in resilience. By equipping them with 21st century skills and knowledge on the energy transition, the projects enable them to not only contribute to building a sustainable future but also to create lasting change within their communities and to enhance their overall quality of life.

Schneider Electric and its Foundation have significantly supported innovation for an inclusive energy transition by advancing innovative education models and youth-driven climate action through two flagship initiatives Conserve My Planet and Go Green, illustrating this commitment to equipping the next generation with the knowledge, confidence, and creativity to lead the energy transition.

Conserve My Planet, developed with NGO SHARP, is an interactive, activity-based program that fosters environmental awareness and practical energy-efficiency skills among school students. Originally launched in India, the program has now expanded to Kenya, Thailand, and Vietnam, demonstrating its scalability and contribution to a more inclusive energy transition.

It combines technical learning, inclusive participation, and community engagement with balanced representation where girls make up half of all participants. Its dual pillars, energy conservation and environmental responsibility, encourage learners to translate knowledge into real-world impact through local projects and national competitions. By linking education to climate action, the program helps young people design tangible solutions such as solar-powered waste systems and aquaponic water models.

Through VolunteerIn initiatives, dedicated Schneider Electric employees volunteered to mentor young people, empowering them to pursue meaningful and sustainable career paths.

The Go Green Competition engages students and young entrepreneurs worldwide to reimagine renewable energy for life and livelihoods. In 2025, more than 11,000 applications from over 80 countries explored innovations such as solar-powered agriculture and microbusiness solutions. The competition provides mentorship from Schneider's experts, global exposure, and access to sustainability training, empowering youth to transform ideas into viable enterprises.

3. Spread entrepreneurial spirit and encourage innovation for the energy transition

Bridging the gap between theory and practice, Schneider Electric and its Foundation have significantly advanced their support for youth entrepreneurship, achieving remarkable success beyond their initial goals. The Youth Education & Entrepreneurship program, which originally aimed to support 10,000 entrepreneurs by 2025, has already surpassed this milestone by supporting 11,555 entrepreneurs. This accomplishment highlights Schneider Electric's dedication to promoting economic growth and enhancing skill development among young people.

Schneider Electric champions equality by supporting specialized organizations that create inclusive ecosystems offering training, mentorship, and funding. These efforts aim to integrate underrepresented groups throughout the energy value chain and strengthen diverse leadership to drive the energy transition and promote climate justice.

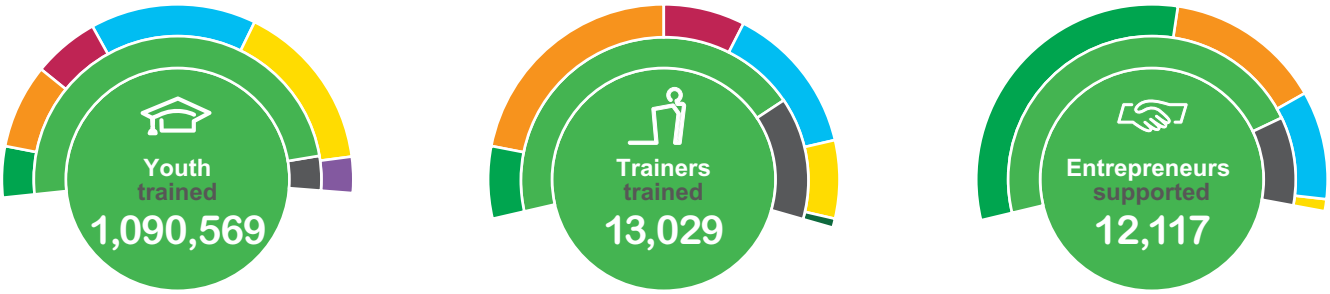
A prime example of these efforts is a series of Entrepreneurial Contests that were launched in Pakistan to empower youth to transform their technical skills into sustainable business ventures. The initiative builds on Schneider Electric's and its Foundation's long-standing collaboration with Muslim Hands Pakistan, an NGO partner that has established more than 90 electrical training laboratories across the country, providing hands-on technical education and career opportunities.

The contest encouraged participants from rural and remote regions to design entrepreneurial solutions in renewable energy and electrical services that address community needs, reflecting the creativity and determination of Pakistan's youth to contribute to sustainable local development. Their projects range from solar-powered community services to small-scale green enterprises that create employment while promoting energy efficiency and climate resilience.

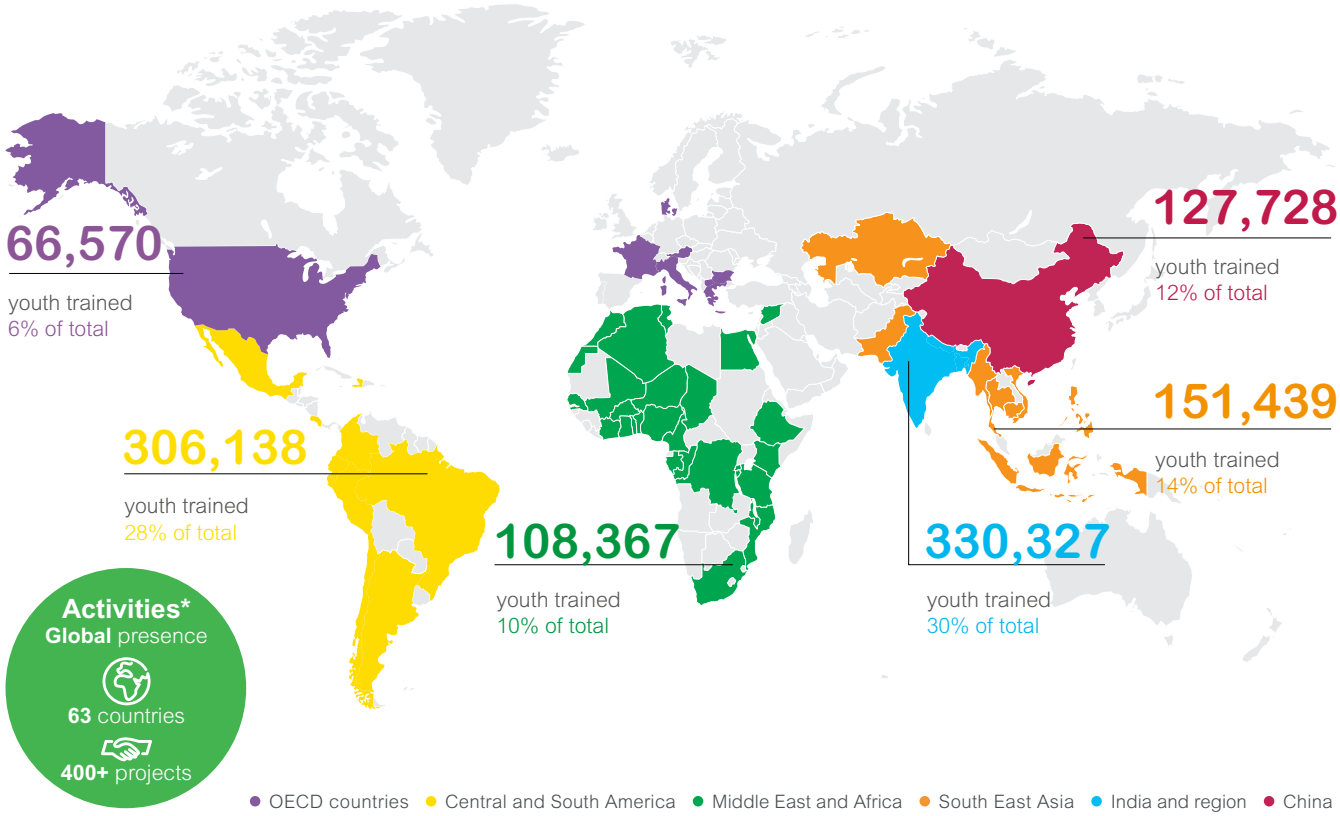
This initiative goes beyond providing financial support. Each selected entrepreneur receives mentorship, business development coaching, and access to Schneider Electric's network of experts to ensure the sustainability and scalability of their ventures.

By combining technical skills with entrepreneurial empowerment, the program enables young people to transition from jobseekers to job creators, contributing to resilient local economies.

2025 Performance | Youth Education & Entrepreneurship Program (SSI #11)



More than 1 million young people trained and empowered in the Energy Field since **2009**



*ETT: Energy Technical Training; NSI: New Skills and Innovation programs; ED: Equipment Donation program.

2.3.2.4.3 Digital learning

The Digital Learning program is focused on providing accessible learning through targeted digital education initiatives, bringing the latest technologies to advance technical training in the energy field and disseminate competencies around the energy transition.

Schneider Electric has committed to creating a digital learning path, with the fundamentals of the electrician profession with materials such as procedure blocks, flashcards, podcasts, interactive images, and professional case studies. All the modules are hosted on the Schneider University platform and deliver certificates upon completion.

The reach of digital learning has been amplified through strategic partnerships and replicable models across regions:

1. In India, the GreenSkills+ project, a strategic collaboration between Schneider Electric, GIZ (*Deutsche Gesellschaft für Internationale Zusammenarbeit*), and the German Federal Ministry for Economic Cooperation and Development (BMZ), is addressing the urgent need for green skills development through innovative, simulation-based vocational training. With a goal to train 10,000 youth by 2027, the initiative is equipping learners with the competencies required to thrive in the evolving green energy sector. At the heart of the program is a blended learning model that combines e-learning, virtual reality, expert-led sessions, and interactive challenges. With support from state governments, the initiative is strengthening India's Industrial Training Institute (ITI) network by integrating digital training tools that complement physical courses and simulators. To strengthen the delivery of vocational education, the program launched a Training of Trainers initiative. This component is designed to build the capacity of educators by equipping them with digital tools, XR-based simulations, and hands-on expertise.

2. A virtual tour of the Wuxi Smart Factory in China offered young professionals and learners a firsthand look at the future of sustainable manufacturing. Recognized by the World Economic Forum (WEF) as a Sustainability Lighthouse, the Wuxi site exemplifies Schneider Electric's smart and green factory model integrating advanced automation, digital twin technologies, and circular economy principles to reduce Scope 1, 2, and 3 emissions. The tour guided viewers through five core areas of the facility, featuring interviews with young operators, technicians, and junior and senior engineers who shared how their roles contribute to digital transformation and climate resilience. This adds onto Schneider's existing offer of virtual tours to promote industry- and energy-related jobs, with three virtual tours of Schneider Electric's factories in France launched, focused on: circular economy, women in industry, and industry 4.0.

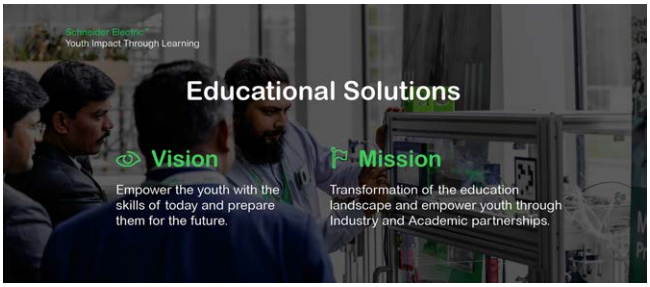
The future-oriented training program includes simulation-based practical training sessions which complement the current courses offered at the Institutional Training Institutes (ITI).

3. Schneider Electric and its Foundation, in partnership with INCO, launched the Get Into Energy Transition digital learning program on Schneider Electric University, a free, multi-lingual, and globally accessible platform offering 120 hours of certified, self-paced courses in carbon accounting, energy efficiency, solar design, and sustainability. By prioritizing learners in remote and underserved communities, the initiative empowers a new generation to lead the inclusive energy transition.

4. The PEPs for Positive Energy Hub project exemplifies the power of collaboration in shaping the future of digital learning and energy transition. Selected as a winner of the "*Compétences et Métiers d'Avenir*" (Skills and Professions of the Future) call for interest under the France 2030 initiative, this ambitious partnership led by Schneider Electric and supported by a consortium of leading academic, industrial, and public institutions, will co-develop modular, simulation-based digital learning resources aligned with national curricula. Over the next four years, the initiative aims to equip 50,000 young people and professionals across France with future-ready skills in digitalization, smart grids, and industrial decarbonization. By bridging industry and education, the project not only strengthens workforce readiness but also contributes meaningfully to France's energy transition, paving the way for a more sustainable, digital, and inclusive future.

2.3.2.4.4 Schneider Electric educational solutions for industry-academia partnerships enabling lifelong learning

The Educational Equipment Services program is designed to advance technical education and vocational training through the integration of industry relevant didactic training equipment and modular learning systems.



The program integrates Schneider Electric's technologies into learning environments, enabling students with the skills to engage with real-world systems.

Modular training systems cover: Smart Energy; Smart Buildings; Smart Factories; Digital Blocks; and Fundamentals.

A defining feature of the program is its emphasis on industry-academia collaboration, working closely with customers and partners across the education segment, including Ministries of Education, Universities, and TVET institutions.

These partnerships ensure that the equipment and content provided are contextually relevant and industry aligned, helping institutions modernize their labs, update their teaching methods, and integrate real-world challenges into the classroom.

Recently, Schneider Electric collaborated with NAMTECH to co-design the curriculum for its flagship International Professional Master's Program in Smart Manufacturing, alongside TUM Asia (Technical University of Munich) in Singapore. This ensured that the curriculum was aligned with the needs of Industry 4.0 and modern manufacturing environments.

2.3.2.4.5 Equipment donations: Schneider Electric technologies for practical training

The Equipment Donations program provides Schneider Electric equipment and solutions to education partners to enhance practical learning programs, giving students hand-on experience with industry-relevant technologies and helping develop the future professionals needed for electrification and the energy transition.

The program is coordinated globally, with regional teams across more than 20 countries, identifying opportunities for lab modernization innovation programs as well as student projects. Donations include Schneider Electric product components as well as software.

In France, the program has become a benchmark for sustainable donation practices, firmly rooted in circular-economy principles By supporting more than 70 institutions, including the Schneider Electric Apprenticeship Training Center (CFA SE), public vocational high schools, and NGOs,the program helps young people in technical and vocational pathways gain access to modern equipment for hands-on learning.

2.3.2.4.6 The Schneider Electric School

In 1929, Schneider Electric founded its own school, Paul-Louis Merlin in Grenoble, to address the difficulty of recruiting skilled labor in the energy industry and help young people. Today, it continues to focus on vocational training in Schneider Electric's areas of expertise, with innovative training approaches and close alignment with actual industry practices.

Students obtain qualifications enabling them to continue in higher education or access employment in innovation-rich energy-sector fields such as renewable energies, smart homes, smart buildings, energy management, as well as Industry 4.0.

In 2019, to reinforce the link with the Group, the school changed its name to École Schneider Electric and a new vocational training for apprentices was added to support the creation of its CFA (*Centre de Formation d'Apprentis* or Apprentices Training Center). The Schneider Electric School now includes a high school and a CFA.

Focus on the CFA

The training offer of the CFA is focused on technical training of excellence; it covers training on Schneider domains of expertise. It combines academic education and practical experience gained through professional activity within a company, resulting in a professional certification, diploma, or title.

Throughout their training, the CFA provides support to apprentices for various administrative tasks (registration, apprenticeship contract, assistance with obtaining a driving license or housing, etc.), ensuring a smooth journey towards professional integration.

2025 was a successful year for the Schneider Electric School with:

- 100% success in the baccalaureate diploma; and
- 206 apprentices with 85% graduating, 47% continuing studies, and 53% gaining employment.

2.3.2.4.7 IPE Engineers for School

The Engineers for Schools (*Ingénieurs pour l'École* or IPE) program exemplifies Schneider Electric's commitment to education and social impact. This skills-based sponsorship initiative places experienced employees at the heart of the French Ministry of Education, building a vital bridge between schools and industry.

Its mission is to strengthen technical and vocational education, support students' professional integration, and bring energy and digital transitions to life through innovative educational projects across vocational and qualification campuses.

In 2024–2025, 18 Schneider Electric IPEs made a remarkable impact, reaching 21,000 students, 1,100 teachers, and 930 schools across France. The flagship program, Energy Transition in Practice, enabled 255 teachers to gain cutting-edge knowledge in energy efficiency and decarbonization technologies.

This initiative reflects Schneider Electric's strong social and environmental commitment, showcasing its technological expertise and employer brand.

2.3.2.5 Future Ready program

The Future Ready program is dedicated to empowering all, regardless of their generation, to build their desirable future based on their individual aspirations by providing opportunities for everyone, everywhere.

2.3.2.5.1 Risks, impacts, and opportunities

There is an increasing risk of a worker shortage that must be addressed. Globally, the gap between the skills and competencies needed to drive the just energy transition and the existing ones is growing due to two main reasons: technological advancements and demographic shifts of an aging population. Investments are required to close this skills gap during a worker shortage and give everyone the opportunity to take control of their professional future. The Group's workforce, as well as its external communities, must be supported and trained to accomplish their common goal.

2.3.2.5.2 Empowering all generations to learn and design their professional journey

Schneider Electric believes all employees are talented and deserve equitable career development opportunities to reach their fullest potential and create their desirable professional future, at all stages of their career. The Group leverages actions led by the Future Ready program to enable employees, and even youth outside of the Company, primarily from disadvantaged backgrounds, to design and build their career path.

To learn more about Schneider Electric's actions for harnessing the power of all generations, see **section 2.1.1.2 Long-term commitments and tools to measure progress on page 79.**

2.3.2.5.3 Actions for multi-generational empowerment

To accompany employees in creating a future based on their individual aspirations, Schneider Electric Initiatives (which groups Creation Pass, Solidarity Pass, Competencies Pass, Education Pass, and Reconversion Pass) offers five innovative pathways to support employees in designing their professional future while having a positive impact on the local community. Three out of these five Passes are highlighted below:

1. The Creation Pass: An internal support system to help employees start their own business. In 2025, 55 employees were supported and 17 companies were created, resulting in 33 jobs created.
2. The Solidarity Pass: A skill sponsorship which allows employees to offer their skills, energy, and dedication to an NGO. In 2025, 37 employees benefited from a Solidarity Pass.
3. Skills Pass: a skills-sponsorship initiative through which employees provide start-ups and SMEs with their knowledge and expertise in order to support local economic development. Over the past 11 years, 12 employees have benefited from the Skills Pass.
4. The Education Pass: a skill sponsorship where employees can offer their knowledge and skills to an educational body (e.g., partner universities and educational ministries), IPE (*Ingénieurs pour l'École*, or Engineers for School). In 2025, 22 employees benefitted from an Education Pass.
5. Career Transition Pass: this new format, created in 2024, enables employees to be trained for a new profession and to retrain in order to move into a new role externally.

Employees also benefit from increased flexibility to define their own career paths through DuoPro offerings, which allow them to continue working for Schneider Electric on a part-time basis while using the additional time to: 1) work for another, non-competing company, 2) work as a freelancer, or 3) create their own business.

In France, these initiatives are connected to, and supported by, networks of local companies, local public stakeholders, and local NGOs, in which they are represented.

Actions for youth empowerment

To support the Group's conviction of empowering young adults, especially those from disadvantaged backgrounds, Schneider Electric is involved in three major national French programs dedicated to young people facing concerns related to education, apprenticeship, network, or unemployment. Co-led by Schneider Electric, *Le Collectif d'Entreprises pour une Économie plus Inclusive*, gathers 36 major French companies deploying collective actions concerning youth employment (particularly in 15 French cities), inclusive offers, and procurement.

The Group still strongly supports the NGO *100 Chances 100 Emplois* (100 Opportunities 100 Jobs) to help young people find their own path and develop their talents. This initiative (focused on coaching, mentoring, and networking) has already helped more than 13,000 young people make progress towards employment.

Actions for senior empowerment

Within this journey to further develop talent and enable all to take control of their career path, the Senior Talent program was launched in 2021 connecting Schneider's people and sustainability strategies with a strong focus on meaningful career conversations, career development opportunities, recognition, and knowledge transfer.

In 2025, the Group completed the global deployment of the program SSE #23. Continuous best practices sharing allowed around 80 countries across geographies to develop a portfolio of offers supporting each senior talent's aspirations. The program has been recognized globally by Brandon Hall Group and locally (including France which received recognition from SeniorForce+). Spain has created a dictionary of inclusive language, United Arab Emirates strengthened its freelancing offer to retain critical knowledge, and Malaysia created a one-stop-shop handbook to ensure all could access the information.

The Group was also highlighted by the Organisation for Economic Co-operation and Development (OECD) as a best practice example of career opportunities and development for experienced employees.

For more information on the program, read the Senior Talent White Paper, launched this year on **www.se.com,** or see **"Enabling sustainable careers" in section 2.2.3.1.5 on page 217.**

To see the results of SSE #23, refer to **section 2.1.1.2.1 Schneider Electric's tools to measure progress on page 79.**

The Senior Talent program

"My path reflects passion, impact and growth. Starting with community-focused volunteer work, I advanced to lead sustainability initiatives. I value sharing knowledge to inspire others, creating platforms for collaboration and learning."

Asmaa El Shiemy
Sustainability Senior Manager – Egypt

2.3.3 Advocating responsibly and ensuring compliance

In this section

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Introduction

This chapter presents Schneider Electric's strengthened approach to responsible advocacy and its continued commitment to strict compliance with competition law, tax regulations, and export control requirements. Schneider Electric grounds its actions in the Trust Charter, its Code of Conduct, which sets the ethical foundations for all stakeholder interactions. This framework reinforces the Company's ambition to uphold the highest standards of integrity, transparency, and accountability. For Schneider Electric, compliance goes far beyond legal obligations; it is a strategic pillar of resilience. By embedding rigorous ethical expectations across its organization, the Company safeguards the trust that keeps customers, employees, suppliers, partners, and communities engaged over the long term.

As a global actor in the energy transition, Schneider Electric recognizes its responsibility to contribute constructively to public policy debates on issues where its expertise can meaningfully advance progress – such as climate action, digitalization, and the evolution of the energy landscape. Its approach to responsible advocacy ensures that its positions are transparent, evidence-based, and grounded in fair representation of interests.

Schneider Electric's Competition Law Program continues to evolve to reflect regulatory expectations and global enforcement trends. The program aims to raise awareness, identify and mitigate risks, and prevent anti-competitive practices through robust training, clear operational guidelines, and systematic internal controls.

In the domain of tax compliance, the Company's global Tax Policy emphasizes strong governance, full alignment with national and international tax rules, and a commitment to transparency. This disciplined approach ensures Schneider Electric operates responsibly, anticipates regulatory developments, and manages operational, transactional, and reputational risks in an increasingly complex fiscal environment.

Similarly, Schneider Electric's Export Control Program reaffirms its dedication to ethical business standards and international security requirements. Through rigorous policies, continuous employee training, and embedded compliance processes, the Company works to prevent improper transfers of technology, products, or services, ensuring full compliance with global regulations while maintaining competitive agility.

In an external environment marked by geopolitical shifts, new regulatory frameworks, and rising expectations around corporate responsibility, Schneider Electric remains firm and determined in its commitment to responsible advocacy and strong compliance across all dimensions of its operations. Preserving the trust placed in the Company by its stakeholders is not only a duty – it is the foundation of its long-term resilience and its continued capacity to deliver positive impact.

2025 highlights

300+
local and international organizations with which Schneider Electric collaborated in 2025

16,000+
downloads of the Trust Charter were noted on Schneider Electric website

98%
of the concerned employees received training on anti-corruption practices

30+
languages in which the Group's Competition Law Policy and Guidelines are available

2.3.3.1 Moving forward collectively with global and local external partnerships

Schneider Electric collaborates with over 300 local and international organizations and associations on economic, social, and environmental issues to foster sustainability in cooperation with various players. The Group confirms its commitment to and participation in discussions on challenges related to climate change, social equity, and ethics. The main memberships are presented in the following table.

Organization	Description	Key actions with Schneider
Access to energy		
Alliance for Rural Electrification (ARE)	The Alliance for Rural Electrification advocates for a decentralized, sustainable and inexpensive renewable energy sector that generates local employment and inclusive economic growth.	Schneider Electric participated in several events, including the Energy Access Investment Forum 2025 in Kampala, Uganda. The Group also contributed to the Alliance members' exclusive exchanges as Co-chair of the ARE Technology & Manufacturer Circle in the Decentralized Renewable Energy (DRE) sector, strengthening industry dialogue and access to market intelligence across the ecosystem.
Sustainable Energy for All (SEforALL)	The foundation relies on innovation to propose solutions helping decision makers harness the economic opportunities of the ecological transition whilst reducing their environmental footprint.	Schneider Electric remained engaged as a private sector partner of SEforALL and continued its involvement in global discussions on energy efficiency and electrification. The Group contributed to exchanges linked to Mission Efficiency, a collective initiative bringing together governments, organizations and other stakeholders to accelerate the transition towards energy-efficient economies. Schneider Electric also participated in panels and discussions, including at COP30 and on the Mission 300 initiative, supporting dialogue with key partners and decision-makers.
All digital topics		
DIGITALEUROPE	DIGITALEUROPE is a trade association representing digital transforming industries in Europe, advocating for regulatory environment that enables businesses and citizens to prosper from digital technologies.	Schneider Electric holds leadership positions at DIGITALEUROPE, including Chairman of the Board. The Group supported flagship events like the Masters of Digital conference and has been helping shape the association's positions on the twin transition, sustainability, energy, and cybersecurity.
Impact AI	Impact AI is an initiative focused on exploring the role of artificial intelligence in addressing societal and economic challenges, and a collective dedicated to ethical and responsible artificial intelligence, fostering dialogue among stakeholders from the public, private and academic sectors.	In 2025, Schneider Electric engaged with Impact AI to exchange insights on the societal and ethical dimensions of AI deployment. Through participation in Impact AI discussions and forums, the Group contributed to shared reflections on AI trustworthiness and its implications for industry and society.
Biodiversity		
Act4Nature	Act4nature is a collective initiative bringing together companies and stakeholders committed to integrating biodiversity protection and nature-positive practices into their strategies and operations.	Schneider Electric leveraged this initiative to update its Biodiversity Pledge. On this occasion, the Group reaffirmed its commitments under Act4nature international, including regularly assessing and publishing its biodiversity impacts, committing to reduce these impacts and align biodiversity objectives with science-based data, developing solutions and technologies that contribute to biodiversity preservation, engaging and transforming its value chain, and acting locally by involving employees and partners.

Organization	Description	Key actions with Schneider
Circular economy and product environmental performance		
Product Environmental Profile (PEP) ecopassport®	PEP ecopassport® is a program operator enabling ISO 14025 compliant environmental product declaration (type III declaration). The program employs the Life-Cycle Assessment (LCA) approach to define products' specific rules and verification processes for the electric and electronic equipment. It also develops its influence to feed the standardization work (IEC, CEN/CENELEC level) and eventually be recognized as a framework and method compatible with the upcoming EU regulations (e.g. ESPR).	The Group chairs the Steering Committee and the PEP ecopassport® Technical Committee to ensure that the rules governing PEP assessments remain compliant with international standards and are applied consistently. In 2025, Schneider Electric supported the automation and digitization of the PEP methodology and led Mutual Recognition Agreements (MRAs) with other program operators, such as the International EPD System, to ensure consistent application of PEP methods across regions and markets. Schneider Electric also participated in the Life Cycle Management International Conference and co-authored publications on Life Cycle Assessment (LCA), contributing to strengthening the global recognition of the PEP ecopassport® program. The Group continues to digitalize its PEPs to make Product Carbon Footprint data available through the Schneider Electric Environmental Data Program.
ResponsibleSteel	ResponsibleSteel is a multi-stakeholder initiative that brings together steel producers, industry actors and civil society organizations to promote responsible steel production through standards, certification and continuous improvement across environmental, social and governance dimensions.	As an affiliated member of ResponsibleSteel, Schneider Electric is actively participating in the standards' definition and validation. In 2025, Schneider Electric has been able to provide feedback to validate the Chain of Custody standard for ResponsibleSteel products' certification. Additionally, Schneider Electric has been strongly advocating for standards' harmonization across the steel industry, which lead to an industry partnership announcement at COP30 in Belém, Brazil, between ResponsibleSteel and two standards – Europe's Low Emission Steel Standard (LESS) and China's Low-carbon Emission Steel Standard (C2F Steel) – to advance global comparability and trade in low-emission and near-zero emissions steel, covering some 60% of the world's steel production. This partnership has been endorsed by Schneider Electric's Chief Sustainability Officer. Schneider Electric is committed to building industry coalitions through ResponsibleSteel, fostering long-term partnerships, and driving the standardization needed to accelerate sustainable innovation.
Climate		
The Climate Group and We mean Business Coalition	The Climate Group and We Mean Business Coalition are global coalitions that bring together businesses and stakeholders to accelerate climate action, promote corporate leadership and support the transition to a low-carbon economy through collective initiatives and advocacy.	Through the Climate Group's EP100 (Energy Productivity 100), EV100 (Electric Vehicles 100) and RE100 (100% Renewable Electricity) initiatives, Schneider Electric promotes three complementary levers of decarbonization: using energy more efficiently, electrifying transport, and switching to renewable electricity. The Company also participates annually in Climate Week NYC.
Entreprises pour l'Environnement (EpE)	*EpE* is a French association that brings together some sixty major French and international companies committed to lead their own and society's ecological transition.	In 2025, Schneider Electric actively engaged in *EpE*'s activities through participation in key events, including Paris Climate and Nature Week and *EpE*-organized sessions at COP30 on the French pavilion. The Group contributed to *EpE*'s climate workstream, took part in Sherpas meetings to advance sustainability discussions, and remained involved in *EpE* publications on digital topics. Schneider Electric also engaged in collective biodiversity commitments under Act4nature, and participated in joint advocacy initiatives, including a CEOs' tribune.
Cybersecurity and data		
Cybersecurity Coalition	The Cybersecurity Coalition is the only trade association that focuses on global cybersecurity policy issues. Through its members' inputs, the coalition provides feedback on a variety of cybersecurity policy matters, and enables companies to connect with several global cybersecurity officials.	Schneider Electric collaborates through the Center for Cybersecurity Policy and Law, encompassing the Cybersecurity Coalition and the DigiAmericas Alliance, to engage on cybersecurity and digital policy. Through the Cybersecurity Coalition, the Group contributed to the integration of Operational Technology (OT) and supply chain security best practices into the U.S. and European cybersecurity policy discussions. Via the DigiAmericas Alliance, Schneider Electric strengthened its engagement with Latin American policymakers, notably in Brazil, and positioned itself as a trusted thought leader on OT security policy.

Organization	Description	Key actions with Schneider
International Association of Privacy Professionals (IAPP)	The IAPP is a nonprofit, policy neutral professional association that provides education, certifications, research, and a global community for privacy professionals.	The Schneider Electric's Gold membership includes up to 50 privacy experts from global Schneider teams, representing the Data Protection Office, Digital Certification, and various Data Offices. The platform offers articles, webinars, certification resources, training programs, and updates on emerging data protection regulations – equipping the community with the knowledge and confidence to strengthen compliance, minimize risk, and build trust with customers, partners, and regulators. Many members hold active certifications and serve as Privacy Professionals, supporting their respective teams across the organization.
Inclusion and care		
Generation Equality Forum	The UN Women Generation Equality Forum is a global multi-stakeholder initiative convened by UN Women that mobilizes governments, civil society and the private sector around concrete commitments to advance gender equality. It is structured around Action Coalitions, including the Economic Justice & Rights Action Coalition, which aims to accelerate progress on women's economic empowerment and rights.	Schneider Electric is a Commitment Maker under the UN Women Generation Equality Forum within the Economic Justice & Rights Action Coalition. Through its Youth Education and Entrepreneurship program, supported by the Schneider Electric Foundation, the Group committed to advancing women's economic empowerment in the energy sector. This included training 5,000 women in energy-related trades, supporting women's self-employment and job placement through dedicated partnerships, and launching two international initiatives aimed at strengthening women's skills and opportunities in the energy field. These commitments were aligned with Schneider Electric's broader ambition for gender equality, inclusion and the empowerment of future generations.
Business Disability Forum (BDF)	BDF is the leading business membership organization in disability inclusion. It helps organizations to become "Disability Smart", that is, adapted to people with disabilities.	As a member of the BDF working group, Schneider Electric participated in the development of a new online assessment tool, now used across the organization's network. The Group also continued to engage with BDF through regular exchanges of best practices via its forum and ongoing collaboration channels, supporting the assessment and improvement of disability inclusion across global operations.
Education		
Boston University	Schneider Electric collaborates with Boston University's Institute for Global Sustainability (IGS), a research institute pioneering interdisciplinary sustainability research focused on planetary and environmental health, climate governance, and energy systems grounded in equity and justice, to advance critical research on building and industrial decarbonization through the integration of academic rigor and industry expertise.	In 2025, the partnership with Boston University's IGS resulted in the publication of two peer-reviewed studies in the journals *Nature Communications* and *Energy and Buildings*, identifying sociotechnical barriers and risks affecting building sector decarbonization. The collaboration has also led to a postdoctoral fellowship to investigate electrification challenges across the economy, bringing together IGS's academic research team and Schneider Electric's Sustainability Research Institute to address key questions related to the 2050 net-zero transition.
Mines & Ponts and AgroPariTech	*Mines* & *Ponts* and *AgroParisTech* are leading French higher education institutions, recognized for their excellence in engineering, science and applied research. They are reference institutions in their respective fields, contributing to the development of expertise in technology, infrastructure, sustainability and life sciences.	Schneider Electric continued to support the "Prospective Modeling for Sustainable Development" academic Chair, led by *Mines Paris – PSL*, *École Nationale des Ponts et Chaussées* and *AgroParisTech*. This partnership contributed to some research work on the economic and environmental impacts of energy and digital technologies, as well as to advanced course content and to the participation in related events. In 2025, the Group hosted a full-day Chair event focused on discussions around energy and digital transitions.

Organization	Description	Key actions with Schneider
Energy efficiency / Electric mobility / Digital renewables		
Energy Transition Commission (ETC)	The ETC is a global coalition of leaders from across the energy landscape who are committed to a net-zero world by 2050 and focused on advancing the debate and proposing solutions to climate change.	Schneider Electric mostly contributed to activities such as reports' creation, social media amplification, shaping the agenda through its participation in the organization's various bodies on electrification, energy productivity and resilient supply chains topics.
International Energy Agency (IEA)	The IEA is an autonomous intergovernmental organization providing analysis, data and policy recommendations to support the global transition to clean energy, with a focus on energy security, economic development and environmental sustainability.	Schneider Electric contributed to providing content and expert views on various topics including electrification, digitalization, decentralized systems for industry, buildings and future power systems. In 2025, Schneider provided specific support to the Energy & AI initiative from the IEA, supplying data and analysis, and supporting in mixed industry-policy related events.
Human rights		
WageIndicator Foundation	The WageIndicator Foundation is a global, independent, non-profit organization that collects, analyses and shares information on living wage worldwide.	In 2025, Schneider Electric advanced its living wage approach by entering a three-year partnership with the WageIndicator Foundation. The objective of this new partnership is to provide insights into wage practices globally and enable Schneider Electric and its ecosystem to make informed decisions towards the application of living wages.
Entreprises pour les droits de l'Homme (*EDH,* Business for Human Rights)	*Entreprises pour les Droits de l'Homme* is a business association that works closely with its members to support the implementation of the United Nations Guiding Principles on Business and Human Rights.	Through joint initiatives with *EDH*, Schneider benefits from practical tools, experts' guidance, exchanges with peers from other large organizations, and thematic workshops focused on specific human rights issues.
Industry 4.0 and smart manufacturing		
OPC Foundation	The OPC Foundation is an industry consortium that establishes and maintains standards for automation, open systems, and equipment connectivity.	Schneider Electric is highly active in defining the OPC UA FX (Unified Architecture for Field eXchange) communication protocol, which aims to unify existing solutions by providing real-time fieldbus architecture. Schneider's goal is to deliver an interoperable protocol, based on OPC UA, enabling seamless data exchange both between controllers and with field-level devices.
FieldComm GROUP (FCG)	FieldComm Group develops, manages, and promotes global communication and interoperability standards for the integration of digital devices into industrial automation systems (HART, FieldBus, FDI).	Schneider has been very active within FCG, working to unify device-integration technologies and merge to the Field Device Integration (FDI) single standard, capable of meeting the needs of both discrete and continuous manufacturers. Schneider is strongly involved in the definition of this new standard, and is also actively contributing to the harmonization of devices' descriptions through the Process Automation Device Information Model (PA-DIM) standard.

Organization	Description	Key actions with Schneider
Philanthropy		
International Association for Volunteer Effort (IAVE)	International Association for Volunteer Effort is a global association dedicated to promoting volunteering by supporting collaboration, knowledge-sharing and capacity-building among organizations and stakeholders engaged in volunteering efforts worldwide.	The Schneider Electric Foundation supports the International Association for Volunteer Effort. In 2025, the Foundation organized a workshop bringing together more than 20 corporate representatives to exchange on volunteering practices and corporate engagement across Europe.
Impact Europe – Youth Alliance	Impact Europe is a network of impact capital providers aiming to foster prosperity through social progress, address inequalities and injustices, and contribute to the preservation of the planet.	In 2025, Schneider Electric, together with the Schneider Electric Foundation as a main partner, participated in the Impact Week in Malmö (Sweden), bringing together a wide range of actors from the impact ecosystem. The Group contributed to several panel discussions, addressing topics such as corporate impact, innovation and youth employment, engaging with funders, foundations, public institutions and corporates.
Smart grids and sustainable cities		
T&D Europe	T&D Europe is an association gathering grid technology providers (industry, data centers, etc.). It represents the providers of electricity and distribution solutions and services in Europe.	Alongside ten national associations in the electricity sector, Schneider Electric is providing technical inputs to projects related to the EU Action Plan for Grids, the Green Taxonomy, the Net Zero Industry Act (NZIA), and the High-Level Forum on European Standardization, to ensure that Europe moves at an appropriate pace towards a complete energy transition.
IGNES	IGNES is a professional association representing manufacturers involved in electrical, digital and energy-related solutions for buildings. The organization promotes energy efficiency, electrification and digitization to support the transformation of residential and tertiary buildings toward more efficient and sustainable models.	In 2025, Schneider Electric engaged with IGNES on topics related to efficiency and electrification supported by digital solutions, with a focus on residential and small offices applications. The Group also contributed to discussions on the standardization of the NF C15-100 norm.
Sustainable governance and crossfunctional topics		
World Economic Forum (WEF)	The WEF is a nonprofit organization that works to improve the state of the world by bringing together influential leaders from business, politics, academia, and other parts of society to collaboratively shape global, regional, and industry agendas.	Since 2017, Schneider Electric has been a strategic partner of the World Economic Forum. Schneider engages with a wide range of partners to progress on common world challenges, by joining public-private dialogues and peer-to-peer working groups, sharing insights and use-cases, leading to new frameworks and toolboxes.
GIMELEC	GIMELEC is a trade association grouping digital electronics companies in France that promotes efficiency and electrification, supported by digitization. It has 4 Market's Committees: Smart Building, Industry 4.0, Smart Grid & Infrastructures, Datacenters.	In 2025, GIMELEC actively contributed to the French government's actions in the field of climate change: national low-carbon strategy, multi-annual energy planning, decarbonization of industry, development of datacenters, promotion of circular economy, creation of a flexibility market for buildings, and most important for and with Schneider Electric: electrification.
National Electrical Manufacturers Association (NEMA)	NEMA is a North American trade association that enables electrical equipment manufacturers to provide feedback to relevant governments on a range of construction policies and standards.	In 2025, Schneider Electric remained an active member of National Electrical Manufacturers Association, contributing to advocacy priorities related to digitalization, grid flexibility, power system resilience and supply chain security. The Group participated in NEMA's Grid Sector Leadership Committee, supporting discussions on grid modernization, policy engagement and the evolution of technical standards enabling safe and innovative technologies, including energy storage and data center applications.

2.3.3.2 Schneider Electric's contribution to Standardization

Schneider Electric actively contributes to international and national standards that ensure the safety and reliability of electrical systems. These standards address lifecycle environmental impacts to advance circularity, enable greener energy integration, improve energy delivery and prosumer participation, support industry's digital transformation, and drive end-to-end energy efficiency.

2.3.3.2.1 At national level

Schneider's experts participate in most national committees, including those in the US, China, India, Japan, and European countries. The French Electrotechnical Institute, a founding member of CENELEC (European standardization body) and the IEC (international standardization body), plays a key role.

Schneider Electric chairs many French standardization committees hosted by AFNOR (French standards organization) and sits on other national committees, such as the chair of the French and Swedish committees for environmental standardization. Notably, it is a member of the IEC Council Board and of the IEC Conformity Assessment Board.

2.3.3.2.2 At European level

CENELEC (European Committee for Electrotechnical Standardization), CEN (European Committee for Standardization), and ETSI (European Telecommunications Standards Institute) are the three official European standardization bodies. They have been officially recognized by the European Union, and by the European Free Trade Association (EFTA) as being responsible for developing and defining voluntary standards.

European Commission DG GROW (Directorate General for Internal Market, Industry, Entrepreneurship, and SMEs) decided to create a High-Level Forum for Standardisation, launched in 2023. Schneider Electric, through T&D Europe (European Association of Transmission & Distribution manufacturers), represents the European power system stakeholders, together with grid operators, manufacturers, and national electricity associations. The workstream is dedicated to proposing strategic topics and standardization moves, to better activate energy transition across Europe through digitalization, green, and resilience.

CENELEC

CENELEC is an association that brings together the National Committees of 34 European countries. It prepares voluntary standards in the electrotechnical field, which help facilitate trade between countries, create new markets, cut compliance costs and support the development of a Single European Market. CENELEC supports standardization activities in relation to a wide range of fields and sectors including: electromagnetic compatibility, accumulators, primary cells and primary batteries, insulated wire and cable, electrical equipment and apparatus, electronic, electromechanical and electrotechnical supplies, electric motors and transformers, lighting equipment and electric lamps, low voltage electrical installations material, electric vehicles railways, smart grid, smart metering, and solar (photovoltaic or PV) electricity systems.

Most Schneider Electric activities and offers are covered by CENELEC, although CEN and ETSI also benefit. In addition, Schneider Electric's experts are participating in the development of common works and standards through specific joint technical committees and joint working groups.

2.3.3.2.3 At international level

IEC – International Electrotechnical Commission

The IEC is a global, not-for-profit membership organization that brings together close to 170 countries and coordinates the work of 20,000 experts globally. The IEC publishes around 10,000 IEC International Standards which together with conformity assessments provide the technical framework that allows governments to build national quality infrastructure and companies of all sizes to buy and sell consistently safe and reliable products in most countries of the world. IEC International Standards serve as the basis for risk and quality management and are used in testing and certification to verify that manufacturer promises are kept.

Schneider's experts contribute through joint technical committees and joint working groups to ISO (International Organization for Standardization) and ITU (International Telecommunication Union).

2.3.3.2.4 Smart grids and sustainable cities

Schneider Electric participates actively in the standardization of smart grids, which are becoming more "active", leveraging more bidirectional energy flow and real time timeline. The Company leads the definition of standards and the data interoperability standardization roadmap within the European smart grids coordination group and energy system committees, as well as being the group in charge of standardizing the interfaces between smart buildings and smart grids.

- Schneider co-chairs the Smart Energy Grid coordination group of the CEN-CENELEC-ETSI, responsible for ensuring availability of an appropriate set of standards for the rollout of smart grids in Europe, as well as supporting the coming new legislative "Clean Energy Package".
- It 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 Internet of Things (IoT).
- It chairs and actively contributes to the definition of prosumer's electrical installations, installations integrating local production such as PV, wind, and storage, to ensure they are designed and erected with a high level of safety and efficiency.
- It chairs the IEC's Advisory Committee for Energy Efficiency (ACEE) and chairs the Advisory Committee on Safety (ACOS).

2.3.3.2.5 Circular economy and product environmental performance

To support high standards of health and safety, Schneider's experts continuously contribute to standards around materials and substances. They provide standards on methodology and test methods, raising the bar on safety and protection against toxicity.

Regarding environmental footprint, Schneider's experts ensure fair comparison, relevance of assumptions, consistency of approach, interoperability, and meaningful content for customers.

They are developing standards around:

- Terminology and catalogue data;
- Product Category Rules for Life Cycle Assessment (LCA) dedicated to electrotechnical products;
- Product Specific Rules for high and low voltage equipment;
- Low voltage switchgear and controlgear, and power electronics;
- Extension of Product Specific Rules and environmentally conscious design to cover material efficiency or digital format; and
- Quantification of GHG emissions reduction and avoidance.

Relating to circular economy and eco-design, Schneider chairs the Ecodesign Coordination Group (CEN-CLC/Eco-CG) and has contributed to the European Commission's Circular Economy package, and with CEN-CENELEC-ETSI has developed a set of published standards assessing factors such as durability, repairability, reusability, recyclability, and ability to be remanufactured, which fall within the scope of the Ecodesign Directive and the new Ecodesign for Sustainable Products Regulation. Schneider continues to contribute to the evolution of those standards and their extended scope and has appointed active experts in each of the existing and new working groups. For example, Schneider's experts are highly involved in the development of the future standard on circular design: material efficiency within environmentally conscious design.

As digitalization is a lever for circular economy and environmental performance, Schneider's experts are contributing to standards on terminology and digital formats.

2.3.3.2.6 Standardization to accelerate environmental transformation

Since February 2007, Schneider has represented France on the IEC's Advisory Committee for Environmental Aspects (ACEA). ACEA works to advise and coordinate the IEC's efforts to tackle environmental issues. At the same time, Schneider Electric is actively present in ACTAD (Advisory Committee for Transmission and Distribution) to ensure electricity and environment are closely considered.

- Schneider is particularly heavily involved in the working groups on sustainability (chairing environment and circular economy groups, and participating in working groups in product technical committees (TC) dealing with environmental aspects (IEC TC 121, IEC TC 17, CLC TC 22X) and in the work on the rational use of energy.
- The Group chairs the IEC TC 111 Committee on Environmental standardization of electric and electronic equipment and IEC TC 23 Electrical accessories (protection devices, wiring devices, home and building control systems).
- The Group is the secretary of IEC SC 23K on Electrical Energy Efficiency products.
- In 2018, Schneider led the UPS manufacturers' group in the EU Commission's Product Environmental Footprint (PEF) pilots for defining rules to assess the PEF of products put on the EU market, prior to its implementation of the European policy.
- The Group chairs ISO/TC 184 Automation systems and integration.

2.3.3.2.7 Digital transformation and cybersecurity

Digitalization is the key driver for advanced manufacturing, optimizing production with more flexibility, more interoperability, more predictability, and continuity to provide a new level of system efficiency and sustainability. Further data, software, and tools enabling virtual descriptions – known as digital twins – and creating new capabilities and services are combined with machine learning and AI, while taking account of safety and cybersecurity.

The global electricity system is going digital as well, focusing on grids, buildings, industry, and households.

The European Data Space for Energy, reinforced per AI technology and related services, will enhance Europe's consistency in the electricity sector, through appropriate regulation and standards currently under development.

- Cybersecurity: Schneider is secretary of the Joint Advisory Group between IEC TC 65 and ISO/IEC JTC 1/SC 27 from enterprise level to field devices and participates in several working groups bridging regulation to standardization (EU, US).
- Smart Manufacturing: the Group is particularly heavily involved in the working groups on smart manufacturing in ISO and IEC technical committees (Chair of ISO/TC 184, Secretary of IEC TC 65, Chair of IEC SC 65E).
- Digital Twin: Schneider chairs the Industrial Digital Twin Association to deep dive and deploy the Asset Administration Shell as standardized digital twin.
- Automation: the Group also chairs the UniversalAutomation.org association to address a more functional and distributed approach for the orchestration of industrial systems.

2.3.3.3 Responsible lobbying, political activity, and donations

Through its Trust Charter, Schneider Electric has taken a clear stance with regards to responsible lobbying, political influence activity, and donations. As a global company, Schneider has a role to play in the public debate addressing leading issues with the global community. It is necessary that the Group states its positions clearly, participates in technical discussions, and supports responsible public policy development. In this spirit, in 2022 the Group signed Corporate Knights' Action Declaration on Climate Policy Engagement together with more than 50 other companies to support climate action aligned with the Paris Agreement when engaging with policymakers, working with trade associations, and monitoring and disclosing climate policy alignment.

Public policy engagement is managed at the local level, with oversight and accountability extending up to the regional executive level. Each year, a comprehensive review of trade associations and lobbying activities is conducted at the global level to evaluate their alignment with the goals of the Paris Agreement. In cases where misalignment is identified, the relevant teams are provided with detailed feedback, and a structured action plan is suggested and discussed to address the discrepancies and ensure future alignment with climate objectives.

Schneider believes that this representation of interests should be conducted in a transparent and fair manner, allowing third parties and stakeholders to understand its activities, positions, and statements. Donations and lobbying activities are risks specifically addressed in the Anti-Corruption Policy, in particular, Schneider Electric does not make corporate contributions (either monetary or in-kind) to political candidates, parties, or similar bodies and does not get involved in unauthorized political activity or representation. In 2025, Schneider Electric was not involved in sponsoring local, regional, or national political campaigning.

In the US, a Political Action Committee (PAC) was established in 2025. The Schneider Electric USA PAC is comprised of a voluntary group of eligible Schneider Electric employees. The PAC, which is registered with the Federal Election Commission, establishes a long-term opportunity for eligible employees to join together voluntarily, to support federal congressional candidates. In the United States, this is a common practice for companies, within and outside of our industry, to participate effectively and transparently in the democratic process. The PAC will be bipartisan in making contributions equally to both Democratic and Republican-aligned candidates who demonstrate a commitment to our corporate purpose and represent our company footprint and key markets.

Schneider Electric presents information about its lobbying activities in the French High Authority for Transparency in Public Life, in the EU transparency register, and in the US Lobbying Disclosure Act Registration.

Since 2019, the Group has been disclosing membership fees expenses towards trade associations, business coalitions, and think-tanks that are dedicated by those organizations to lobbying or advocacy.

Generally, the budget allocated to lobbying in these organizations is small as these associations mostly organize business workshops, peer-learning groups, or work on standardization. Schneider Electric updated its reporting methodology compared to previous years and since 2022 discloses the budget allocated to lobbying or representation rather than total membership fees. The data collected covers the main Group geographies, in particular Europe, and also including North America, China, India, Indonesia, and the Philippines.

Total contributions globally amounted to about EUR 0.5 million in 2019, EUR 0.6 in 2020, EUR 1.2 million in 2021, EUR 1.1 million in 2022, EUR 1.4 million in 2023, EUR 1.6 million in 2024, and EUR 1.7 million in 2025.

The main contributions concern two main engagement topics:

- The first is "Sustainable energy for all": Schneider Electric believes that energy management and energy efficiency are critical to move towards a new energy landscape and therefore supports a policy framework that unleashes business and climate opportunities related to the new energy landscape. Contributions and expenditures on this topic amounted to around EUR 0.9 million in 2025 (similar to 2024) globally.
- The second is "Powering the digital economy": the Group supports the emergence of the digital economy to bring new opportunities for businesses and people and therefore supports a policy framework that facilitates the digital transformation globally. Contributions and expenditures on this topic amounted to around EUR 0.4 million in 2025 (similar to 2024) globally.

2.3.3.4 Compliance with competition law

2.3.3.4.1 Context

As outlined in Schneider Electric's Trust Charter, upholding fair competition and complying with applicable antitrust and competition laws is a core business principle for Schneider Electric and governs its activities across the world.

Competition law sets out the legal framework to ensure that markets remain open and competitive and to protect customers from market arrangements where competitors agree not to compete with each other, or companies in other ways restrict, prevent or distort competition. Although the scope and content of competition law may vary from jurisdiction to jurisdiction, it is generally prohibited for companies to (i) enter into agreements with its competitors or customers which, for example, seek to fix prices or otherwise limit competition, and (ii) abuse a dominant position on a given market.

Schneider Electric has a strong brand and operates in many markets and at several levels of the supply chain. The activities of Schneider Electric are subject to a variety of competition laws and regulations on both national and supranational levels, affecting all aspects of Schneider Electric's business strategies and day-to-day operations. Any violation can cause severe consequences for Schneider Electric, and the individuals involved in such activities, including substantial fines and a serious loss of reputation.

2.3.3.4.2 Risks, impacts, and opportunities

Schneider Electric's Competition Law Program is an integrated and essential part of Schneider Electric's commitment to trust and serves to:

- Raise awareness about applicable competition laws and the importance of compliant behavior;
- Identify and assess risk areas where the Group may be exposed to anti-competitive behavior;
- Manage potential risks through internal procedures, escalation routes, and controls;
- Prevent potential anti-competitive behavior through training and communication;
- Detect early potential violations of competition law through a strong risk awareness throughout the business and accessible reporting mechanisms; and
- Manage any exposure to violation of competition law.

To raise awareness about applicable competition laws and identify and manage areas of risk, Schneider Electric's Competition Law Program is based on:

- Policies, guidelines, and procedures.
- E-learnings and in-person trainings.
- Internal controls and audits.
- Internal reporting mechanisms including local management, Human Resources, Regional Compliance Officers, Legal, and Schneider Electric's whistleblowing tool, Trust Line.

The whistleblowing system of Trust Line for employees and external stakeholders such as suppliers and customers is managed to identify any inappropriate practice or behavior with competitors or business partners that may be reported.

On October 29, 2024, Schneider Electric was fined EUR 207 million by the French Competition Authority concerning electrical distribution activities in France. This decision relates to the previously disclosed investigation initiated by the French Competition Authority in September 2018 against several companies for anti-competitive practices in the electrical distribution sector in France. Schneider appealed the decision of the French Competition Authority on December 19, 2024. The Group remains committed to compliance and has fully cooperated with authorities.

For more details, see Chapter 3, **section 3.2.4 Key risks and opportunities on page 371**.

2.3.3.4.3 Governance

Schneider Electric's Competition Law Program is endorsed by the Board of Directors and has backing from Executives and Senior Managers.

The Competition Law Program is managed by a Global Competition Law team with full support from the Global Legal team. It is continuously assessed and adapted to developments in applicable antitrust and competition laws and the interpretation of such laws as well as the development of Schneider Electric's activities and market presence.

2.3.3.4.4 Group policy

Schneider Electric published and deployed an updated and enhanced Group Competition Law Policy in 2022. In addition, nine topic-specific Competition Law Guidelines were also launched in 2022 including topics related to information exchange, procurement, distribution, e-commerce, and mergers and acquisitions.

Both the Group Competition Law Policy and the Competition Law Guidelines have been translated into over 30 languages and are accessible to all employees via Schneider Electric's internal policy platform.

2.3.3.4.5 Actions and resources

During 2025, Schneider Electric continued to strengthen the Competition Law Program and to reinforce processes and tools. One of the key cornerstones to a successful Competition Law Program is continuous efforts to train employees and communicate the Group Competition Law Policy, the accompanying Guidelines, and other internal rules and recommendations. Providing targeted in-person Competition Law trainings to employees in identified risk teams and roles continues to be a priority worldwide and an essential part of Schneider Electric's program in the years to come.

Considering the size and scope of Schneider Electric as a global Company, another cornerstone to a successful Competition Law Program is to reinforce the program across the Group, including:

- Adapting to market conditions and the expansion and development of Schneider's offers in new markets;
- Supporting digital transformations;
- Strengthening connections with other internal functions, including marketing, purchasing, data, and HR;
- Adapting to developments in competition law rules and regulation;
- Determine and coordinate existing compliance efforts in other areas, including commercial compliance, and ethics and compliance; and
- Reinforcing the compliance network across the entire geographic scope of the Group, including local legal teams and regional channels.

2.3.3.5 Compliance with tax regulations

2.3.3.5.1 Context

The current international tax system in which the Group operates is made of multiple complex international and local tax regulations since all the countries in the world have their own set of tax rules.

To operate responsibly, ethically, and efficiently in this complex and uncertain environment the Group believes that a fair and sustainable Group tax policy is a fundamental requirement. It aims at preventing operational, transactional, and reputational risks.

2.3.3.5.2 Group policy

The Group's global Tax Policy focuses on four key principles:

Governance and control

The Tax Policy is endorsed by the Tax department and the Group CFO and validated by the Audit & Risks Committee.

The Tax department reports to the Group CFO and is a global function which allows consistency and standardization wherever possible. In addition, dedicated tools and processes, as well as a strong presence of tax experts in the most significant countries, ensure a strong and consistent decision-making process.

Regular reports are done on noteworthy new tax regulations and risks, and presented to the Audit & Risks Committee.

Compliance with national and international tax regulations

The Group and the Tax department are committed to:

- Complying with the national and international tax laws, rules, and regulations such as the ones set out by the Organisation for Economic Co-operation and Development (OECD) regarding, notably, the minimum 15% taxation implemented under the Pillar 2 set of rules;
- Respecting in good faith both the letter and the spirit of the law; and
- Aligning the tax strategy with the Group's commercial strategy and operational activity, and to challenge the in-house reading and interpretation of the law, with external tax advisors as required to ensure correct analysis and treatment are conducted.

Transparency and trust

All employees with tax responsibilities or activities are committed to:

- Cooperating openly and transparently with the tax authorities on the Group's tax affairs and to disclose relevant information in a timely, positive, and professional manner for them to carry out their audits;
- In the event a tax discussion arises, working proactively to seek a consensual agreement, where possible, and reach solutions; and
- Whenever necessary, discussing issues and raising questions to the tax authorities to obtain clarifications in a preventive manner. As an example, the Group joined the "Trust relationship" ("*Relation de confiance*") regime in France.

Preserve value and competitiveness

The Group strives to preserve the value created by its operations. The Tax department assists operational business by providing tax advice and determining the tax positions best suited to operational reality.

The Tax department thus contributes to creating value and protecting shareholders' assets by limiting tax risks while remaining compliant with national and international tax regulations.

The Group's detailed Tax Policy can be consulted on the Group's website at **www.se.com**

2.3.3.6 Export control and sanctions

2.3.3.6.1 Context

As a multinational Company operating across more than 100 different countries worldwide, Schneider Electric is subject to international, foreign, and national export control laws and regulations which govern the transfer of goods, services, and technologies within a country or between countries and/or their nationals. The Group must constantly ensure full compliance to such laws and regulations by implementing a robust corporate export control compliance program, as any implications may result in a significant impact on the Group's businesses, results, reputation, and financial position.

Although Schneider Electric's portfolio has a limited range of products that may be used in sensitive applications, restriction or licensing requirements may apply to those products, especially if associated with politically sensitive countries and destinations.

2.3.3.6.2 Risks, impacts, and opportunities

The key risks for export controls and sanctions are related to conducting business with restricted parties, sharing restricted software, technology, products, or services without a license, and ensuring those the Group does business with abide by applicable export control and sanctions regulations. These risks create opportunities for Schneider Electric: to develop and automate processes related to third-party screening and export control classification for products, software, and technology; to review transactions for licensing considerations; and to ensure Schneider obligates its third parties through contractual commitments to comply with applicable export control regulations and sanctions.

Schneider Electric's robust Export Control Program increases the Group's competitive advantage by demonstrating its commitment to ethical business practices and compliance with international regulations and sanctions.

2.3.3.6.3 Governance

Schneider Electric has comprehensive policies and processes to ensure compliance with applicable export control laws and sanctions (Schneider Electric Export Control Program) and to mitigate the above-described risks. The Group has also established mechanisms for reporting any suspicious or non-compliant activities and takes appropriate corrective actions via the Trust Line and Trust Center.

The Global Export Control Center of Excellence team conducts regular training programs to educate all Schneider Electric permanent and temporary employees about export control regulations, their responsibilities, and the potential risks and consequences of non-compliance. The goal is to foster a culture of compliance by raising awareness and providing resources for employees to seek guidance.

2.3.3.6.4 Group policy

Schneider Electric's export control approach is articulated around its mission to provide education, advisory, business operations support, and enforcement of the Export Control Policy and strategy. The policy outlines Schneider's commitment to prevent the unauthorized export of goods, services, technologies, and information that could pose risks to national security, international trade, or other regulatory concerns. The roles and responsibilities of businesses, functions, and employees to ensure export control compliance are clearly defined. The responsibilities include designating individuals or teams responsible for overseeing export control activities and implementing necessary controls. The policy, signed by the Group Chief Executive Officer, sets the tone from the top, and is applicable to all Schneider Electric employees.

2.3.3.6.5 Actions and resources

The Schneider Electric Global Export Control Center of Excellence has streamlined and standardized export control and sanctions processes globally. A change management process with a supporting communications and training plan has been developed and executed transversally across Schneider Electric. This includes but is not limited to a change review board to review regulations, impact, and give guidance to ensure compliance.

A key initiative has been the automation of third-party screening. Schneider Electric developed a new capability to automatically screen all legacy and newly created/modified third-parties for risks of anti-corruption and export control. The Group integrated authoritative data sources of third parties with a best-in-class external screening engine which is updated with the latest regulatory and sanction lists in real-time. A dedicated screening team was formed to independently review potential matches arising and flag entities by risk level with a new screening flag attribute.

Third-party master data systems synchronize the screening flag values with major business systems in real time to ensure consistency. Screening flags are used to develop upstream and downstream processes needed to mitigate risk as explained in the relevant sections of this Universal Registration Document.

Additionally, the Global Export Control Center of Excellence is subject to periodic internal compliance reviews and audits to assess the effectiveness of export control measures, identify any areas of non-compliance, and implement corrective and preventive actions. In parallel, the topic of export control is also part of Schneider Electric's Key Internal Controls program, applicable to all Schneider Electric entities and their subsidiaries. This helps ensure ongoing compliance to current export control regulations and continuous improvement.

For more details, see Chapter 3, **section 3.2.4 Key risks and opportunities on page 371.**

2.4 Methodology, external assurance and indicators

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2.4.1 Methodology elements on the published indicators

In conformity with regulations in place and in the spirit of transparency with its stakeholders, Schneider Electric regularly publishes corporate social responsibility (CSR) data, which notably includes:

- Indicators of the Schneider Sustainability Impact (SSI), published quarterly and externally assured annually;
- Indicators of the Schneider Sustainability Essentials (SSE), published and externally assured annually;
- Other standard human resources (HR), safety, and environmental indicators published and externally assured annually for the most material ones.
- The information presented in this CSR report does not constitute sustainability information prepared in accordance with Article L. 233-28-4 of the French Commercial Code.

Methodology of the above indicators is described in the following section. Any target or methodological change occurred during the year is explicitly mentioned.

Reporting year

Annual CSR data is reported for the calendar year preceding the publication year, i.e. 2025 in this report, in line with the financial reporting calendar.

Reporting perimeter

As a general rule and subject to any particular exception described below:

(i) Schneider Electric reports CSR data at Group level for all financially consolidated entities over which it has operational control.

(ii) New acquisitions are included in the reporting scope within 2 years, meaning that data is consolidated into Group reporting at the latest from the third year post acquisition.

(iii) Companies accounted for by the equity method are not included in the reporting.

(iv) Within the above scope, small entities may exceptionally be excluded if their collective exclusion does not exceed 5% of consolidated revenues or total number of employees. Reporting coverage is provided together with indicators' tables.

Timing for inclusion may differ between indicators. Typically financial or HR data are deployed more rapidly as acquired companies usually have existing systems and teams in place, which is not necessarily the case for environmental systems.

Progressive consolidation of new acquisitions into the Group CSR reporting

All majority-owned, financially consolidated entities shall participate in all relevant Schneider Electric's SSI, SSE, and other environmental, social and ethical programs and adopt the required policies and reporting practices as per each respective Trust Standard. Unless otherwise agreed with Schneider Electric's Sustainability team for practical or cost-effectiveness reasons, the following calendar shall be respected:

- Year +1: strategic alignment and material KPIs selection;
- Year +2: data cleaning and baseline and target setting;
- Year +3: start of consolidated reporting into Group public reporting.

When an entity is not fully integrated into Schneider's IT systems, the consolidation of CSR data is done manually and may take longer than the standard calendar above.

For those entities, if the cost of reporting is deemed unreasonable compared to the size of the company, the entity may ask to opt-out from CSR reporting. This may be granted on a case-by-case basis. However these entities still need to follow applicable Trust Standards.

The scope of environmental reporting is that of ISO 14001-certified sites, and certain non-certified sites on a voluntary basis and without interruption in time. All production and logistics sites with 50 or more full-time equivalent (FTE) employees must obtain ISO 14001 certification before the end of the third full calendar year of operation or membership of the Group. Administrative, R&D and sales sites with 500 FTE employees or more also have to obtain ISO 14001 certification. Other sites may seek certification and/or report on a voluntary basis. A difference can thus be recorded with respect to the scope of financial consolidation.

Notable exclusions in 2025 (apart from SSI #1 Schneider Impact revenues, which is calculated on the same scope as the financial perimeter due to data availability) are presented in the table below. Details for data coverage are specified in tables starting **page 341** for each topic and are generally well above 85%.

The Group has set a plan to increase its reporting coverage progressively to at least 95%, as described above.

The main non-IT integrated entities have been included in the sustainability statements as of 2024, and will be included in the reporting perimeter of Schneider Sustainability Impact 2030.

Company	Acquisition year	% Group employees	% Turnover	Comments
AVEVA (including OSIsoft)	2018 (2021)	3.5%	3.7%	AVEVA is excluded from all KPI calculations except SSI #1 and SSI #2.
Lauritz Knudsen Electrical and Automation	2020	2.0%	2.7%	HR statistics are included in the Group results, which include SSE #13, SSE #16, SSE #18, SSE #20, SSE #23 and SSE #24 in 2023. An exception is made for SSI #8, which is calculated on a constant scope.
RIB Software	2020	1.6%	0.6%	RIB Software is excluded from all KPI calculations except SSI #1.
Other exclusions	–	4.4%	3.5%	Other exclusions concern either non-integrated entities or recently acquired entities grouped here for readability.
Total maximum exclusions	–	11.4%	10.5%	Total exclusion figures presented in this table represent the maximum exclusions for given KPIs. More precise reporting perimeter estimates are provided in each data table. Note that exclusions of software companies have limited impact on environmental KPIs, and no impact on product-related KPIs at Group level given the nature of their activities.

Internal control

Schneider Electric has drawn up a frame of reference with dedicated reporting protocols for SSI and SSE indicators, and for other HR, safety and environmental data. This frame of reference includes the scope, collection and consolidation procedures and definitions for these indicators.

The current version of each reporting protocol is available upon request via the Schneider Electric Help Center, accessible at **www.se.com**.

The HR, safety and environmental data comes from our HR Analytics for HR data, EcoStruxure™ Resource Advisor for environmental data and GlobES (Global Environment and Safety) for safety data. Its consolidation is placed respectively under the Global Human Resources, Global Environment, and Global Supply Chain functions. Data reliability checks are conducted at the time of consolidation (review of variations, inter-site comparison, etc.).

External assurance

Schneider Electric SE appointed PricewaterhouseCoopers Audit ("PwC") and Forvis Mazars as statutory auditors for the certification of sustainability information (Sustainability statements – CSRD). Once a year, they issue a limited assurance report certifying the sustainability information and verification of the information disclosure requirements set out in Article 8 of Regulation (EU) 2020/852. In addition, with its commitment to continuous improvement, Schneider Electric asked one of its statutory auditors to perform two additional assurance engagements, in accordance with the international assurance standard ISAE 3000 (revised), in order to obtain:

- a limited assurance engagement on all SSI (except SSI #+1) and SSE indicators. See independent verifier's report on **page 336**.
- a "reasonable" level of assurance for strategic indicators (Zero-CO_2 sites, Energy consumption, Scopes 1 and 2 CO_2 emissions). See assurance report on **page 339.**

This external assurance practice has been in place at Schneider Electric since 2006.

2.4.1.1 Indicators from the Schneider Sustainability Impact

SSI #1: Grow Schneider Impact revenues to 80%

Schneider Impact revenues are defined as offers that bring energy, climate, or resource efficiency to the Group's customers. Schneider Impact revenues are split into four categories described thereafter. Activities included are:

1. **Energy efficiency architectures bringing energy and/or resource efficiency to customers.** Offers include building management systems, power management systems, lighting and room control, thermal control, variable speed drives, Sustainability Business (SB), and industry automation. Neutral technologies such as signaling, racks and enclosures, access control, or emergency lighting are excluded.

2. **Grid reinforcement and smart grid architectures contributing to electrification and decarbonization.** This includes all technologies and architectures contributing to a "New Electric World", helping grid and electrification come to life: smart grid and microgrid technologies, electric vehicles charging infrastructure, medium voltage systems to upgrade electricity distribution networks, low voltage connectable offers enabling smart grid management and energy efficiency, secure power and switches that enable security, and security of supply.
3. **Products with differentiating green performance, flagged thanks to Schneider Electric's Green Premium™ program.** Green Premium™ products offer environmental transparency (with digital lifecycle analysis and circular end-of-life instructions), superior compliance to stringent environmental regulations, and differentiating environmental performance through specific environmental attributes (note: double-accounting with categories 1 or 2 is removed).
4. **Services that bring benefits for circularity** (prolonged asset lifetime and uptime, optimized maintenance operations, repair, and refurbish) **and energy efficiency** (maintenance to maintain the operational performance of equipment and avoid a decrease of energy efficiency over time).

Additionally, revenues derived from activities with fossil sectors and others are systematically excluded, including Oil & Gas, coal mining, and fossil-power generation, in line with prevailing corporate responsibility reporting and sustainable finance practices, even though Schneider Electric's technologies deliver resource and carbon efficiency in such sectors as well. In line with Schneider Electric's strategy to phase down SF_6 from offers by 2025, SF_6-containing switchgear for medium voltage applications are also excluded. In addition, neutral technologies such as signaling, racks and enclosures, access control, or emergency lighting are excluded.

All revenues consolidated in financial accounts are taken into account. Calculation is based on revenues per line of business. Exclusion of fossil revenues is based on orders per customers' end-segment, with extrapolation to estimate destination of transactional sales.

PwC provided limited assurance on this indicator.

SSI #2: Deliver 800 million tonnes of saved and avoided CO_2 emissions to Schneider's customers

This indicator measures CO_2 savings and avoidances delivered by Schneider Electric's offers to its customers.

CO_2 savings and avoidances are calculated for global sales of the reporting year and cumulated over the offers' lifetime. Net emissions are calculated as the difference between emissions with Schneider Electric's offer and emissions in the reference situation. The ambition for this indicator has been increased in 2021 with the definition of the new sustainability strategy: Schneider is committed to save and avoid 800 million metric tonnes of CO_2 thanks to EcoStruxure™ for its customers.

The difference between "saved" and "avoided" emissions is key: saved CO_2 emissions correspond to brownfield sales that enable reduction of global CO_2 emissions compared to previous years, and avoided CO_2 emissions correspond to greenfield sales that enable a limitation of the increase of global emissions.

- **Brownfield sales** correspond to the situation where the offer sold replaces or upgrades an existing system, leading to a change of GHG emissions of installed infrastructure vs. the previous year. For "saved" emissions, the "brownfield reference situation" is defined as the situation before the new solution is sold and installed at the customer's site.
- **Greenfield sales** correspond to the situation where the solution is installed into a new system, allowing a better performance with respect to the market alternative.

The calculation of CO_2 impact of offers over their lifetime is based on sales data per product range. The electricity emission factors are forward looking, integrating the decarbonization of the global energy mix as per scenario of the International Energy Agency (IEA). Market data and expert assumptions are used to determine the use-case scenario of offers and the associated CO_2 impact. This methodology is associated to typical uncertainties of CO_2 corporate accounting methodologies, and conservative assumptions are preferred. Since some offers are related to software and services, the avoided emissions do not follow the WBCSD guidance on avoided emissions, strictly speaking.

Since the launch of the program, the scope of the indicator has been widened to include sales data for certain manufacturing sites not initially consolidated and new sub-offers or offers. However, the baseline was not modified. As of 2025, these added offers or sites have contributed to approximately 10% of the indicator's performance.

More methodological details can be found on **www.se.com**

PwC provided limited assurance on this indicator.

SSI #3: Reduce CO_2 emissions from top 1,000 suppliers' operations by 50%

Under this program, also called The Zero Carbon Project, the Group partners with 1,000 of its suppliers, who commit to reduce their company's CO_2 emissions (mandatory Scope 1 and 2; Scope 3 is optional) at enterprise level and not just on the proportion of sales to Schneider Electric. The active participation of upstream supply chain is critical because it represents multiple times GHG emission compared to Schneider Electric's own operations. The top 1,000 suppliers come from 65 categories across direct material, indirect material, and project procurement, and have been nominated by the respective procurement teams.

To ensure suppliers get adequate handholding during the implementation, several capacity building and engagement modules have been deployed. These initiatives sensitize the suppliers on various approaches and technical levers for decarbonization, including training, technical requirements, calculations and on-site implementation support by Sustainable Procurement Experts. Moreover, Schneider attempts to support and drive collaborations with suppliers through various digital decarbonization solutions.

As a first step in the long-term journey to decarbonize, the top 1,000 suppliers are required to quantify their carbon emissions and take ambitious reduction targets and deploy roadmap to achieve them. Suppliers are required to share the carbon emission performance via the dedicated Schneider Supplier Portal – Supplier Relationship Management (SSPSRM). To measure the carbon emission reduction achieved, Schneider calculates the average carbon intensity reduction achieved by responding suppliers, multiplied by the percentage of suppliers reporting carbon emission data. Carbon intensity is calculated by dividing Scopes 1 and 2 CO_2 emissions with financial turnover.

PwC provided limited assurance on this indicator.

SSI #4: Increase green material content in Schneider's products to 50%

A green material is defined as either of the following:

- a material with a lower environment footprint; or
- a material that is the output of an industrial technology which is a key enabler for a 1.5°C climate scenario and/or a more circular economy.

For 2021, the scope of this KPI covers commodities identified as relevant in terms of volume (circa 29% of total products volume in 2019), environmental impact (carbon footprint and biodiversity assessment), and industry readiness, meaning:

- steel and aluminum direct purchases;
- thermoplastic direct and indirect purchases.

Overall, the materials in scope represent approximately 400,000 metric tonnes.

Cross-functional experts at Schneider Electric (Procurement, R&D, Environment) have worked in close relationship with suppliers to define the Green attributes for each commodity in scope, based on existing international schemes and standards.

Thermoplastics are qualified as "green" when the supplier is bringing evidence of a minimum recycled content, bio-based content (minimum threshold depends on whether the compound is halogenated or not), or is using a green flame retardant.

Steel is qualified as "green" when the supplier is bringing evidence that the mill of origin from an technology with a low carbon emissions potential today (an electric arc furnace (EAF) or a blast furnace using direct reduced iron steel (DRI-BOF) or Hot Bricket Iron (HBI-BOF)), or has a green certificate such as the ones delivered by Responsible Steel.

Aluminum is qualified as "green" when the supplier is bringing evidence that the product carbon footprint is below 8 tonnes of CO_2 per ton of aluminum, is using a minimum of 90% of recycled content in its product, or that the mill of origin has a green certificate such as the ones delivered by the Aluminium Stewardship Initiative.

The scope was reassessed annually as the program was maturing, and the transparency of supply chains was improving.

To consolidate the KPI, several sources of data are used. The volumes of green materials are identified using Prism extract for metals and Puma extract for thermoplastic, with both tools providing budgeted volumes. The total volume in scope (the denominator of the KPI) is determined using Raw Material Inventory (RMI) extracts for thermoplastic, steel and aluminum providing purchased volumes in metric tons. For silicon steel there is no consolidation in RMI since silicon steel is not a market index, thus the volume is estimated based on a negotiation file of the Regional Category Manager from procurement team. Schneider Electric decided to identify reported and tracked green materials using "budgeted" volume since the precision of the reporting tool is better compared to RMI extract. Prism and Puma enable the two levers mentioned above by allowing Schneider Electric to track suppliers and material grade.

PwC provided limited assurance on this indicator.

SSI #5: 100% of Schneider's primary and secondary packaging is free from single-use plastic and uses recycled cardboard

This program has been designed to:

- Ensure legal compliance through the selection of Schneider's packaging materials and the availability of adequate take-back, collection, and sustainable options for its customers.
- Support the achievement of Schneider's 2025 green packaging commitment:
  - 100% of its primary and secondary packaging uses recycled cardboard.
  - 100% of its primary and secondary packaging is free from single-use plastic.
  - Define the best practices to offer differentiating green packaging solutions to its customers.

The scope includes tier-one strategic suppliers with a direct purchase of cardboard and plastics in the Schneider Electric procurement system. Geographically, all regions under the global supply chain will be covered, as well as Equipment & Transformers.

Cardboard is considered as recycled when it includes at least 70% of recycled fiber by weight. Temporary exemption is made for North America, where an average of 50% of recycled fiber by weight is required to be considered recycled.

Every reporting period, the spend on cardboard and plastics is extracted from the system and each element is classified as sustainable or not based on criteria mentioned above. Verification is done for sustainable declarations on the definitions already provided as well as certificates and other documentary evidence from suppliers. The list of eligible certificates/documents is continually updated to make it exhaustive and to cover countries' specificities.

A global campaign is being run in all global supply chain regions to progressively move the spend to sustainable sources and remove single-use plastic usage with sponsorship from top management.

PwC provided limited assurance on this indicator.

SSI #6: 100% of Schneider's strategic suppliers provide decent work to their employees

Schneider Electric has deployed a series of engagements on the topic of working conditions to correct malpractices, however the Company proactively works to introduce measures which will prevent the likelihood of occurrence of such violations in the future. This philosophy is the foundation of Schneider Electric's Decent Work program (DWP).

Taking inspiration from the pioneering work of the International Labour Organization (ILO), Schneider has defined **10 pillars of Decent Work**:

1. Employment opportunities;
2. Adequate earnings and productive work;
3. Decent working hours;
4. Stability and security of work;
5. Social dialogue and workplace relations;
6. Fair treatment in employment;
7. Safe work;
8. Social protection;
9. Purchasing practices; and
10. Balancing work and family life.

The program requires strategic suppliers to develop a proactive policy as a means to extend safe, attractive and inclusive workplace to their employees. Criteria defined for each Decent Work pillar may also overlap with ISO 26000 standard and are validated by the Global Procurement, Human Resources, Supply Chain, and Sustainability teams.

The suppliers will be assessed through remote questionnaires supported by relevant documentation, as well as on-site visits and spot audits, and their performance will be monitored by experts. All questions have a minimum acceptable answer defined. Suppliers responses will be evaluated against the minimum acceptable criteria to qualify as Decent Work compliant. Program deployment is ensured by specialists of Sustainable Procurement from Global Procurement function, who are responsible to onboard, train, and assess suppliers. The program implementation is supported by the Global Procurement Services.

Through DWP, Schneider aims to enhance social integration, equity, security, dignity, satisfaction, and overall improvement in the quality of life for the workers, and their family. For a supplier to fully adhere to the DWP, the Global Procurement team will look at inclusion of the requirements in the supplier's organizational framework by means of policies, processes etc. In case of missing or non-alignment, the suppliers need to initiate corrective measures which aim to institutionalize the requirements within the Company. The evaluation of this is undertaken and supported by review of relevant documentations. If the requirements are effectively incorporated in the policies and processes, the supplier can be counted as conforming to DWP in the KPI calculation. Otherwise, it is still counted as non-compliant regarding the requirements of the program.

A pilot for this indicator was launched in 2022, and it was integrated to the SSI score computation in the same year.

PwC provided limited assurance on this indicator

SSI #7: Measure the level of confidence of Schneider's employees to report behaviors against our principles of Trust

Our "Speak Up" mindset helps to maintain high standards, a strong reputation, and a healthy and productive working environment, and protects Schneider Electric and its employees from multiple risks. Misconduct situations will be less likely to occur if people, employees, and stakeholders feel safe to speak up about concerns, dilemmas, or issues in good faith, respectfully, and without fear of retaliation.

Schneider Electric's Trust Charter and Ethics & Compliance program participate to transform this belief into practical actions, notably offering multiple fair, neutral, and confidential reporting channels to its employees to make them feel confident to report unethical conduct.

In order to assess this KPI, the question "I can report an instance of unethical conduct without fear" is annually asked to all Schneider Electric employees in the OneVoice survey. The percentage of "Agree" and "Strongly Agree" amongst the answers determines the level of confidence of Schneider Employees to report unethical conduct. Responses are anonymized and aggregated for compliance purposes.

This indicator was calculated for the first time in 2021 and reached an 81/100 performance. This KPI is integrated to the SSI score computation since 2022.

PwC provided limited assurance on this indicator.

SSI #8: Increase gender diversity, from hiring (50%) to front-line managers (40%) and leadership teams (30%)

Schneider Electric is strongly committed to building a diverse organization at every level, with a workforce that reflects the diverse markets in which Schneider operates. This indicator measures female representation within Schneider, at the hiring, front-line manager, and leadership levels.

It covers all new hires within the Company, including both non-direct variable costs (NDVC, i.e., white-collar) and direct variable costs (DVC, i.e., blue-collar) positions; managers who are in NDVC positions, at the junior and mid-management level and whose direct reports are individual contributors only; and all leaders in Senior Vice-President and Vice-President positions.

This is a composite indicator: the progress of each metric (new hires, front-line managers, leaders) is being evenly weighted (1/3) to calculate the achievement of this commitment.

At the end of each quarter:

- **Percentage of female new hires:** count of new hires that are women divided by total new hires in the current year x 100%.
- **Percentage of female frontline managers:** count of front-line managers that are women divided by total front-line manager population x 100%.
- **Percentage of female leaders:** count of women leaders divided by count total leaders x 100%.
- **Blended achievement percentage:** weighted 1/3, based on annual percent progression from base year to total five-year achievement.

- 50% new hires progression: subtract current period percent of women who are new hires from 2020 baseline and divide by targeted 5-year progression ambition (9%).
- 40% front-line managers progression: subtract current period percent of women who are front-line managers from 2020 baseline and divide by targeted five-year progression ambition (15%).
- 30% leaders' progression: subtract current period percent of women who are leaders from 2020 baseline and divide by targeted five-year progression ambition (6%).
- Calculating blended progression achievement percentage: 1/3 of each KPI current period progression.

From 2025 onwards, diversity targets shall not impact local incentives in countries or entities prohibiting the establishment of such targets.

PwC provided limited assurance on this indicator.

SSI #9: Provide access to green electricity to 50 million people

Schneider aims to provide access to electricity from renewable sources to 50 million people, thanks to the products and solutions that are developed and/or commercialized under the Access to Energy (A2E) program, from 2009 to end-2025.

Geographical scope are countries where the A2E program is operating, in Asia-Pacific, Africa, Middle East, South America, and Central America. Within these A2E countries, the impact is calculated based on:

- **Individual and domestic electrification:** the number of units sold is counted out of the defined list of references providing access to green electricity, and a coefficient is applied to translate into an estimated number of people impacted.
- **Collective electrification** for residential areas and productive uses: the total power sold is counted out of the defined list of references giving access to green electricity; it is translated into a number of people impacted from an average energy consumption of a household in the targeted areas, estimated from external databases and studies.
- **Electrification projects for community centers and services or specific A2E projects:** as an alternative to the above method, actual or statistical number of people connected can be taken into account.
- **Impact funds** (SEEA, SEEA Asia, EAV and GEIF II): 100% of the impact of companies that contribute directly to the Schneider A2E mission of providing green and reliable electricity in Africa and in Asia are taken into account, as well as 50% of the impact of companies that contribute indirectly. To this result, Schneider applies the percentage of its participation in the fund.

An exhaustive list of products and solutions considered with reference codes is available and maintained. Considered products and solutions are those already available at the end of 2020, and the forthcoming products and solutions providing access to electricity. Products and solutions that are out of scope: A2E products and solutions that are sold out of A2E countries, except in cases of A2E products and solutions provided for relief work in any country struck by a disaster or a catastrophic event; other A2E products and solutions, not directly providing access to electricity (such as MPPT, batteries, etc.).

The impact calculation methodology described in this document is that applied as of full year 2021. This methodology is a model using the best available data to estimate the impact of the Access to Energy business in terms of number of people. It is subject to potential revisions, in order to adapt to changes in the external sources that are used as parameters. The unit of the indicator "people impacted" should be interpreted with caution, as this is a qualitative approach with uncertainty on the actual impact in terms of people.

PwC provided limited assurance on this indicator. The methodology and 2021 onwards performance was audited, not values cumulated before 2021.

SSI #10: Double hiring opportunities for the next generation

The purpose of this initiative is to ensure Schneider Electric has a sustainable talent strategy to develop a Next Generation (Next Gen) pipeline of talent through full-time and temporary opportunities. Its goal is to provide access to professional opportunities for young adults, educating them about sustainability and how Schneider Electric plays a part in this endeavor.

To achieve this ambition to double opportunities, the Group accounts for the various ways it interacts with talent considered to be part of the next generation pipeline, including student opportunities and recent graduate hires:

- **Student opportunities** are defined as the workforce about to enter the job market, engaged in a temporary relationship with Schneider Electric with a defined start and end date at the onset (i.e., interns, apprentices, co-ops).
- **Recent graduate hires** are recent graduates or early career professional hires from a formal education program whose relationship with Schneider has a defined start date but open-ended end date (i.e., open ended contract, fixed term contract).

Calculations are based on actual external requisition positions filled in the Global Applicant Tracking.

PwC provided limited assurance on this indicator.

SSI #11: Train 1 million people in energy management

Today's young people are forward-thinking, creative and one of the largest demographics. We need to empower them with the necessary skills and support to create a life align with their dreams and aspirations.

Schneider Electric is committed to upskilling and empowering young people:

- By supporting the development of Technical and Vocational Education and Training (TVET). The key challenge of training in the energy sector is to provide the knowledge and skills to carry out a trade in a safe and responsible way, allowing to acquire long-term competencies and securing access to employment. The courses counted by the indicator lead to a certificate or a diploma. The minimum duration of these courses is 3 months (or totaling 100 hours). For online programs, students will only be counted if they receive a certificate after online evaluation.

- By providing access to technical and soft skills, supporting their project and mentoring them. Youths reported benefit from at least 3 months programs delivered by Schneider's partners.
- By empowering them to innovate and become entrepreneurs and contribute to the social and energy transition. Youths who have declared benefitting from at least 3 month-programs delivered by Schneider's partners are included in the indicator.

In partnership with local and international NGOs and local authorities, the Schneider Electric Foundation and the Company's local entities provide direct and indirect contributions to training partners.

Schneider's contributions may include (cumulative possible):
- funding of electrical and didactic equipment, donation of requested first generation equipment for practical work;
- funding of activities to deploy energy transition program to students;
- knowledge transfer through trainer training, and support for future entrepreneur training.

The KPI score is calculated with the number of students enrolled in training courses, supported by Schneider Electric through partnership agreement (supporting documents required, such as list of young people trained).

PwC provided limited assurance on this indicator.

SSI #+1: 100% of Country and Zone Presidents define 3 local commitments that impact their communities in line with our sustainability transformation

Since its creation in 2005, the former Planet & Society barometer (now the SSI), has focused on measuring progress against key sustainability performance indicators at worldwide level.

In SSI 2021–2025 Schneider Electric introduces a new component to measure local impact because:
- There is a high internal demand for local communication on progress, as well as to locally empower collaborators to contribute to Schneider's meaningful purpose.
- Sustainability priorities are highly dependent on local context therefore it makes sense to not only deploy worldwide programs, but also local actions close to local context and needs.

In order to boost local impact towards communities close to Schneider Electric, countries with at least 100 employees have set three commitments aligned with the Group's sustainability strategy, on different pillars: Climate, Resources, Trust, Equal, Generations, and Local.

Progress against these commitments is measured by precise KPIs. The assessment of this objective goes as follows: KPIs are validated by Zone/Country Presidents, and a local SSI lead is designated and communicated to the Sustainability team. This local SSI lead is in charge of consolidating KPI performance on an annual basis.

This indicator was not audited by PricewaterhouseCoopers and is not included in the SSI score.

2.4.1.2 Indicators from the Schneider Sustainability Essentials

SSE #1: 150 Zero-CO_2 sites

A site achieves Zero-CO_2 site status if it emits zero GHG emissions related to energy consumption and has in place Digital Energy Monitoring. Additionally, the site must have no SF_6 leaks. Exclusions for energy-related GHG emissions are considered for small sources (<3%) of a site's total energy where no feasible fossil-free solution exists today. Digital Energy Monitoring is defined as having energy data connected to a Schneider Electric solution (such as Power Monitoring Expert, EcoStruxure™ Building Operation, EcoStruxure™ Resource Advisor, etc.). For larger sites, this requires a significant proportion of the site's energy to be measured and monitored through real-time connected meters. For smaller sites, this requires energy invoices to be available in Schneider Electric's EcoStruxure™ Resource Advisor solution. This indicator relates to all sites within the Group's full real estate footprint.

PwC provided reasonable assurance on this indicator.

SSE #2: 100% substitution with SF_6-Free medium voltage technologies

This indicator measures the ability of Schneider Electric to offer to the market (i.e. SELL gate of Schneider's Offer Creation Process) industrialized SF_6-free solutions for all geographies.

The range considered for the calculation of this KPI are primary and secondary switchgears up to 40.5 kV, indoor only:
- **A** ASF_6-free ranges ready in 2020: Vacuum components, Premset, primary AIS with vacuum CB, HVL, Masterclad…
- **B** BSF_6 ranges in 2020: RM6, FBX, Ringmaster, DVCAS, Flusarc, SM6, RN2C, GMA, GMAe GHA, WS, WSG, CGBS-0, CGBS-1, HVL-CC, Mcset, F400
- **C** CSF_6 free offers to be launched from 2021–2025: SM AirSeT, Air PacT, RM AirSeT, RingmasterX, GM AirSeT, HVLCCX, etc.

Products above 40.5 kV (WI, CBGS-2, Kite), outdoor equipment such as pole mounted, reclosers, sectionalizers, and instrument transformers, as well as ranges manufactured by joint ventures and local offers adaptation are excluded.

The performance is measured as the percentage of the quantity of SF_6-free offer ranges available for order (A+C above) compared to the total quantity of the current ranges sold in the 2019 reference base (for both medium voltage switchgears and components). The current range for 2019 reference base is defined as the sum of the current SF_6 and non-SF_6 (Air, Vacuum) ranges sold in quantities (A+B above).

For the calculation, as an example, 1 RM AirSet = 1 RM6.

Calculation: KPI % = (A + C) / (A + B). Reference base: total quantities by range sold in 2019.

PwC provided limited assurance on this indicator.

SSE #3: 90% of electricity sourced from renewables

This program measures the share of renewable electricity in Schneider Electric's electricity supply, on the scope of environmental reporting (industrial sites >50 employees and tertiary sites >500 employees certified ISO 14001).

Four different types of renewable sourcing are taken into account:
- Renewable electricity produced on-site and consumed on-site;
- Renewable power purchase agreements (PPAs);
- Green tariffs; and
- Renewable certificates (depending on the country: REC, iREC, GO, EAC, etc.).

Electricity purchased with no specific renewable electricity claim is not taken into account, even if the electricity mix of the supplier includes a share of renewable power.

PwC provided reasonable assurance on this indicator.

SSE #4: 15% CO_2 efficiency in transportation

Transport within Schneider Electric is a significant generator of CO_2 due to dependence on fossil fuels. To achieve its Net-Zero target, the Group must engage with its transport providers on both efficiency opportunities as well as technical advancements in transport assets.

This KPI measures the Group progress against an annual 3% reduction of CO_2 emissions for its transportation footprint for each of the next 5 years, or 15% total reduction from 2020 to 2025. The scope of the program covers all shipments globally with all transportation providers and modes where the freight is paid by the Group. This equates to approximately two-thirds of the total freight CO_2 impact to the Group. The base calculation for CO_2 efficiency uses an activity-based method of weight multiplied by distance and by mode/equipment CO_2 factors. Data collection covers 75% of transport expenditure and emissions linked to uncollected data are estimated. Progress is measured using CO_2 emissions per tonne shipped as unit.

PwC provided limited assurance on this indicator.

SSE #5: 15% energy efficiency in Schneider Electric's sites

This program measures the normalized energy reduction of the Group's largest energy-consuming sites against a baseline. The objective is to reduce energy consumption by ~3% each year, for a total reduction of 15% over the whole duration of the program (2021–2025) using Schneider Electric solutions and services. The program focuses on Schneider sites within the scope of environmental reporting that consume >3 GWh of total energy, along with other sites the Group considers strategic (213 sites in 2021).

Energy savings are calculated vs. a baseline year (2019) for the whole duration of the program. In order to ensure a fair calculation of the savings, the actual consumption of a site is normalized vs. the baseline year.

This normalization is based upon a site-specific linear regression model enabling climate and changes in production levels to be taken into account. All energy consumption that can be modeled is taken into account and converted into MWh.

PwC provided limited assurance on this indicator.

SSE #6: 80% of product revenues covered by Green Premium™

Schneider Electric provides environmentally conscious products to customers that support their sustainability goals and ambitions. The 2025 target is a transformation of the existing program, for products focused on green materials, low CO_2, circularity, and digitization of data.

Green Premium™ products provide detailed information on their regulatory compliance, material content, environmental impact, and circularity attributes. They deliver market-driven value propositions through third-party labels, such a Green Building and product certifications, that support our customers' sustainability ambitions. All globally sold products are within the scope of Green Premium™.

The product must be identifiable by an individual commercial reference number sold under a recognized brand of Schneider Electric. The Group provides resource-efficient products (energy at usage, low CO_2, material efficiency) whose footprints are fully available through the "Product Environmental Profile" relying on lifecycle assessment; Green Premium™ offers also come with "circularity profiles", providing information on a product's circularity through product end-of-life instructions and take-back services. Green Premium™ offers are regulatory compliant.

Schneider Electric is going beyond regulatory compliance with step-by-step substitution of certain materials and substances from our products. All this information is provided digitally to Schneider's customers.

PwC provided limited assurance on this indicator.

SSE #7: One-third of corporate vehicle fleet comprised of electric vehicles

Schneider Electric has joined the EV100 initiative of the Climate Group to reduce its carbon emissions by committing to electrify 100% of its fleet by 2030. The fleet reporting structures the fleet carbon emissions calculations, the calculation of EVs share in the fleet, and allows support of countries in the transition. As a mid-term objective, by 2025, Schneider commits to switch a third (1/3) of its fleet to EVs.

Schneider Electric uses the definition by the Climate Group for EVs, including:
- Battery Electric Vehicle (BEV);
- Plug-in hybrids (PHEV): Extended Range Vehicle (EREV) and Fuel Cell Electric Vehicle (FCEV) – with at least 50 km of electrical autonomy.

Vehicles' spot count is taken on 31st December. The share of EVs in fleet is calculated by dividing EV count by total vehicle count.

Fleet leasers are the source of information; global leasers operate the largest share of Schneider Electric's fleet and provide data on multiple countries by region. Detailed reporting is asked of all countries to eventually correct, complete, or complement the information (considering for instance vehicles under local leasers).

PwC provided limited assurance on this indicator.

SSE #8: 100% of sites with local biodiversity conservation and restoration programs

This program measures, for each site in scope, the percentage completion of a set of biodiversity-related actions. The scope covers Schneider Electric's sites within its full real estate footprint that have >50 people.

Initiatives are defined as "eliminate single-use plastic", and "local biodiversity action" (two required for large ISO 14001 sites, one for small sites).

Each site reports initiatives at completion. At Group level, performance is calculated by dividing completed initiatives by total required initiatives.

This indicator is audited annually by PricewaterhouseCoopers.

SSE #9: 200 "Waste-to-Resource" sites

A site achieves "Waste-to-Resource" status if it recovers more than 99% (by weight) of its non-hazardous waste while leveraging waste-to-energy solutions for less than 10% of its non-hazardous waste. Additionally, if a site generates hazardous waste, it must ensure 100% proper handling and treatment of that waste. Proper handling and treatment of hazardous waste means that hazardous waste shall be handled as per Schneider Electric's requirements and local regulations, whichever is the most restrictive. Waste is considered as recovered if it is reduced, reused, or sent to a waste provider for recycling or disposal in any manner except landfill and incineration without energy recovery. Waste composting and energy recovery systems qualify as recovered. This indicator relates to all sites within the Group's full real estate footprint.

PwC provided limited assurance on this indicator.

SSE #10: 420,000 metric tonnes of avoided primary resource consumption through 'take-back at end-of-use' since 2017

The aim of this KPI is to measure Schneider Electric's Circular Economy efforts, meaning all the industrial activities that contribute to the Circular Economy model, such as repair, reuse, refurbish, and recycling, thus avoiding waste, material and energy consumption, CO_2 emissions, and/or water depletion.

Activities in this KPI will enrich on the basis of Schneider Electric's increasing focus on circularity business models, and are currently constituted of:

- Batteries take back and recycling;
- Volume of devices refurbished and repaired in Schneider's repair centers (e.g., UPS, drives);
- Volume of MV, LV, and Transformers refurbished or recycled in Schneider's ECOFIT Centers.

PwC provided limited assurance on this indicator.

SSE #11: 100% of sites in water-stressed areas have a water conservation strategy and related action plan

This program measures the percentage completion of a set of water conservation actions that sites in water-stressed areas must complete. The scope covers Schneider Electric's sites within the scope of environmental reporting that are classified as "high" or "extremely high" baseline water stress, as defined by the World Resources Institute (WRI) Aqueduct Water Risk Atlas. Actions are defined based on the amount of water that a site consumes along with the application(s) that the site uses water for. At the Group level, performance is calculated by totaling all completed site actions and dividing by the total required actions.

PwC provided limited assurance on this indicator.

SSE #12: Deploy a "Social Excellence" program through multiple tiers of suppliers

The Social Excellence Program measures Schneider Electric's progress in identifying and reducing Human Rights risks deep in a selected product's supply chain. The KPI is built on three pillars: suppliers' traceability, risks linked to critical raw materials, and workers' feedback in sensitive countries. Each pillar follows the same four-step approach : creating a methodology, selecting tools, testing them, and deploying them. Tools such as Resilinc, Ulula, and the Extended Minerals Reporting Template help gather structured data across suppliers and materials. The final KPI is the average score of the three pillars, reflecting both the maturity of the approach and its practical deployment.

PwC provided limited assurance on this indicator

SSE #13: 100% of employees trained every year on Cybersecurity and Ethics

As per Schneider's Ethics & Compliance and Cybersecurity programs, training of employees on ethics, corruption risks (for eligible employees), and cybersecurity is mandatory. To ensure this, Schneider Electric launched 3 new trainings as part of the Global Schneider Essentials training campaign, reconducted every year with new content:

- Since 2018: Training on the Principles of Responsibility (replaced in September 2021 by the Trust Charter, Schneider's Electric Code of Conduct) and Anti-corruption.
- Since 2020: Training on Cybersecurity.

The scope of this KPI is all employees registered in TalentLink (legal entities integrated in Talent Link, core HR data system) as of November 15:

- **Principle of Responsibility and Cybersecurity e-learnings:** all active employees with open ended contracts (OEC) (exception: Chinese and Bulgarian fixed-term contracts (FTC) are included), present in the Group on December 31st and hired before December 1st.

- **Anti-corruption e-learning:** exposed employees identified based on the job description (Schneider Electric System of Reference – description of functions), active, with connectivity type online-corporate credentials, with OEC (exception: Chinese and Bulgarian FTC) present in the Group on December 31st and hired before December 1st.

PwC provided limited assurance on this indicator.

SSE #14: 0.38 or below Medical Incident Rate

Safety is one of the five pillars of Schneider Electric's Trust Charter, which emphasizes the importance Schneider Electric is placing on its employees, customers, and contractors. Schneider works with many VIP global customers, and they demand the highest standards of Health and Safety management and performance before they engage and continue to do business with Schneider Electric.

Moreover, at Schneider Electric our mission is to ensure the occupational health and safety of employees, customers, contractors, and visitors to our locations. The Group also strives to provide employees with safe, pleasant, and efficient workplaces for enhanced well-being and effectiveness. As such, we aim to reduce the Medical Incident Rate (MIR) to 0.38 by 2025.

The MIR is the number of work incidents requiring medical treatment per million hours worked (i.e., average hours of 500 employees working for one calendar year). Work-related injuries and occupational illnesses requiring medical treatment are included. Work incidents may or may not have resulted in time off work.

All work-related incidents reported on Schneider Electric sites are counted (including therefore incidents affecting Schneider employees and other employees working under the supervision of Schneider, i.e., temporary workers). All Schneider sites within scope are considered. Medical incidents do not include: visits to a physician or other licensed healthcare professional solely for observation or counseling; the conduct of diagnostic procedures, such as x-rays and blood tests, including the administration of prescription medications used solely for diagnostic purposes (e.g., eye drops to dilate pupils); or first aid.

PwC provided reasonable assurance on this indicator.

SSE #15: Reduce total number of safety recalls issued to 0

When sustainability supports customer satisfaction, it translates into new processes and policies to allow returns of adapted products for reuse, remanufacture, and refurbishment. The benefits can be seen at a customer satisfaction level: by producing and delivering back orders impacted by component shortages, by serving new customer orders, and on Sustainability level by anticipating upcoming regulation compliance (anti-waste laws), reducing carbon footprint of Schneider's supply chain, and reducing the cost of poor quality due to product recalls.

Schneider Electric has implemented an Offer Safety Alert (OSA) process to alert the relevant line of business and other interested parties as soon as it is suspected that customers' health or property safety may be put at risk by Schneider products, solutions, or projects.

The Offer Safety Alert Committee (OSAC) is a permanent corporate committee that oversees and regulates the management of OSA. Its mission is to ensure all OSA are managed with due diligence and urgency to minimize safety risks to customers.

Its independent and multidisciplinary nature allows the OSAC to make decisions in Schneider's customers' best interest. As part of the Trust pillar of SSE 2021–2025, Schneider is committed to reducing the total number of safety recalls issued to 0.

This KPI covers customer notification and remediation actions from any suspected condition in Schneider Electric's offer that may cause customer bodily injury or property damage with OSAC "Go" decision.

PwC provided limited assurance on this indicator.

SSE #16: In the Top 25% in external ratings for Cybersecurity performance

Schneider Electric is continuously and consistently monitoring the security of its digital footprint with the support of cyber scoring agencies, and this discipline is applied across the extended ecosystem(1) (e.g., integrated and non-integrated entities).

Schneider Electric's primary scoring agency is BitSight which rates company security maturity between 300 and 820. This rating is calculated in real time with a proprietary algorithm that examines two classes of externally observable data:

- configuration information, which represents how diligent a company is in implementing best practices to mitigate risk.
- observed security events, which are evidences of cyber events like system compromises or data breaches, etc.

Security incidents or identified vulnerabilities can negatively impact the Company's rating. They are addressed in a timely manner, and the Group strives to maintain the score above 800.

PwC provided limited assurance on this indicator.

SSE #17: 4,000 suppliers assessed under Schneider Electric's "Vigilance Program"

Schneider Electric seeks to be a role model in its interactions with customers, partners, suppliers, and communities, when it comes to ethics and the respect and promotion of human rights. The Group's Vigilance Plan reflects this ambition. It also complies with the provisions of 2017 French law on Corporate Duty of Vigilance: the Duty of Vigilance introduced a new legal framework by which French authorities could hold corporations accountable.

Risks within Schneider's supply chain are multiple: potential violations of human rights and fundamental freedoms, serious bodily injury, environmental damage, health and safety risks, etc. Impacts are therefore quite varied: reputational impacts, legal impacts, people's health and safety, environmental pollution, etc.

To mitigate these risks with suppliers, the 2021–2025 plan is to deploy on site and remote audits for 4,000 suppliers:

- 1,000 identified in "high risk" level (by a third-party methodology, RBA, or other) with on-site audits; and
- 3,000 others through remote self-declarative assessment. Suppliers answering are counted, removing, if any, suppliers that have been audited in the current or past years.

(1) Bitsight scores for non-integrated entities (e.g. AVEVA) are not included and are monitored separately.

The KPI adds the total number of audits performed. The baseline takes into account on-site audits performed between 2018 and 2020 (i.e., 374 audits); this value has been audited and validated by PricewaterhouseCoopers in the previous years.

PwC provided limited assurance on this indicator.

SSE #18: <1% pay gap for both females and males

Prior to 2021, Schneider Electric has proactively worked to identify and address female pay gaps with appropriate corrective actions through a country-driven approach. Given the progress made on pay equity and to support its inclusion philosophy, starting in 2021, Schneider Electric has made a commitment to attain and maintain a pay gap below 1% by 2025 for both females and males, as per the internal methodology.

Measurement of the individual pay gap is achieved by comparing each employee to a peer group median total target salary "TTC" (base salary + target short-term incentive + fixed allowances if applicable for a country) for all genders. In other words, an individual's TTC is assessed against the median TTC of their comparator group (individual TTC / median of comparator group TTC – 1). The comparator group is defined by the drivers of job level (grade) and salary structure within a country.

PwC provided limited assurance on this indicator.

SSE #19: 60% subscription in Schneider Electric's yearly Worldwide Employee Share Ownership Plan (WESOP)

The World Employee Share Ownership Plan (WESOP) is one of the Group's recurring key annual reward programs, offering employees across the world an opportunity to become owners of the Company, at preferred conditions. Schneider Electric commits to achieve a 60% subscription rate among eligible employees in the yearly WESOP by 2025.

The scope concerns 28 recurring participating countries, representing 91% of the eligible headcount, which are all long-term employees of countries participating in WESOP with seniority of 3 months in the Company. The KPI is calculated by collecting the number of subscribers from the subscription tool, divided by the number of eligible employees in the 28 countries as per data from Schneider's global HRIS system.

PwC provided limited assurance on this indicator.

SSE #20: 100% of employees paid at least a living wage

In line with its Human Rights Policy and Trust Charter, Schneider Electric believes earning a living wage is a basic human right. Schneider Electric is committed to paying 100% of employees at or above the living wage to meet their families' basic needs. By basic needs, the Group considers basic household expenditures (food, housing, clothing, sanitation, education, healthcare, transport), plus discretionary income for a given local standard of living.

There is no universal benchmark or methodology on how to calculate a living wage, which is why Schneider Electric has been working with an external consultant since 2018 to calculate living wages for all its locations worldwide. To calculate a living wage, the external consultant estimates the basic household expenditures of employees, as well as the number of persons earning a wage in a "typical" household based on various sources of cost of living and macroeconomic data (national statistics, Organisation for Economic Co-operation and Development (OECD), United Nations agencies, etc.).

To measure compliance with the living wage, a gap analysis is conducted every year post salary review for all our Schneider Electric employees treated as permanent workforce. All employees employed by fully integrated entities, with open-ended or fixed-term contracts, whether full-time or part-time, are considered part of the permanent workforce. The Reward team centrally compiles and analyses total employees' remuneration data (base salary and allowances, excluding the variable elements) to compare it with the living wage benchmark provided by consultants. Employees are benchmarked against their work location living wage. To calculate employees' remuneration, the Reward team uses data available in its global HRIS system, as well as local payroll.

For final reporting of the year-end results, Schneider Electric can disclose a final score that considers living wage gaps closed by countries until the end of the year after they have been identified.

PwC provided limited assurance on this indicator.

SSE #21: 4x the number of employee-driven development interactions on the Open Talent Market

The purpose of this initiative is to create an integrated and digital Open Talent Market (OTM) that enables employees to drive their own career development. The platform is borderless, neutral, and uses AI to help achieve best matches. Schneider's ambition is to multiply the number of employee-driven interactions within OTM by four in the next five years.

Interactions are tracked in the tool for each feature of OTM. At the start of 2021, current features available to employees are positions; projects; mentorships; and career mapping.

These three features work best when employee profiles are robust and rate a 3/4 for completeness. The scope of this initiative extends to the connected population of Schneider Electric as defined in January 2021, thus excluding non-connected workers (i.e., plant workers), contractors, and interns/apprentices.

PwC provided limited assurance on this indicator.

SSE #22: >90% of employees undergo digital upskilling

The Group is committed to growing employee digital citizenship and aims to achieve digital upskilling for >90% of employees by 2025. The progress combines white collar and worker populations' KPIs.

- **For white collars,** the Group aims to achieve >90% eligible employees reaching Intermediate, Advanced, or Expert Digital Citizenship level by 2025. The Digital Citizenship level of all employees will be assessed by their managers each year.

  Eligible employees in 2025 are active employees hired before January 31st 2025, open-ended and fixed-term contracts, and excludes employees in non-integrated entities and further exclusions defined by country.

- **For workers,** the Group aims to achieve >90% of workers complete 2 hours of training per year offered by the GSC Academy on digital transformation, such as the Smart Factory program, Cybersecurity, and Digital knowledge. The scope covers active workers populations and plant team leaders defined by specific job codes and hired before January 31st 2025, open-ended and fixed-term contracts (China only) in relevant operating units, and excludes workers on extended leave of more than six months during the year, and factories which planned to be closed before Q2 of the following year.

The scope and exclusions of this indicator will be reviewed at the beginning of each year.

The KPI is an aggregated percentage based on the percent of employees meeting the target defined for white collars and for workers, relative to the total employee population in scope (white collars and workers).

PwC provided limited assurance on this indicator.

SSE #23: >90% of employees have access to a program that supports meaningful development in the later stages of their professional career

The Group is committed to support talent near or at the later stages of their career to have meaningful development, and to recognize their unique contribution. The Senior Talent Program is anchored in career conversations resulting in a robust development plan linked to their unique career aspirations and supported by different offers.

The ambition is to provide access to meaningful career development programs for at least 90% of employees during the later stages of their career. The KPI is calculated as an aggregated % of the following dimensions:

- **Part A (80%):** >90% of employees working in countries offering career development programs that support later career stages. A program is in place when it meets 2 criteria:

1. A specific locally deployed training, coaching or 1:1 support for targeted employees and their managers, enabling them to have a career conversation;
2. Minimum 3 new or enhanced offers since the launch in January 2021 such as new contractual schemes, upskilling, knowledge transfer, pivoting, recognition, care, and personal planning among others. Calculation: % total headcount in the countries where a program is in place versus overall Schneider headcount.

- **Part B (20%):** >90% of targeted employees having the career conversation. Calculation: % of employees in the later stages of their career replying affirmatively to the question “In the last 12 months, I had a career discussion with my manager” from the career development survey launched every year to all employees.

Pilot programs were launched fully in 2022. As such, the baseline year for this indicator is 2022.

PwC provided limited assurance on this indicator.

SSE #24: 75% employee engagement score

A high Employee Engagement Index is linked to higher sales growth, higher operating income, and ultimately higher customer satisfaction and loyalty toward the Company. This index is calculated once a year through a survey called OneVoice, sent to 100% of the Group employees, and serves a starting point to adapt its people strategy and action plans.

The computation of this KPI includes all Schneider employees treated as permanent workforce (i.e., open-ended and fixed-term contracts over 3 months), thus excluding interns or third-party contractors.

An external Kincentric employee engagement model is used, composed of 6 questions, 2 per item (SAY, STAY, STRIVE), scored on a 6-point scale by employees:

- Employee Engagement Index: percentage of people for which the average of the six questions is equal or higher than 4.5;
- Employee Disengagement: percentage of people for which the average of the six questions is equal or lower than 3.5;
- Neutral: percentage of people for which the average of the six questions is scored between 3.5 and 4.5.

PwC provided limited assurance on this indicator.

SSE #25: 50,000 volunteering days since 2017

Schneider Electric employees’ volunteering activities mainly take place in vocational or educational NGOs (vocational and technical training, schools, universities, etc.), and companies supported by the Schneider Electric Access to Energy Fund, and more globally in all organizations referenced by the Schneider Electric Foundation delegates' in their countries. They principally fall into actions benefiting young people, underprivileged families, and the environment, and are organized depending on the personal or professional skills of the volunteers as well as the needs identified by the supported organizations (specialized or non-specialized needs). Missions are posted on a dedicated digital and multilingual platform called VolunteerIn enabling the Group's employees to apply for volunteer missions among the Foundation’s partners. Local and spontaneous initiatives organized by the Schneider Electric Foundation’s delegates and their partners which employees are engaged in are also taken into account.

In 2021, the Schneider Electric Foundation and partner NGOs have increased the number of digital missions offered to employees, enabling them to continue in social mentoring, share skills, and participate in one-time volunteering. One day of volunteering is counted when a collaborator dedicates 5 hours of their time to one of these partner organizations. Only missions lasting a minimum of 0.5 days are considered. The indicator also includes the training missions organized abroad that last at least 5 days.

PwC provided limited assurance on this indicator.

2.4.2 TCFD and SASB correspondence tables

2.4.2.1 Sustainability Accounting Standard (SASB) Correspondence table

Topic	Accounting metric	Category	Unit of measure	Code
Energy Management	(1) Total energy consumed	Quantitative	Gigajoules (GJ)	RT-EE-130a.1
	(2) Percentage grid electricity		Percentage (%)	
	(3) Percentage renewable			
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	Quantitative	Tonnes (t), Percentage (%)	RT-EE-150a.1
	Number and aggregate quantity of reportable spills, quantity recovered		Number, Kilograms (kg)	RT-EE-150a.2
Product Safety	Number of recalls issued, total units recalled	Quantitative	Number	RT-EE-250a.1
	Total amount of monetary losses as a result of legal proceedings associated with product safety		Reporting currency	RT-EE-250a.2
Product Life cycle Management	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative	Percentage (%) by revenue	RT-EE-410a.1
	Percentage of eligible products, by revenue, certified to an energy efficiency certification			RT-EE-410a.2
	Revenue from renewable energy-related and energy efficiency-related products		Reporting currency	RT-EE-410a.3
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	n/a	RT-EE-440a.1
Business Ethics	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	Discussion and Analysis	n/a	RT-EE-510a.1
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Quantitative	Reporting currency	RT-EE-510a.2
	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative		RT-EE-510a.3
Activity metrics	Number of units produced by product category	Quantitative	Number	RT-EE-000.A
	Number of employees			RT-EE-000.B

Response/ Data/ Reference	Topic
The following KPIs cover the measured energy consumption (about 80% of Group energy consumption): (1) 3,414,416 GJ (948,449 MWh) (2) 74.8% (709,571 MWh) (3) 77.6% (735,837 MWh)	Energy Management
Hazardous waste generated: 7,200 tonnes. Hazardous waste channeled according to legal requirements and Schneider Electric expectations: 7,200 tonnes.	Hazardous Waste Management
Zero reportable spills in 2025, therefore no recovered quantity to report.	
3 product recalls have been issued in 2025, amounting to approximately 1,300 units recalled or reworked. Schneider Electric has an Offer Safety Alert (OSA) process to alert the relevant Line of Business and other interested parties as soon as it is suspected that customers' health or property safety may be put at risk by Schneider products, solutions, or projects. A dedicated permanent committee ensures that all OSA are managed with the due diligence and urgency to minimize safety risks to customers. Its independent, multi-discipline nature allows the committee to make decisions in customers' best interest.	Product Safety
No material loss at the Group level.	
More than 80% of Schneider Electric's products are assessed on the presence or absence of regulations impacting our portfolio and present in the IEC 62474 DSL (Declarable Substance List) such as REACH, RoHS, POP, ODS, FGas, TSCA or CA Prop65. With the current information collected from its supply chain, the Group manages to cover the huge majority of substances and regulations covered by IEC 62474 DSL, considering their scope of application. More details can be found in section **2.2.2.2.1 Eliminating hazardous substances on page 156**.	Product Life cycle Management
Revenues derived from products certified to energy efficiency certifications, such as ENERGY STAR, are included in Schneider Electric's Impact revenues measure (see below).	
Schneider Electric measures "Impact revenues", i.e., revenues coming from offers that bring energy, climate, or resource efficiency to customers. In 2025, 75% of Group revenues qualify as Impact revenues. The Group aims to grow its Impact revenues to 80% by 2030.	
Details regarding sustainable procurement practices are provided in section **2.2.3.2 Sustainable relations in the value chain | ESRS S2 on page 223**, in particular Conflict Minerals program. Critical materials supply risks related to potential scarcity in the market has been fully assessed and is acknowledged in the Group's design roadmap. Top strategic partnerships with key suppliers have been reinforced through long-term agreements and C-Level connections, with a particular focus on electronic semiconductor players. A procurement and planning hub in Singapore has been established to manage the direct supply of critical materials and strategic stocks, with a focus on active electronics and copper cathodes.	Materials Sourcing
As stated in its Trust Charter, Anti-Corruption Policy, Competition Law Policy, and various other policies, Schneider Electric is committed to complying with all applicable laws and regulations, such as the OECD's Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the US Foreign Corrupt Practices Act (FCPA), the UK Bribery Act, the French Sapin II law, and the various antitrust laws and competition rules globally. Schneider Electric has a zero tolerance policy with regard to corruption and breaches of competition laws and considers that "doing the right thing" is a key value-creation driver for all its stakeholders. This commitment materialized through strong and continuously developing programs such as its Anti-Corruption Compliance program (part of its Trust program, see section **2.2.4.1 Zero tolerance for corruption on page 247**), and its Competition Law program (see section **2.3.3.4 Compliance with competition law on page 310**).	Business Ethics
No material losses.	
The French Competition Authority issued on October 29, 2024 a decision to sanction several companies concerning the electrical distribution activities in France, including Schneider Electric for a EUR 207 million penalty considering that the pricing autonomy of some distributors in the French market had been limited by Schneider Electric, in breach of competition rules. Schneider Electric strongly disagrees with the conclusion of the French Competition and has appealed the decision in front of the Paris Appeal Court. For more information, please see **Note 22.2 "Contingent liabilities" page 531**.	
A breakdown of revenues by activity is provided on **page 551 "Consolidated financial statements".**	Activity metrics
147,420 (spot 2025 year-end headcount, excluding supplementary workforce). More workforce statistics in **section 2.4.4.2 Social indicators on page 347**.	

2.4.2.2 Task Force on Climate-related Financial Disclosures (TCFD) correspondence table

Climate change has been clearly identified as crucial to both Schneider Electric's internal and external stakeholders during the various materiality assessments that took place in 2014, 2017, 2020 and 2024. Overall, transformations linked to climate change are a source of opportunities for Schneider Electric, the main risk being to fail leading by example and thereby lose traction with customers, investors, new talents, and collaborators in the Company. Concrete climate-related programs to either grab opportunities or mitigate risks are deployed every 3 to 5 years with the Schneider Sustainability Impact (SSI) programs and complement the Group's Net-Zero Commitment. Schneider Electric presents below its main climate-related disclosures in line with TCFD recommendations.

Recommended Disclosure	CDP Corporate and URD 2025 references	Brief description (please refer to CDP Corporate response and other sections of this Universal Registration Document for further details)
1. Governance: Disclose the organization's governance around climate-related risks and opportunities.		
1. a) Describe the board's oversight of climate-related risks and opportunities.	CDP – 4.1.2 URD – Chapter 2 (**2.2.1.1.2**, **2.2.2.1.2**) Chapter 3 (**3.2.2**)	Several governance bodies are involved in the process of designing and continuously monitoring the SSI program, which includes a sustainability risks and opportunities assessment (including climate) and leads to the design of concrete transformation initiatives to align the Company on the challenges identified: • The Board of Directors establishes the multi-annual strategic approach on ESG responsibility and reviews the results reached on a yearly basis, notably through the Audit and Risk Committee, and the Governance, Nominations and Sustainability Committee. • The Executive Committee defines and deploys sustainability operational plans, monitors the performance of sustainability programs. • The Sustainability, Finance, Governance & Human Resources functions oversee strategy, as well as programs definition and execution. • The business, operations and corporate functions implement sustainability strategy, policies and programs, and support employee engagement. • Dedicated steering committees track progress on sustainability material topics. Additionally, environmental transformations are driven by a network of leading experts in various environmental fields such as ecodesign, energy efficiency, circular economy, or CO_2. Environment leaders coordinate a network of more than 600 managers responsible for the environmental management of sites, countries, product design, and marketing. More details can be found in section **2.2.1.1.2 Integrated and transverse governance of sustainable development on page 103**.
1. b) Describe management's role in assessing and managing climate-related risks and opportunities.	CDP – 4.3, 4.3.1 URD – Chapter 2 (**2.2.1.1.2**, **2.2.2.1.2**)	

Recommended Disclosure	CDP Corporate and URD 2025 references	Brief description (please refer to CDP Corporate response and other sections of this Universal Registration Document for further details)
2. Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities in the organization's businesses, strategy and financial planning where such information is material.		
2. a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	CDP – 2.1, 2.2.2, 2.4, 3.1, 3.1.1, 3.6, 3.6.1 URD – Chapter 2 (**2.2.1.2.5**, **2.2.2.1.2**)	Schneider Electric has integrated climate related scenario analysis, based on five scenarios, into its risk management framework. The analysis identifies physical and transition risks and opportunities over the short, medium, and long term, assesses existing and potential impacts to its business, operations, and value chain. The risks and opportunities assessment covers: • Acute and chronic climate physical risks; • Climate transition risks and opportunities including legal and regulatory, market, technology, liability, and reputational. **Policy:** Schneider Electric anticipates possible financial impacts of future carbon emission costs by addressing both its operational and value chain footprints. Given the relatively low share of the Group's Scope 1 and 2 emissions in its carbon footprint, carbon pricing mechanisms primarily present the potential for impact on the Group's value chain. Among others, it could result in higher raw materials and manufactured components costs, and increasing costs incurred by consumers during the use of sold products. Schneider Electric could benefit from these regulations compared to slower-moving competitors. In 2025, 75% of the Group revenues qualify as Schneider Impact revenues, defined as revenues from offers that bring energy, climate, or resource efficiency to customers, while not generating any significant harmful impacts to the environment. Over 2026–2030, the Group targets 80% Schneider Impact Revenues, 1.5 billion MWh saved or electrified with its solutions, and 100% of applicable software delivering advanced energy and carbon insights for customers.
2. b) Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning.	CDP – 3.1.1, 3.6.1, 5.1, 5.1.1, 5.2, 5.3.1, 5.3.2 URD – Chapter 2 (**2.2.2.1**), Chapter 3 (**3.2.4**)	

Recommended Disclosure	CDP Corporate and URD 2025 references	Brief description (please refer to CDP Corporate response and other sections of this Universal Registration Document for further details)
		Market: The growing demand for electrification and efficiency solutions and services generally presents a significant business opportunity for Schneider Electric. In addition, the Group explores ways to improve the end-to-end environment footprint of its products with innovations, such as SF_6-free medium voltage switchgear. Markets can evolve towards more environmentally sustainable alternatives, supported by regulation change or customer preference. This is a critical element of the Group's sustainability impact goals and ecodesign strategy. In the short term, the Group anticipates that its markets will experience accelerating growth between 2025 and 2030 with an increase in addressable market compound annual growth rate (CAGR) to between +6% and +7%.

Recommended Disclosure	CDP Corporate and URD 2025 references	Brief description (please refer to CDP Corporate response and other sections of this Universal Registration Document for further details)
2. a) and 2. b) (continued)		**Reputation:** Customer trust can be influenced by companies' actions or inaction to mitigate and adapt to climate change. Schneider has been working to reduce its own GHG emissions for 20 years setting ambitious targets for both its operations and its value chain. The Group actively manages this risk by building and executing detailed roadmaps for its targets and collaborating with its stakeholders. The Group remains diligent in protecting brand reputation through accurate and transparent communication and marketing. In the medium and long terms, the Group expects that world economies will continue to encourage decarbonization, requiring greater investment and readiness to meet the demand for electrification and efficiency solutions. **Acute Physical Risk:** Schneider Electric has over 300 industrial and logistics sites globally and is exposed to both acute and chronic effects of climate change. These impacts could result in damage to assets, disruption to business operations, as well as human and environmental consequence. **Chronic Physical Risk:** In the long term, the severity of physical impacts will vary based on society's ability to reduce human-induced climate change. However, even with mitigation efforts, the IPCC is highly confident that climate change will lead to numerous risks for natural and human systems beyond 2040. These include rising temperatures, reducing worker productivity and increasing cooling costs, as well as water scarcity, increasing the costs to procure or treat water in water-stressed locations for both workers and production processes. Physical risks to Schneider Electric's value chain are assessed through climate risk modelling, using a suite of global maps to assess the likelihood of occurrence of extreme climate related events, including heatwaves, freeze events, droughts, coastal/flash/riverine floods, temperate and tropical windstorms, and wildfire. Potential financial impacts could be driven by: • Losses and damages to Schneider Electric operations and enabling infrastructures • Business disruption due to logistics bottlenecks • Cost increase, risks of scarcity, and insecurity of raw materials supply Read more on the methodology and results of scenario analysis in **section 2.2.2.1.2 on page 131**, and in Chapter 3 section **3.2.4 Key risks and opportunities on page 371**.

Recommended Disclosure	CDP Corporate and URD 2025 references	Brief description (please refer to CDP Corporate response and other sections of this Universal Registration Document for further details)
2. c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	CDP – 5.1, 5.1.1 URD – Chapter 2 (**2.2.2.1**)	Five scenarios, based on different emission pathways, are evaluated over 5-, 10-, and 30-year horizons. This analysis allows the Group to identify climate risks and build resilient strategies that navigate economic transitions while capitalizing on low-carbon opportunities. Although climate risks are evaluated under each of the five emission pathways, climate physical risk quantification retained to support resilience strategic decisions is based on the current policy scenario, a high-emissions scenario, corresponding to a 3°C rise in global temperatures by 2100. The scenario analysis quantifying the influence of climate change on the exposure of Schneider Electric's sites towards extreme weather events and natural hazards is combined with on-site audits conducted by external consultants who develop site vulnerability profiles at least every 2 years for the critical sites and every 3 to 7 years for the other industrial sites. Governance is well in place, under the leadership of the Chief Sustainability Officer, and both short- and long-term analyses are shared internally and used to inform strategic priorities across business and operations. Read more in section **2.2.2.1.2 Climate-related impacts, risks, and opportunities on page 131.**
3. Risk Management: Disclose how the organization identifies, assesses, and manages climate-related risks.		
3. a) Describe the organization's processes for identifying and assessing climate-related risks.	CDP – 2.1, 2.2.1, 2.2.2, 2.4 URD – Chapter 2 (**2.1**, **2.2.2.1**)	Risks are mainly identified and assessed at Group level through interviews with subject matter experts and leaders, run by the Internal Audit Department and the Group Risk Management Department each year. The response to these interviews are regularly also informed by additional topical assessments, such as for specific environmental and climate-related risks. In addition, a first double materiality analysis was conducted in 2024 and is updated yearly by the Sustainability Department by leveraging existing internal risk and impact assessments to identify and prioritize material environmental, social, and governance (ESG) from a financial perspective (outside-in) and an impact perspective (inside-out). The output of this assessment is reviewed and adjusted by subject matter experts and team leaders; while the results are validated by executives in the organization and external stakeholder representatives.
3. b) Describe the organization's processes for managing climate-related risks.	CDP – 2.2, 2.2.1, 2.2.2 URD – Chapter 2 (**2.1**, **2.2.2.1**), Chapter 3 (**3.2.4**, **3.3**)	
3. c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	CDP – 2.1, 2.2, 2.2.2 URD – Chapter 2 (**2.1**, **2.2.2.1**)	

Recommended Disclosure	CDP Corporate and URD 2025 references	Brief description (please refer to CDP Corporate response and other sections of this Universal Registration Document for further details)
3. a) 3. b) and 3. c) (continued)		Furthermore, for the past 3 years, the Group has engaged with a specialist in climate scenario analysis and portfolio risk assessments to conduct its climate risk analysis annually. Models were built using company data on financial projections, geographical and sectorial market, GHG emissions, as well as facilities worldwide. The models take into account the market expected evolution, depending on five emission pathways. Schneider Electric employs a comprehensive process to assess physical risk financial effects, integrating scenario analysis (across five pathways) with the Group's broader risk management strategy. This includes an ISO 22301-aligned program that maps substantive financial risks (asset destruction, profit loss) and ensures continuity from incident to recovery. The scenario analysis quantifying the influence of climate change on the exposure of Schneider Electric's sites towards extreme weather events and natural hazards is combined with on-site audits conducted by external consultants who develop site vulnerability profiles at least every 2 years for the critical sites and every 3 to 7 years for the other industrial sites. In addition, an Integrated Management System (IMS) standardizes and streamlines the deployment of various management systems across the Group's plants, distribution centers, and large offices. The IMS includes compliance with ISO 14001, ISO 50001, ISO 9001, and ISO 45001 standards. Each site undergoes periodic audits, either externally by Bureau Veritas every three years or internally by expert teams.

Recommended Disclosure	CDP Corporate and URD 2025 references	Brief description (please refer to CDP Corporate response and other sections of this Universal Registration Document for further details)
		With suppliers, climate physical risks, are embedded into the Supplier Risk Assessment. This deep risk assessment combined with business impact enables the Group to design a sourcing strategy avoiding risk geography, building strategic stocks and developing double sourcing strategy. Leveraging external data providers, the Group monitors events across 10,000 logistics nodes (such as ports and critical supplier locations) on both upstream and downstream networks, to shorten reaction time when events occur and thereby minimize business impact. Read more on Schneider Electric's climate-related risk management in **section 2.2.2.1.2 Climate-related impacts, risks, and opportunities on page 131**.

Recommended Disclosure	CDP Corporate and URD 2025 references	Brief description (please refer to CDP Corporate response and other sections of this Universal Registration Document for further details)
4. Metrics and Targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.		
4. a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	CDP – 7.52, 7.54, 7.54.1, 7.54.2 URD – Chapter 2 (**2.1**, **2.2.2.1**, **2.4**)	Each year, Schneider Electric measures and transparently discloses its end-to-end carbon footprint (Scope 1, 2, and 3). The Group obtained in 2025 a "reasonable" assurance from an independent third-party verifier on Scope 1 and 2 emissions, and a "limited" assurance on Scope 3. The carbon footprint of the Group helps to pinpoint and understand the magnitude of climate-related risks and opportunities, and is also used to monitor progress. Scope 3 emissions represent more than 99% of the Group's carbon footprint, of which 79% are due to the use phase and the products' end of life, and around 10% comes from the purchase of raw materials, equipment, and services. While the carbon footprint of the Group is made only from induced emissions, the saved and avoided emissions due to its products and services are shown separately, as part of the SSI #2 reporting. Key metrics over the last four years on GHG emissions are published in section **2.4.4.1.3 Group site consumption, emissions and waste on page 342**.
4. b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	CDP – 7.3, 7.6, 7.7, 7.8 URD – Chapter 2 (**2.2.2.1**, **2.4**)	
4. c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	CDP – 7.53, 7.53.1, 7.53.2, 7.54, 7.54.1, 7.54.2 URD – Chapter 2 **(2.1, 2.2.2.1**, **2.3.2**, **2.4**)	Emissions calculations are done using the Greenhouse Gas Protocol methodology. The carbon footprint methodology is compliant with ISO 14069 principles. The results are calculated in tonnes of CO_2 equivalent, taking into account all GHGs included in the Kyoto Protocol. The Group has launched several concrete programs aiming at either directly or indirectly reducing GHG emissions, under the Climate and Resources pillars of its 2025 strategy. These programs are presented under the SSI and SSE 2021 – 2025 programs on **pages 79 to 89**. These programs cover the performance of the Group's operations (such as energy efficiency, renewable electricity procurement, fleet electrification), suppliers (such as The Zero Carbon Project, green materials or sustainable packaging) and customers (SF_6-free alternative offers, CO_2 savings and avoidance quantification on customers' end thanks to EcoStruxure™). As the 2021-2025 sustainability chapter is coming to an end, the Group is setting out to announce the new set of 2030 sustainability targets. More details can be found in section **2.1.3 Introducing Schneider Electric's 2030 sustainability ambition on page 92**. The overall performance of the SSI represents 20% of the short-term incentives for more than 80,000 employees worldwide (collective share). The Carbon Emission Reduction Targets, impact 25% of the long-term incentives (LTI) for 4,500+ grantees, including 3,000+ top leaders. The Group is incorporating internal pricing systems, with purposes to inform the Group's climate strategy and incentivize low-carbon decisions. Carbon prices are used in climate risk assessments to test how resilient the Group's activities are under different carbon pricing and climate scenarios. Under certain scenarios, there is no value attached to carbon, while in aggressive Net-Zero scenarios, the price could be up to several hundreds of euros. More details can be found in the table "Internal carbon pricing" of section **2.2.2.1.5 Investment and resources on page 141**. Schneider Electric is a signatory of the Business Ambition for 1.5°C initiative aimed at setting GHG emissions reduction targets in line with the global effort to limit warming to 1.5°C.

Recommended Disclosure	CDP Corporate and URD 2025 references	Brief description (please refer to CDP Corporate response and other sections of this Universal Registration Document for further details)
		In August 2022, Schneider Electric was one of the first companies to see its GHG reduction targets validated by the SBTi, in alignment with its “Corporate Net-Zero Standard” published in October 2021. As part of its Net-Zero commitment, the Group has defined mid and long-term targets. As part of its 2050 SBTi targets, the Group is committed to be Net-Zero across its entire value chain by 2050, which means that the Group aims to reduce its 2021 footprint by an absolute 90% by 2050 and neutralize residual emissions with high-quality carbon removal credits. The group aims to : • By 2030, reduce value chain emissions by 25% and be “Net-Zero ready” in operations by neutralizing all residual operational emissions with removals. • By 2050, reduce value chain emissions by 90% and reach Net-Zero CO2 emissions by neutralizing all residual emissions with removals.

2.4.3 Reports of assurance

2.4.3.1 Report on the certification of sustainability information and verification of the disclosure requirements under Article 8 of Regulation (EU) 2020/852

(Year ended December 31, 2025)

To the Shareholders
SCHNEIDER ELECTRIC SE
35, rue Joseph Monier
Rueil-Malmaison

This report is issued in our capacity as statutory auditor of SCHNEIDER ELECTRIC SE. It covers the sustainability information and the information required by Article 8 of Regulation (EU) 2020/852, relating to the year ended December 31, 2025 and included in section 2.2. "Sustainability statements | CSRD" of the group management report (hereinafter the "Sustainability statements | CSRD").

Our procedures, which relate to this information, have been performed in an evolving context characterized by uncertainties regarding the interpretation of the laws and regulations, and the development of established practices.

Pursuant to Article L. 233-28-4 of the French Commercial Code, SCHNEIDER ELECTRIC SE is required to include the above-mentioned information in a separate section of the group management report.

This information enables an understanding of the impact of the activity of the group on sustainability matters, as well as the way in which these matters influence the development of the business of the group, its performance and position. Sustainability matters include environmental, social and corporate governance matters.

Pursuant to Article L.821-54 paragraph II of the aforementioned Code our responsibility is to carry out the procedures necessary to issue a conclusion, expressing limited assurance, on:

- compliance with the requirements set out in the sustainability reporting standards adopted by the European Commission pursuant to Article 29 b of Directive (EU) 2013/34 of the European Parliament and of the Council of 26 June 2013, as amended by Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (hereinafter ESRS for *European Sustainability Reporting Standards*) of the process implemented by SCHNEIDER ELECTRIC SE to determine the information reported, including, where applicable, the obligation to consult the social and economic committee provided for in the sixth paragraph of Article L. 2312-17 of the French Labour Code;
- compliance of the sustainability information included in the Sustainability statements | CSRD with the provisions of Article L. 233-28-4 of the French Commercial Code, including ESRS; and
- compliance with the reporting requirements set out in Article 8 of Regulation (EU) 2020/852.

This engagement is carried out in compliance with the ethical rules, including independence, and quality control rules prescribed by the French Commercial Code.

It is also governed by the H2A guidelines on "*Limited assurance engagement - Certification of sustainability reporting and verification of disclosure requirements set out in Article 8 of Regulation (EU) 2020/852*".

In the three separate sections of the report that follow, we present, for each of the sections of our engagement, the nature of the procedures that we carried out, the conclusions that we drew from these procedures and, in support of these conclusions, the elements to which we paid particular attention and the procedures that we carried out with regard to these elements. We draw your attention to the fact that we do not express a conclusion on any of these elements taken individually and that the procedures described should be considered in the overall context of the formation of the conclusions issued in respect of each of the three sections of our engagement.

Finally, where deemed necessary to draw your attention to one or more disclosures of sustainability information provided by SCHNEIDER ELECTRIC SE in the group management report, we have included an emphasis of matter paragraph hereafter.

Limits of our engagement
As the purpose of our engagement is to express limited assurance, the nature (choice of techniques), extent (scope) and timing of the procedures are less than those required to obtain reasonable assurance.

This engagement does not provide guarantee regarding the viability or the quality of the management of SCHNEIDER ELECTRIC SE, in particular it does not provide an assessment, of the relevance of the choices made by SCHNEIDER ELECTRIC SE in terms of action plans, targets, policies, scenario analyses and transition plans, which would go beyond compliance with the ESRS reporting requirements.

Furthermore, as forward-looking information is inherently uncertain, actual future outcomes may differ, sometimes significantly, from the forward-looking information presented in the group management report.

Our engagement does, however, allow us to express conclusions regarding the entity's process for determining the sustainability information to be reported, the sustainability information itself, and the information reported pursuant to Article 8 of Regulation (EU) 2020/852, as to the absence of identification or, on the contrary, the identification of errors, omissions or inconsistencies of such importance that they would be likely to influence the decisions that readers of the information subject to this engagement might make.

Sustainability information and the information required under Article 8 of Regulation (EU) No 2020/852 may be subject to inherent uncertainty arising from the state of scientific knowledge and from the quality of the external data used. Certain information is sensitive to the methodological choices, assumptions and/or estimates applied in preparing it and presented in the group management report.

Compliance with the requirements set out in the ESRS of the process implemented by SCHNEIDER ELECTRIC SE to determine the information reported, including the obligation to consult the social and economic committee provided for in the sixth paragraph of Article L. 2312-17 of the French Labour Code

Nature of procedures carried out

Our procedures consisted in verifying that:

- the process defined and implemented by SCHNEIDER ELECTRIC SE including the obligation to consult the social and economic committee provided for in the sixth paragraph of Article L.2312-17 of the French Labour Code, has enabled it, in accordance with the ESRS, to identify and assess its impacts, risks and opportunities related to sustainability matters, and to identify the material impacts, risks and opportunities, that lead to the publication of information disclosed in the Sustainability statements | CSRD, and
- the information provided on this process also complies with the ESRS.

Conclusion of the procedures carried out

On the basis of the procedures we have carried out, we have not identified any material errors, omissions or inconsistencies regarding the compliance of the process implemented by SCHNEIDER ELECTRIC SE with the ESRS.

Elements that received particular attention

We set out below the elements that have been the subject of particular attention in relation to our assessment of compliance with the ESRS of the process implemented by Schneider Electric SE to determine the information reported.

Information relating to how the entity has updated its double materiality assessment is set out in section 2.2.1.2 “Double materiality assessment: main sustainability risks, impacts and opportunities” of the Sustainability statements | CSRD.

We have, through inquiries with management and/or the individuals we deemed appropriate, and through inspection of the available documentation, obtained an understanding of the analyses carried out by the entity, in particular the assessment of the internal and external factors considered to substantiate the absence of changes made to the double materiality assessment and/or to the actual and potential impacts, risks and opportunities identified by the entity. These include, in particular, changes in the reporting scope.

Based on our professional judgment, we carried out the following procedures:

- exercising professional scepticism with respect to the documentation of the analyses carried out by the entity, as well as the approach taken by the entity to identify the internal and external factors to be considered;
- assessing the appropriateness of the internal and external factors considered by the entity in light of our knowledge of the entity and its specific facts and circumstances;
- assessing whether the sector analyses and competitive benchmarks available and deemed relevant by us contradict the actual and potential impacts, risks and opportunities identified by the entity;
- assessing the appropriateness of the entity’s process for evaluating impact and financial materiality used to determine the material information disclosed (including the setting of thresholds) in light of our knowledge of the entity and its specific facts and circumstances;
- assessing the appropriateness of the related description disclosed in section 2.2.1.2, “Double materiality assessment: main sustainability risks, impacts and opportunities” of the Sustainability statements | CSRD.

Compliance of the sustainability information included in the Sustainability statements | CSRD of the group management report with the provisions of Article L.233-28-4 of the French Commercial Code, including the ESRS

Nature of procedures carried out

Our procedures consisted in verifying that, in accordance with legal and regulatory requirements, including the ESRS:

- the disclosures provided enable an understanding of the general basis for the preparation and governance of the sustainability information included in the Sustainability statements | CSRD, including the basis for determining the information relating to the value chain and the exemptions from disclosures used ;
- the presentation of this information ensures its readability and understandability;
- the scope chosen by SCHNEIDER ELECTRIC SE for providing this information is appropriate; and
- on the basis of a selection, based on our analysis of the risks of non-compliance of the information provided and the expectations of users, that this information does not contain any material errors, omissions or inconsistencies, i.e. that are likely to influence the judgement or decisions of users of this information.

Conclusion of the procedures carried out

Based on the procedures we have carried out, we have not identified material errors, omissions or inconsistencies regarding the compliance of the sustainability information included in the Sustainability statements | CSRD, with the provisions of Article L.233-28-4 of the French Commercial Code, including the ESRS.

Elements that received particular attention

We set out below the elements that have been the subject of particular attention in relation to our assessment of compliance of the sustainability information included in Sustainability statements | CSRD of the Sustainability statements | CSRD with the requirements of Article L.233-28-4 of the French Commercial Code, including the ESRS.

Information provided in application of environmental standards (ESRS E1)

The information disclosed under Climate Change (ESRS E1) is presented in Section 2.2.2.1. “Leading on Decarbonization (ESRS E1)” of the Sustainability statements | CSRD.

We present below the matters which received particular attention regarding the ESRS compliance of this information.

Our work consisted primarily in:

- based on the interviews conducted with management, assessing whether the description of the policies, actions and targets implemented by the entity address the following areas: climate change mitigation, climate change adaptation, energy efficiency and renewable energy;
- assessing the appropriateness of the disclosures provided in the notes to the environmental section of the sustainability information included in the Sustainability statements | CSRD and its overall consistency with our knowledge of the entity.

With regard to the information published on the greenhouse gas emissions assessment:

- we familiarised ourselves with the greenhouse gas emissions inventory protocol used by the entity to draw up its greenhouse gas emissions assessment, and checked its application, for a selection of emissions categories and sites, for Scope 1 and Scope 2;
- with regard to Scope 3 emissions, we assessed the justification for the inclusion and exclusion of the various categories and the transparency of the disclosures provided in this respect;
- we assessed the appropriateness of the emission factors used and the calculation of the related conversions, as well as the calculation and extrapolation assumptions.

- for physical data (such as energy consumption), we reconciled, using sampling techniques, the underlying data used to draw up the greenhouse gas emissions assessment with supporting documents;
- with regard to the estimates that we considered to be material, used by the entity to prepare its greenhouse gas emissions assessment, we obtained, through interviews with management, an understanding of the method used to calculate the estimated data and the information sources on which the estimates were based.
- With regard to our procedures regarding the transition plan for climate change mitigation, our work mainly consisted of assessing whether the information published in the transition plan meets ESRS E1 requirements with an appropriate description of the plan's underlying key assumptions, it being understood that we are not required to express a conclusion on the appropriateness or the level of ambition of the transition plan's objectives.

Compliance with the reporting requirements set out in Article 8 of Regulation (EU) 2020/852

Nature of procedures carried out
Our procedures consisted in verifying the process implemented by SCHNEIDER ELECTRIC SE to determine the eligible and aligned nature of the activities of the entities included in the consolidation.

They also involved verifying the information reported pursuant to Article 8 of Regulation (EU) 2020/852, which involves checking:
- the compliance with the rules applicable to the presentation of this information to ensure that it is readable and understandable;
- on the basis of a selection, the absence of material errors, omissions or inconsistencies in the information provided, i.e. information likely to influence the judgement or decisions of users of this information.

Conclusion of the procedures carried out
Based on the procedures we have carried out, we have not identified any material errors, omissions or inconsistencies relating to compliance with the requirements of Article 8 of Regulation (EU) 2020/852.

Elements that received particular attention
We set out below the elements that have been the subject of particular attention on our part as regards the compliance of this information with the requirements of Article 8 of Regulation (EU) 2020/852.

Concerning the alignment of eligible activities
Information on the alignment of activities is set out in section 2.2.2.4 Methodology elements on EU Taxonomy of the Sustainability statements | CSRD.

Our work consisted primarily in:
- based on the interviews conducted with management, understanding the process deployed by the Group in order to answer the eligibility and alignment identification and the compliance with the EU Taxonomy Regulation;
- assessing, on a sample basis, the elements on which management based its judgement when assessing whether eligible economic activities met the cumulative conditions, derived from the Taxonomy Regulation, needed to qualify as aligned and particularly that they "do not significant harm" to any of the other environmental objectives;
- assessing the analysis conducted regarding compliance with the minimum safeguards, primarily in light of the information gathered when obtaining an understanding of the entity and its environment;
- assessing the consistency of the information disclosed in the Sustainability statements | CSRD by reperforming calculation.

The statutory auditors

PricewaterhouseCoopers Audit
Jean-Christophe Georghiou Séverine Scheer

Forvis Mazars SA
Juliette Decoux-Guillemot Charles Desvernois

2.4.3.2 Limited assurance report from one of the Statutory auditors on selected ESG information

This is a free translation into English of one of the Statutory auditors' report on the ESG information of the Entity issued in French and it is provided solely for the convenience of English-speaking users.

This report should be read in conjunction with, and construed in accordance with, French law and professional guidance applicable in France.

Financial year ended December 31, 2025

To the directors of SCHNEIDER ELECTRIC SE,

In our capacity as statutory auditors of your company, we have undertaken a limited assurance engagement on a selection of ESG information (listed in the appendix to this report) prepared on a voluntary basis by Schneider Electric SE (hereinafter "the Entity"), with regard to the dedicated reporting protocols for the SSI and SSE indicators and for other data relating to Human Resources, Health & Safety, and the Environment (version dated March 24, 2026) (hereinafter the "Reporting Framework"), for the financial year ended December 31, 2025 (hereinafter the "Information"), presented in sections '2.1.1.2 Long-term commitments and tools to measure progress" and "2.4.4 Indicators" of the Universal Registration Document (hereinafter the "2025 URD"), and prepared in the context of the Group's 2021–2025 sustainability strategy (notably the Schneider Sustainability Impact (SSI) and Schneider Sustainability Essentials (SSE) programs).

Our assurance does not extend to information in respect of earlier periods or to any other information set out in the 2025 URD not included in the Information.

Limited assurance conclusion
Based on the procedures we have performed, as described under the section "Nature and scope of procedures", and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Information is not prepared, in all material respects, in accordance with the Reporting Framework.

We do not express a conclusion on information in respect with earlier periods or on other information set out in the 2025 URD not included in the Information.

Emphasis of matter
Without modifying our conclusion, we draw your attention to the note "Internal control" of section "2.4.1 Methodology elements on the published indicators" of the 2025 URD, which specifies that the Information has been prepared in the context of the Group's 2021–2025 sustainability strategy (notably the Schneider Sustainability Impact (SSI) and Schneider Sustainability Essentials (SSE) programs) and in accordance with the Reporting Framework. Therefore, it does not constitute information prepared in accordance with the provisions of Article L.233-28-4 of the French Commercial Code, including the ESRS.

Preparation of the Information
The absence of a commonly-used generally accepted reporting framework or established practice on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Reporting Framework, available upon request via the Schneider Electric SE Help Center accessible from www.se.com. The significant elements of the Reporting Framework are set out in the 2025 URD.

Inherent Limitations in preparing the Information
The Information may be subject to inherent uncertainty arising from the state of scientific knowledge and from the quality of the external data used. Certain information is sensitive to the methodological choices, assumptions and/or estimates applied in preparing it.

In particular, the quantification of greenhouse gases is subject to inherent uncertainty due to incomplete scientific knowledge used to determine emission factors and the values required to aggregate emissions from different gases.

Responsibility of the Entity
The Information has been prepared under the responsibility of Management.

Management of Schneider Electric SE is responsible for:
- selecting or establishing suitable criteria for preparing the Information;
- preparing the Information in accordance with the Reporting Framework; and
- designing, implementing and maintaining internal control relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

Responsibility of the Statutory Auditors
We are responsible for:
- planning and performing the engagement to obtain limited assurance about whether the Information is prepared, in all material respects, in accordance with the Reporting Framework and is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Entity's Management.

As we are engaged to form an independent conclusion on the Information as prepared by Management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

Professional guidance and Standard applied
We performed the work described below in accordance with the professional guidance issued by the French Institute of Statutory Auditors (CNCC) applicable to such engagement, and with international standard ISAE 3000 (revised) *Assurance Engagements other than Audits or Reviews of Historical Financial Information* issued by the IAASB (*International Auditing and Assurance Standards Board*).

They do not constitute an audit or a review within the meaning of the professional standards applicable in France. Nor do they constitute a "certification" in accordance with the guidelines of the *Haute Autorité de l'Audit* (H2A).

Independence and quality control
Our independence is defined by the provisions of the French Commercial Code *(Code de commerce)*, French Code of Ethics for Statutory Auditors (*Code de déontologie*), as well as *International Code of Ethics for Professional Accountants (including Independence Standards*) issued by the International Ethics Standards Board for Accountants (IESBA). This Code is based on the compliance with the fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality, and professional behaviour.

In addition, we apply International Standard on Quality Management 1 and accordingly we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, ethical requirements and French professional guidance.

Nature and scope of the procedures

We planned and performed our work, described below, to address the areas where we have identified that a material misstatement of the Information is likely to arise. As part of our limited assurance engagement and based on our professional judgment, we:

- updated our understanding of the Entity and its environment, including the internal control components relevant to the preparation of the Information ;
- assessed the suitability of the Reporting Framework's criteria with regard to their relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best industry practices;
- obtained an understanding of internal control procedures implemented by the Entity aimed at ensuring the compliance of the Information with the Reporting Framework;
- assessed whether the methods used by the Entity to prepare the Information are appropriate in regard of the Reporting Framework and, where applicable, assessed the relevance of changes in methods and assumptions;
- verified that the Information has been prepared within the scope indicated in the Reporting Framework;
- selected, based on our professional judgment, the information we considered most important, for which we:
  - performed analytical procedures to verify the consistency of any changes in those data and, where necessary, requested explanations from Management regarding any unusual identified items;
  - performed test of details, using sampling techniques (or other selection methods), in order to verify the correct application of the calculation methods and assumptions described in the Reporting Framework and reconcile the underlying data with the supporting documentation.
  - for estimates, through interviews with Management, we obtained an understanding of the method used to calculate the estimated data. We assessed the appropriateness and correct application of this method, as well as the appropriateness of the sources of information used.
- assessed the overall consistency of the information in relation to our knowledge of the Entity.

We consider that the evidence we have obtained is sufficient and appropriate to support our conclusion.

The procedures performed in a limited assurance engagement are less in extent than for a reasonable assurance opinion in accordance with the French professional guidelines, as well as in accordance with international standard ISAE 3000 (revised). A higher level of assurance would have required us to carry out more extensive procedures.

Neuilly-sur-Seine, March 24, 2026

One of the Statutory auditors
PricewaterhouseCoopers Audit

Jean-Christophe Georghiou
Partner

Séverine Scheer
Partner

Appendix: Key Performance Indicators (KPIs)

- KPI n°1: SSI #1 – Grow Schneider Impact revenues for a value of 75%;
- KPI n°2: SSI #2 – Help our customers save and avoid millions of tons of CO2 emissions for a value of 862 million TCO_2e;
- KPI n°3: SSI #3 – Reduce CO2 emissions from top 1,000 suppliers' operations for a value of 56%;
- KPI n°4: SSI #4 – Increase green material content in our products for a value of 48%;
- KPI n°5: SSI #5 – Primary and secondary packaging free from single-use plastic, using recycled cardboard for a value of 85%;
- KPI n°6: SSI #6 – Strategic suppliers who provide decent work to their employees for a value of 98%;
- KPI n°7: SSI #7 – Level of confidence of our employees to report unethical conduct for a value of 85%;
- KPI n°8: SSI #8 – Increase gender diversity in hiring (50%), front-line management (40%) and leadership teams (30%) or a respective value of 37%, 32% et 32%;
- KPI n°9: SSI #9 – Provide access to green electricity to 50M people for a value of 61,7 million people (31,9 million since 2021, including 8,3 million in 2025);
- KPI n°10: SSI #10 – Double hiring opportunities for interns, apprentices and fresh graduates for a value of x1,75;
- KPI n°11: SSI #11 – Train people in energy management for a value of 1,090,569 people;
- KPI n°12: SSE #1 – Decarbonize our operations with Zero-CO2 sites for a value of 195 sites;
- KPI n°13: SSE #2 – Substitute relevant offers with SF6-Free medium voltage technologies for a value of 80%;
- KPI n°14: SSE #3 – Source electricity from renewables for a value of 99%;
- KPI n°15: SSE #4 – Improve CO2 efficiency in transportation for a value of 14%;
- KPI n°16: SSE #5 – Improve energy efficiency in our sites for a value of 17%;
- KPI n°17: SSE #6 – Grow our product revenues covered with Green Premium™ for a value of 83%;
- KPI n°18: SSE #7 – Switch our corporate vehicle fleet to electric vehicles for a value of 43%;
- KPI n°19: SSE #8 – Deploy local biodiversity conservation and restoration programs in our sites for a value of 100%;
- KPI n°20: SSE #9 – Give a second life to waste in 'Waste-to-Resource' sites for a value of 176 sites;
- KPI n°21: SSE #10 – Avoid primary resource consumption through 'take-back at end-of-use' since 2017 for a value of 428,450 tons;
- KPI n°22: SSE #11 – Deploy a water conservation strategy and action plan for sites in water-stressed areas for a value of 100%;
- KPI n°23: SSE #12 – Deploy a "Social Excellence" program through multiple tiers of suppliers for a value of 77%;
- KPI n°24: SSE #13 – Train our employees on Cybersecurity and Ethics every year for a value of 98%;
- KPI n°25: SSE #14 – Decrease the Medical Incident rate to 0.38 or below for a value of 0,46;
- KPI n°26: SSE #15 – Reduce total number of safety recalls issued to 0 for a value of 3 recalls;
- KPI n°27: SSE #16 – Be in the top 25% in external ratings for Cybersecurity performance for a value Top 25%;
- KPI n°28: SSE #17 – Assess our suppliers under our 'Vigilance Program' for a value of 4,348 suppliers;

- KPI n°29: SSE #18 – Reduce pay gap for both females and males for a respective value of -0,84 % et 0,58%;
- KPI n°30: SSE #19 – Increase subscription in our yearly Worldwide Employee Share Ownership Plan (WESOP) for a value of 63%;
- KPI n°31: SSE #20 – Pay our employees at least a living wage for a value of 100%;
- KPI n°32: SSE #21 – Multiply the number of employee-driven development interactions on the Open Talent Market for a value of x2,7;
- KPI n°33: SSE #22 – Support the digital upskilling of our employees for a value of 81%;
- KPI n°34: SSE #23 – Provide access to meaningful career development programs for employees during later stage of their career for a value of 93%;
- KPI n°35: SSE #24 – Increase our employee engagement level *(Employee Engagement Index)* for a value of 75%;
- KPI n°36: SSE #25 – Increase the number of volunteering days since 2017 for a value of 93,204 days;
- KPI n°37: Total number of hires and percentage by gender (linked to SSI #8), for a respective value of 20,403 people, 37% of women and 63% of men;
- KPI n°38: Percentage of female employees by grade (Board of Directors, Executive Committee, Total Management, Leadership Teams, Junior and Intermediate Management) (linked to SSI #8), for a respective value of 50%, 33%, 31%, 32% and 31%;
- KPI n°39: Total number of employee departures and calculation of turnover, with a respective value of 20,813 people and 14%;
- KPI n°40: Number of hours worked (linked to SSE #14) by employee category (Schneider Electric employees and temporary workers), for a respective value of 295 665 967 hours and 59 563 832 hours;
- KPI n°41: Number of medical incidents by employee category (Schneider Electric employees and temporary workers), for a respective value of 137 and 28;
- KPI n°42: Lost-Time Injury Rate (LTIR) by employee category (Schneider Electric employees and temporary workers), for a respective value of 0,27 and 0,22;
- KPI n°43: Number of fatalities accidents by employee category (Schneider Electric employees and temporary workers), for a respective value of 0 and 0;
- KPI n°44: Total water withdrawal (including surface water, groundwater, municipal water and other sources), with a value of 1,944,796 m3;
- KPI n°45: Total waste generated, for a value of 138,322 tons, including:
  - Non-hazardous waste generated by category, of which:
    - Non-hazardous waste reused or recycled for a value of 119,430 tons;
    - Non-hazardous waste incinerated with energy recovery for a value of 6,695 tons;
    - Non-hazardous waste landfilled or incinerated without energy recovery for a value of 4,997 tons;
  - hazardous waste channeled according to Schneider Electric expectations for a value of 7,200 tons;
- KPI n°46: Greenhouse gas emissions according to GHG Protocol for scope 1 and scope 2 (market-based and location-based) for a respective value of 100,309 tCO2e et 23,849 tCO2e and 409,343 tCO2e per emission category (linked with SSE #1), of which:
  - For scope 1 :
    - Petroleum products for a value of 2,995 tCO2e;
    - Natural gas for a value of 35,542 tCO2e;
    - Coal for a value of 0 tCO2e;
    - Fleet vehicules for a value of 52,721 tCO2e;
    - SF6 emissions and leakage for a value of 3,539 tCO2e;
    - Estimated Scope 1 GHG emissions for sites outside the energy reporting perimeter, with a value of 5,512 tCO2e;
  - For scope 2 :
    - Grid electricity (market based) for a value of 2,681 tCO2e;
    - Renewable electricity (market-based) for a value of 0 tCO2e;
    - District heating for a value of 2,405 tCO2e;
    - Estimated Scope 2 GHG emissions (market based) for sites outside the energy reporting perimeter, with a value of 18,761 tCO2e;
- KPI n°47: Greenhouse gas emissions according to GHG Protocol for scope 3 for a for the following categories:
  - Other relevant indirect GHG emissions (Scope 3 upstream), of which:
    - 1. Purchased goods and services for a value of 6,358,668 tCO2e;
    - 2. Capital goods for a value of 191,616 tCO2e;
    - 3. Fuel- and energy-related activities (not included in Scope 1 or Scope 2) for a value of 93,228 tCO2e;
    - 4. Transportation of goods paid by the group for a value of 729,064 tCO2e;
  - Other relevant indirect GHG emissions (Scope 3 downstream), of which:
    - 11. Use of sold products for a value of 47,854,575 tCO2e;
    - 12. End-of-life treatment of sold products for a value of 4,389,329 tCO2e;
- KPI n°48: VOC emissions for a value of 248,092 kg.

2.4.3.3 Reasonable assurance report from one of the Statutory auditors on selected ESG information

This is a translation into English of one of the Statutory auditors' report on the ESG information of the Entity issued in French and it is provided solely for the convenience of English-speaking users.

This report should be read in conjunction with, and construed in accordance with, French law and professional guidance applicable in France.

Financial year ended December 31, 2025

To the directors of SCHNEIDER ELECTRIC SE,

In our capacity as statutory auditors of your company, we have undertaken a reasonable assurance engagement on a selection of ESG information prepared on a volontary basis by Schneider Electric SE (hereinafter "the Entity"), with regard to the dedicated reporting protocols for the SSE indicators and for other environmental data (version dated March 24, 2026) (hereinafter the "Reporting Framework"), for the financial year ended December 31, 2025 (hereinafter the "Information"), presented in sections '2.1.1.2 Long-term commitments and tools to measure progress" and "2.4.4 Indicators" of the Universal Registration Document (hereinafter the "2025 URD"), and prepared in the context of the Group's 2021–2025 sustainability strategy (notably the Schneider Sustainability Impact (SSI) and Schneider Sustainability Essentials (SSE) programs).

- KPI n°1: SSE #1 - Decarbonize our operations with Zero-CO_2 sites for a value of 195 sites;
- KPI n°2: SSE #3 – 90 % of electricity sourced from renewables for a value of 99 %;
- KPI n°3: Measured energy consumption for total a value of 948 449 MWh, by source of energy, of which:
  - grid electricity for a value of 6 769 MWh;
  - purchased renewable electricity for a value of 702 802 MWh;
  - self-generated renewable electricity for a value of 33 013 MWh;
  - district heating for a value of 16 392 MWh;
  - petroleum products for a value of 13 502 MWh;
  - natural gas for a value of 175 949 MWh;
  - coal for a value of 0 MWh;
  - renewable fuel and heat for a value of 21 MWh;
- KPI n°4: Greenhouse gas emissions according to GHG Protocol for scope 1 for a value of 100 309 tCO2e;
- KPI n°5 : Greenhouse gas emissions according to GHG Protocol for scope 2 (market-based) for a value of 23 849 tCO2e.

Our assurance does not extend to information in respect of earlier periods or to any other information set out in the 2025 URD not included in the Information.

Reasonable assurance opinion

Based on the procedures we have performed, as described under the section "Nature and scope of procedures" and the evidence we have obtained, in our opinion, the Information is prepared, in all material respects, in accordance with the Reporting Framework.

We do not express an opinion on information in respect with earlier periods or on other information set out in the 2025 URD not included in the Information.

Emphasis of matter

Without modifying our opinion, we draw your attention to note "Internal control" of section "2.4.1 Methodology elements on the published indicators" of the 2025 URD, which specifies that the Information has been prepared in the context of the Group's 2021–2025 sustainability strategy (notably the Schneider Sustainability Impact (SSI) and Schneider Sustainability Essentials (SSE) programs) and in accordance with the Reporting Framework. Therefore, it does not constitute information prepared in accordance with the provisions of Article L.233-28-4 of the French Commercial Code, including the ESRS.

Preparation of the Information

The absence of a commonly-used generally-accepted reporting framework or established practice on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Reporting Framework, available upon request via the Schneider Electric SE Help Center accessible from www.se.com. The significant elements of the Reporting Framework are set out in the 2025 URD.

Inherent Limitations in preparing the Information

The Information may be subject to inherent uncertainty arising from the state of scientific knowledge and from the quality of the external data used. Certain information is sensitive to the methodological choices, assumptions and/or estimates applied in preparing it.

In particular, the quantification of greenhouse gases is subject to inherent uncertainty due to incomplete scientific knowledge used to determine emission factors and the values required to aggregate emissions from different gases.

Responsibility of the Entity

The Information has been prepared under the responsibility of Management.

Management of Schneider Electric SE is responsible for:

- selecting or establishing suitable criteria for preparing the Information;
- preparing the Information in accordance with the Reporting Framework; and
- designing, implementing and maintaining internal control relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

Responsibility of the Statutory Auditors

We are responsible for:

- planning and performing the engagement to obtain reasonable assurance about whether the Information is prepared, in all material respects, in accordance with the Reporting Framework and is free from material misstatement, whether due to fraud or error;
- forming an independent opinion based on the procedures we have performed and the evidence we have obtained; and
- reporting our opinion to the Entity's Management.

As we are engaged to form an independent opinion on the Information as prepared by Management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

Professional guidance and Standard applied

We performed the work described below in accordance with the professional guidance issued by the French Institute of Statutory Auditors (CNCC) applicable to such engagement, and with international standard ISAE 3000 (revised) *Assurance Engagements other than Audits or Reviews of Historical Financial Information* issued by the IAASB (*International Auditing and Assurance Standards Board*).

They do not constitute an audit or a review within the meaning of the professional standards applicable in France. Nor do they constitute a "certification" in accordance with the guidelines of the *Haute Autorité de l'Audit* (H2A).

Independence and quality control

Our independence is defined by the provisions of the French Commercial Code *(Code de commerce)*, French Code of Ethics for Statutory Auditors (*Code de déontologie*), as well as the *International Code of Ethics for Professional Accountants (including Independence Standards*) issued by the International Ethics Standards Board for Accountants (IESBA). This Code is based on the compliance with the fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality, and professional behavior.

In addition, we apply International Standard on Quality Management 1 and accordingly we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, ethical requirements and French professional guidance.

Nature and scope of the procedures

We planned and performed our work, described below, to address the areas where we have identified that a material misstatement of the Information is likely to arise. As part of our reasonable assurance engagement and based on our professional judgment, we:

- updated our understanding of the Entity and its environment, including the internal control components relevant to the preparation of the Information ;
- assessed the suitability of the Reporting Framework's criteria with regard to their relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best industry practices;
- obtained an understanding of internal control procedures implemented by the Entity aimed at ensuring the compliance of the Information with the Reporting Framework;
- assessed whether the methods used by the Entity to prepare the Information are appropriate in regard of the Reporting Framework and, where applicable, assessed the relevance of changes in methods and assumptions;
- verified that the Information has been prepared within the scope indicated in the Reporting Framework;
- evaluated the process for collecting and compiling the Information in order to assess the completeness and accuracy of the data collected, and performed procedures to verify the correct consolidation of these data.
- selected, based on our professional judgment, the information we considered most important, for which we:
  - performed analytical procedures to verify the consistency of any changes in those data and, where necessary, requested explanations from Management regarding any unusual identified items;
  - performed test of details, using sampling techniques (or other selection methods), in order to verify the correct application of the calculation methods and assumptions described in the Reporting Framework and reconcile the underlying data with the supporting documentation.
  - for estimates, through interviews with Management, we obtained an understanding of the assumptions, the calculation methods and the sources of information used. We assessed the appropriateness and correct application of this method, as well as the appropriateness of the assumptions and the sources of information used.
- assessed the overall consistency of the information in relation to our knowledge of the Entity.

We consider that the evidence we have obtained is sufficient and appropriate to support our opinion.

Neuilly-sur-Seine, March 24, 2026

One of the Statutory auditors
PricewaterhouseCoopers Audit

Jean-Christophe Georghiou
Partner

Séverine Scheer
Partner

2.4.4 ESG Indicators

2.4.4.1 Environmental and climate indicators

2.4.4.1.1 Key performance indicators from the Schneider Sustainability Impact and Schneider Sustainability Essentials

Schneider Sustainability	#	Programs for 2021-2025	Baseline[1]	2025 progress[2]	2025 Ambition
Impact (SSI)	1.	Grow Schneider Impact revenues[3]	2019: 70%	0% — 75%	80%
	2.	Help our customers save and avoid millions of tonnes of CO_2 emissions	2020: 263M	0 — 862M	800M
	3.	Reduce CO_2 emissions from top 1,000 suppliers' operations	2020: 0%	0% — 56%	50%
	4.	Increase green material content in our products	2020: 7%	0% — 48%	50%
	5.	Primary and secondary packaging free from single-use plastic, using recycled cardboard	2020: 13%	0% — 85%	100%
Essentials (SSE)	1.	Decarbonize our operations with Zero-CO_2 sites	2020: 30	0 — 195	150
	2.	Substitute relevant offers with SF6-Free medium voltage technologies	2020: 26%	0% — 80%	100%
	3.	Source electricity from renewables	2020: 80%	0% — 99%	90%
	4.	Improve CO_2 efficiency in transportation	2020: 0%	0% — 14%	15%
	5.	Improve energy efficiency in our sites	2019: 0%	0% — 17%	15%
	6.	Grow our product revenues covered with Green Premium™	2020: 77%	0% — 83%	80%
	7.	Switch our corporate vehicle fleet to electric vehicles	2020: 1%	0% — 43%	33%
	8.	Deploy local biodiversity conservation and restoration programs in our sites	2020: 0%	0% — 100%	100%
	9.	Give a second life to waste in'Waste-to-Resource' sites	2020: 120	0 — 176	200
	10.	Avoid primary resource consumption through 'take-back at end-of-use' since 2017 (metric tons)	2020: 157,588	0 — 428,450	420,000
	11.	Deploy a water conservation strategy and action plan for sites in water-stressed areas	2020: 0%	0% — 100%	100%

These programs contribute to UN SDGs

(1) The baseline year for each indicator is provided together with its baseline performance.
(2) Each year, one of Schneider Electric's statutory auditors performs a "limited" assurance engagement on all SSI and SSE indicators (except SSI #+1 in 2025), in accordance with (revised) ISAE 3000 assurance standard (see assurance report on **page 336**). In addition, SSE #1 and SSE #3 were subject to a "reasonable" assurance engagement in 2025 (see assurance report on **page 339**). Please refer to **page 315** for the methodological presentation of each indicator.
(3) Per Schneider Electric definition and methodology.

The indicators below concern all entities where Schneider Electric has operational control, and integrated in the Group for more than two years. This scope differs from the CSRD scope presented in the section **2.2.1.3 Basis for preparation on page 124**.

Within the Group perimeter, given the complexity to obtain robust and meaningful data, in particular for small leased offices, estimated coverage indicators are provided for each reporting table. All Group industrial and logistics sites, in addition to certain major tertiary sites are covered. As per the Group's Environmental Policy, all industrial and logistics sites with more than 50 people and tertiary sites with more than 500 people must be ISO 14001 certified within 2 years after their acquisition or creation. A difference can, therefore, be noted with respect to the scope of financial consolidation.

2.4.4.1.2 Perimeter and Environmental Management Systems (ISO 14001)

Indicators	Units	2025	2024	2023	2022
ISO 14001 certified sites[1]	#	**262**	263	234	243
Industrial and logistics sites	#	**192**	193	196	204
Tertiary sites	#	**70**	70	38	39
% of sites certified ISO 14001[2]	%	**88%**	88%	87%	86%

(1) ISO 14001 certification is systematic for all large industrial, logistics and tertiary sites within two years of acquisition. A reduction in the number of ISO 14001 certified sites usually results from sites closing during the year.
(2) The percentage of sites certified ISO 14001 is calculated based on waste generation from certified sites vs total sites, as the majority of sites – in number – are small leased offices where certification is not relevant.

2.4.4.1.3 Group site consumption, emissions and waste

Materials

GRI	Indicators	Units	2025	2024	2023	2022
301-2	SSI #4 – Green material content in our products[1]	%	**48%** ●	38%	29%	18%
301-2	SSI #5 – Primary and secondary packaging free from single-use plastic using recycled cardboard[2]	%	**85%** ●	78%	63%	45%
	SSE #6 – Product revenues covered by Green Premium™	%	**83%** ●	82%	81%	80%
301-3, 306-4	SSE #10 – Metric tons of avoided primary resource consumption through 'take-back at end-of-use[3]	metric tons	**69,370** ●	47,851	50,101	57,052
	SSE #15 – Reduce total number of safety recalls issued to 0[4]	# recalls	**3** ●	5	23	24

● Indicator covered by an assurance report in 2025.

(1) SSI #4 coverage is about 25% of purchased materials volume for our products.
(2) SSI #5 coverage is about 80% of total packaging purchases (wood excluded).
(3) SSE #10 figures provided in the table are annual results. Cumulative performance since the start of the program in 2017 is 428,450 avoided metric tons.
(4) SSE #15, originally "Reduce scrap from safety units recalled", has been upgraded in 2022 in line with the Quality ambition of the Group.

Waste

GRI	Indicators	Units	2025	2024	2023	2022
	Estimated coverage (% waste generation)	%	**88%**	88%	87%	86%
306-3	Total waste generated	metric tons	**138,322** ●	135,510	124,139	131,402
	Total waste generated/Turnover	metric tons/ million €	**3.44**	3.57	3.46	3.84
306-3, 306-4, 306-5	Non-hazardous waste generated	metric tons	**131,122** ●	126,266	116,566	123,311
	of which reused or recycled	metric tons	**119,430** ●	115,541	105,593	111,567
	of which incinerated with energy recovery	metric tons	**6,695** ●	7,060	6,871	6,719
306-5	of which landfilled or incinerated without energy recovery	metric tons	**4,997** ●	3,665	4,102	5,025
	Non-hazardous waste reduction(1)	metric tons	**20,722** ●	27,561	21,098	11,941
306-2	Share of non-hazardous waste recovered or reduced(2)	%	**96.7%** ●	97.6%	97.0%	96.3%
306-3	Hazardous waste generated	metric tons	**7,200** ●	9,244	7,573	8,091
306-5	Hazardous waste channeled according to Schneider Electric expectations(3)	metric tons	**7,200** ●	9,244	7,573	8,091
	Hazardous waste generated/Turnover	metric tons/ million €	**0.18**	0.24	0.21	0.24
	Hazardous waste intensity reduction against 2017(4)	%	**-57%**	-42%	-50%	-44%
	SSE #9 – Number of 'Waste-to-Resource' sites	#	**176** ●	135	137	127
2-27, 306-3	# and aggregate quantity of reportable spills	kg	**0**	0	0	0
306-3	Quantity of spills recovered	kg	**NA**	NA	NA	NA
2-27, 306-3	Number of significant fines (> EUR 10,000) related to environmental or ecological issues	#	**0**	0	0	0

● Indicator covered by an assurance report in 2025. NA = Not applicable

(1) Waste reduction measures specific, targeted projects which reduce/avoid waste. Examples of waste reduction projects include creating a closed-loop system for pallets between the site and the supplier, or reducing packaging waste from incoming shipments. Normal operational decreases of waste due to reduced activity do not count as waste reduction.
(2) Non-hazardous waste recovered or reduced is calculated as the ratio between waste reused/recycled, incinerated with energy recovery and reduced, divided by the total non-hazardous waste generated and waste reduced. The Group's waste recovery percentage without waste reduction is: 96.2%, 97.1%, 96.5%, 95.9% for 2025, 2024, 2023, 2022 respectively.
(3) 'Schneider Electric expectations' for hazardous waste means: 1) Waste meets/exceeds all local legal requirements for handling/treatment, and either 2a) waste is neutralized of its hazardous nature, or b) waste is handled/treated using the feasibly best available technique which provides the most environmentally beneficial impact.
(4) 2017 hazardous waste intensity was 0.42 metric tons per million euros of revenues.

Biodiversity

GRI	Indicators	Units	2025(1)	2024	2023	2022
304-1	Number of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA)(2)	#	**243**	260	260	260
	of which industrial sites or distribution centers	#	**192**	107	107	107
	of which office buildings	#	**51**	153	153	153

(1) Differences between years are a result of a tool changes from iBAT to WWF, improvements in data collection and changes to real estate portfolio
(2) 243 Schneider Electric sites (with overlap between 1% to 100%) were located in close proximity to Protected Areas and KBA, including 34 sites located in areas with high biodiversity pressure – primarily in the US, France, Australia and China.

Atmospheric pollutions

GRI	Indicators	Units	2025	2024	2023	2022
	Estimated coverage (% VOC emissions)	%	**91%**	90%	90%	90%
305-7	VOC emissions (estimates)	kg	**248,092** ●	294,801	304,975	308,520
305-7	VOC/Turnover (estimates)	kg/million €	**6.2**	7.7	8.5	9.0

● Indicator covered by an assurance report in 2025.

Water

GRI	Indicators	Units	2025	2024	2023	2022
	Estimated coverage (% water withdrawal)	%	**85%**	85%	84%	83%
303-3	Total water withdrawals (other than for cooling)	m^3	**1,944,796** ●	1,843,662	1,899,190	1,921,569
	of which surface water	m^3	**15,785** ●	18,797	17,699	14,514
	of which groundwater	m^3	**453,393** ●	452,489	472,199	492,308
	of which third party sources	m^3	**1,440,240** ●	1,342,149	1,377,377	1,388,474
	of which other sources(1)	m^3	**35,378** ●	30,227	31,916	26,273
303-3	Water withdrawn for cooling and restituted w/o impact(2)	m^3	**890,844** ●	880,927	813,411	622,951
303-3	Water withdrawal/Turnover(3)	m^3/million €	**48.4**	48.3	52.9	56.2
	Water withdrawal intensity reduction vs 2017(3)	%	**-55.2%**	-55.3%	-51.0%	-48.0%
303-3	Total water withdrawals from areas with water stress(4)	m^3	**874,433**	862,855	874,114	842,216
303-1	SSE #11 – Sites in water-stressed areas with a water conservation strategy and related action plan(4)	%	**99.8%** ●	90.0%	73.0%	48.0%

● Indicator covered by an assurance report in 2025.

Due to the impact of rounding on individual elements within this disclosure table, numbers may not exactly sum to the Group total.

(1) Other water sources include sources such as grey water and rainwater

(2) Water withdrawn for cooling and restituted without impact (i.e. returned back to the source with only a very small temperature change) are measured separate from total water withdrawals and excluded from performance calculations

(3) Excluding water withdrawn for cooling restituted without impact. The 2017 baseline value is 108.0 m^3/million €

(4) Schneider Electric's ISO 14001 sites are designated as water stress sites based on the World Resources Institute's Aqueduct Water Risk Atlas. Using Baseline Water Stress criteria, a site is designated as water stressed if it is located in an area classified as 'high' or 'extremely high' stress.

Energy

GRI	Indicators	Units	2025	2024	2023	2022
	Estimated coverage (% energy consumption)(1)	%	**100%**	100%	95%	95%
	ISO 50001 certified sites	#	**125**	126	128	132
302-1, 302-4	Estimated total energy consumption	MWh	**1,187,120**	1,216,956	1,124,327	1,201,276
	of which measured energy consumption	MWh	**948,449** ●	883,140	934,805	979,497
	of which estimated energy consumption for sites out of reporting perimeter(2)	MWh	**238,670**	333,817	189,522	221,779
302-1, 302-4	Estimated total energy consumption/turnover	MWh/million €	**29.6**	31.9	31.3	35.1
	Estimated total energy productivity	€/MWh	**33,823**	31,351	31,932	28,450
	Estimated total improvement in energy productivity vs 2005(3)	%	**172.6%**	152.7%	157.3%	129.3%
	Estimated total energy consumption from renewable sources	MWh	**911,935**	903,166	707,033	688,474
	Estimated total percentage of renewable energy	%	**76.8%**	74.2%	62.9%	57.3%
	Estimated total energy consumption from non-renewable sources	MWh	**275,185**	313,790	417,294	512,802
	Estimated total percentage of non renewable energy	%	**23.2%**	25.8%	37.1%	42.7%
	Measured energy consumption by source					
	grid electricity	MWh	**6,769** ●	27,058	82,590	108,263
	purchased renewable electricity(4)	MWh	**702,802** ●	625,289	610,614	588,851
	self generated renewable electricity	MWh	**33,013** ●	24,907	23,194	20,719
	district heating	MWh	**16,392** ●	14,615	14,736	24,519
	petroleum products	MWh	**13,502** ●	10,490	12,991	6,520
	natural gas	MWh	**175,949** ●	180,235	190,088	229,552
	coal	MWh	**0** ●	0	0	0
	renewable fuel and heat	MWh	**21** ●	547	593	1,073

Energy

GRI	Indicators	Units	2025	2024	2023	2022
	Measured renewable electricity generated on site and sold back to the grid	MWh	**3,807** ●	2,216	2,960	2,263
	SSE #3 – Measured electricity sourced from renewables	%	**99%** ●	96%	88%	85%
	Estimated energy consumption by source[2]					
	grid electricity	MWh	**35,386**	46,635	92,379	107,019
	purchased renewable electricity[4]	MWh	**169,147**	243,883	72,632	77,831
	self generated renewable electricity	MWh	**6,951**	6,344	0	0
	district heating	MWh	**2,142**	1,537	2,490	2,829
	petroleum products	MWh	**9,010**	17,856	1,013	855
	natural gas	MWh	**16,035**	17,562	21,008	33,245
	coal	MWh	**0**	0	0	0
	renewable fuel and heat	MWh	**0**	0	0	0

● Indicator covered by an assurance report in 2025.

Due to the impact of rounding on individual elements within this disclosure table, numbers may not exactly sum to the Group total.

(1) All Schneider Electric sites and all major non-integrated entities are included in this table starting in 2024, resulting in 100% site coverage. In prior years, major non-integrated entities were excluded from Group results in this table. Fleet energy data is not included in this table.

(2) Sites considered as estimated data in this table include smaller Schneider Electric sites (e.g. commercial offices), all non-integrated entities such as the sites from Luminous (outside of the measured ones), AVEVA, RIB Software, ETAP, ProLeit, EcoAct, and Lauritz Knudsen and to a limited extent other small non-integrated entities. For the smaller sites, energy consumption by source is estimated by multiplying site surface (m2) with energy intensity ratios (kWh/m2) measured in larger sites. For sites located in countries with country-level renewable electricity contracts, 100% of the estimated electricity consumption of the site is counted as renewable, as such supply contracts cover all sites within a country. 2025 includes 160,951 MWh of Energy Attribute Certificates (EACs).

(3) 2005 estimated energy productivity is 12,408 € per MWh.

(4) Renewable electricity reported here includes renewable electricity purchased through Power Purchasing Agreements (PPA) or green tariffs, and electricity covered by Energy Attributes Certificates (EAC). The 2025 EAC account for 52% of total measured purchased renewable electricity reported.

Greenhouse gas (GHG)

GRI	Indicators	Units	2025[1]	2024	2023	2022
	Estimated coverage (% total GHG emissions) [2]	%	**100%**	100%	99%	99%
305-1, 305-2	Total Scopes 1 and 2 GHG emissions (market-based)[3]	tCO_2e	**124,157** ●	143,708	202,232	229,177
305-5	Absolute reduction vs base year (2021)	%	**-57.5%**	-50.8%	-30.8%	-21.5%
305-4	Total Scopes 1 and 2 per euro turnover	tCO_2e/ million €	**3.1**	3.8	5.6	6.7
305-1	Direct (Scope 1) GHG emissions	tCO_2e	**100,309** ●	106,360	112,792	119,447
	of which petroleum products	tCO_2e	**2,995** ●	2,412	3,116	4,414
	of which natural gas	tCO_2e	**35,542** ●	37,060	38,968	47,271
	of which coal	tCO_2e	**0** ●	0	0	0
	of which vehicle fleet	tCO_2e	**52,721** ●	54,398	61,492	55,598
	of which SF_6 emissions	tCO_2e	**3,539** ●	4,951	4,054	4,606
	SF_6 leakage rate	%	**0.08%**	0.08%	0.08%	0.08%
	Target SF_6 leakage rate	%	**0.11%**	0.11%	0.11%	0.11%
	of which estimated Scope 1 GHG emissions of sites out of energy reporting perimeter[4]	tCO_2e	**5,512** ●	7,539	5,162	7,557
305-2	Energy indirect (Scope 2) GHG emissions (market-based) [3]	tCO_2e	**23,849** ●	37,348	89,440	109,730
	of which grid electricity (market-based)[3]	tCO_2e	**2,681** ●	13,892	39,476	49,674
	of which renewable electricity (market-based)	tCO_2e	**0** ●	0	0	703
	of which district heating	tCO_2e	**2,405** ●	2,040	4,853	8,358
	of which estimated Scope 2 GHG emissions of sites out of energy reporting perimeter (market-based)[3][4]	tCO_2e	**18,761** ●	21,423	42,961	50,995

Greenhouse gas (GHG) (continued)

GRI	Indicators	Units	2025[1]	2024	2023	2022
305-3	Other relevant indirect (Scope 3) GHG emissions	tCO_2e	**60,581,278** ●	61,044,106	63,007,120	65,982,342
305-5	Absolute variation vs base year (2021)	%	**-11.6%**	-10.9%	-8.0%	-3.7%
305-4	Total Scope 3 per euro turnover	tCO_2e/ million €	**1,509**	1,600	1,755	1,931
305-3	Other relevant indirect (Scope 3 upstream) GHG emissions[5]	tCO_2e	**7,755,860** ●	8,017,665	7,766,994	8,613,192
	1. Purchased goods and services	tCO_2e	**6,358,668** ●	6,562,746	6,829,733	7,572,974
	2. Capital goods[6]	tCO_2e	**191,616** ●	161,033	55,361	57,986
	3. Fuel- and energy-related activities (not included in Scope 1 or Scope 2)[6]	tCO_2e	**93,228** ●	100,126	40,652	43,544
	4. Transportation of goods paid by the Group[7]	tCO_2e	**729,064** ●	816,302	563,643	670,840
	5. Waste generated in operations	tCO_2e	**43,367** ●	38,747	34,927	37,415
	6. Business travel[7]	tCO_2e	**162,227** ●	161,046	60,702	56,501
	7. Employee commuting	tCO_2e	**177,689** ●	177,665	181,977	173,932
305-3	Other relevant indirect (Scope 3 downstream) GHG emissions	tCO_2e	**52,825,419** ●	53,026,442	55,240,126	57,369,150
	9. Transportation of goods not paid by the Group[7]	tCO_2e	**581,515** ●	570,959	481,039	427,872
	11. Use of sold products[8]	tCO_2e	**47,854,575** ●	48,274,430	50,452,906	52,475,682
	12. End-of-life treatment of sold products	tCO_2e	**4,389,329** ●	4,181,052	4,306,182	4,465,596
	SSE #1 – Number of Zero-CO_2 sites	#	**195** ●	154	101	77
	Saved GHG emissions thanks to sold products and services[9]	tCO_2e	**89,016,838** ●	67,376,192	52,434,385	51,325,544
	Avoided GHG emissions thanks to sold products and services[9]	tCO_2e	**94,321,566** ●	58,743,750	60,163,742	41,674,416
	SSI #2 – Cumulative CO_2 saved and avoided thanks to sold products and services since 2018[9]	tCO_2e	**862,338,743** ●	679,000,339	552,559,056	439,960,929

● Indicator covered by an assurance report in 2025.

Due to the impact of rounding on individual elements within this disclosure table, numbers may not exactly sum to the Group total.

(1) In 2025, Schneider Electric recalculated its 2021 base-year GHG inventory (Scopes 1, 2 and 3) to reflect material methodological updates, primarily in Scope 3 Category 11 (use of sold products), improved alignment with industry standards and practice, and harmonization of organizational scope and other methodological elements. Targets remain unchanged, with only the absolute baseline and corresponding 2030 target levels recalculated.

(2) All Schneider Electric sites and all major non-integrated entities are included in this table starting in 2024, resulting in 100% site coverage. In prior years, major non-integrated entities were excluded from Group results in this table

(3) Scope 2 emissions are quantified with the market-based methodology and the location-based methodology, following GHG Protocol Scope 2 guidance, and the results from both approaches are disclosed. Values calculated with market-based and location-based methodologies should not be added. Market-based electricity emissions are calculated using subnational factors for the US and Canada, residual electricity emissions factors for European countries, and average country emission factors for other countries. Location-based Scope 2 electricity emissions on energy reporting perimeter are equal to 291,877 tCO_2e (audited value), and 405,793 tCO_2e on total Group perimeter (audited value). Total Scope 2 (location-based) emissions is 409,343 tCO_2e (audited value). Total Scope 1 and 2 (location-based) CO_2 emissions (energy, vehicles, and SF6 emissions in tCO_2e) on full perimeter are equal to 509,651 tCO_2e (audited value).

(4) The CO_2 emissions linked to energy consumption for sites outside the energy reporting perimeter are considered estimates for two reasons: on the one hand, energy consumption and corresponding CO_2 emissions of these sites are estimated (instead of being collected from meters and invoices, energy consumption are based on site surface and average energy intensity of sites per region from the energy reporting perimeter); on the other hand, the indirect emissions are calculated on the conversion factors per country and not with supplier-specific data.

(5) Scope 3 upstream emissions can be quantified with the market-based methodology and the Group has completed a dual reporting in 2025 to represent this impact. The market based impacts were driven by a purchase of sustainable aviation fuel, the incorporation of reduction due to suppliers having zero Scope 2 emissions and the impact of Scope 2 market-based reductions on upstream Scope 3 electricity-related emissions. More details can be found in "Inclusion of market-based accounting approach" p.153, section **2.2.2.1.7**

(6) In 2024 the methodology has changed, leading to significant changes as compared to previous year.

(7) Prior to 2023, this category was meant to capture greenhouse gas emissions (CH4 and N2O emissions) generated from renewable electricity produced with biomass.

(8) These emissions correspond to products sold by Schneider Electric during the year of reporting and cumulated over their lifetime. These emissions are attributable to electricity consumption of products, either due to internal consumption or due to heat dissipation (Joule effect). The GHG emissions from electricity considered are forward-looking during the lifetime of products, based on a scenario from the International Energy Agency (IEA) that factors in the future decarbonization of the grids.

(9) Avoided CO_2 emissions are calculated for sales of the reporting year and cumulated over the offers' lifetime. Emissions are calculated as the difference between emissions with Schneider Electric's offer and emissions in the reference situation. The methodology distinguishes "saved" and "avoided" emissions: saved CO_2 emissions correspond to brownfield sales that enable reduction of global CO_2 emissions compared to previous years, while avoided CO_2 emissions correspond to greenfield sales that enable a limitation of the increase of global emission. When new methodologies are developed during the reporting year, CO_2 saved and avoided from those offers is quantified for sales that occurred since 2018 and counted fully in the performance of the reporting year. In addition, methodologies are continuously improved, leading potentially to some adjustments with retroactive impact. In 2025, there has been no update to methodology. However, out of the 183.3 MTCO2e saved and avoided in 2025, 90.1 MT (49.1%) came from new offers, which includes their 2021-2024 backdated performance.

2.4.4.2 Social indicators

2.4.4.2.1 Key performance indicators from the Schneider Sustainability Impact and Schneider Sustainability Essentials

Schneider Sustainability	#	Programs for 2021-2025	Baseline[1]		2025 progress[2]	2025 Ambition
Impact (SSI)	6.	Strategic suppliers who provide decent work to their employees	2022: 1%	0%	98%	100%
	7.	Level of confidence of our employees to report unethical conduct	2021: 81%	0%	85%	91%
	8.	Increase gender diversity[3] in: hiring (50%), front-line management (40%), and leadership teams (30%)	2020 : 41% 2020 : 23% 2020 : 24%	0% 0% 0%	37% 32% 32%	50% 40% 30%
	10.	Double hiring opportunities for interns, apprentices and fresh graduates	2019: 4,939	X1	X1.75	x2
Essentials (SSE)	12.	Deploy a 'Social Excellence' program through multiple tiers of suppliers	2021: 0%	0%	77%	80%
	13.	Train our employees on Cybersecurity and Ethics every year	2020: 90%	0%	98%	100%
	14.	Decrease the Medical Incident rate to 0.38 or below	2019: 0.79	0.79	0.46	0.38
	15.	Reduce total number of safety recalls issued to 0	2020: 25	25	3	0
	16.	Be in the top 25% in external ratings for Cybersecurity performance	2020: Top 25%	0%	Top 25%	Top 25%
	17.	Assess our suppliers under our 'Vigilance Program'	2020: 374	0	4,348	4,000
	18.	Reduce pay gap for both females and males	2020: F: -1.73% 2020: M: 1.00%	0%	-0.84% F 0.58% M	<1% <1%
	19.	Increase subscription in our yearly Worldwide Employee Share Ownership Plan (WESOP)	2019: 53%	0%	63%	60%
	20.	Pay our employees at least a living wage	2019: 99%	0%	100%	100%
	21.	Multiply the number of employee-driven development interactions on the Open Talent Market	2020: 5,019	1	x2.7	x4
	22.	Support the digital upskilling of our employees	2020: 41%	0%	81%	90%
	23.	Provide access to meaningful career development programs for employees during later stages of their career	2022: 43%	0%	93%	90%
	24.	Increase our employee engagement level	2020: 69%	0%	75%	75%

These programs contribute to UN SDGs

(1) The baseline year for each indicator is provided together with its baseline performance.

(2) Each year, one of Schneider Electric's statutory auditors performs a "limited" assurance engagement on all SSI and SSE indicators (except SSI #+1 in 2025), in accordance with (revised) ISAE 3000 assurance standard (see assurance report on **page 336**). In addition, SSE #1 and SSE #3 were subject to a "reasonable" assurance engagement in 2025 (see assurance report on **page 339).** Please refer to **page 315** for the methodological presentation of each indicator.

(3) From 2025 onwards, diversity targets shall not impact local incentives in countries or entities prohibiting the establishment of such targets. The global SSI target has been restated accordingly. The gender balance metric is a global strategic ambition. It does not apply to territories that prohibit such ambition. The Schneider Electric policy is to always select the best candidate for any position based on skills, experience and potential (irrespective of their gender, age, origin, disability, appearance, etc...).

Indicators below have a Group scope as described in **section 2.4.1 Methodology elements on the published indicators**, **page 314**.

HR statistics presented below cover about 85% of the 173,626 employees from consolidated companies where HR IT systems have been deployed. About 14,107 employees from non-integrated entities are excluded. SSI #8 is calculated on constant scope and also excludes employees from L&T and Proleit, as they were acquired during 2020, which is the baseline year for this program. SSI #8 coverage is about 85% of Group employees in 2025.

Total Group workforce, i.e. overall employees and non-employee interim workers, is 173,626 people as of end of the year 2025.

The calculation methodology of the absenteeism rate varies from one country to another, in this domain Schneider Electric communicates at Group level the number of lost days and the number of hours worked (Safety data). The precisions on the variations of scope are contributed at the end of the tables below and indicated by footnotes.

2.4.4.2.2 General disclosure

Spot workforce at year-end

GRI	Indicators	Units	2025	2024	2023	2022
	Spot workforce at year-end including supplementary employees*	year-end HC	**173,626**	167,495	153,121	149,812
	Spot workforce at year-end excluding supplementary employees*(1)	year-end HC	**147,420** ●	147,127	137,855	134,931
	Open-ended contract	%	**92%** ●	90.9%	89.8%	88.8%
	Fixed-term contract	%	**8%** ●	9.1%	10.2%	11.2%
	Spot supplementary employees* at year-end	year-end HC	**27,913**	20,368	15,266	14,881
2-7	Share of temporary personnel (fixed-term contracts and supplementary personnel*)	%	**23%**	20.1%	19.2%	22.3%

● Indicator covered by an assurance report in 2025.

* Supplementary employees are employees under short-term contracts to supplement short-term activities and work peaks.

(1) Based on data tracked in our global TalentLink tool, excluding supplementary employees, recent acquisitions, entities not integrated to the Group's information system tools and interns (147,420 employees, i.e. around 85% of employees excluding supplementary employees).

Workforce composition(1)

GRI	Indicators	Units	2025	2024	2023	2022
	Coverage (of total employees)		**85%**	88%	90%	90%
2-7	Organization of working time					
	Full-time	%	**98%** ●	98%	98%	98%
	Part-time	%	**2%** ●	2%	2%	2%
401-1	Hires(2)	HC	**20,403** ●	27,250	24,608	28,214
401-1	Departures(2)	HC	**20,813** ●	18,341	19,738	22,005
	Layoffs	HC	**8,408**	5,473	5,246	5,970
	Resignations	HC	**9,234**	9,796	10,878	12,757
	Other (retirement, end of contract, etc.)	HC	**3,171**	3,072	3,614	3,278
401-1	Total employee turnover	%	**14.0%** ●	12.8%	14.6%	16.6%
	Turnover by gender					
	Men	%	**13%**	12%	14%	15%
	Women	%	**16%**	14%	16%	19%
	Turnover by generation(3)					
	Gen Z	%	**29%**	28%	36%	47%
	Millennials	%	**12%**	12%	14%	17%
	Gen X	%	**8%**	7%	8%	8%
	Boomer	%	**27%**	21%	18%	18%
	Silent	%	**100%**	0%	18%	0%
401-1	Voluntary turnover	%	**6.2%**	6.9%	8.0%	9.6%
2-7	Breakdown of workforce by region					
	Asia-Pacific	%	**33%** ●	33%	33%	34%
	Western Europe	%	**27%** ●	26%	27%	27%
	North America	%	**28%** ●	29%	27%	26%
	Rest of the world	%	**12%** ●	12%	13%	13%

Workforce composition (continued)

GRI	Indicators	Units	2025	2024	2023	2022
2-7	Breakdown of workforce by top 10 countries					
	United States	%	**16%** ●	15%	14%	14%
	India	%	**13%** ●	13%	11%	11%
	China	%	**11%** ●	11%	11%	11%
	Mexico	%	**11%** ●	11%	12%	12%
	France	%	**10%** ●	10%	11%	11%
	Germany	%	**4%** ●	3%	4%	4%
	Spain	%	**3%** ●	3%	3%	3%
	United Kingdom	%	**2%** ●	3%	3%	2%
	Italy	%	**2%** ●	2%	2%	2%
	Philippines	%	**2%** ●	2%	2%	2%
2-7	Annual change in workforce in top 10 countries					
	United States	%	**5%** ●	12%	6%	5%
	India	%	**10%** ●	23%	8%	7%
	China	%	**3%** ●	10%	5%	46%
	Mexico	%	**-17%** ●	1%	3%	6%
	France	%	**1%** ●	2%	-1%	2%
	Germany	%	**3%** ●	2%	6%	2%
	Spain	%	**3%** ●	2%	12%	8%
	United Kingdom	%	**-2%** ●	4%	7%	-1%
	Italy	%	**4%** ●	4%	7%	0%
	Philippines	%	**-2%** ●	5%	3%	10%
2-7	Women in our workforce					
	Overall workforce	%	**35%** ●	35%	34%	33%
	Board of Directors	%	**50%** ●	43%	46%	42%
	Executive Committee	%	**33%** ●	40%	41%	41%
	All management (junior, middle, leadership)	%	**31%**	28%	34%	33%
	Leadership teams	%	**32%** ●	31%	29%	28%
	Front-line management	%	**31%** ●	30%	27%	27%
	Middle management	%	**29%**	26%	25%	24%
	Junior management	%	**37%**	39%	40%	37%
	Management positions in revenue-generating functions	%	**29%**	20%	19%	21%
	Sales	%	**12%**	24%	23%	22%
	STEM	%	**34%**	24%	22%	21%
2-7	White collar	%	**53%**	52%	53%	52%
	of which men	%	**63%**	64%	65%	66%
	of which women	%	**37%**	36%	35%	34%
	Blue collar	%	**47%**	48%	47%	48%
	of which men	%	**67%**	66%	67%	67%
	of which women	%	**33%**	34%	33%	33%

Workforce composition (continued)

GRI	Indicators	Units	2025	2024	2023	2022
2-7	Breakdown of workforce by age[3]					
	< 30 years	%	**20%** ●	25%	24%	24%
	30-50 years	%	**61%** ●	58%	59%	59%
	> 50 years	%	**19%** ●	17%	17%	17%
2-7	Breakdown of workforce by seniority					
	< 5 years	%	**47%**	46%	42%	43%
	5/14 years	%	**29%**	30%	31%	31%
	15/24 years	%	**15%**	15%	18%	17%
	25/34 years	%	**6%**	6%	7%	7%
	> 34 years	%	**3%**	3%	2%	2%
2-7	Breakdown of workforce by function					
	Marketing	%	**4%**	4%	4%	4%
	Sales	%	**12%**	12%	13%	13%
	Services and projects	%	**20%**	19%	20%	19%
	Support	%	**30%**	29%	27%	24%
	Technical	%	**8%**	8%	8%	11%
	Industrial	%	**26%**	28%	28%	29%

● Indicator covered by an assurance report in 2025.

* Supplementary employees are employees under short term contracts to supplement short term activities and work peak.
(1) Based on data tracked in our global TalentLink tool, excluding supplementary employees, recent acquisitions, entities not integrated to the Group's information system tools and interns (147,420 employees, i.e. around 85% of employees excluding supplementary employees).

(2) Acquisitions/disposals and supplementary employees not taken into account in the calculation.
(3) The breakdown by age or generation excludes the data for US and Canada due to privacy restrictions.

Hires[1][2]

GRI	Indicators	Units	2025	2024	2023	2022
401-1	Breakdown by type of contract					
	Permanent contract	%	**80%**	85%	77%	69%
	Fixed-term contract	%	**20%**	15%	23%	31%
401-1	Breakdown by category					
	White collar	%	**39%**	33%	38%	39%
	Blue collar	%	**61%**	67%	62%	61%
401-1	Breakdown by gender					
	Men	%	**63%** ●	58%	59%	59%
	Women	%	**37%** ●	42%	41%	41%
401-1	Breakdown by age[3]					
	< 30 years	%	**53%**	60%	58%	61%
	30-50 years	%	**43%**	37%	40%	37%
	> 50 years	%	**4%**	3%	2%	2%
401-1	Breakdown by region					
	Asia-Pacific	%	**32%**	25%	31%	36%
	Western Europe	%	**12%**	12%	17%	16%
	North America	%	**40%**	53%	42%	37%
	Rest of the world	%	**16%**	10%	10%	11%

● Indicator covered by an assurance report in 2025.
(1) Based on data tracked in our global TalentLink tool, excluding supplementary employees, recent acquisitions, entities not integrated to the Group's information system tools and interns (147,420 employees, i.e. around 85% of employees excluding supplementary employees).
(2) Acquisitions/disposals and supplementary employees not taken into account in the calculation.
(3) The breakdown by age or generation excludes the data for US and Canada due to privacy restrictions.

Layoffs [1][2]

GRI	Indicators	Units	2025	2024	2023	2022
401-1	Breakdown by type of contract					
	Open-ended contract	%	**95%**	90%	81%	69%
	Fixed-term contract	%	**5%**	10%	19%	31%
401-1	Breakdown by category					
	White collar	%	**24%**	31%	26%	21%
	Blue collar	%	**76%**	69%	74%	79%
401-1	Breakdown by region					
	Asia-Pacific	%	**11%**	18%	22%	35%
	Western Europe	%	**8%**	10%	8%	10%
	North America	%	**74%**	61%	61%	48%
	Rest of the world	%	**7%**	11%	9%	7%
	Breakdown by gender					
	Men	%	**59%**	64%	61%	60%
	Women	%	**41%**	36%	39%	40%
	Breakdown by generation[3]					
	Gen Z	%	**36%**	28%	27%	34%
	Millennials	%	**44%**	47%	47%	44%
	Gen X	%	**18%**	22%	21%	16%
	Boomer	%	**2%**	3%	5%	6%
	Silent	%	**0%**	0%	0%	0%

(1) (Based on data tracked in our global TalentLink tool, excluding supplementary employees, recent acquisitions, entities not integrated to the Group's information system tools and interns (147,420 employees, i.e. around 85% of employees excluding supplementary employees).
(2) Acquisitions/disposals and supplementary employees not taken into account in the calculation.
(3) The breakdown by age or generation excludes the data for US and Canada due to privacy restrictions.

Resignations[1][2]

GRI	Indicators	Units	2025	2024	2023	2022
401-1	Breakdown by seniority					
	< 1 year	%	**32%**	38%	35%	36%
	1/4 years	%	**45%**	40%	42%	40%
	5/14 years	%	**17%**	17%	18%	19%
	15/24 years	%	**4%**	4%	4%	4%
	25/34 years	%	**1%**	1%	1%	1%
	> 34 years	%	**1%**	0%	0%	0%

(1) Based on data tracked in our global TalentLink tool, excluding supplementary employees, recent acquisitions, entities not integrated to the Group's information system tools and interns (147,420 employees, i.e. around 85% of employees excluding supplementary employees).
(2) Acquisitions/disposals and supplementary employees not taken into account in the calculation.

Departures[1][2]

GRI	Indicators	Units	2025	2024	2023	2022
401-1	Breakdown by gender					
	Men	%	**61%**	62%	62%	62%
	Women	%	**39%**	38%	38%	38%
401-1	Breakdown by age[3]					
	< 30 years	%	**40%**	44%	46%	50%
	30-50 years	%	**46%**	43%	41%	39%
	> 50 years	%	**14%**	13%	13%	11%
401-1	Breakdown by region					
	Asia-Pacific	%	**24%**	28%	31%	33%
	Western Europe	%	**15%**	16%	16%	15%
	North America	%	**52%**	45%	42%	42%
	Rest of the world	%	**9%**	11%	11%	10%

(1) (Based on data tracked in our global TalentLink tool, excluding supplementary employees, recent acquisitions, entities not integrated to the Group's information system tools and interns (147,420 employees, i.e. around 85% of employees excluding supplementary employees).
(2) Acquisitions/disposals and supplementary employees not taken into account in the calculation.
(3) The breakdown by age or generation excludes the data for US and Canada due to privacy restrictions.

Average supplementary employees*

GRI	Indicators	Units	2025	2024	2023	2022
2-7	Breakdown by category					
	White collar	%	**7%**	8%	11%	10%
	Blue collar	%	**93%**	92%	89%	90%
2-7	Breakdown by region					
	Asia-Pacific	%	**71%**	62%	62%	54%
	Western Europe	%	**15%**	17%	19%	24%
	North America	%	**4%**	9%	12%	10%
	Rest of the world	%	**10%**	12%	7%	12%

* Supplementary employees are employees under short-term contracts to supplement short-term activities and work peaks.

2.4.4.2.3 Dialog and social relations[1]

GRI	Indicators	Units	2025	2024	2023	2022
	Coverage	%	**99%**	UP	UP	UP
2-30	Employees represented by workers' representatives[2]		**84%** ●	UP	UP	UP
2-30	Employees covered by collective bargaining agreements	%	**52%** ●	UP	UP	UP

● Indicator covered by an assurance report in 2025; UP = Unpublished.
(1) As of 2025, Schneider Electric harmonized methodology for the data collection on social dialogue and labor relations to comply with CSRD expectations.
(2) Includes both trade union representatives and duly elected worker representatives.

2.4.4.2.4 Health and safety of employees and subcontractors

GRI	Indicator	Units	2025	2024	2023	2022
403-8	Number of ISO 45001 sites	#	**197**	193	172	211
	Percentage of operational facilities that are ISO 45001 certified	%	**87%**	85%	83%	87%
403-9	Number of medical incidents[1]	#	**165** ●	197	154	171
	of which Schneider Electric employees	#	**137** ●	163	119	143
	of which temporary workers	#	**28** ●	34	35	28
403-9	Number of lost-time accidents[1]	#	**92**	91	83	95
	of which Schneider Electric employees	#	**79**	77	63	80
	of which temporary workers	#	**13**	14	20	15
403-9	Number of fatal accidents	#	**0** ●	0	0	0
	of which Schneider Electric employees	#	**0** ●	0	0	0
	of which temporary workers	#	**0** ●	0	0	0
403-9	SSE #14 Medical Incident Rate[2]	per million hours worked	**0.46** ●	0.60	0.51	0.58
	of which Schneider Electric employees	per million hours worked	**0.46** ●	0.58	0.46	0.57
	of which temporary workers	per million hours worked	**0.47** ●	0.68	0.78	0.64
403-9	Lost-Time Injury Rate (LTIR)[2]	per million hours worked	**0.26** ●	0.28	0.28	0.32
	of which Schneider Electric employees	per million hours worked	**0.27** ●	0.28	0.25	0.32
	of which temporary workers	per million hours worked	**0.22** ●	0.29	0.44	0.34
403-9	Lost-Time Day Rate (LTDR)[2]	per million hours worked	**11.14**	9.13	7.78	14.23
	of which Schneider Electric employees	per million hours worked	**12.47**	9.56	7.80	15.22
	of which temporary workers	per million hours worked	**4.49**	6.66	7.66	8.54
403-9	Number of lost days	#	**3,956**	2,999	2,345	4,195
	of which Schneider Electric employees	#	**3,688**	2,677	2,001	3,822
	of which temporary workers	#	**268**	322	344	373
403-9	Number of hours worked	#	**355,229,799** ●	328,372,715	301,436,421	294,742,174
	of which Schneider Electric employees	#	**295,665,967** ●	279,996,409	256,505,806	251,075,834
	of which temporary workers	#	**59,563,832** ●	48,376,306	44,930,615	43,666,340
403-10	Occupational Illness Frequency Rate (OIFR)[2]	per million hours worked	**0.003**	0.009	0.010	0.003
	of which Schneider Electric employees	per million hours worked	**0.003**	0.007	0.012	0.004
	of which temporary workers	per million hours worked	**0.000**	0.021	0.000	0.000

● Indicator covered by an assurance report in 2025.

(1) Includes business travel, excludes home/workplace travel.

(2) LTIR = Number of incidents with lost days x 1,000,000/number of hours worked. International standard indicator comparable to the accident frequency rate.
LTDR = Number of lost days x 1,000,000/number of hours worked. International standard indicator comparable to the accident severity rate (the latter, however, is calculated per thousand hours worked).
MIR = Number of accidents requiring medical treatment x 1,000,000/number of hours worked.
Occupational Illness Frequency Rate (OIFR) is based on 1 million hours worked (the number of Occupational Illnesses X 1,000,000 Hours/Total Hours Worked).
Note that the Medical Incident Rate (MIR) consists of both medical incidents + Occupational Illnesses and is based on 1 million hours worked.

2.4.4.2.5 Talent development and training

GRI	Indicator	Units	2025	2024	2023	2022
	Coverage	%	**98%**	98%	95%	92%
404-1	Number of training hours	#	**3,371,767**	3,246,478	3,126,358	2,988,795
404-1	Average hours of training per person	#	**23.3**	22.5	24.1	24.1
	of which white collar	#	**24.5**	23.8	25.4	25.3
	of which blue collar	#	**22.0**	21.1	22.5	22.4
	of which men	#	**23.9**	23.0	24.5	24.7
	of which women	#	**22.3**	21.6	23.2	22.9
404-1	Breakdown of hours by category					
	White collar	%	**56%**	55%	57%	57%
	Blue collar	%	**44%**	45%	43%	43%
404-2	Employees taking one day training (7 hours or more)	%	**76%**	78%	81%	81%
2-24	Percentage of employees trained on the Trust Charter, Schneider's Code of Conduct		**99%**	99%	99%	98%
2-24	Percentage of the eligible workforce who received training on anti-corruption practices	%	**99%**	99%	98%	97%
2-24	SSE #13 – Employees trained every year on Cybersecurity and Ethics	%	**98%** ●	99%	97%	95%
2-24, 404-2	Breakdown of hours by training type					
	Data & AI / Analytics	%	**7%**	3%	0%	UP
	Digital / IT	%	**10%**	8%	9%	6%
	Functional	%	**19%**	21%	23%	22%
	Sustainability[1]	%	**16%**	18%	18%	17%
	Management and Leadership	%	**7%**	6%	7%	8%
	Mandatory / Compliance	%	**7%**	5%	5%	8%
	Offer Excellence	%	**7%**	6%	6%	7%
	Human Skills	%	**5%**	6%	6%	7%
	Products, Solutions and Services	%	**14%**	13%	13%	14%
	Supply Chain	%	**6%**	7%	9%	9%
	Well-being	%	**<1%**	2%	1%	2%
	Other	%	**2%**	5%	4%	–
	Total Learning & Development spend[2]	million €	**106.1**	105.7	91.1	75.6
	Learning & Development cost per employee	€/employee	**719.7**	718.2	660.8	560.8
404-3	Employees having had a performance review[3]	%	**99%**	99%	97%	98%
	Breakdown by category					
	White collar	%	**74%**	75%	75%	76%
	Blue collar	%	**26%**	25%	25%	24%
	Breakdown by gender					
	Men	%	**68%**	68%	69%	70%
	Women	%	**32%**	32%	31%	30%

GRI	Indicator	Units	2025	2024	2023	2022
	Breakdown of promotions by gender[4]					
	Men	%	**67%**	65%	67%	67%
	Women	%	**33%**	35%	33%	33%
	Breakdown of promotions by generation[5]	%				
	Gen Z	%	**19%**	12%	11%	17%
	Millennials	%	**60%**	63%	62%	61%
	Gen X	%	**19%**	23%	24%	20%
	Boomer	%	**2%**	2%	3%	2%

● Indicator covered by an assurance report in 2025. UP = Unpublished.
Due to the impact of rounding on individual elements within this disclosure table, numbers may not exactly sum to the Group total.
(1) Includes Sustainability, Environment and Health and Safety trainings.
(2) Includes Sustainability, Environment and Health and Safety trainings.
(3) The data relates to the eligible workforce for Performance interview on 12/31/2025 (TalentLink).
(4) Based on a change in grade level.
(5) The breakdown by age or generation excludes the data for US and Canada due to privacy restrictions.

2.4.4.3 Societal indicators

Indicators are published on the basis of declarative information submitted by Foundation delegates. It covers about 95% of Schneider Electric Group employees and highlights the importance of company and employee participation in the Foundation's approach to involvement towards local communities. With EUR 34 million in 2025, the amount of budget for the Foundation's actions includes the Foundation's intervention budget, the amount of the donations from entities, employees and partners, and the amount of donations in kind.

2.4.4.3.1 Key performance indicators from the Schneider Sustainability Impact and Schneider Sustainability Essentials

Schneider Sustainability	#	Programs for 2021-2025	Baseline[1]		2025 progress[2]	2025 Ambition
Impact (SSI)	9.	Provide access to green electricity to 50M people	2020: 30M	0	61.7M	50M
	11.	Train people in energy management	2020: 281,737	0	1,090,569	1M
Essentials (SSE)	25.	Increase the number of volunteering days since 2017	2020: 18,469	0	93,204	50,000

These programs contribute to UN SDGs

(1) The baseline year for each indicator is provided together with its baseline performance.
(2) Each year, one of Schneider Electric's statutory auditors performs a "limited" assurance engagement on all SSI and SSE indicators (except SSI #+1 in 2025), in accordance with (revised) ISAE 3000 assurance standard (see assurance report on **page 336**). In addition, SSE #1 and SSE #3 were subject to a "reasonable" assurance engagement in 2025 (see assurance report on **page 339**). Please refer to **page 315** for the methodological presentation of each indicator.

2.4.4.3.2 Breakdown of the Foundation's financial commitments

Indicator	Units	2025	2024	2023	2022
Foundation's intervention budget	€	**4,000,000**	4,000,000	4,000,000	4,000,000
Breakdown by program					
Training and entrepreneurship	%	**75%**	84%	83%	81%
Raising awareness about sustainable development	%	**16%**	10%	5%	12%
Employees' volunteering/skills-based sponsorship	%	**2%**	1%	1%	2%
Emergency	%	**3%**	2%	7%	3%
Other	%	**4%**	3%	4%	2%
Breakdown by region					
Africa & Middle East	%	**6%**	28%	16%	15%
America	%	**7%**	10%	38%	6%
Asia & Pacific	%	**11%**	13%	19%	31%
Europe	%	**59%**	39%	22%	35%
Cross countries	%	**17%**	10%	5%	13%

2.4.4.3.3 Breakdown of contributions from employees and Schneider Electric entities to the Foundation's actions

Indicator	Units	2025	2024	2023	2022
Total financial contribution	€	**14,104,530**	13,646,039	10,490,937	12,461,007
From employees	€	**1,273,932**	1,298,374	1,227,005	1,520,324
From the Schneider Electric entities and partners	€	**12,830,598**	12,347,665	9,263,932	10,940,683
Total in-kind contribution (products or services)	€	**16,000,793**	19,380,796	10,800,121	7,267,507

2.4.4.3.4 Breakdown of total contributions (Employees, Schneider Electric entities and Schneider Electric Foundation) to the Foundation's actions

Indicator	Units	2025	2024	2023	2022
Breakdown by region					
Africa & Middle East	%	**3%**	8%	10%	5%
America	%	**29%**	30%	39%	35%
Asia & Pacific	%	**20%**	16%	17%	25%
Europe	%	**46%**	45%	33%	31%
Cross countries	%	**2%**	1%	1%	4%

2.4.4.3.5 Total budget for the Foundation's actions

Indicator	Units	2025	2024	2023	2022
Foundation budget, financial contributions and donations in kind	€	**34,105,323**	37,026,835	25,291,058	23,728,514

To access all Schneider Electric ESG data, please download the disclosure dashboard Schneider Electric Sustainability Disclosure Dashboard from the Sustainability Reports page on **www.se.com**

Energy
INTO
Efficiency

03. How we manage risk and impact at Schneider Electric

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ECOSTRUXURE AUTOMATION EXPERT

EcoStruxure Automation Expert is a truly open, software-defined automation solution. Unbound by hardware and empowered by data to deliver flexibility, visibility, operational resilience, and future-ready adaptability.

An introduction by Chief Governance Officer & Secretary General, Hervé Coureil

Dear Stakeholders,

Global uncertainty continues to reshape the way organizations operate. Regulatory expectations are intensifying, stakeholder demands are evolving, and technological and societal shifts – from the energy transition to the rapid expansion of artificial intelligence – are redrawing the risk landscape. In this environment, successful organizations are those that not only understand emerging risks but harness new capabilities to respond with speed, clarity, and resilience.

As a company operating at the intersection of energy management and digital transformation in multiple jurisdictions, Schneider Electric faces a risk landscape that is both broad and deeply interconnected. This reality demands an Enterprise Risk Management framework that goes beyond traditional mitigation. Over the past year, we have accelerated our shift toward a more forward-looking, data-driven approach – strengthening our ability to anticipate emerging threats, enhancing our use of advanced analytics and digital tools to inform decision-making, and embedding resilience more deeply across our global operations and supply chains.

Our governance foundations remain robust. We maintain a disciplined internal control environment structured around three lines of defense, ensuring alignment with regulatory requirements, adherence to our internal standards, and reliability in our financial reporting. Importantly, we are also working to strengthen the interplay between these lines – sharpening accountability, clarifying roles, and expanding assurance coverage to match the evolving complexity of our business. None of this is possible without our people. We are investing in building a strong risk culture (or Trust Foundation) across the organization – one where risk awareness is embedded in everyday decision-making, not confined to specialist functions. This means deeper engagement from operational leaders, broader access to risk insights, and a shared commitment to continuous improvement.

This transformation is anchored in our ambition to earn and deepen the trust of our customers, partners, employees, and shareholders. By acting with integrity, promoting transparency, and embracing resilience, we aim to build an organization that is not only prepared to prevent, mitigate and respond to risks but also equipped to seize the opportunities they may reveal.

Thank you for your continued support,

Hervé Coureil
Chief Governance Officer & Secretary General

3.1 Introduction

When introducing Schneider Electric's approach to risk management, it is important to distinguish between Enterprise Risk Management (ERM) and Duty of vigilance (DoV).

Enterprise Risk Management (ERM) is the Group's framework for identifying and managing risks that could affect its objectives, reputation, or assets. It ensures a proactive, coordinated approach across all areas.

Duty of Vigilance (DoV) is a legal requirement to identify, prevent, and reduce risks related to human rights, health and safety, and environmental impacts in the Company's operations and supply chain.

While ERM focuses on protecting the organization as a whole, DoV centers on safeguarding people and the planet, reflecting a responsibility to act ethically and sustainably. Together, these frameworks reinforce Schneider Electric's commitment to robust governance, responsible business conduct, and long-term resilience.

3.2 Enterprise Risk Management

3.2.1 Risk management scope

The Enterprise Risk Management (ERM) framework is designed to cover the Group, defined as the Schneider Electric SE parent company and the subsidiaries over which it exercises exclusive control.

Acquired companies are integrated progressively into the Group internal control and risk management systems.

3.2.2 Organization and management

3.2.2.1 Group values

Resilience as a top value

Schneider Electric has placed significant importance on resilience within the values and principles which guide and inspire its actions and, in particular, its business practice. Indeed, resilience is one of the fundamental elements of sustainable growth and belongs directly to the Group's sustainability value. All Group entities, along the three lines of defense described hereafter, are encouraged to:

- Develop a culture promoting resilience for the Group;
- Raise resilience awareness and best practices, within their scope of work; and
- Implement initiatives aimed at increasing the Group's resilience, by decreasing the risk exposure and/or increasing its level of preparedness.

Hybrid risk management model

Schneider Electric uses a hybrid risk management model. It means that while there is a Group Risk Management function and experts in charge of setting risk management mechanisms, establishing policies, and other activities, ownership of the risks belongs to the Business Units, Operating Divisions, or Global Functions who are responsible for deploying the central framework to manage their risks.

These are organized in three lines of defense:

- 1st line of defense: Business and Risk Owners
  Operating Divisions and Business Units take ownership of how the risks specific to their local market or function are managed on the ground, following the procedures set by the second line of defense.
- 2nd line of defense: Group Risk Management, Post-Merger Operations, Global Security, Risk Overseers
  Sets risk management mechanisms, advises and monitors the first line of defense, and helps them build action plans to improve identification, mitigation, and control of risks.
- 3rd line of defense: Internal Audit
  Independent body, not dedicated to a specific risk area or region. Assesses if the first line of defense is managing risks properly and if the second line of defense is setting mechanisms and supporting the first line adequately.

The section hereafter (3.2.2.2) goes over the three lines of defense and gives more detail about the hybrid risk management model and the governing bodies.

3.2.2.2 Risk management roles and responsibilities

Figure 1: The three lines model

The Group's corporate governance bodies supervise the development of internal control and risk management systems. The Audit & Risks Committee has particular responsibility for following up on the efficiency of internal control and risk management systems and reports to the Board of Directors.

Senior Management

Senior Management is responsible for designing and leading the overall Enterprise Risk Management framework, with support from all key participants, in particular the Group Internal Audit and Internal Control departments.

It also monitors the Group's performance during business reviews with the Operating Divisions and Global Functions. These reviews cover business trends, action plans, current results, and forecasts for the quarters ahead.

Similar reviews are carried out at different levels of the Group prior to Senior Management's review.

Audit & Risks Committee

The Audit & Risks Committee is responsible for overseeing the Group's internal controls and risk management systems.

The Committee is presented with the conclusions and key actions from a selected number of audit missions throughout the year and works with management and external auditors to ensure that risks are identified and addressed in a timely and effective manner.

The Head of Internal Audit has direct access to the Chairperson of the Audit & Risks Committee and meets with them on a regular basis throughout the year.

1st line of defense: Business and risk owners

Among other responsibilities, Operating Divisions and Business Units have a duty to preserve good faith and trust. As business and risk owners, they must:

- Embed risk management into first line processes;
- Execute risk strategy in line with risk appetite and standards;
- Complete risk assessments and provide supporting data;
- Identify and control risks relating to their own environment, in compliance with the rules and procedures implemented and communicated by the Group functional department; and
- Design and implement remediation actions.

More specifically, Operating Division and Business Unit management supplement and adapt the Enterprise Risk Management framework drafted by Group management, by drawing up detailed policies and internal control procedures which comply with the relevant laws, regulations, and customer practices in the country they operate, to exercise control more effectively over risks specific to their local market and culture.

2nd line of defense: Group Risk Management, Post Merger Operations, Global Security, Risk Overseers

Group Risk Management

In the current context of an acceleration towards a more complex and fragmented world, the Group has engaged in a restructuring of its Enterprise Risk Management framework, with the help of experts. It started in 2021, with most of the deployment having taken place between 2022 and 2024 and continuing in 2025. The objective is to strengthen the overall risk management at Schneider Electric, and implement and deploy advanced mechanisms.

The Enterprise Risk Management framework is deployed by the Group Risk Management department, which reports to Senior Management and sits within the Governance function.

The Group Risk Management department is responsible for:

- The creation, deployment, and maintenance of the Enterprise Risk Management framework;
- The planning and execution of risk assessments across various Group entities;
- Defining and maintaining the Group's Key Controls framework, ensuring that critical controls are identified, documented, and monitored for effectiveness across all risk categories, and supporting Risk Overseers and Zones in embedding robust controls into operational processes; and
- The consolidation, in comprehensive reports, of the risks identified and assessed, the Group's level of mitigation, and the roadmaps in place to reduce the risk exposure and increase preparedness.

This Enterprise Risk Management framework relies on a network of Risk Overseers (in charge of supervising a specific risk category) and risk owners (in charge of managing risks efficiently with the support of all assets provided). The Group Risk Management team engages with these stakeholders and supports them to increase their risk management maturity by driving several types of assessments and by evolving standardized methodologies.

The Group Risk Management department strives to not only manage event triggered risks, but to maximize value through more informed and calculated risk taking. With this mandate, it studies strategic issues and long-term strategy and continuously monitors emerging trends, risks, and opportunities, sometimes with the support of risk intelligence companies.

In 2025, Schneider Electric accelerated its Controls transformation, a strategic initiative to strengthen the Group's risk and control framework and embed accountability across all risk categories. The Group Risk Management team orchestrates this journey by defining the framework, supporting Risk Overseers during reviews, consolidating control effectiveness data, and driving change management across zones and functions. These efforts aim to promote better accountability, increased coverage and real-time monitoring of Key Controls effectiveness.

Looking ahead, the Group remains committed to advancing its risk management practices. Building upon the foundation laid in previous years, efforts will continue to refine the risk management framework, leveraging the insights gained.

Post Merger Operations (PM Ops)

Schneider Electric is comprised of close to 900 legal entities. To simplify operating its entities and promote collaboration, efficiency, and facilitate decision-making, Schneider Electric uses Governance Models (updated as of December 2025) with specific minimum requirements as the framework:

- Integrated model entities are managed with different accountability mechanisms (Operations or Business managed) but they share a common territory approach to risk, performance management, and their IT backbone.
- Standalone model entities have the critical mass that allows them to operate without the support of the rest of Schneider Electric. However, they still need to certify their compliance with the Group's trust requirements.
- Divestitures model is for companies under divestment process analysis.
- Minority model entities, for companies in which Schneider Electric has a minority participation, but require some clear governance and regular reviews.

The goal is to ensure that each legal entity uses either the integrated, the standalone, the divestment or the minority governance model. Both integrated and standalone models have the same basic elements, such as the Group's Trust Standards or the same end-to-end planning approach.

The PM Ops team is responsible for ensuring value creation with all acquisitions made by creating an integration practice framework. The key objectives of the team are:

- Support businesses and/or operations in the definition and execution of the integration plan (including deployment of governance models minimum requirements);
- Maintenance of Trust Standards framework;
- Coordination of its realization for 3 years post-closing;
- Report on performance achieved vs. initial business plan; and
- Coordination of post-closing clauses execution.

Global Security & Resilience

The Global Security & Resilience department is central to the organization's preparedness for unexpected threats and operational disruptions.

By managing comprehensive contingency plans, Global Security & Resilience ensures the business can respond swiftly and effectively to adverse events. The department oversees the Incident Control Tower, a cross-functional group of Risk Overseer teams for incident management, where emerging crises are escalated, coordinated, and resolved in close collaboration with Risk Overseers and functional teams.

Through regular scenario testing and real-time engagement, Global Security & Resilience helps safeguard assets, detect threats, respond to incidents swiftly, and maintain business continuity across all units.

Risk Overseers

The various Group functional departments and Risk Overseers assist the Group Risk Management team with the identification and evaluation of risks. Each department defines and rolls out risk management systems in its activity sector and ensures the consistency of actions undertaken in the Business Units and Operating Divisions. Risk Overseers and Global Functions assist all Group entities by facilitating the sharing of risk management and internal control best practice.

Risk Overseers are global leaders and experts overseeing risks within their scope.

Depending on the risk category, Risk Overseers must:
- Identify and manage the adoption of regulatory and legal standards;
- Initiate first risk identification as a base for risk-specific programs design;
- Own risk-specific policies and ensure proper deployment, specifically ensuring they have adequate representation in the Trust Charter, the Group's Code of Conduct;
- Define risk-specific processes and controls;
- Engage in the annual risk assessments run by the Group Risk Management team;
- Perform risk maturity self-assessments on a regular basis; and
- Define risk thresholds and review them regularly.

Global Finance department

The Global Finance department plays a central role in establishing financial governance and ensuring that Group financial processes are executed in compliance with applicable procedures and standards.

Working in close coordination with Risk Overseers and the Group Risk Management team, the Internal Control function applies a risk-based approach to identify the key controls to be embedded in end-to-end processes and to monitor the effectiveness of the internal controls over financial reporting.

The Internal Control department reports to the Group Chief Accounting Officer. It manages and develops a network of around 40 local internal controllers covering all Group entities, supported by a central team that leads and coordinates the Group Internal Control activities. Its main objectives are to:
- Define and update the internal control framework within its scope, in collaboration with process and subject-matter experts. This framework is summarized in the digital "Group Internal Controls Principles", aligned with the COSO and French Financial Market Authority (Autorité des Marchés Financiers (AMF)) reference frameworks;
- Ensure internal control is embedded in managerial practices to strengthen the control environment, and support employees in applying the internal control framework.
- Drive the annual self-assessment campaign, focusing on the main financial risks identified;
- Monitor the adequacy and effectiveness of internal controls and support timely and sustainable remediation of deficiencies;
- Partner with operations to increase standardization of key controls across the Group to enhance effectiveness and efficiency;
- Support the design and implementation of anti-corruption and bribery controls in coordination with the relevant functions.

Within the Finance department, the Reporting and Consolidation unit plays a key role in the internal control system by:
- Drafting and updating instructions designed to ensure that statutory and management accounting practices are consistent throughout the Group and compliant with applicable regulations;
- Organizing period-end closing procedures; and
- Analyzing performance and tracking the achievement of targets assigned to the Operating Divisions and Business Units.

The Reporting and Consolidation unit is responsible for:
- The proper application of Group accounting principles and policies;
- The integrity of the consolidation system database;
- The quality of accounting and financial processes and data;
- Training for finance staff, by developing and leading specific seminars on the function; and
- Drafting, updating, and distributing the necessary documents for producing quality information.

The Reporting and Consolidation unit drafts and updates:
- A glossary of terms used by the Reporting and Consolidation unit, including a definition of each term;
- The chart of accounts for reporting;
- A Group statutory and management accounting standards manual, which includes details of debit/credit pairings;
- A Group reporting procedures manual and a system users' guide;
- A manual describing the procedures to be followed to integrate newly acquired businesses in the Group reporting process;
- An inter-company reconciliation procedures manual; and
- Account closing schedules and instructions.

The Reporting and Consolidation unit monitors the reliability of data from subsidiaries and conducts monthly reviews of the various Business Units' primary operations and performance.

Within the Global Finance department, the Tax team oversees tax affairs to provide comprehensive management of these risks.

The Financing and Treasury department is responsible for:

- Centralized management of cash and long-term Group financing;
- Centralized management of currency risk and non-ferrous metals risk;
- Monitoring of Group trade accounts receivable risk and the definition of the credit policy to be implemented;
- The distribution of rules for financial risk management and the security of payments:
  - define guidelines and contribute to the definition of Key Internal Control indicators relating to treasury and credit management;
  - review the related risks of complex projects as a subject matter expert; and
  - select Group tools for credit, trade, and cash management.
- The annual financial review meetings with the Group companies to assess the financial structures, financial risk management, as well as capital allocation.

Procedures for managing financial risk are described in **section 3.2.4 Key risks and opportunities on page 371**.

Other Global Functions

In addition to specific processes or bodies, such as the Group Acquisitions Committee for making and implementing strategic decisions within the Global Finance department (see above), Schneider Electric centralizes certain matters through dedicated Global Functions, thus combining decision making and risk management at the corporate level.

A technology community, namely the Chief Technology Officers (CTO) community, grouping all Divisional and Business Unit Chief Technology Officers as well as key Corporate Technology functions involved in Offer Creation & Research, meets on a regular basis to ensure cross-divisional co-ordination in setting the strategic direction for innovation and driving end-to-end architectures, and defining next generation platforms and systems. Additionally, this community partners closely with the senior business leaders. This has been done to ensure a simple structure so that technology can be close to business and to maintain consistency across all Divisions of Schneider Electric.

The Human Resources department is responsible for deploying and ensuring the application of procedures and compliance with HR regulations concerning employee development, promoting diversity, and well-being. The department is also responsible for establishing guidelines on rewards and compensation, hiring, on and off boarding, and learning, amongst other human resources-related duties.

The Procurement department within the Supply Chain function is responsible for establishing guidelines concerning the Procurement department's structuring and procedures, relationships between buyers and vendors, and procedures governing product quality, level of service, and compliance with environmental and safety standards.

Global Functions also issue, adapt, and distribute policies, target procedures, and instructions to Business Units and individuals assigned to handle their specific duties. Global Functions have correspondents who work with the Group Risk Management and the Internal Control departments to establish and update the Key Internal Controls deployed across the Group.

3rd line of defense: Internal Audit

In accordance with professional standards governing this activity, Internal Audit provides independent and objective assurance and consulting services designed to add value and improve the organization's efficiency and internal control. These services can only provide reasonable assurance – and not an absolute guarantee – against all risks.

The Internal Audit department reports to Senior Management. It had an average headcount of 59 internal auditors in 2025. The scope of Internal Audit encompasses, but is not limited to, objective examination of evidence for the purpose of providing independent assessments on the adequacy and effectiveness of the organization's governance, risk management, and internal controls. This includes:

- Evaluating the risk exposure assessments relating to achievement of the organization's strategic objectives;
- Evaluating the reliability and integrity of information and the means used to identify, measure, classify, and report such information;
- Evaluating the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on the organization;
- Evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets;
- Evaluating the effectiveness and efficiency with which resources are employed;
- Evaluating operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned;
- Evaluating significant merging/consolidating functions and new or changing services, processes, operations, and control processes coincident with their development, implementation, and/or expansion;
- Monitoring and evaluating the effectiveness of the governance processes, and performing consulting and advisory services around governance, risk management and control, as appropriate;
- Evaluating specific operations at the request of the Audit Committee or Senior Management, as appropriate; and
- Assisting, upon request, in the investigation of significant suspected fraudulent activities within the organization and notifying Senior Management and the Audit Committee of the results.

An annual internal audit plan is drawn up based on a combination of a risk-based and audit universe coverage-based approach. The risk-based dimension is embedding risk and control concerns identified by Senior Management, taking into account the results of the Group Enterprise Risk Management system, external sources, regulatory requirements, the outcome of past audits, and other indicators such as the evolution of a set of financial metrics, and the Corruption Perception Index. The audit plan is also flexible and agile, with room for adjustments during the year to include ad-hoc risks and Management requests.

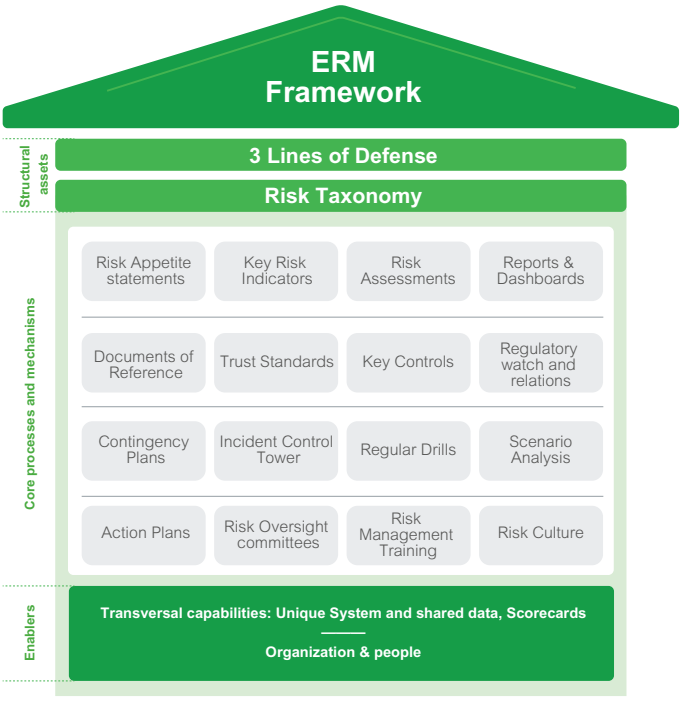
After each internal audit, a report is issued setting out the auditors' findings and recommendations for the Business Unit, Global Function, or Operational Entity audited. Additionally, an executive summary is also shared with Senior Management and the Audit Committee. The management of audited entities or audited domains is requested to define for each recommendation an action plan aiming at implementing corrective actions. Measures are taken to monitor implementation of the recommendations and specific follow-up audits are conducted if necessary.

3.2.3 Risk management mechanisms

3.2.3.1 ERM Building Blocks: Essential components for effective risk management

In 2025, Schneider introduced the ERM Building Blocks, a comprehensive overview of all essential components within its risk management framework, highlighting how these elements interconnect to support effective enterprise risk management across the organization.

This structured approach is designed to clarify and organize the various aspects of risk management by breaking them down into clearly defined components. By doing so, the ERM Building Blocks make complex risk management activities more accessible and manageable, fostering greater efficiency in execution. This guides how Schneider Electric manages the ERM framework core assets, deploys risk mechanisms, and implements the framework enablers.



3.2.3.2 ERM structural assets

One unique risk taxonomy is established to have a common risk language

One of the core assets of the Group risk management practice is a unique risk taxonomy, used by the different domains within the organization (Sales Regions, Business Units, Global Functions). It is key to ensure all Group entities speak the same risk language and collaborate efficiently on decreasing the risk exposure.

This document is updated once a year based on the relevance and characteristics of identified risks in a business context. The taxonomy contains several risk classification levels, described in the illustration below.

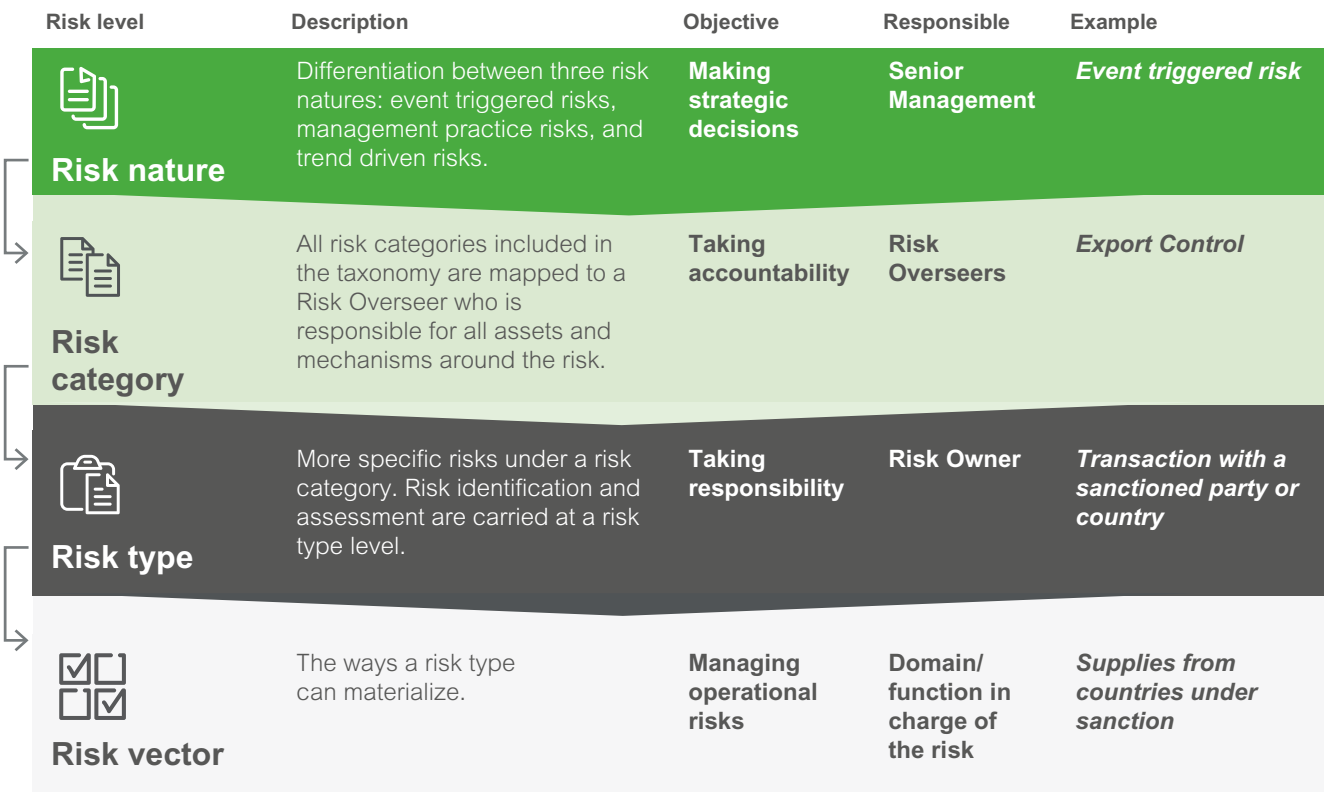


Figure 2: Risk taxonomy structure

3.2.3.3 ERM core processes for risk identification and management

Risk identification

The Group Risk Management department conducts interviews to update the list of general risks at Group level each year. In 2025, 16 of the Group's top leaders were interviewed, gaining an exhaustive perspective on the Group's top risks. The risks identified through these interviews are ranked by a risk score (comprising impact and likelihood of occurrence) and level of mitigation.

Additionally, the Group's risk register is updated annually based on the yearly risk categories reviews carried by the Group Risk Management team and Risk Overseers.

Yearly risk assessments

The Group's entities are performing frequent risk assessments.

There are three types of assessments:

- **Zone or country risk reviews**, where the leadership team and risk owners review the top risks affecting their territory and legal entities, as well as the mitigation in place.
- **Function or risk category reviews**, where the leadership team and Risk Overseers review the risks affecting their domain of expertise, as well as the mitigation they put in place.
- **Leadership risk assessment**, where the leadership team is interviewed about the Group's strategic risks, to gain an understanding of the perception of the risk exposure and level of mitigation.

Additionally, the Internal Audit and Internal Control departments perform consolidated reviews and audits aiming, in particular, to assess the internal control framework and risk management system effectiveness.

Risk factors related to the Group's business, as well as procedures for managing and reducing those risks, are described in **section 3.2.4 Key risks and opportunities on page 371**.

3.2.3.4 ERM key mechanisms to mitigate risks

The Group recognizes that each risk nature is unique, and therefore requires a unique approach in the way risks within each nature are identified, assessed, monitored, and mitigated. The figure below offers a few definitions and examples for each risk nature and shows the parameters that allow to differentiate them: expected reward for risk, and controllability.

Figure 3: Three risk natures and their unique approaches

For the **trend-driven risks**, the objective is to reduce the business impact cost-effectively and prepare to turn a disrupted environment into opportunities. We identify, assess, and monitor the risks through frequent organization leaders' and external stakeholders' interviews. This is complemented with specific strategy cadences.

For the **event triggered risks**, the objective is to reduce the risk exposure and increase the level of preparedness. Examples of the assets used to achieve this goal include: crisis management and business continuity planning, strong policies and procedures adoption, and continuous risk and incidents monitoring.

For **management practice risks**, the objective is to avoid or eliminate occurrences cost-effectively with a risk culture and compliance model embedded in Operating Divisions, strong policies and procedures adoption, and an effective set of internal controls.

Among the risk mechanisms employed by Schneider Electric for mitigating risks, the key ones are:

Trust Charter

The Trust Charter is the Group's Code of Conduct. Each section is mapped to the risk taxonomy and has the goal, among others, to bring a level of awareness to employees that will contribute to decreasing the Group risk exposure.

See more details about the **Trust Charter, Schneider Electric's Code of Conduct** in Chapter 2 **page 108**

Policies

A policy is an official statement and process description produced and supported by the leadership team and states where the organization stands on important topics or issues. An organization's policies provide a framework to operate effectively and efficiently and are important for all stakeholders, enabling and reinforcing trust. Each Risk Overseer is responsible for ensuring needed policies are written and published, and that they are implemented, communicated, and their implementation is being monitored.

Mandatory PMI[(1)] tasks

The Enterprise Risk Management framework applies not only to the Group's core and legacy activities, but also to recently acquired companies as part of the post-acquisition integration process. Trust Standards are defined to ensure the integration process is addressing risks and compliance matters, meeting legal obligations, creating a more standardized back-end, and providing clarity regarding integration requirements across the portfolio of companies.

Key Controls

The Group uses a set of internal controls that is reviewed and updated annually, with the subject matter experts (among others). One of the goals is to assess the effectiveness of the mitigation put in place to address a risk. For the controls that are risk specific, the outcome of the yearly self-assessment campaign is twofold: provide a high-level view of the situation to the top management and provide action plans to the risk owners to improve their mitigation, if relevant.

As of 2025, the Group has successfully transitioned to a more proactive risk management approach by reducing reliance on self-assessments and implementing automated control points. This transformation is still underway, with several key milestones already achieved, further strengthening the Group's risk mitigation processes.

Key risk metrics

Risk metrics are defined to measure the Group risk exposure for each risk category and type. They are defined by the Risk Overseers and reviewed on a regular basis. Defining risk thresholds helps to foster a risk-centric culture and take business decisions based on risk appetite.

Insurance

Schneider Electric transfers high-severity, low-frequency risks to leading insurance companies. The Risk and Insurance department reviews the current pricing and coverage conditions of the external insurance market in implementing the most efficient insurance program.

Insurance policies are arranged on a global basis for all Group subsidiaries over which Schneider Electric has operational control. These policies are in all countries where the Group operates and are compliant with local regulations. All insurance companies used by Schneider Electric must meet certain credit and security requirements.

All insurance policies have aggregate limits determined based upon loss scenarios and available capacities on the market. However, there is the risk that an extreme claim could exceed the amount of insurance purchased.

The insurance policies that are purchased cover varying exposures including, but not limited to:

- General liability risks arising from events where the Group is liable for damages to a third party as a result of the activities of its people or its products;
- Property damage and business interruption resulting from an insured risk such as fire, flood, or earthquake at a Group site or, to a lesser extent, a customer or supplier location;
- Risks associated with the transportation of assets by land, sea, or air;
- Damage to equipment being installed at customer locations or construction sites;
- Risks arising from data breaches and attacks on IT systems;
- Local compulsory policies for employee safety and automobiles;
- Liabilities of Executive Directors and Corporate Officers;
- Environmental risks; and
- Emergency assistance and repatriation for employees traveling.

Insurable risk mitigations

The Group identifies and measures the impact of the main insurable risks with a view to reducing or eliminating their impact:

- In order to minimize the risks of damage and protect our production capacity, protection standards (including for the sites managed by third parties) are defined, and main industrial sites are audited by an independent loss prevention company with a process to action any recommendations from these audits.
- Business continuity plans are implemented, reviewed, and tested, in particular for the Group's main sites and critical suppliers. These plans are developed to identify internal alternative manufacturing and storage solutions to reduce the disruption to the business.
- Crisis management tools are implemented in conjunction with the Group's Global Security department. These are tested on a systematic basis. Regular exercises are performed to identify areas for improvement.
- Hazard and vulnerability studies are carried out to protect our people and our equipment.
- For transportation risks, the lessons learned from losses are communicated across the Group to improve the risk management of shipments and the Insurance department liaise closely with Logistics and Planning teams to minimize incident impact.
- Employee safety and a safe work environment are priority topics at all site management meetings. Safety training for new employees combined with regular reviews ensure continuous learning and improvement in the recognition and elimination of hazards.

(1) *PMI = Post Merger Integration*

Self-insurance

As part of the overall insurance strategy the Group self-insures certain risks through two captive insurance and reinsurance companies located in Europe and North America.

Examples of the policies re-insured by the Group, include property damage and business interruption, general liability, and transportation.

The cost of the self-insured risks is not considered material at the Group level.

The Group assumes a deductible at a site/entity level – though this is not regarded as self-insurance.

Cost of insurance programs

The cost (including tax) of the Group's main global insurance programs, excluding premiums paid to captives, totaled around €30 million in 2025.

3.2.3.5 ERM enablers

A robust Enterprise Risk Management framework relies on key enablers that ensure risk management processes are integrated, transparent, and effective across the organization. Two critical transversal capabilities supporting this framework are unique systems and the organization and people involved in risk management.

Digital systems

The Group leverages a unique digital system which serves as the central reference platform for ERM activities. It acts as the single source of truth for all risk-related data, including risk registers, key controls, compliance obligations, and audit findings.

By providing a unified ERM referential, this enables consistent risk identification, assessment, and monitoring. Importantly, it is utilized by all three lines of defense ensuring full visibility, alignment, and collaboration across the Group.

This shared platform streamlines risk reporting, enhances data integrity, and supports informed decision making at all organizational levels.

Organization and people

Equally vital to the ERM framework are the organization and people who drive risk management processes.

Clearly defined roles and responsibilities are established for each of the three lines of defense, fostering accountability and clarity in risk ownership. Integrated workflows facilitate seamless collaboration between these lines, supporting the timely identification, escalation, and mitigation of risks.

This structure not only promotes a culture of risk awareness but also enhances the effectiveness of controls and the agility of the Group in responding to emerging threats and opportunities.

Through ongoing training and communication, employees are empowered to fulfill their risk management duties, contributing to the continuous improvement and maturity of the Group's risk culture.

3.2.4 Key risks and opportunities

Principal risks

The Group risk inventory is organized in three categories and includes 21 key risks identified.

The key risks selected and presented below are the risks considered by the Group as specific to its business and identified as having the potential to affect its activity, its image, its financial situation, its results, or the achievement of its objectives.

However, the Group may be exposed to other non-specific risks, or risks of which it may not be aware, or risks of which it may be underestimating the potential consequences, or other risks that may not have been considered by the Group as being likely to have a material adverse impact on the Group, its business, financial condition, reputation, or outlook. In each category, risks are assessed in terms of potential impact for the Group according to three levels (red, orange, and green), with red being the most likely to affect the Group. The assessment is the result of the process performed as part of the overall risk management mechanism described in **section 3.2.3.3 ERM core processes for risk identification and management** on **page 367**. The impact considered for the assessment is the potential net impact which corresponds to the potential gross impact (financial/ human/ legal/ reputation), after having taken into consideration the current mitigation measures, as well as the probability of occurrence of the risk. The assessment by Schneider Electric of this level of materiality may be changed at any time, in particular should new facts, whether external or specific to the Group, come to light.

The identification and mitigation of the Group's key risks can reveal opportunities for growth, enabling strategic decision making and flexibility to move ahead with speed.

	Categories and Risks	Potential net impact	Page
1	**Event triggered risks**		
1.1	Cybersecurity on Schneider Electric infrastructure and its digital ecosystem (including connected products used as a gateway to attack Group's customers and partners)	🔴	373
1.2	Export controls	🔴	374
1.3	Safety, quality and reliability of offers	🟠	374
1.4	Competition laws	🟠	376
1.5	Corruption linked to B2B and project business	🟠	377
1.6	Human rights and safety issues through the value chain	🟠	377
1.7	Counterparty risk	🟢	379
1.8	Currency exchange risk	🟢	380
2	**Trend driven risks**		
2.1	Technology evolutions (Generative AI)	🔴	381
2.2	Operational disruption due to global political and economic disruptions	🔴	382
2.3	New competitive landscape and business models in energy	🟠	383
2.4	Supply chain resilience	🟠	384
2.5	Group offer evolution and innovation	🟠	385
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Key to symbols

🔴 High impact 🟠 Medium impact 🟢 Low impact

1. Event triggered risks

1.1 Cybersecurity on Schneider Electric infrastructure and its digital ecosystem (including connected products used as a gateway to attack Group's customers and partners)

Risk description

Schneider Electric, like other organizations with a similar global footprint and presence, is exposed to the risk of cyberattacks. As an industrial and technology company, the Group has activities spread over dozens of R&D sites, and more than 200 production and logistic units. With the use of Internet of Things (IoT), artificial intelligence (AI), and other technologies supporting business activities, the overall attack surface on IT and OT is large.

The security profile of the Group has evolved with more connectivity and openness in the digital landscape and digitalization of products. This is expanding the attack surface and increasing the exposure to cybersecurity risk, where connected products and digital offers (e.g., remotely managed services like "Advisors") at Schneider Electric or customers' sites could be used as a gateway for malicious cyberattacks.

The move to a service-oriented business model with software and augmented data naturally increases risks, such as data breaches and intellectual property (IP) theft.

As part of a bigger ecosystem with companies acquired (that are bringing their own level of cybersecurity), thousands of unique suppliers (with heterogeneous maturity in cybersecurity), and customers, notably Critical Infrastructure clients, the Group faces an increasing pressure on cybersecurity, product security, and data protection, on top of scrutiny from national authorities.

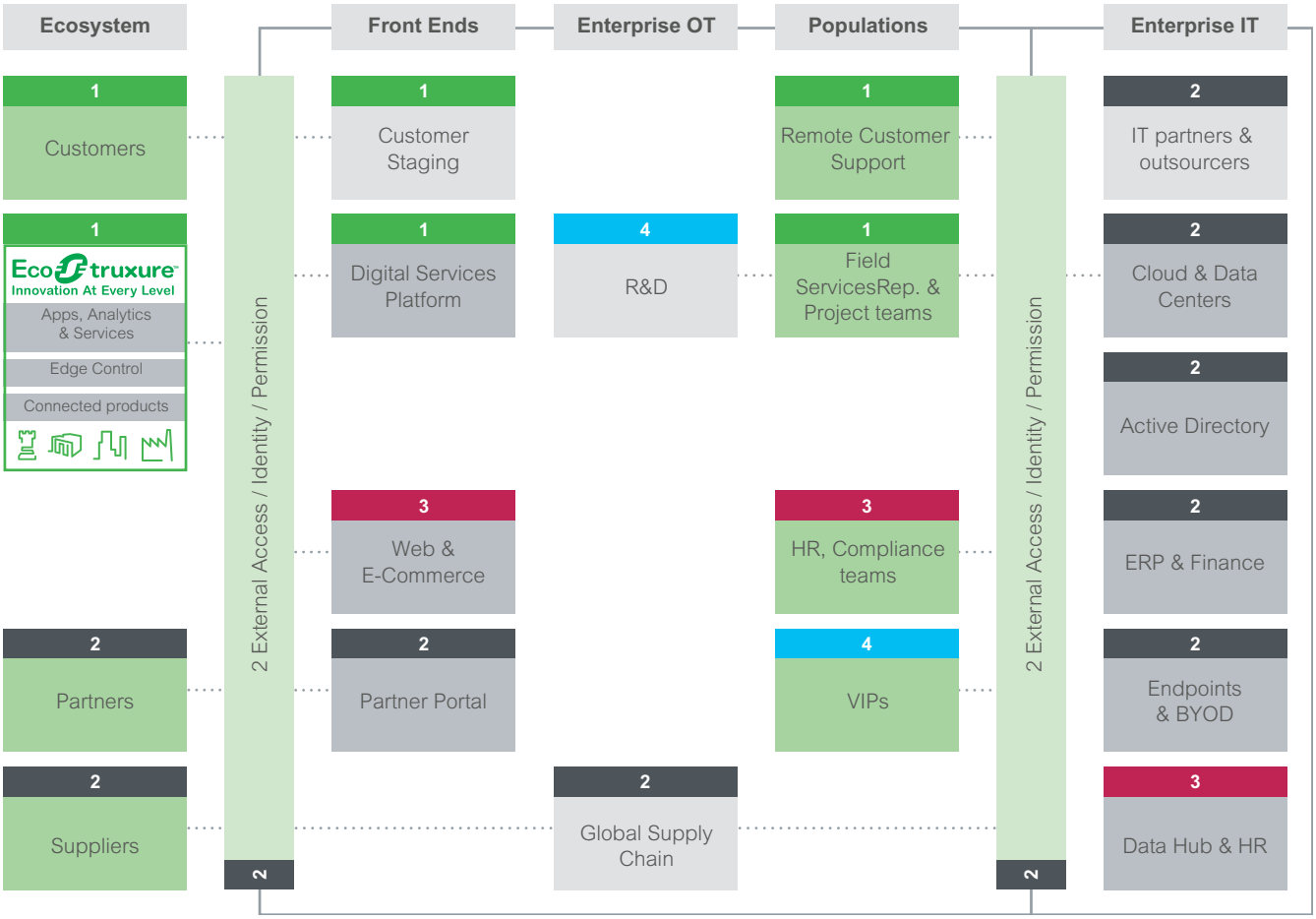
Risk monitoring and management

Schneider Electric analyzes risks across its extended digital and operational landscapes, as seen in the figure below, in order to determine how to mitigate the corresponding risks.

Schneider Electric major cyber risks

1 Damage to Customer Assets
2 Business Disruption
3 Compliance (customer payment, personal data, etc.)
4 Intellectual Property Theft

People
Physical and digital capabilities
Sites and areas
Network & Infrastructure



1.1 Cybersecurity on Schneider Electric infrastructure and its digital ecosystem (including connected products used as a gateway to attack Group's customers and partners) continued

To reach the highest level of trustworthiness, the Company continuously enhances its security posture through core pillars[1] and notably supply chain security.

To mitigate the risks from design to maintenance and build trust along its supply chain, Schneider Electric leverages practices prescribed in standards such as ISA/IEC 62443 and ISO/IEC 27001. The Company also pushes for responsible interactions between actors within the supply chain.

- **Supplier security:** Schneider Electric mandates that its suppliers meet high standards in cybersecurity and privacy, as per the Supplier Security Principles[2]. The Company requires them to extend these guidelines to their own suppliers and service providers. These security expectations are included in the onboarding process and Schneider Electric assesses suppliers' cybersecurity maturity to verify compliance with the Company's requirements before engagement.
- **Secure practices for products and software with:**
  - Secure Lifecycle Management. Schneider Electric recognizes the need to have cybersecurity measures fit-for-purpose throughout the entire lifecycle of the product, from development to retirement. This discipline includes end-to-end security across all software and system development lifecycles, certified to the ISA/IEC 62443-4-1 Secure Development Lifecycle standard, to which Schneider Electric has been contributing for over a decade.
  - Penetration tests, final security reviews, and digital certification. The Company enhances the security validation of its technology leveraging its CREST-accredited penetration testing and by engaging external partners. All applications, products, or systems undergo a formal security review, with EcoStruxure™ cloud offers undergoing an additional digital certification process. This brings a consistent and disciplined approach to embedding security into the Company's products and maintaining external certifications.
  - Industrial security. One cyber leader per site monitors alerts, vulnerabilities, and supports incident response. On top of this governance, hygiene is assured globally, in plants and distributions centers (including OT asset inventory, IT/OT firewalls and Secure Remote Access, endpoint protection on all PCs, and real-time monitoring). From 2022 onwards, every new production line is ISA/IEC 62443-3-3 and ISA/IEC 62443-2-4 Security Level 2 compliant.
  - Product vulnerabilities management. Schneider Electric's vulnerability management process, based on ISO/IEC 29147 and ISO/IEC 30111, tracks and fixes vulnerabilities with the assistance of its Corporate Product Cyber Emergency Response Team (CPCERT). The Company's teams continuously detect, mitigate, and remediate vulnerabilities for products in the market as they are discovered. Schneider Electric aims to work collaboratively with Researchers, Country Cyber Emergency Response Teams (CCERTs), and asset end-users through the Cybersecurity Support Portal to ensure that accurate vulnerability mitigation and remediation information is responsibly disclosed. In cases of critical vulnerabilities, the incident management protocol can be activated to expedite resolution.
  - IP and Source Code protection. Schneider Electric protects its portfolio of IP, preventing accidental loss, source code exfiltration, and tampering through legal frameworks such as patents, licenses, and escrow agreements, administrative controls including non-disclosures and specific addendas, and security measures including access control and code integrity regarding third-party and open-source code.
  - Customer environment security. To meet customer expectations, Field Service Representatives (FSRs) must follow consistent and sound security measures and be certified with a "Cyber Badge". This certification demonstrates they have undergone training on secure operation principles consistent with industry-leading cybersecurity standards such as NIST, ISA/IEC 62443-2-4, and ISO/IEC 27000-series and possess up-to-date equipment and software to carry out their work on a customer site.

(1) Consult Schneider's Cybersecurity, Product Security, and Data Protection Posture Paper on the Cybersecurity page on **www.se.com**
(2) Discover Schneider's Supplier Security Principles on the Cybersecurity page on **www.se.com**

1. Event triggered risks continued

1.2 Export controls

Risk description

International, foreign, and national export control laws and regulations govern the transfer of goods, services, and technologies within a country or between countries and/or their nationals. Elements that may trigger restrictions and licensing requirements may include, but are not limited to, countries, parties, product, and end-uses.

Schneider Electric being a multinational corporation (MNC) with international operations spanning across more than 100 different countries worldwide, must constantly ensure full compliance to such laws and regulations by implementing a robust corporate export control compliance program. Non-compliance may result in a significant impact on the Group's businesses, results, reputation, and financial position.

Albeit that Schneider Electric's product portfolio only has a limited product range that may have dual-use goods features as well as non-dual-use goods (e.g., breakers) that may be used in sensitive applications; restriction or licensing requirements may apply to these products, especially if associated with politically sensitive countries and destinations.

Risk monitoring and management

Schneider Electric has comprehensive policies and processes to ensure compliance with applicable export control laws and sanctions (Schneider Electric Export Control program) and to mitigate the above described risks. The Global Export Control Center of Excellence, as part of the Global Legal and Risk Management Ethics & Compliance function, oversees the monitoring and enforcement of the Schneider Electric Export Control program.

The Schneider Electric Export Control program may include, but is not limited to: embargo and restricted country, denied party, dual-use goods, and sensitive end-user screenings; incorporation of export control provision in the main sales and procurement contractual template; and conducting of regular awareness and online and classroom training sessions for all relevant Schneider Electric employees.

In 2025, the Global Export Control Center of Excellence team continues to evolve into a data-driven program with quantitative performance improvement objectives, enabling alignment to Schneider Electric's export control strategy.

The Schneider Electric Export Control program will continue its enhancement and updates to ensure compliance with applicable export control laws and sanctions.

1.3 Safety, quality and reliability of offers

Risk description

Schneider Electric manages a highly complex portfolio of 149,000+ references produced in 164 factories across 37 countries. Ensuring safety and reliability of our offers is critical to avoid risks such as product recalls, liability for damages, and reputational impact. Evolving regulations, sustainability requirements, and regionalization of supplies increase operational complexity and cost.

Certain types of malfunctions or failures, in the types of offers Schneider Electric provides, could potentially lead to the Company incurring liabilities for both tangible and intangible damages, as well as personal injuries. Moreover, such failures can also result in additional costs associated with product recalls, necessitate new development expenditures, and consume valuable technical and economic resources. Therefore, Schneider maintains that it is crucial to prioritize and address these aspects diligently.

Schneider Electric applies multiple quality controls governed by national and international standards. Rapidly evolving regulations and new compliance frameworks across jurisdictions demand significant operational effort and investment to maintain compliance.

Looking ahead, Schneider Electric anticipates further challenges due to increasingly stringent Quality Assurance Standards and sustainability requirements. Changes in product design, packaging modifications, and regionalization of supplies are being proactively addressed in the Quality Management framework. The Company is enhancing its reliability program to extend product lifetimes, creating greater value for customers and the environment.

Successfully navigating these challenges will offer competitive advantages and reinforce Schneider Electric's market position as a leader in sustainable and high-quality solutions.

1.3 Safety, quality and reliability of offers continued

Risk monitoring and management

The Group continues to strengthen quality for design, manufacturing, supplies management, and processes. This is extended to the value chain and leverages process digitization across all entities to have an impact on quality.

This program includes:

- A Design Quality program called "Design for Safety and Reliability" (DfSR) with the new mandatory Quality Fundamentals for Design domain, to increase safety, robustness, and reliability of new offers; Customer Satisfaction and Quality (CS&Q) function puts a strong focus on stopping any launches that do not comply with quality standards. DfSR Governance has been strengthened by integrating DfSR requirements into our agile new offer development process. Moreover, a new full-time job function named "DfSR Practitioner" was created with an intensive certification program to ensure our new offers will be supported by the certified DfSR Practitioners to ensure DfSR plan on new offers will be executed right first time, exceeding safety, compliance, robustness and reliability goals. In addition, roles and responsibilities were better defined and the number of resources focused on design quality has greatly increased.
- Reinforced Quality in industrialization by adding Quality Fundamentals, based on reputable and regulated industry standards, such as Advanced Product Quality Planning for prototypes, pre-series, and launch. Roles and responsibilities were redefined, the competency level criteria were created, and resources were allocated to industrialization quality to continue to expand and exceed Schneider Electric market demands. Furthermore, the adoption of digital tools was streamlined to ensure efficiency and effectiveness of Quality Fundamentals integration within the platform. Therefore, the Group reduced silos across the organization by developing a robust governance model for new and legacy offers. The highest applicable standard positions Schneider Electric for even more proactive identification, prioritization, and mitigation of product and process risks. This "zero-defect" and data-driven program aims to ensure products achieve 100% first time right and on-time flawless launches. The resulting safety, robustness, reliability, quality and cost optimization strive to exceed customers' expectations.
- Unified manufacturing quality initiatives, fundamentals, and principles into the Schneider Performance System which focuses and aligns the entire supply chain in the pursuit of built-in-quality. Risks in manufacturing and distribution are systematically captured in a living Potential Failure Mode and Effects process including a Company-wide reduction program which achieved dramatic risk reduction through error proofing and leveraging Schneider's smart factory solutions to ensure quality.
- Significantly strengthened supplier quality processes by benchmarking various industries and adopting rigorous industry standards (i.e., APQP). CS&Q function strives to secure an ever more robust supplier, parts, and supplies qualification process, and improved performance management with added controls for both prevention and detection. Schneider Electric's supplier partners have received communications regarding the Company's transformation journey to support the improvements with the desired speed.
- Enhanced the efficiency of service and project execution by incorporating risk management and mitigation strategies throughout the entire process, from offer definition to maintenance. Integrated Quality Fundamentals for Project and Service into daily activities to strengthen processes and establish standardization for proactive identification, prioritization, and mitigation of risks. By implementing this approach, the Group seeks to improve safety, robustness, quality, and cost optimization, surpassing customers' expectations while ensuring their safety. Additionally, this will help establish consistent standards across the Company.

To safeguard the culture of Quality, three main changes have been introduced: 1) Quality became part of Schneider Electric's Code of Conduct, the Trust Charter, to ensure that everyone understands that a quality deviation could become a compliance issue; 2) Quality was added to the Schneider Electric Essentials program reflecting values that anchor the Company's culture and 3) a Quality Academy has been created to promote learning about quality and non-quality for all employees and to set a new standard of technical know-how of the Quality function.

In 2025, Schneider Electric advanced the deployment and optimization of new quality standards across the organization, embedding them fully into the operating model. This integration is anchored in strong governance, clear guardrails, digitalization, and robust performance monitoring, reinforced by stringent controls to ensure flawless execution in alignment with the 2025 Quality Policy. Additionally, the Company introduced the "Electrifiers" recognition program within the Quality domain to celebrate and acknowledge the expertise and excellence of top specialists.

Looking ahead, the Company will focus on strategic business areas through dedicated programs and on software offers and empower the organization as it evolves. The Company will also leverage continuous improvement methodologies as systematic risk reduction enabler to enhance change management, support business performance, and enable sustainability-driven transformation for greater effectiveness.

1. Event triggered risks continued

1.4 Competition laws

Risk description

Schneider Electric has a strong brand and is present in many markets and at many levels of the supply chain worldwide. Competition laws on both national and supranational levels affect all aspects of Schneider Electric's business strategies and day-to-day operations. This includes agreements with partners, unilateral market activities, mergers, and acquisitions. Any violation of competition law can cause severe consequences for Schneider Electric, and the individuals involved in such activities, including substantial fines and a serious loss of reputation.

On 29 October 2024, the French Competition Authority sanctioned several companies for anti-competitive practices in the electrical distribution sector in France. Schneider Electric received a penalty of EUR 207 million. This decision relates to the previously disclosed investigation initiated in September 2018.

Schneider Electric firmly disagrees with the finding of the French Competition Authority and rejects any allegation that its distribution practices are not compliant with competition rules. Consequently, Schneider appealed the decision of the French Competition Authority on 19 December 2024. While the Court has not yet reached a final decision, the Group remains firmly committed to compliance and has fully cooperated with the relevant authorities throughout the process.

Risk monitoring and management

To ensure compliance with applicable competition laws and regulations, Schneider Electric has implemented a risk-based Competition Law Compliance Program designed to prevent anticompetitive conduct and to proactively identify, assess, and mitigate competition law risks across all areas of the business, through different tools, including:

- The implementation of policies, guidelines and procedures, translated into over 30 languages and accessible to all employees via Schneider Electric's internal policy platform.
- Tailored e-learnings and in-person trainings, ensuring that employees receive relevant, practical guidance.
- Internal reporting and whistleblowing mechanisms, designed to detect inappropriate interactions with competitors and to incentivize timely reporting, before risks escalate.
- Strengthening of internal controls and audits. We implemented programs to enhance oversight and ensure alignment with regulatory expectations, while continuing to support the success of Schneider Electric. In parallel, additional key control metrics were created to proactively monitor the impact of our risk management strategies.

The Competition Law Compliance Program is regularly reviewed, developed, and updated to effectively respond to changes in our market presence, emerging risks, evolving business models, and regulatory developments. To ensure a tailored and responsive approach, our Legal team operates across multiple regions, providing timely support and guidance in the countries where Schneider Electric operates. As outlined in Schneider Electric's Trust Charter, upholding fair competition and complying with applicable antitrust and competition laws is a core business principle for Schneider Electric and governs our activities across the world.

1.5 Corruption linked to B2B and project business

Risk description

The exposure of the Group to corruption risk has been increasing for several years, due to the expansion of the Group's activities in new economies, especially in Asia and Africa, through organic growth, and mergers and acquisitions. In recent years, global anti-corruption regulations have been strengthened. Many countries now have stricter controls and impose sanctions for misconduct to combat corruption effectively.

The business model of the Group relies on a large ecosystem of partners, including more than 50,000 suppliers throughout the world representing a procurement volume in excess of EUR 19.1 billion, and also, resellers and distributors. This ecosystem may represent a risk for the Group, being accountable for activities performed on its behalf, and in regards to potential conflicts of interest or unethical solicitations.

In addition, the Group is participating in complex projects involving a large range of partners in sectors at risk, such as oil and gas, and with end-users from the public sector in countries at risk.

Over the past years, the increase of law enforcement by public authorities, higher press coverage of fines imposed on companies, and new regulations requiring a strong compliance program have significantly changed the potential impact of corruption risks.

Risk monitoring and management

Schneider Electric's Ethics & Compliance program is led by the Ethics & Compliance department, under the authority of the Chief Compliance Officer, to ensure its efficiency through a dedicated Compliance Program team in close collaboration with the Anti-Corruption Controls and the Fraud Examination teams.

First, Senior Management sets Schneider Electric's zero-tolerance for corruption and promotes a culture of integrity throughout the Group and its operations.

1.5 Corruption linked to B2B and project business continued

In addition, middle management walks the talk by complying with rules, spreading the right message in their teams, and supporting the reporting of misconducts.

Second, a Group-wide Ethics & Compliance risk assessment was carried out in 2024, creating risk maps for corruption matters at both regional and Group level. Action plans were implemented in 2025, including the ongoing update of the Anti-Corruption Policy, which will notably ensure Schneider Electric's compliance with the United Nations Convention Against Corruption. Separate from the risk assessment carried out in 2024, Schneider Electric established specific risk maps for newly acquired entities currently being integrated.

Third, the identified risks are managed by means of effective measures and procedures:

- Policies: As stated in our Trust Charter, Schneider Electric's Code of Conduct, and Anti-Corruption Policy, Schneider Electric is committed to comply with all applicable laws and regulations, and applies a zero-tolerance policy towards corruption. Two operational policies complete the set: Gifts & Hospitality Policy and Conflict of Interest Policy.
- Training and awareness: 98.3% of employees exposed to corruption risks have completed the annual mandatory Anti-corruption e-learning. The content is updated yearly. Schneider Electric also ensures ongoing communication to keep employees informed about updates to the Anti-Corruption program and highlight high-risk areas, as well as live webinars to reinforce anti-corruption awareness.
- Third parties' integrity: Schneider Electric manages the integrity of its stakeholders through different evaluation processes: Business Agents Policy for assessing intermediaries, screening and continuous monitoring process when forming relationships with customers and suppliers, Sponsorship Policy for assessing sponsorship projects, and Philanthropy Policy for evaluating donation opportunities. The Group also has specific rules in place to govern marketing practices. Additionally, compliance-related aspects are thoroughly assessed during mergers and acquisitions, following the specific M&A compliance framework.
- Specific accounting controls: Schneider Electric has developed accounting control procedures to ensure that books, records, and accounts are not used to hide fraud. Since 2021, work was initiated to strengthen specific anti-corruption controls for a defined set of sensitive-judged accounts and transactions.
- Whistleblowing: A global whistleblowing system, available to employees and external stakeholders, is also managed to combat this risk. In 2025, 2,756 alerts have been received and managed.
- Corrective actions: Deficiencies associated with the implementation of procedures are analyzed to identify their causes and correct them.
- Monitoring and audit: Second-level controls and internal audit missions were reinforced on compliance risks with several audits performed.

1.6 Human rights and safety issues through the value chain

Risk description

The exposure of the Group to human rights and health and safety risks has been increasing for several years, due to the expansion of the Group's activities in countries with lesser regulatory framework regarding human rights. Some specific topics are emerging quite rapidly, for example, as the context (global warming, famine, war, geopolitics, etc.) is pushing people to cross borders and to work elsewhere, migrant workers protection is becoming a key topic for companies.

Schneider Electric's procurement volume represents more than EUR 19.1 billion with more than 50,000 suppliers. As part of the Duty of Vigilance Program in the supply chain, Schneider Electric has performed a risk analysis through its network of suppliers and identified potential risks on several topics including human rights and health and safety.

Schneider Electric serves customers in several markets and sectors, some of which face increasing controversies. The delivery of solutions to customer projects that could have a negative impact on human rights could damage the image of the Group.

The occurrence of these risks with third parties may result in the following impacts on Schneider Electric:

Reputation

Schneider Electric's image may be negatively impacted by third parties who:

- Do not respect human rights or safety rules for their workers;
- Are conducting business in a non-compliant or illegal manner; and/or
- Do not respect communities' rights while operating on customer projects.

Disruption of supply chain

It may occur due to:

- Short-term termination of relations with a supplier; and/or
- Events resulting from a lack of safety or insufficient protective measures (e.g., fire prevention) that may affect the supply of components.

1. Event triggered risks continued

1.6 Human rights and safety issues through the value chain continued

Commercial

Schneider Electric may face product bans in case of suspicion of forced labor in its global supply chain (US, EU laws), or loss of customer due to weak due diligence.

Legal

Over the past years, laws regarding human rights protection, such as modern slavery matters in Australia, the European Union's new framework on restrictive measures against serious human rights violations and abuses, or the German Supply Chain Act, have increased. Higher coverage of fines imposed on companies, and new regulations requiring a strong compliance program have significantly changed the impact of human rights and health and safety violation risks.

Schneider Electric expects that the exposure will continue to grow with the application in the coming years of the European Union's Corporate Sustainability Due Diligence Directive (CS3D), as well as the Forced Labour Regulation.

2025 specific events

At the end of 2025, more than 40 cases related to the duty of vigilance (formal notices, summons to courts, etc.) were reported, reflecting growing scrutiny over the adequacy and implementation of vigilance plans. The reasons for these cases are the inadequacy of the vigilance plan in identifying and preventing certain risks and the absence of publication of a vigilance plan.

At European Union level, two major regulatory developments progressed in 2025:

- The Corporate Sustainability Due Diligence Directive (CS3D) was revised under the Omnibus package, narrowing its scope to only the largest companies and simplifying due diligence obligations, with application expected from 2028 onward.
- The EU Forced Labor Regulation, which bans products made with forced labour from the EU market, continued its phased implementation and remains scheduled to apply from December 2027.

Risk monitoring and management

In 2023, a Vice-President for Human Rights was nominated in the Corporate Citizenship department, reporting to the Chief Corporate Citizenship Officer. His role is to oversee the Group's human rights due diligence, and design appropriate measures to prevent, mitigate, or remediate human rights impacts in the Group's value chain. The topic is also governed by a Duty of Vigilance Committee, set up in 2017 and chaired by the Executive Vice-President for Global Supply Chain. This committee has the oversight of the human rights issues in the value chain.

As human rights risks are present at different places of the value chain, the Human Rights team partners with different departments to monitor risks and implement actions:

- Transversal: Support from the Enterprise Risk Management team for the risk monitoring, and the Ethics & Compliance department with the whistleblowing system available for employees and for external stakeholders.
- Upstream supply chain: Support from the Sustainable Procurement department. To mitigate human rights risks in its supply chain, the Group has created a Supplier Code of Conduct that sets the expectations of the Group for its suppliers.
- Internal: The Human Rights team is supported by the Human Resources, and the Ethics & Compliance departments as well as Internal Audit team to ensure risks are under control in its operations.
- Downstream supply chain: A new process to early identify and mitigate the ESG risks linked to customers' projects has been added in 2023, overseen by the Solution Risk Management team.

As part of the Group's five-year objective for 2021 – 2025, strategic suppliers are requested to submit themselves to an ISO 26000 evaluation. Consistent with a continuous improvement effort, these suppliers have achieved a +1.6 points increase both in 2022 and 2023, and +2.5 points increase both in 2024 and 2025, ending the program with 66.9 points as result.

Schneider Electric has also built a supplier vigilance plan in which risky suppliers are identified using criteria that take into account the geographical location of the supplier, the technologies, and the processes used. An audit plan is then built to perform either on-site supplier audits or remote self-assessments. When non-conformances are identified, corrective actions are deployed. The suppliers are then re-audited to verify that the actions have re-mediated the non-conformances. In 2025, in the scope of 2021 – 2025 Schneider Sustainability Essentials (SSE) objective #17 "4,000 suppliers assessed under our 'Vigilance Program'", the Group conducted 222 on-site audits and 74 remote self-assessments. At the end of 2025, 95% of non-conformances from 2024 have been closed, and 58% of 2025 non-conformances.

The Group has also defined, in 2022, a specific program with the objective to ensure that 100% of Schneider Electric's strategic suppliers provide decent work to their employees, in the scope of Schneider Sustainability Impact (SSI) indicator #6. By end of 2025, 98% strategic suppliers achieved the compliant status.

In addition to the Vigilance and Decent Work Programs, Schneider Electric is now developing a program to strive towards more social excellence in its supply chain, experimenting other means to go further and expand its coverage beyond tier 1 suppliers.

1.7 Counterparty risk

Risk description

The Group has a particularly wide international presence (more than 100 countries), with revenue almost equally spread across the four regions (Asia Pacific, Western Europe, North America, Rest of the World).

For more information, refer to Note 4 (page 505) in **section 5.5 Notes to the consolidated financial statements**

The Group is therefore facing multiple counterparty risks, as any economic downturn could lead to local liquidity issues with consequences in terms of cash collection and delay of payments from the customers, affecting adversely the Group's cash conversion rate.

The Group is also exposed to counterparty risks coming from financial operation with financial institutions. It includes activities such as deposits and asset management and transactions implying flows in future value dates.

As of December 31, 2025, and considering the total scope for the Group, 12% of trade and other operating receivables were overdue (EUR 1,229 million), out of which EUR 425 million were overdue by more than three months, representing 35% of total overdues or 4.2% of trade and other operating receivables.

For more information, refer to Note 17 (page 519) in **section 5.5 Notes to the consolidated financial statements**

Risk monitoring and management

Financial transactions are entered into with carefully selected counterparties and adapted terms and conditions are included in contracts with customers. Banking counterparties are chosen according to the customary criteria, including the credit rating issued by an independent rating agency. Group policy consists of diversifying counterparty risks and ensuring we act within the legal and compliance framework set up by the Group.

In addition, the Group takes out substantial credit insurance and uses other types of guarantees (letters of credit and bank guarantees) to limit the risk of losses on trade accounts receivable.

As of December 31, 2025, the amount of the provision for impairment of trade and other operating receivables was EUR 317 million.

For more information, refer to note 17 (page 519) in **section 5.5 Notes to the consolidated financial statements**

1. Event triggered risks continued

1.8 Currency exchange risk

Description of risk of fluctuation of exchange rates

The Group's international operations and the particularly wide international presence expose it to the risk of fluctuation of exchange rates.

Fluctuations in exchange rates between the reporting currencies of the Group entities and the currencies of transactions can have an impact on the Group's results and distort year-on-year performance comparisons. The same applies to the fluctuations between euro and the reporting currencies, in a more significant proportion.

The main exposure of the Group in terms of currency exchange risks is related to the US dollar, Chinese yuan, and currencies linked to the US dollar.

In 2025, revenue in foreign currencies amounted to EUR 32.7 billion, including around EUR 15.1 billion in US dollars and EUR 4.3 billion in Chinese yuan.

The Group estimates that in the current structure of its operations, a 10% appreciation of the euro compared to the US dollar would have a translation effect of around EUR (427) million on adjusted EBITA.

The result of exchange gains and losses of 2025 amounted to EUR -47 million, excluding hyperinflation impact (as described in Note 8 (page 507) in **section 5.5 Notes to the consolidated financial statements**)

Monitoring and management of the risk of fluctuations in exchange rates

The Group manages its exposure to transactional currency risk to reduce the sensitivity of earnings to changes in exchange rates. Receivables and payables of the Group's subsidiaries denominated in currency other than their functional currency are hedged primarily by means of rebalancing assets and liabilities per currency (natural hedge).

More than 20 currencies are involved, with the US dollar, the Singapore dollar, the British sterling, the Chinese yuan, Mexican peso, and Canadian dollar representing the most significant sources of those risks.

Depending on market conditions, risks in the main currencies may be hedged based on cash flow forecasting using contracts that expire in 12 months or less. The Group is also carefully monitoring the exchange rate evolutions in countries with high inflation situation and where it has a presence.

The financial instruments used to hedge exposure to fluctuations in exchange rates are described in Note 24 (page 534) in **section 5.5 Notes to the consolidated financial statements**

Description of risk of deliverability of currencies

The Group has a particularly wide international presence (more than 100 countries), which consists in purchasing and selling, intragroup and outside group, goods and services in various currencies.

The Group is therefore facing the risk that the currencies of purchasing and selling are the subject of interdictions or restrictions linked to geopolitical contexts, access to foreign currencies, currency control, or other reasons. The Group estimates that in the current structure of its operations, such limitations and interdictions might arise from some countries with emerging economies.

Monitoring and management of the risk of deliverability in currencies

The Group policy consists in the diversification enabled by the widespread geographical presence and follow up of such risk to reduce it, when needed, through repatriation of cash exposed.

2. Trend driven risks

2.1 Technology evolutions (Generative AI)

Risk description

In recent years, technology evolutions, particularly the fast advancement of AI and Generative AI (GenAI), are an emerging risk for Schneider Electric, potentially posing significant impact both on offer compared to customer expectations and on internal processes and tools. Lack of integration of AI technologies into Schneider Electric's internal and external offerings can put the Group at a disadvantage in the market, hindering its ability to stay competitive.

As AI systems become more sophisticated, there is a need to ensure that they are designed and deployed responsibly, respecting privacy, fairness, transparency, and accountability. Failure to address these risks could result in reputational damage, financial liability, regulatory and compliance challenges, and legal consequences for Schneider Electric at any point.

AI technologies are likely to have a significant impact on talent and workforce, causing a shift in job roles and skills, and therefore necessitating investment in upskilling and reskilling, and potentially new talent. Schneider Electric needs to proactively plan for and transform its workforce and ensure that employees are equipped with the necessary skills to work alongside AI systems in the long run.

Conversely, leveraging AI and machine learning to enhance employees' productivity as well as enhance products, services, and customer experiences can help Schneider Electric gain business advantages.

Risk monitoring and management

Schneider Electric is striving for mastery on highest impact technology by adopting technology advancements (AI). Implementing AI responsibly means operationalizing a systematic approach to assess risks for all AI / GenAI solutions, services, and products, and conducting impact and maintenance assessments on an ongoing basis.

To address opportunities in AI, Schneider Electric launched the AI Hub well before GenAI accelerated and scaled the advancements in this space. GenAI is now fully part of the Company's AI @ Scale program, and several GenAI applications are now in production for the internal function and external customers.

In 2025, Schneider Electric continued to strengthen its approach to AI Risk and Responsible AI by further enhancing governance processes across the AI Hub, Legal, Finance, Data, and Cyber functions in order to better control and manage risks. This approach aims to detect the associated risks when building AI systems at the very beginning of development in order to integrate measures to mitigate, minimize, transfer, and monitor risks throughout the lifecycle of the product. Schneider strengthens its processes by having a Responsible AI Committee to verify the delivery of a trustworthy AI system in alignment with its principles: sustainability, fairness, accuracy and robustness, data privacy, transparency. This strategy aims to support the Group as it prepares for compliance with emerging AI regulations.

2. Trend driven risks continued

2.2 Operational disruption due to global political and economic disruptions

Risk description

One of the key risks the Company faces is the challenge of adjusting to "Operational disruption due to global political and economic disruptions". This risk is multi-faceted, encompassing several critical areas.

Geopolitical tensions and trade regionalization: The global landscape continues to be shaped by significant geopolitical tensions and the increasing regionalization of trade. The polarization among major economies, particularly the United States, China, Russia, Europe, and India, is creating a fragmented regulatory environment. This shift towards regional trade blocs is impacting Schneider Electric's operational efficiency, as the Group must navigate diverse and sometimes conflicting regulations on digitization, circularity, carbon emissions, and supply chain management. These regional disparities necessitate substantial operational adjustments, potentially leading to increased costs and reduced profitability.

Economic outlook and monetary tightening: The global economic outlook remains uncertain, influenced by ongoing monetary tightening and a persistent energy crisis. These factors are dampening economic activities worldwide, posing challenges to the Group's operations. Schneider Electric is closely monitoring these developments and adapting its strategies to mitigate their impact on the business.

Technological decoupling: The technological decoupling between major economies, notably the United States and China, continues to evolve. This decoupling is characterized by increased regulations and restrictions on technology transfer and collaboration. Schneider Electric is proactively adjusting its technology policies and supply chain strategies to navigate this complex environment, ensuring compliance and maintaining its competitive edge. As such, trade wars and sanctions compliance could disrupt Schneider Electric's operations and global supply chain. The above-mentioned combination of both nationally orientated tariff and non-tariff burden could increase the cost to market and potentially adversely impact Group profitability. It also increases quality risks as the Group could be forced to work with new suppliers.

Social and political instability: Heightened social and political risks are emerging as significant concerns due to economic uncertainties and geopolitical conflicts. These risks include potential disruptions to companies' operations, employee security in affected regions, and compliance with national security regulations. Schneider Electric is committed to safeguarding its employees and ensuring compliance with all relevant regulations, while also addressing the broader implications of these instabilities on our business.

Risk monitoring and management

To mitigate the risk on supply chain efficiencies, tariff impacts, and sanctions compliance, Schneider Electric has implemented a multi-hub organization. The Group has R&D and supply chain activities, suppliers, and commercial networks in the main international hubs, which are North America, Europe, India, and China. In this multi-local context, Schneider Electric can rebalance its activities across geographies. A strong focus is given to duplicating active R&D, factories, and suppliers in different hubs through a global orchestration, in order to be resilient and flexible when needed.

This setup has proved pertinent as the Group has demonstrated a solid resilience over the past years' crises, from the COVID-19 pandemic in 2020 to the armed conflict in Ukraine in 2022, and the increased decoupling between the United States and China in recent years.

Schneider Electric uses prospective scenario planning, focusing on geopolitics and trade. While the pace of external changes continues at a historically unprecedented scale regionally, global teams are working across stakeholders from Business Units, regional operations, and transversal functions (i.e., Finance, Supply Chain, Legal, Marketing, R&D, and HR).

2.3 New competitive landscape and business models in energy

Risk description

The energy industry is undergoing major transformations and disruptions driven by the following main trends:

- A Net-Zero world: Pressure on climate change and sustainability call for a change in business practices;
- Resource scarcity and resource security: Increased demand for energy efficiency solutions with necessary acceleration for agility, resilience, transformation, circular and shared economy, and the creation of new business models;
- An All Digital world: Increasing influence of digital giants and software players;
- A value chain disruption when it comes to marketplace: More products are being purchased via online marketplaces. While this is currently primarily transactional home electrification products (such as smart thermostats) it will inevitably expand to more expensive and complex products (such as EVSE, storage, and smart panels);
- An All Electric world: Oil majors urged to reduce their impacts on carbon emissions; and
- Shift towards decentralized energy production: Fueled by the advancements in technology that have made renewable energy systems more accessible and cost-effective, the growing Prosumer market has witnessed significant developments in the past years.

In this context, Schneider Electric's competition landscape is evolving, and the Group can now see:

- On one hand, some digital giants, software players, or large companies such as energy majors positioning themselves – directly or indirectly – as providers of energy efficiency, which may compete with the digital services Value Propositions currently developed by the Group; and
- On the other hand, more local experts adopted by local markets eager to interact with agnostic solutions and interconnect seamlessly with other players.

The described environment constitutes both a risk and an opportunity to the Group. Schneider Electric is at the forefront of the move to electrification and decarbonization, meeting the changing needs of the market. With its unique position and expertise, Schneider can facilitate the transition to decentralized energy production and support Prosumers in maximizing energy efficiency and optimizing grid interactions. As such, shifting market expectations and competitive landscape can impact the Group performance significantly.

Risk monitoring and management

To anticipate these changes in the competitive landscape, the Group is communicating more widely its values and positioning on climate change and sustainability.

Schneider Electric provides a full portfolio of solutions for customers (hardware and software) – as EcoStruxure™ solutions – and energy and automation digital solutions for efficiency and sustainability. This includes the recent launch of the Schneider Home Offer which builds on the Group's significant residential buildings market share and access to offer electric vehicle (EV) charging, battery, and solar inverter hardware working as a system that includes a smart electrical panel for Prosumers.

Additionally, the Group is keen to integrate the best experts or local players in an open architecture with agnostic solutions, to offer a flexible and scalable solution and ensure the best value for users. Over the past three years, Schneider Electric has assembled a unique portfolio of software companies that are leading the Prosumer transformation journey. These companies are core to the Prosumer business strategy which delivers value to residential, commercial, and industrial, as well as utility customers. These companies are accelerating via the strong established access and global presence of the Group, while also contributing to the rest of Schneider Electric's businesses as new go-to-markets, enriching offerings in the eMobility space for commercial and industrial customers, as well as new and enhanced value propositions for consumers and the residential segment.

2. Trend driven risks continued

2.4 Supply chain resilience

Risk description

The Group is exposed to supply chain dependency and business continuity risk.

Since the onset of the COVID-19 pandemic, constrained labor availability, global shortages of raw materials, and unreliable transportation have challenged suppliers and put pressure on global and regional supply chains across industries.

Schneider Electric has over 200 industrial and logistics sites globally and is exposed to the physical effects of climate change in the form of more frequent and severe acute weather events. This can result in damage to assets, disruption to business operations, and human consequences. Extreme weather events do not only threaten Schneider Electric's assets and properties but also the overall supply chain. Shortages or logistic bottlenecks in the upstream and downstream supply chain can translate directly into revenue losses, increased costs, and increased working capital requirements. Delays in production and delivery can impact customer experience.

Risk monitoring and management

The Group's Supply Chain Strategy team is responding to the global supply chain crisis to ensure supply chain flexibility and resilience is continually improved.

The Group is working closely with its suppliers and research and development teams to qualify alternate components to support increased demand and improve continuity of supply. Components have been mapped according to risk and business impact. As of the end of 2025, component mapping is reaching 76% of global revenue

According to internal processes, all medium and high business risks components have a containment plan. As of Q4 2025, 92% of electronic ranges related risks and 89% of electromechanical ranges related risk stand mitigated with a mix of strategic safety stocks and multi-source actions. 94% of critical raw materials have an effective risk mitigation plan, out of which 55% is already fully effective.

The resilience multi-year plan targeting building a redundant manufacturing network, and named Power of Two, has been significantly increased to cover all critical businesses, with 87% being fully operational. As of the end of 2025, 75% of distribution centers are covered by a logistics back-up powered by flow orchestration through seven digitized control towers in case of disruption. The level of Site protection increased to ~80 points with main improvements into Cybersecurity, and Capacity long-term preparedness.

The supply risk related to potential rare earth scarcity has been fully assessed and incorporated as a formal input into the design roadmap. On top, strategic partnership with key suppliers have been reinforced through long-term agreements and C-Level connection, with a particular focus on electronic semiconductor players. A procurement and planning hub was established in Singapore to manage a direct supply of critical material sources and manage strategic stocks, demand, and supply. As of 2024 this supply chain hub deployment focused on active electronics has been completed, while for copper cathode ramp-up has been completed in 2025.

Energy supply risks in Europe have been assessed and business continuity plans have been anticipated on critical factories and suppliers, while we accelerate the move towards Net-Zero carbon sites and suppliers.

China dependency is continuously reducing through our plans to produce and source 90% of what we sell in the same region. While Taiwan dependency remains high on electronics supplies, China-Taiwan tensions triggered more focus and acceleration on reducing dependency, although this will be a multi-year roadmap embedded into source resilience containment plans.

Leveraging its network of 164 factories and 85 distribution centers globally, and network of seven control towers (in each region), the Group is able to monitor global transport reliability, labor availability, and overall market dynamics in real time, adjusting lead times as necessary, while enacting mitigating actions to ensure lead times are as short as possible. Sites prevention plans including cybersecurity practices are fully deployed and monitored centrally.

Teams are empowered to proactively communicate with customers to continue to support them and their operations.

2.5 Group offer evolution and innovation

Risk description

In a context of evolution of software and digital services offer, one of the key risks the Company faces is the challenge of "Group offer evolution and innovation". This risk is multi-faceted, encompassing several critical areas.

On the offer and portfolio evolution, the Group's focus on the data center sector presents significant opportunities alongside potential risks, particularly due to reliance on a few key players, which could pose challenges in the event of a downturn.

When it comes to innovation, while aiming to meet immediate commitments, it is crucial for the Group to find the right balance with long-term innovation priorities, as an overemphasis on short-term margins may limit adaptability and the development of new solutions.

Additionally, difficulties in integrating acquired companies could slow the evolution of the Group's software offerings and hinder the exploration of new business models.

The innovation process may also face efficiency challenges due to slow decision making and organizational complexity, leading to missed opportunities and concerns about resource allocation.

Finally, a lack of prioritization and focus on specific offers can lead to product proliferation, resulting in delays and impacting timely product launches.

Risk monitoring and management

Schneider Electric is continuously performing strategic efforts and analysis across its multiple divisions to better understand the near-term and long-term end-users' needs. Additionally, the transversal communication and collaboration have been dramatically improved. The Group has been focusing on how it leverages existing efforts and platforms to create common approaches and prevent overlaps in offers and solutions. It will focus on this path of continuous improvement, always striving to have a more focused set of offers with less overlap in functionality and clearer value propositions that are therefore easier to differentiate, understand, and sell.

The Group has also launched several initiatives including, but not limited to:

- Creation of a new organization dedicated to the growth of digital services with a clear ambition to leverage a robust strategy, a structured offer portfolio, and a segment market approach. One of the key activities is the launch of an assessment of shared services provided by AVEVA to other software companies;
- Proposing an agnostic solution within a large software portfolio and integrating open standards;
- Balancing short-term and long-term goals by setting clear priorities for immediate commitments and innovation initiatives;
- Developing a robust integration strategy for acquired companies to ensure smooth transitions and alignment with the Group's software offerings;
- Streamlining decision-making processes to enhance efficiency and reduce organizational complexity; and
- Focusing on strategic prioritization to avoid product proliferation and ensure timely product launches.

2. Trend driven risks continued

2.6 Attracting and developing talent with a focus on critical skills

Risk description

As the Group grows globally and accelerates its digital transformation, attracting and developing talent with critical skills becomes increasingly important. Key capabilities in technology, software, services, sustainability, supply chain, quality, and electronics are essential to delivering our strategy and staying competitive. At the same time, fostering inclusion and care – across gender, generation, and nationality – is vital to ensuring equal opportunities for all.

The global competition for top talent, especially in digital and technical fields, is intense. To reduce skill gaps and build organizational agility, we must invest in upskilling, reskilling, and developing leaders who can drive transformation and connect with people in a digital world.

Beyond core programs, we are focused on creating a strong sense of purpose, inclusive culture, and modern ways of working to position the Group as an employer of choice and a leader in developing future-ready talent.

Risk monitoring and management

The Group has a number of initiatives and programs in place to mitigate these risks, anchored in the Group's People Strategy, at the heart of which is the Employee Value Proposition, IMPACT Values and Leader Code. Schneider's approach focuses on the end-to-end talent pipeline from hiring to rewarding to developing for all employees as well as critical talent segments from a workforce size, quality, diversity, and velocity perspective. This systematic approach allows for data-driven monitoring of key gaps and risks. Supporting initiatives and programs include:

- Annual performance and development goal setting and reviews, as well as talent reviews – culminating in year-end reviews of pipeline, succession, diversity, and skills by each entity with the CEO and Chief Human Resources Officer. On an ongoing basis, a global pool of high-potential and expert talents at all levels in the organization, is reviewed and managed in context of development and succession. Overall health of the talent attraction and development strategy, leadership pipeline, as well as succession of key people and positions is reviewed monthly with the Executive Committee.
- There is an enterprise focus on accelerating the early-career pipeline by twofold including internships, trainees, apprenticeships, and fresh graduates. Top 10 countries all have next-generation campus partnerships and recruitment programs. Additionally, the Schneider Global Student Experience and the Schneider Go Green annual competition each year attract thousands of university talents who become part of the Schneider talent community on an ongoing basis.

Additional programmatic initiatives to attract, develop, and engage key talents include:

- Deployment of a fully integrated, end-to-end talent attraction technology stack, placing the candidate experience at the center of the hiring process. This solution enables global standardization and automation across sourcing, engagement, interviewing, and hiring, while supporting personalized outreach at scale;
- To strengthen its ability to attract critical skills, the Group has established two strategic talent segments focused on digital and services – key capabilities aligned with its business strategy.

  These segments support a structured brand-to-hire funnel, enabling broader outreach, engagement of passive candidates, and the delivery of a consistent and equitable candidate experience throughout the recruitment journey;
- A 50/40/30 ambition towards gender: 50% of women in hiring, 40% in frontline management, and 30% in leadership (Vice-President and above)[(1)];
- Policies for family leave and Flexibility@Work, supported by a strong program of activities to accelerate the Inclusion & Care agenda and strengthen employee well-being;
- Competitive reward and benefits practices to meet local market needs and attract and retain key talents. This includes Schneider's Worldwide Employee Share Ownership Plan (WESOP) allowing ~80% of all employees to share collectively in the Company's success while building a stable and sustainable share owner group in the long-run;
- An operating Multi-hub model enabling customer proximity, innovation, speed, collaboration, and diversity of talent opportunities;

(1) From 2025 onwards, diversity targets shall not impact local incentives in countries or entities prohibiting the establishment of such targets. The global SSI target has been restated accordingly. The gender balance metric is a global strategic ambition. It does not apply to territories that prohibit such ambition. The Schneider Electric policy is to always select the best candidate for any position based on skills, experience and potential (irrespective of their gender, age, origin, disability, appearance, etc...).

2.6 Attracting and developing talent with a focus on critical skills continued

- Career development focus for all employees, leveraging a digital ecosystem powered by AI, Career Hub, for internal mobility, and anchored within an annual performance and development review and regular meaningful career conversations;
- A revamped "Electrifier" (formerly called Edison) expert program evolved around four business streams and articulated around three levels of expertise: Electrifier, Senior Electrifier, and Fellow Electrifier, designed with the objective of bolstering the core of our business, while pioneering advancements on Electricity 4.0, Industry 4.0, and sustainability solutions;
- Targeted career development programs supporting employees at all stages of their career: from fresh graduates to senior talent, ensuring a strong pipeline of talent for the future and harnessing the power of all generations. The Senior Talent program recognizes the contributions of this segment while empowering senior talent to design their next career stage through new contractual opportunities, upskilling, knowledge sharing, mentoring, and coaching among other options;
- Upskilling for today and tomorrow with a strong focus on digital skills, technical skills, commercial excellence, and functional expertise, led by global learning academies of experts;
- A collective focus for leaders to disrupt, coach, and collaborate in order to transform culture and build great teams; includes clear criteria for leadership impact and selection/promotion based on skills, experiences, and behaviors; and
- Continuous listening strategy to seek feedback from employees throughout their employment lifecycle.

2.7 Failure to achieve our long-term sustainability commitments and comply with regulatory requirements

Risk description

Schneider Electric has set ambitious sustainability commitments translated into concrete targets in the Schneider Sustainability Impacts (SSI) and Schneider Sustainability Essentials (SSE) programs and the Group Net-Zero commitment. The Group is facing stronger pressure on environmental, social and governance (ESG) performance and transparency from regulators, investors, and customers.

Business expectations regarding sustainability are evolving fast, requiring rapid and significant transformation of our value proposition and sustainability practice across our operations and geographies. As regulations tackling ESG develop, the Group could see market disruptions in geographies where it operates as well as where its supply chain is located.

Failing to adopt leading sustainability practices may prevent the Group from meeting customer and regulatory expectations, ultimately undermining competitiveness, eroding stakeholder trust, and reducing its attractiveness to investors, clients, and potential talent.

As an Impact Company with sustainability at its core, falling short on its sustainability commitments, and especially on its Net-Zero commitment, or conveying misleading environmental claims on its sustainability progress and products would expose the Group to greenwashing accusations with potential brand reputational impacts.

Conversely, achieving ambitious sustainability commitments would give Schneider Electric higher credibility and attractiveness to its stakeholders. Thanks to the SSI's disruptive and virtuous process of continuous improvement, the Group is mitigating its risks, and innovation and transformation are ensuring business opportunities as the need for digital solutions is growing.

Risk monitoring and management

Schneider Electric's sustainability commitments are designed to involve all stakeholders. Internally, a clear governance is in place from Board to operational levels to monitor performance, ensure compliance, and progress.

SSI performance is embedded in managers' and leaders' short-term incentives, and sustainability performance linked to attribution of Performance Shares for leaders. Suppliers' progress in decarbonization, resource management, and decent work practices are also included in the Group's targets.

Finally, Schneider is committed to communicating its sustainability commitments performance frequently and transparently to its investors, along with its quarterly financial results.

2. Trend driven risks continued

2.8 Business disruption due to environment-related risks

Risk description

The risk of business discontinuity can arise from multiple vectors influenced by climate change trends.

Physical climate risks have the potential to cause:

- **Losses and damages to Schneider Electric operations and enabling infrastructures:** Schneider Electric as a global company operating in more than 100 countries is exposed to the physical effects of climate change in the form of more frequent and severe acute weather events, as well as impacts from chronic environmental changes like average temperature increase or sea level rise. This could result in damage to assets, disruption to business operations, and human and environmental consequences.
- **Business disruption due to logistics bottlenecks:** Physical climate risk may threaten business continuity not only on Schneider's premises, but for all players in the value chain (from raw material extraction and transformation to transportation hubs and distribution centers) requiring a systemic approach towards climate adaptation.
- **Cost increase, risks of scarcity, and insecurity of raw materials supply:** Global mega-trends of electrification and decarbonization, are increasing drastically the demand for specific raw materials, adding volatility on the markets of materials used to manufacture electrical equipment.

Risk monitoring and management

At present, the impact of climate-related hazards is not material to the Group's financial statements. Indeed, the magnitude of impact, whether on its operations or supply chain, is considered "medium to low", and likelihood "as likely as not", however the Group is proactively monitoring this risk.

Schneider Electric acknowledges the acute and chronic risks associated with the physical impacts of climate change and has adopted a proactive and science-based climate risk management approach, including the use of scenario analysis.

The Group has developed a scenario-based analysis of climate physical and transition risks, applying climate-related risk scenarios entailing different emission pathways between 1.5°C and >4°C temperature rise by 2100, to a digital-twin of the Company. Five emissions pathways have been considered, based on: SSP5-8.5, SSP3-7.0, SSP2- 4.5, SSP1-2.6, and SSP1-1.9 by 2025, 2030, and 2050.

Losses and damages to Schneider Electric operations and enabling infrastructures:

Under a Current Policy pathway (based on SSP3-7.0) and without any risk mitigation considered, out of 521 sites assessed, 269 will have a high likelihood of being exposed to natural hazards by 2050. Schneider Electric quantified its earning value at risk over the next five years, ten years and by mid-century, under high emission pathways and with and without considering the climate adaptation and resilience measures taken.

On a longer timescale, the impact from chronic physical risks covers the reduction of employees' productivity, the increase of air conditioning loads in buildings, and overheating in data centers, in addition to other indirect impacts. Currently, the most disruptive threats faced are drought and water stress. In the future there is likely to be an increase in exposure of our sites to heatwave, drought, and water stress.

The Company integrates physical risk assessment and adaptation solutions across strategies and investments to enhance climate resilience and continuously improve supply chain flexibility and agility, while committing to continuously reduce its environmental impacts. Climate physical risks management and adaptation are part of Schneider Electric's Enterprise Risk Management framework and its Global Supply Chain strategies, which include an increased focus on adaptation and resilience to continuously improve supply chain flexibility and agility.

The Company's Schneider Performance System monitors the adoption of these strategies, including climate adaptation and supply chain resilience actions, ensuring a holistic approach to risk management across key industrial sites.

The Group's Property Damage and Business Interruption program, aligned with ISO 22301 standard, maps substantive risks on the business and ensures crisis management, from the initial phase following an incident all the way to the recovery of critical activities, leading to preventive investment to secure assets and mitigate material climate risks.

Climate-related physical risks are part of the on-site assessments made by independent global risk experts (GRC), defining current potential financial impacts as well as the cost of response. All industrial and logistics sites worldwide are evaluated every three years. Risk profiles of each site are thereby updated, and recommendations are made to mitigate and adapt to identified risks. The Group deploys protection measures to mitigate or avoid the risks.

2.8 Business disruption due to environment-related risks continued

The Group's supply chain uses a resiliency index that includes natural and climate-related hazards to assess and mitigate business interruption risks. To mitigate and adapt to these risks, the Group launched the "Power of Two in Manufacturing", a project to bolster greater supply chain resiliency. Schneider Electric has adopted a global design and qualifies alternate factories for the same products and suppliers for all critical parts and components. By doing so, the Group can dual-source critical components from partners in different geographies to help ensure availability regardless of business disruptions that may occur, such as climate-related disasters, mitigating the risk of business disruption. Read more about "Power of Two in Manufacturing" page 384.

The aim of Schneider Electric's supply chain resilience strategy is to secure a full end-to-end resilience approach on:

- Upstream, with dedicated resources to map risk and address high business impact risks and secure sourcing, avoid risky geographies, and adapt sourcing strategy over different time horizons;
- Manufacturing, with global design and at least two sites to supply and site risk prevention; and
- Logistics network and partners, with dynamic control towers monitoring traffic and events in real time.

Business disruption due to logistics bottlenecks:

- With suppliers, climate physical risks, are embedded into the Supplier Risk Assessment. This deep risk assessment combined with business impact enables the Group to design a sourcing strategy avoiding risky geography, building strategic stocks and developing double sourcing strategy.
- Leveraging external data providers, the Group monitors events across 10,000 logistics nodes (such as ports and critical supplier locations) on both upstream and downstream networks, to shorten reaction time when events occur and thereby minimize business impact. An alert system is in place, scanning media, in order to be informed earlier, anticipate and activate actions faster avoiding disruptions.

Cost increase, risks of scarcity, and insecurity of raw materials supply:

- The Group's Supply Chain Strategy team is responding to the global supply chain crisis to ensure supply chain flexibility and resilience is continually improved. The Group approaches the access to resources at different time horizons, to ensure supply resilience both now and in the future. The Group is:
  - Building short-term resilience in securing supply and protecting operations against price volatility with real time alerts to notify and activate action plans;
  - De-risking its portfolio with technological solutions and circular business models; and
  - Shaping the future with long-term material resilience and sustainability with disruptive actions.
- To address uncertainty in long-term resource disruption, Schneider has added resource parameters in product EcoDesign and defined substitution strategies for critical resources. R&D actions are in place, focusing on materials with main strategic functions, accompanied by communication channels to escalate and alert.
- Our commitment to sustainability includes expanding recycling and reuse initiatives, supporting circular economy principles while reducing risk, and meeting regulatory expectations.

3. Management practice risks

3.1 Inappropriate data management

Risk description

The last decades have seen a sharp increase in globalization trends coupled with an acceleration of digital transformation. The importance of the data economy as an enabler for wealth and progress has been acknowledged by many governments, citizens, and enterprises, hence adequate data management becomes essential. However, inappropriate data management poses tangible risks.

Firstly, it can lead to breaches in data security and privacy, potentially exposing sensitive company and customer information to unauthorized parties. This could result in reputational damage, legal consequences, and financial losses. Poor data management can hinder the Company's ability to comply with various data protection requirements or emerging data regulations, leading to regulatory penalties and compliance issues. The number of such regulations is increasing, with the aim of restricting certain data flows but also providing customers the ability to share certain types of data. Topics around data sovereignty, localization, and residency remain active.

Secondly, inadequate data management can impede effective decision making. Without proper organization, storage, and access to data, organizations struggle to retrieve accurate information in a timely manner, leading to inefficiencies and errors. This can impact various aspects of the Schneider Electric's functions, from product development and supply chain management to customer service and financial planning. It can also result in the production and storage of redundant data, generating unnecessary costs and emissions, increasing Schneider Electric's environmental footprint.

Finally, inappropriate data management may hinder innovation and digital transformation initiatives within Schneider Electric. Data is a valuable asset that can be leveraged for insights, product development, and process optimization. If data is not managed effectively, it can impede the Schneider Electric's ability to harness the full potential of data-driven technologies such as IoT, AI, and advanced analytics. This aspect is also amplified by the fluid and varied global regulatory landscape and the lack of technology players that can meet all global requirements.

Adequate management of the risks outlined above, presents potential opportunities the Group is looking to pursue, as outlined below:

- Given the global nature of Schneider Electric's operations, ensuring proper data management is crucial to maintaining trust with customers and stakeholders;
- Ensuring that data is managed appropriately is essential for maintaining operational excellence and driving business performance; and
- By implementing robust data management practices, Schneider Electric can better position itself to drive innovation, improve operational efficiency, and deliver superior value to its customers and partners.

Risk monitoring and management

Schneider Electric has established an "early warning system" that monitors emerging digital policies bearing a potential impact to Schneider Electric; each regulation (policy) is qualified with a flashcard highlighting its type (e.g., data, digital, electronic), characteristics (e.g., jurisdiction, scope, type of controls), and high-level impact.

All the policies are followed in their approval trajectory and close to the enforcement date the necessary subject matter experts are called upon to start translating requirements into internal policies, procedures, and an updated set of controls. These are to be implemented and operated in the relevant geographies and functions.

To support this system, Schneider Electric leverages a network of Data Offices in each jurisdiction, practice, or function, that governs the full range of data-related activities ensuring data assurance, security, and scalability. These functions are equipped with specialist resources focusing on the adherence of Schneider Electric Data Golden Rules and include a focus on data risk and security. To monitor performance and impact, maturity assessments are performed regularly.

Specific to the data residency laws, attention is dedicated to the analysis of the internal and external data flows that are crossing the borders of the in-scope countries in terms of their content, purpose, and security measures (commonly known as Transfer Impact Analysis). This can influence the decision-making process with regard to whether to localize data processing or storage facilities.

Frequently, a data flow description is expected by regulators as part of a formal approval process to export data, along with an obligation to monitor the changes that could potentially affect the flows and their integrity (e.g., data breach). Schneider Electric has capitalized on the experience built in responding to substantial regulations such as General Data Protection Regulation (GDPR) in the European Union, and has successfully leveraged set capabilities, like process registry, in recent instances of data residency such as Personal Information Protection Law (PIPL) in China.

Finally, and specifically to digital assets, independent assurance checks are performed to identify compliance to data privacy and protection regulations. This is in line with privacy requirements and includes, in certain high-risk cases, the execution of a Data Privacy Impact assessment.

3.2 IT systems management

Risk description

The Group operates either directly or through service providers, a wide range of highly complex information systems, including servers, networks, data repositories, applications (to include Software as a Service (SaaS)), and databases with three targeted landing zones (on premise, third parties' co-location, and in the cloud), that are essential for the efficiency of its sales and manufacturing processes, as well as platforms to enable digital offers such as EcoStruxure™. The Group is deploying various solutions aimed at enhancing commercial experience, employee experience, and supply chain efficiency, as well as enabling digital commercial offers.

Significant failure in fulfillment by a service provider or a major network outage, or hardware, and/or system failure could adversely affect the quality of service offered by Schneider Electric. In addition, the provision of safe and secure foundational information systems is critical to the ongoing expansion of digital offers and customer interactions. As the Group moves towards more digital offers, services, and software, the variety of legacy systems makes it harder and more complex to evolve and scale.

Despite the Group's policy of establishing governance structures and contingency plans, there can be no assurance that information systems projects will not be subject to technical problems, execution delays, or a third-party outage. While it is difficult to accurately quantify the impact of any such problems, data loss, or delays, they could have an adverse effect on inventory levels, service quality, and, consequently, on the Group's financial results.

Risk monitoring and management

The Group regularly examines alternative solutions to protect against those risks, performs regular compliance checks on service provider and service level agreements, performs system monitoring, and has developed contingency plans and incident response capabilities to mitigate the effects of any information system failure.

The Group undergoes constant evolution and planning pertaining to its information systems, which encompasses, but is not limited to:

- Enterprise Resource Planning transformation and the evolution of the Group's financial systems to prepare for digital offers;
- Elimination of legacy IT applications and associated hardware to simplify the landscape and mitigate risks linked to obsolescence; and
- Build and operate regional colocation (third parties) for high availability in an effort to ensure the sustainability of the IT landscape with ongoing focus on business continuity and disaster recovery planning for hardware and software.

All new applications are subject to certification testing, attempting to remove system vulnerabilities. These systems are housed either in data centers (either managed by the Group internally or by service providers), in co-locations, or are cloud-based applications.

The Group continued to reduce legacy IT applications through a dedicated Technical Debt Reduction program.

3. Management practice risks continued

3.3 M&A and integration

Risk description

Mergers and acquisitions (M&A) provide opportunities to enhance Schneider Electric's business portfolio, strengthen its positions in existing businesses, acquire new technologies or expertise, enter new markets, and exit businesses that are no longer core. Successful M&A can drive increased revenue, profitability, cash flow, and shareholder value.

M&A and integration also present risks for Schneider Electric. In transaction execution, such risks include, but are not limited to, suboptimal acquisition strategies or flawed selection of acquisition targets, overestimating an acquisition's future performance or potential, overestimating revenue or cost synergies with Schneider Electric, value erosion of acquired businesses post acquisition, overpaying for an acquisition or selling a business for less than its value, as well as not identifying or underestimating future risks, losses, or liabilities, and missing or not adequately assessing other important issues in acquisition due diligence.

With regards to integration, key risks include, *inter alia*, business expectations not being met, higher than expected integration cost, longer than planned integration processes, loss of key people, challenges in integrating different cultures, and difficulties in implementing Schneider Electric's standards in areas such as legal, regulatory, data, cybersecurity, and sustainability. If not managed, these risks could lead to negative consequences for the Group, including but not limited to, financial losses or penalties, legal liabilities, and reputational damage.

Risk monitoring and management

Schneider Electric has a detailed strategy process, part of which includes identification and prioritization of acquisition targets as well as identification of businesses to be divested.

During transaction due diligence, Schneider Electric works to identify and assess M&A and integration risks and uses various means of risk mitigation, including reflection in transaction price, contractual protections, post-closing remedial actions, and detailed integration and separation plans. Where risks are not identified, not adequately assessed, or where risk mitigation measures fall short, consequences can include financial loss, legal costs and penalties, regulatory action, and business and reputational damage for Schneider Electric.

During the due diligence phase, Schneider Electric develops initial integration plans, which are further defined after signing, and then implemented after transaction closing.

These include the deployment of the Group's Trust Standards: minimum requirements in terms of policies, standards, procedures, processes, or guidelines, in areas such as Human Resources, Legal, Ethics & Compliance, and Cybersecurity, that all Schneider Electric entities must meet. The Group aims for all acquired entities to comply with these Trust Standards requirements within a period of three years from closing. The Trust Standards deployment plan is part of the overall integration plan of each acquisition. To ensure proper coordination and prioritization of all aspects of the integration, the integration plans are defined as "One Unique Integration Plan" (OUIP) per acquisition, covering business growth aspects, integration to Schneider Electric steps, risks mitigations, and cultural and people elements.

3.4 Projects acceptance and outcomes

Risk description

As a global organization, Schneider Electric must prioritize the careful evaluation of projects in which it becomes involved, particularly in light of rapidly evolving regulations worldwide. The Group's commitment to its customers, but also to other stakeholders including its shareholders, business and financial partners, and communities, imposes close attention to the projects undertaken and the partners it engages with.

With projects implemented across diverse regions, implying the development, delivery, installation, and servicing of complex technical solutions and often involving critical subcontractors or other industrial / business partners, it is crucial for Schneider Electric to conduct thorough due diligence, ensuring that undertaken projects not only apprehend all contractual, financial, and operational risks that could have negative impact on profitability and cash, but also align with regulatory expectations and uphold ethical practices, particularly concerning preservation of the environment, protection of fundamental human and social rights, high standards of health and safety, and generally irreproachable business ethics and integrity.

In today's dynamic business environment, the necessity of conducting due diligence extends beyond suppliers to encompass customers as well. Therefore, the Group must pay increased attention, that the technologies and products provided to its customers are used for projects that are not likely to result in controversial or irresponsible operation. The Group is taking steps to ensure that its offerings are not employed for projects having a negative ESG footprint or by customers whose practices do not align with ESG values, including respect for human rights, environmental stewardship, and strict ethical business practices.

Acceptance of projects without properly identifying, characterizing, and mitigating the associated risks, or leveraging opportunities, can lead to other negative consequences, such as failing to meet intended objectives or expected outcomes, ultimately resulting in wasted resources and missed strategic goals.

3.4 Projects acceptance and outcomes continued

To mitigate these risks, it is essential to conduct comprehensive evaluations before project approval. Failing to do so can not only result in financial losses but also damage Schneider Electric's reputation.

Risk monitoring and management

Schneider Electric employs a robust due diligence process focused on (i) identifying, reviewing, and mitigating all possible risks likely to jeopardize projects' profitability and/or expose the Group companies concerned to unreasonable liability, and (ii) understanding environmental, social, and governance (ESG) factors that could negatively impact Schneider Electric's reputation.

This includes the comprehensive analysis of the overall projects' characteristics, including the evaluation of potential customers, supply chain, and partners.

Before engaging with new key accounts or initiating projects, Schneider Electric conducts comprehensive assessments to evaluate compliance with business standards (such as those described in the Schneider Electric Solution Business Policy) and adherence to ESG principles. This process involves a detailed analysis of customers, and projects' proposals to identify potential compliance risks and assess their impact.

By implementing these rigorous review mechanisms, the Group not only protects the organization from reputational damage, but also fosters a culture of accountability and responsibility in all business dealings.

This proactive approach requires a strong relationship with customers and partners, and aims at reinforcing trust while ensuring that projects are not likely to be detrimental to the communities and the environment in which they are operated, and even contribute to preserve and bring them benefit. It reinforces Schneider Electric's dedication to propose innovative solutions and projects driven by practices that are sustainable and environmentally friendly, socially beneficial and responsible, and ethical.

3.5 Procurement and supplier relations

Risk description

The Procurement function plays a critical role in securing materials, components, and services, while maintaining strong supplier relationships to deliver on cost, quality, innovation, project and sustainability commitments.

In 2025, procurement risks remained significant as global supply chains navigated uneven demand recovery, selective inflation in commodities such as copper and silver, disruptions linked to geopolitical tensions and evolving trade regulations.

To safeguard resilience, business performance and meeting customer demand, Schneider Electric continued to strengthen its procurement strategy through a combination of operational agility, regional diversification, and disciplined governance. Long-term supply agreements, targeted strategic inventories, and financial hedging helped mitigate price volatility, while footprint optimization ensured a balance between scale and regional responsiveness. The Singapore procurement and planning hub, launched in 2024 for critical components, expanded its role in 2025, reinforcing direct sourcing and strategic stock management to support growth in high-demand technologies.

Risk monitoring and management

In 2025, Schneider Electric launched the Procurement Excellence System Harmonization program, a remodelled Procurement Excellence System (PES). It standardizes end to end Source to Pay processes, clarifies compliance vs maturity practices, and embeds governance, audits, and digital controls across Direct, Indirect, and Solutions Procurement.

At the same time, Schneider Electric sharpened its supplier strategies, focusing on effective spend concentration with qualified partners while preserving competition and resilience. Strategic partnerships with suppliers allows Schneider Electric to drive technology leadership and operational execution with its ecosystem partners.

Enhanced playbooks and category strategies supported this approach, complemented by multi-sourcing and regionalization initiatives that reduce dependency on single geographies and improve responsiveness to local customer demand.

Inventory excellence remained a priority, with factory and regional control towers leveraging component-level risk tools to optimize stock levels and enable agile interventions. Quarterly reviews with suppliers facilitated collaborative rebalancing measures, ensuring continuity of supply even under volatile conditions.

The Supplier Security Initiative embeds cybersecurity and data protection controls in sourcing, contracting, onboarding, and performance management, aligned with global policies and regulations. Cloud and information security policies were refreshed in 2025. New supplier cyber assessments are available for higher risk engagements. Supplier master data cleansing continues to improve vendor accuracy and governance.

These actions reflect Schneider Electric's commitment to resilience, competitiveness, and sustainable growth. By combining technology partnerships, agile supplier networks, regional sourcing strategies, and rigorous compliance frameworks, the company continues to mitigate procurement risks while enabling innovation and operational excellence across its global supply chain.

3.3 Vigilance plan

3.3.1 Context

Schneider Electric seeks to be a role model in its interactions with customers, partners, suppliers, and communities on ethics and the respect and promotion of human rights. The Group strives to have a positive impact on the planet and the environment by contributing to limit climate change by being more efficient with natural resources.

The Group's Vigilance plan complies with the 2017 French law on Corporate Duty of Vigilance and has been adapted to also comply with requirements from other regulations (Norwegian and German Duty of Vigilance Laws). Based on information available to this date, Schneider Electric's current Vigilance Plan would also be aligned with the requirements of the EU Corporate Sustainability Due Diligence Directive (CS3D). The plan includes:

- A risk analysis specific to vigilance risks that Schneider Electric poses to the ecosystem and environment (i.e., externalities);
- A review of the key actions implemented to remediate or mitigate these risks;
- An alert system; and
- Governance specific to vigilance.

In this Universal Registration Document, Schneider Electric reviews the risk analysis and describes the related mitigation actions.

Readers are also directed to other sections of the report for relevant and detailed information. The full Vigilance plan of the Group is available as a standalone document and can be downloaded from Schneider Electric's website at **www.se.com**.

3.3.2 Impact, risks, and opportunities

3.3.2.1 Risk assessment methodology

The risk mapping methodology is consistent with other risk evaluations maintained at the Group level and focuses specifically on the risks posed by Schneider Electric on its environment and ecosystem. It is based on:

- Interviews with internal experts (16 interviews done in 2025);
- Reports from International organizations or NGOs such as the Intergovernmental Panel on Climate Change (IPCC), the International Energy Agency (IEA), the United Nations (UN), the Business and Human Rights Resource Centre (BHRRC), etc.;
- Data and reports from various Group programs, such as: carbon and biodiversity footprints, internal audits, suppliers' vigilance audits, internal grievance mechanisms, "Workers Voice" surveys, One Voice employee engagement survey, etc.; and
- The Responsible Business Alliance (RBA) database that provides the Group with country granularity coming from several indices (by the UNICEF, the World Bank, the Walk Free Foundation, etc.)

The risk matrix is reviewed every year. Its scope covers Schneider Electric and its subsidiaries, joint ventures, suppliers, and subcontractors.

In 2021, Schneider Electric expanded the scope of risk mapping to local communities living close to its locations and customer project sites. A review of the downstream supply chain is also carried out for a sample of large customer projects.

In 2024, to converge towards the requirements of the European Union Corporate Sustainability Reporting Directive (CSRD), the risk analysis performed has further detailed two dimensions: severity and likelihood. Calculation of the matrix has therefore been fine-tuned, leading to slight technical modifications in the 2024 and 2025 ratings of certain scores, although these risks have not fundamentally changed compared to previous years.

3.3.2.2 Risk categories

For a granular assessment of the risk level and the magnitude of the impact on Schneider Electric's ecosystem, the Group has identified more than 60 natures of risks relating to different risk areas, which can be grouped into four risk categories.

Human rights:

- Decent workplace
- Health and safety

Environment:

- Pollution and specific substances management
- Waste and circularity
- Energy, CO2, and other greenhouse gases (GHG)

Business conduct:

- Ethical business conduct
- Alert system, protection, and non-retaliation

Offer safety and cybersecurity:

- Offer safety
- Cybersecurity and data privacy

3.3.2.3 Risk location

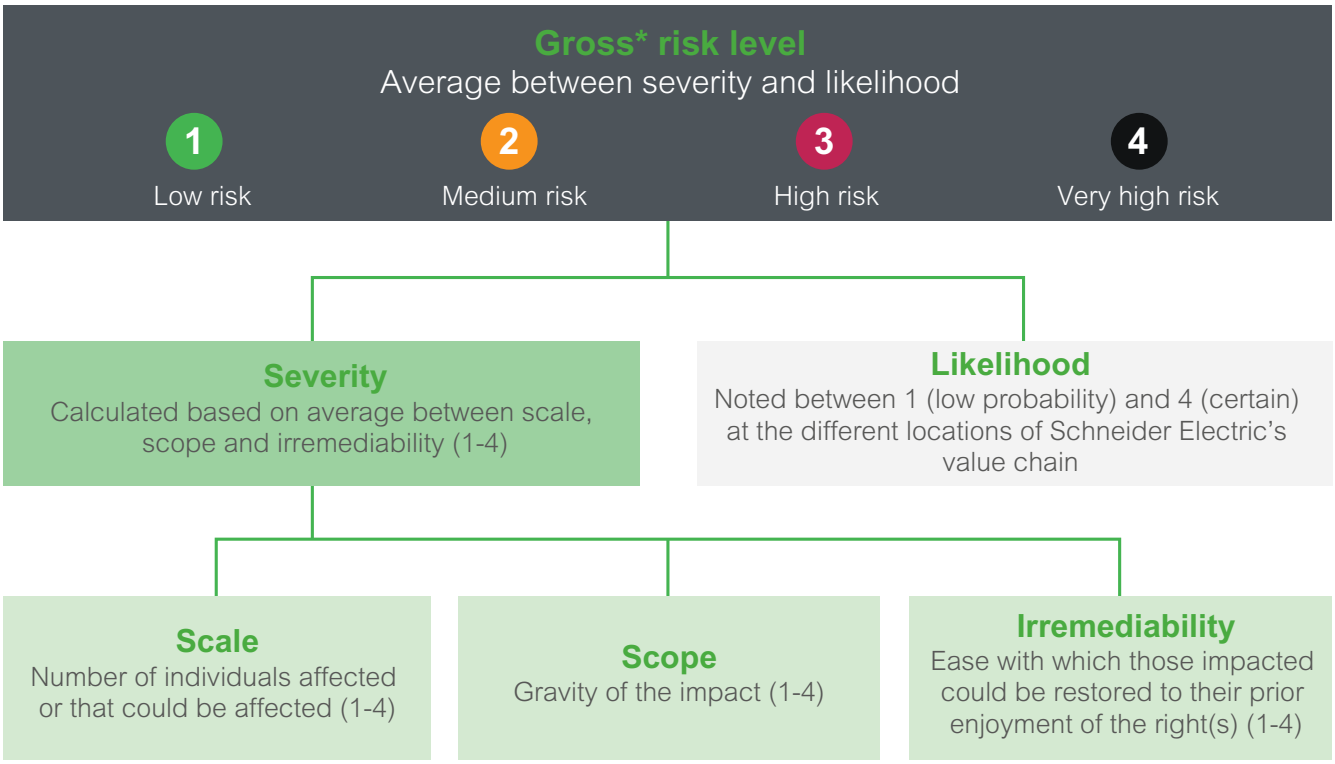
The Group has focused on four areas where risks may occur:

- **Schneider Electric sites**: These have been segmented based on categories that present a specific level of risk. For example, office buildings, R&D laboratories, and production factories each carry a different level of risk. The scope of this review includes Schneider Electric's own sites and the ones belonging to its subsidiaries.
- **Suppliers**: The level of risk differs based on the type of process and technologies used, and the Group has therefore segmented the analysis by component category of purchase. The risk level is an average assessment. The geographical location is factored in when selecting suppliers for the audit plan.
- **Contractors**: When implementing a customer project, such as building a large electrical system at a customer's site, Schneider Electric works with contractors, leveraging their expertise (civil work, electrical contracting, etc.). This "off-site" project work bears specific risks for contractors. A separate "off-site and projects execution" category for contractors has therefore been defined for the assessment.
- **Local communities**: Schneider Electric has identified two distinct segments: communities located around Schneider Electric sites and communities located around customer project sites. Communities have been assessed against three risk categories: human rights, environment, and business ethics.

This matrix is a simplified version of the internal matrix, which covers 27 risk locations.

3.3.2.4 Risk evaluation and scale

Risks are assessed by combining **severity** and **likelihood** to determine an overall level from 1 (low) to 4 (very high). Severity is based on three factors: **scale** (number of individuals affected), **scope** (gravity of the impact), and **irremediability** (ease of restoring rights), each scored from 1 to 4. Likelihood reflects the probability of occurrence across the value chain, also scored from 1 to 4. The average of these elements defines the gross risk level before mitigation.



*Gross risk: before mitigation action

3.3.3 Schneider Electric 2025 Vigilance risk matrix

The matrix evaluates risks across four categories at different locations in the value chain, including Schneider Electric sites, suppliers, contractors, and local communities. Each risk is rated as low, medium, or high based on its potential impact and likelihood. In the latest assessment, no "very high" risks were identified, reflecting strong preventive measures and ongoing vigilance across operations and supply chain.

- Very high risk
- High risk
- Medium risk
- Low risk

		Schneider Electric sites						Suppliers							Contractors		Communities	
		Offices	Travelers, sales forces	Factories low voltage and electronics	Factories medium voltage	Project centers	Field services	Travels and hospitality	Transportation and shipping	Raw materials	Metal transformation and treatment	Plastics	Batteries	Other components	On Schneider Electric sites	Off site and projects execution	Around Schneider Electric sites	Around customer's project sites
Human rights	Decent workplace	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Low	High
	Health and Safety	Low	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium		
Environment	Pollution and specific substances management	Low	Low	Medium	Medium	Medium	Low	Low	Medium	Medium	Medium	Medium	Medium	Medium	Low	Medium	Medium	Medium
	Waste, water, and circularity	Low	Low	Medium	Medium	Medium	Low	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Low	Medium		
	Energy CO2 and GHG	Medium	Medium	Medium	Medium	Medium	Medium	High	High	High	High	High	High	High	Medium	Medium		
Business ethics	Ethical business conduct	Low	High	Low	Low	High	Medium	Medium	Medium	High	Low	Low	Medium	Low	Medium	High	Low	Medium
	Alert system, protection and, non-retaliation	Low	Low	Low	Low	Low	Low	Medium	Medium	Medium	Medium	Low	Medium	Medium	Low	Medium		
Offer safety and cybersecurity	Offer safety			Low	Low	Low	Medium		Low		Low	Low	Medium	Medium		Medium		
	Cybersecurity and data privacy	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Low	Low	Low	Low	Low	Low	Medium	Medium		

3.3.4 Overview of main risks and their evolution

3.3.4.1 Human Rights

Forced labor, migrant workers

- Location: Schneider Electric, Suppliers, Contractors
- Evolution: Increasing risk

According to the 2021 Global Estimates of Modern Slavery, approximately 28 million people are estimated to be in forced labor, a number alarmingly increasing since 2016. 63% of all forced labor (17 million people) is estimated to be imposed by private actors. The report estimates that services (excluding domestic work), and manufacturing are the sectors most exposed, accounting for 32% and 19%, respectively, of total forced labor. It also identifies that for manufacturing, most forced labor cases occur in production in the upstream tiers of domestic or global supply chains (above tier 1).

This analysis shows that there could be risks of forced labor in the upstream tiers of Schneider Electric's supply chain (above tier 1), especially for migrant workers. In the meantime, climate change, conflicts, or economic hardship are pushing more and more people to leave their home country, increasing the number of vulnerable people who could find themselves in situations of forced labor. Schneider Electric is therefore particularly vigilant to the issues of migrant workers.

In 2025, throughout on-site audits performed with risky suppliers, 3 cases of ethical breach regarding migrant workers protection were identified, of which one also included elements of forced labor (passport retention). Schneider's actions when this happens are to work with suppliers to mitigate such situations and implement preventive actions that will prevent them from happening again. As a last resort, when cooperation is not possible, business relation may be terminated. Although marginal, such cases reinforce our determination to pursue actively the research of such potential situations and their mitigation.

Working hours

- Location: Schneider Electric, Suppliers, Contractors
- Evolution: Stable risk

This risk is rather well acknowledged, both internally and at our direct suppliers and contractor's place of operations. Following COVID year, risk has been increasing in a rather regular way, although we now consider it stable (but not reduced). However, the set of actions deployed to reduce its negative impacts has been enlarged. It includes in 2025 the publication of internal guidelines on working hours, and a specific focus on production sites. Working hours was part of a dedicated awareness module as part of Schneider Electric's compulsory "Essentials learnings".

Mental health, psycho-social risk:

- Location: Schneider Electric, Suppliers, Contractors
- Evolution: Stable risk

As a result of a complex business environment and the pressure it entails, psycho-social risks remain high. This is having consequences on employee well-being and mental health, and Schneider Electric has deepened its actions to prevent such risks. Specific training for managers has been deployed in several European countries where legislation is pushing for action. Beyond law requirements, the Group has also implemented such trainings targeting in priority specific teams (large international projects etc.).

A specific category of risk is subject to scrutiny: harassment has been the object of specific programs for several years, including awareness actions, a Speak Up program, and a reinforcement of our alert system Trust Line. Over the last two years, the analysis of data from the alert system and other alternative tools such as Workers Voice have allowed a much better qualification of the risk level, mainly on sexual harassment and work harassment. The granularity of our findings lead us in 2025 to perform two specific assessments within the vigilance risk analysis, one for sexual harassment and the other for worker harassment, as likelihood and severity differ significantly between the two. Schneider Electric's efforts and commitments on these topics will remain unchanged.

Population displacements and pollutions

- Location: Communities
- Evolution: Increasing risk

Although Schneider Electric is not often operating in an environment where its presence is having a significant impact on communities (both through its direct operations or that of its suppliers), it may happen that customer projects may be located in sensitive environments. Therefore, Schneider has started a review of its main projects to better identify the type of risk that may arise, and the possible mitigations. Such review is compulsory and integrated in the decision process for projects.

3.3.4.2 Environment

Carbon emissions and climate

- Location: Schneider Electric, Suppliers, Contractors
- Evolution: Stable risk

Among the different items in this section, CO_2 emissions and their consequence on climate change are the highest risk. For several years now, Schneider Electric has been measuring its carbon footprint across Scopes 1, 2, and 3. Schneider Electric's total carbon emissions (61 million tonnes in 2025) are mostly originating from Scope 3, with 87% coming from downstream usage (emissions at customers' operations) and 13% coming from upstream suppliers (raw materials and suppliers' operations), while the Company's own operational emissions are very low in carbon emissions (<1%). As described in the environment section of this document, the challenge of GHG emissions and climate change remains significant and the pace of actions needs to be sustained to converge towards the Group's target to reach Net-Zero emissions by 2050.

Pollution and water use from raw materials extraction:

- Location: Suppliers
- Evolution: Increasing risk

Pollution and water-related risks are difficult to evaluate precisely in our supply chain, as they are most likely to occur at sites far upstream, during raw material extraction and transformation. Obtaining precise information from suppliers operating far upstream is challenging and will take time. In 2025, we have progressed on that path, although we do not have yet a clear and conclusive picture, and we will continue to drive our efforts in that direction. The Group is well aware that pollution and water usage from industries involved in materials extraction or transformation could have significant impact on water, biodiversity, or local communities. A specific study of a list of raw materials, such as copper, has started to better understand the impact of these industries, so that their risks can be further apprehended in our risk mapping exercise. As a precautionary approach, Schneider Electric is accelerating its policy of reusing, recycling, and expanding product life span to limit the consumption of raw materials, and thereby potential associated risks. The Company also progressed well on its Schneider Sustainability Impact (SSI) #4 objective to use 50% green materials in its products by 2025, which focuses on steel, aluminum, and plastics, reaching 48%.

Substances:

- Location: Schneider Electric, Suppliers
  Evolution: Evaluation in progress

Schneider Electric remains vigilant regarding the presence of substances of concern in its products and supply chain. Although regulatory requirements continue to tighten, the main challenge lies in obtaining full visibility on the composition of components, particularly beyond tier 1 suppliers where such information is often incomplete or unavailable. This limits the ability to establish a comprehensive mapping of restricted substances across all product tiers.

At the same time, the increasing use of recycled raw materials in Schneider Electric's production mix is structurally reducing the reliance on substances of concern traditionally present in virgin materials.

In 2025, Schneider Electric reinforced its vigilance through enhanced supplier engagement on chemical transparency and strengthened screening of recycled materials. The Group will continue improving data quality and traceability across its value.chain.

3.3.4.3 Ethical Business Conduct

Corruption, Export Control, Fair Competition

- Location: Schneider Electric, Suppliers, Contractors
- Evolution: Stable risk

Risks linked to Ethical Business Conduct continue to receive particular attention from Schneider Electric. The Group remains exposed to corruption risks due to its geographical presence in countries with elevated risk level. Specific caution and stringent rules are applied, notably when interacting with public authorities or agents.

Overall commercial pressure has slightly decreased compared to the post COVID period, which contributed to temporarily elevated exposure. However, in parallel, the rapidly evolving export control environment – driven by heightened geopolitical tensions – has significantly increased operational complexity for commercial teams. The proliferation of sanctions, country-specific restrictions and new compliance rules requires additional vigilance, training, and control mechanisms, both internally and with external partners.

Schneider Electric is also aware that tensions around the sourcing of certain raw materials can create risks of unethical business conduct within the procurement chain. These risks are more difficult to anticipate, particularly when such materials are procured by upstream suppliers rather than directly by Schneider Electric. The Group continues to strengthen its monitoring and engagement to improve visibility and control across its supply chain.

3.3.4.4 Offer safety and Cybersecurity

Offer Safety and cybersecurity

- Location: Schneider Electric, Suppliers, Contractors
- Evolution: Stable risk

Schneider Electric's highly digital products, solutions, and software are embedded in core customer operations, meaning that any quality or cybersecurity breach could have significant operational or safety impacts. Offer safety and cybersecurity therefore remain top priorities for the Group. Readers are invited to consult the dedicated URD sections and specialized cybersecurity reports for technical details.

In 2025, most changes observed in the vigilance risk matrix for safety stem from technical adjustments to scoring following the integration of CSRD requirements, rather than from changes in the underlying external risk landscape. One topic has been specifically re-evaluated: cybersecurity risks linked to on-site contractors. Increased reliance on external contractors during production peaks often requires deeper access to Schneider Digital systems, creating additional exposure to cybersecurity breaches. This emerging risk is being actively monitored and mitigated by Schneider's security teams.

3.3.5 Governance

The plan is governed by the Duty of Vigilance Committee, set up in 2017. The steering committee meets twice a year in normal circumstances. Overall, since its inception, 21 Committee meetings have been held. The Committee's objective is to provide a discussion on strategic orientation and prioritize initiatives and the resources allocated to their implementation. This Committee also reviews the actions in progress and their results and defines decisions on next steps for action.

3.3.5.1 Composition of the Duty of Vigilance Committee

Chairman

- Executive Vice-President (EVP), Global Supply Chain (Executive Committee member)

Management

- EVP, Sustainability
- Senior Vice-President (SVP), Corporate Citizenship
- SVP, Global Procurement
- SVP, Global Customer Projects
- SVP, Human Resources
- SVP, Ethics & Compliance
- Vice-President (VP), Sustainable Procurement
- VP, Human Rights
- Duty of Vigilance Coordinator for German Law Deployment

Experts

- Human Rights
- Sustainable Procurement
- SVP, Duty of Vigilance Dedicated Coordinator

3.3.5.2 Fundamental codes of conduct

Schneider Electric's Vigilance plan is built on foundational documents, that shape ethics and behaviors.

Our commitment to global standards

Schneider Electric endorses the following principles and guidelines:

- The international human rights principles encompassed in the Universal Declaration of Human Rights (as part of the International Bill of Human Rights), which sets out a common standard for all types of organization.
- The Organisation for Economic Co-operation and Development (OECD), Guidelines for Multinational Enterprises which formulate recommendations for companies, including for the respect of human rights.
- The International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.
- The United Nations Guiding Principles on business and human rights which specify the roles and responsibilities of States and businesses on these matters.
- The United Nations Convention on the Rights of the Child.
- The Institute for Human Rights and Business (IHRB) Dhaka Principles for migration with dignity.

Trust Charter

The Trust Charter sections outline clear Dos and Don'ts for every aspect of our business and underpin our willingness to behave and respond respectfully and in good faith to all our stakeholders. It applies to everyone working at Schneider Electric or any of our subsidiaries. It is available publicly on our website in more than 30 languages.

Global Human Rights Policy

This policy's objective is to define our position on human rights along the value chain. It also serves as a set of rules applicable to its daily operations for Schneider Electric and its employees. The list of human rights presented in this policy is not exhaustive. A human right should be defined as a right that aims to protect human dignity and that must be guaranteed for all.

Supplier Code of Conduct

The Supplier Code of Conduct covers the full range of expectations towards suppliers, from human rights, ethical conduct, environmental management, occupational health and safety, material and resource use, engagement with sub-suppliers, and access to remedy.

3.3.6 Actions and resources

The following measures are the main actions implemented to mitigate the highest risks identified in the vigilance risk matrix.

Key topics	Risk categories	Policies Implemented and mitigation actions	Pages
Schneider Electric sites			
Human rights	**Decent workplace** **Health and safety**	See (i) **section 2.2.3.1 Great people make Schneider Electric a great company | ESRS S1** for more details on the deployment of decent working conditions, health, safety, and human rights actions on Schneider Electric sites and (ii) **section 2.2.3.2.2 Policy framework guiding sustainability in the value chain**. It covers, notably: • **Schneider Electric's employees' safety;** • **Human rights and people development policies;** • **Well-being programs.**	(i) page **189** (ii) page **224**
Environment	**Pollution and specific substances management** **Waste and circularity** **Energy CO_2, and GHG**	See **section 2.2.2 Environmental information | ESRS E1, E2, E5** for more details on the deployment of environmental actions on Schneider's sites. It covers, notably: • **Certification of its sites to ISO standards;** • **Schneider Electric specific programs to reduce CO_2 emissions;** • **Reduction of SF6 emissions;** • **Schneider Energy Action program for energy efficiency;** • **Reduction of waste and increased circularity.**	page **126**
Business ethics	**Ethical business conduct** **Alert system, protection, and non-retaliation**	See (i) **section 2.2.1.1.3 Trust with stakeholders** and (ii) **section 2.2.4.1 Zero tolerance for corruption** for more details on the deployment of business ethics actions on Schneider Electric sites. It covers, notably: • **Internal and external alert systems;** • **Third-party relationship management;** • **Specific anti corruption actions.**	(i) page **106**; (ii) page **247**
Offer safety	**Offer safety**	See **section 2.2.3.4.1 Personal safety of consumers and end-users** for more details on the deployment of offer safety actions. It covers, notably: • **Sustainability Quality Excellence;** • **Reliability.**	page **239**
Cybersecurity and data privacy	**Cybersecurity** **Data privacy**	See (i) **section 2.2.3.4.2 Data privacy** and (ii) **section 2.2.4.3 Cybersecurity** for more details on the deployment of data privacy and cybersecurity actions. It covers, notably: • **Cybersecurity by design approach;** • **Personal data protection;** • **Training and awareness on cybersecurity.**	(i) page **243**; (ii) page **258**
Suppliers			
Suppliers	**Supplier vigilance**	See **section 2.2.3.2 Sustainable relations in the value chain | ESRS S2** for more details on the deployment of actions towards Schneider Electric's suppliers. It covers notably: • **Decent Work program for strategic suppliers;** • **Vigilance plan for suppliers.**	page **223**
Subcontractors			
Sub-contractors	**Subcontractors vigilance**	See **section 2.2.3.2.5 Vigilance plan for suppliers and contractors** for more details on the deployment of actions towards Schneider Electric's subcontractors (or solution suppliers). It covers notably: • **Vigilance plan for project contractors.**	page **227**
Local communities			
Local communities	**Around Schneider Electric sites** **Around customer project sites**	See **section 2.2.3.3 Ethical relations with affected communities | ESRS S3** for more details on the deployment of health, safety, and human rights actions around Schneider Electric and customer projects sites. It covers, notably: • **Risk mitigation around Schneider Electric sites;** • **Risk mitigation around customer project sites;** • **Integration of ESG into the project decision making.**	page **234**

Science

04 Corporate Governance Report

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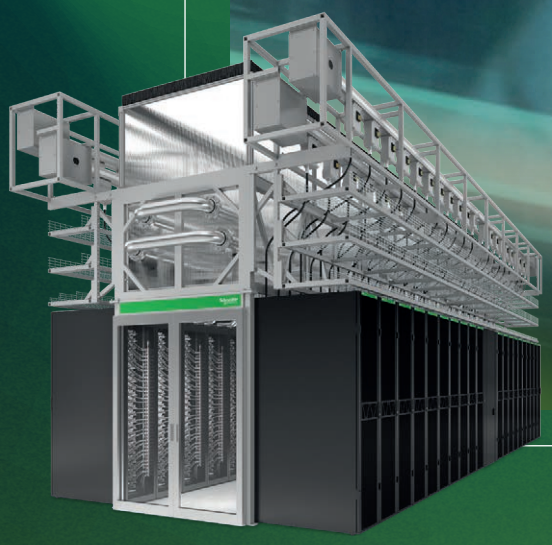


ECOSTRUXURE POD

Engineered for speed and scalability, the Modular EcoStruxure Pod delivers high-density, hybrid-cooled IT infrastructure in a compact footprint, ensuring predictable performance, lower capital costs, and rapid time-to-market for hyperscale and AI deployments.

Transformation

Vice-Chairman & Lead Independent Director's introduction

Dear Shareholders,

2025 was a milestone year for Schneider Electric with strong financial results, including record revenues, and extra-financial achievements. Based on these results, the Board of Directors proposes a dividend of €4.20 per share, representing the 16th consecutive year of dividend progression. The Board is also proud of the 2025 Schneider Sustainability Impact score, which closes the program launched in 2020 for the period 2021-2025.

In 2025, the Board supported Olivier Blum for his first successful year as CEO which marked the launch of the new Company Program, Advancing Energy Tech, that he presented during the Capital Markets Day on December 11 with clear direction and ambitious targets set toward 2030. The goal is to take Schneider to the next level of Energy & Industrial Intelligence, the next level of regionalization and the next level of cost competitiveness and scalability to capture the opportunities in electrification, automation and digitalization now and in the future.

During the year, the Board continued to work on its composition to ensure it is well equipped for the Company's challenges, and invites you to support the appointment of two new independent Directors at the Shareholders Meeting. Mrs. Ellyn Shook, a US citizen based in Florida, served as the Chief Leadership and Human Resources Officer for Accenture from 2014 to 2024 and is also a Board member at Baldwin Group and SanDisk where she chairs both Compensation Committees. She will bring to the Board her global human resources expertise, leadership and talent management practices, as well as her experience as a Board member. M. François Jackow, a French citizen based in France, is currently Chief Executive Officer of Air Liquide, a position he has held since 2022, and is a member of its Board of Directors. Mr. François Jackow will bring to the Board his expertise in technology and industry as well as his knowledge of international markets. Also submitted to your vote is the renewal of the term of office of Mr. Anders Runevad who brings relevant and necessary skills to the Board.

This year has also been dedicated to preparation for the launch of the new Schneider Sustainability Impact, setting new ambitious ESG targets for the Company for 2030. At the 2026 AGM, I invite you to support our say on climate proposal which is submitted to your vote.

Throughout 2025, the Chairman of the Board of Directors and I had the opportunity to engage with many of Schneider Electric's shareholders, as well as investor representative bodies, and discuss our Group's compensation policy and practices in engagements.

Several changes were implemented in the 2025 compensation policy, supported with over 90% of the votes at the 2025 AGM, such as: (i) the increase of the annual variable compensation opportunity on-target and at maximum to take into account the rapidly evolving environment and the need to accelerate the execution of the Group's strategy; (ii) the maximum LTIP award expressed as a percentage of the fixed compensation only, (iii) the reinforcement of the pay-for-performance principle by ending the existing offsetting mechanism between EPS and TSR criteria in the LTIP, and incentivize instead the overperformance of the EPS criterion, leading to a total maximum vesting of 115%; (iv) the replacement of the CAC 40 by the Stoxx Europe 50 for the TSR criterion of the LTIP that compares Schneider Electric to the index performance; and (v) the reinforcement of the alignment with shareholders' experience by increasing to 100% the number of shares required to be held for an additional 1 year after the end of the vesting period.

For 2026, the Board wishes to maintain the overall balance and stability of the CEO remuneration policy, ensuring a strong link between pay and performance, a fair alignment with employees and shareholders, and a focus on long-term value creation. Some adjustments were however deemed necessary and the Board proposes to implement the following adjustments in the 2026 compensation policy: (i) adjustment of the methodology used to calculate the target of reduction of scope 3 upstream emissions for the LTIP and (ii) in response to the concerns expressed by certain shareholders at the 2025 AGM, and in line with the commitment taken by the Board of Directors in the shareholders' Letter dated April 7, 2025, a clarification for the Chief Executive Officer's severance indemnity, it being specified that this indemnity remains capped at twice the annual fixed compensation and 24 months of monthly variable compensation received, and subject to the same stringent performance conditions.

The Board also proposes to review the allocation mechanism for non-executive directors' compensation to take into consideration the results of a benchmark exercise conducted by the Human Capital & Remunerations Committee and specific issues around attractiveness and the retention of people with the right profile for the Board.

The Board is attentive to shareholders' feedback and, with these proposed changes, ensures that Schneider Electric's remuneration practices remain stringent and in line with investors' expectations, while also incentivizing its executives to the utmost performance.

The Board counts on your support on all related items submitted to your vote.

Further to this letter, I invite you to read the governance report and notice of meeting which provide more details on the resolutions. We look forward to a successful AGM and sincerely hope that many of you will take part in the Company's future by voting, attending, and expressing your views during the Q&A session.

Thank you for your support and your trust,

Fred Kindle
Vice-Chairman & Lead Independent Director

4.1 Corporate Governance Report

Governance structure

Schneider Electric is being governed through a model considered by the Board of Directors to be best suited to the Company's culture and specificities, with the ambition to constantly improve its effectiveness. The structure responsible for the General Management of Schneider Electric has always been selected in the best interest of the Company and its stakeholders, with the objective that the corporate governance model will support the optimization of the Group's financial and sustainability performance, create the most favorable conditions for the Company's long-term development, respect the rights of shareholders, and maintain the necessary balance of powers between the different governance bodies.

In accordance with the wishes of Mr. Jean-Pascal Tricoire to step down as Chief Executive Officer, alongside the intention of the Board of Directors to separate the functions of Chairman and Chief Executive Officer, the Board decided on February 15, 2023, to implement a new governance structure that splits the office of Chairman from that of the Chief Executive Officer. This new governance structure became effective on May 4, 2023, further to the decision of the Board of Directors to separate the functions of Chairman of the Board and Chief Executive Officer. Since then, Jean-Pascal Tricoire has acted as Chairman of the Board of Directors while a Chief Executive Officer is appointed to be responsible for the general management of the Company, as the sole Executive Corporate Officer. On November 1, 2024, the Board of Directors appointed Olivier Blum as Chief Executive Officer of Schneider Electric SE.

A description of responsibilities of the different corporate bodies of the Company is provided in **section 4.1.2.1** of this Universal Registration Document.

Reference to the AFEP-MEDEF Code

The Company refers to the AFEP-MEDEF Corporate Governance Code, the latest version of which was updated on December 20, 2022. The Company complies with all the recommendations contained in the AFEP-MEDEF Corporate Governance Code which may be consulted on the AFEP website https://www.lafep.org/.

In accordance with the provisions of Article L. 225-37, paragraph 6 of the French Commercial Code, this Chapter constitutes the specific section of the Management Report on corporate governance and reports, in particular, on the following:

- The Board's composition and application of the principle of balanced gender representation on the Board;
- The ways in which the Board's work is prepared and organized;
- The remuneration policy for Directors and Corporate Officers;
- Information relating to the remuneration and benefits of any kind for Directors and Corporate Officers during the previous financial year pursuant to Article L. 22-10-9 of the French Commercial Code; and
- Limitations placed by the Board of Directors on the powers of the Chief Executive Officer.

The other information of the Corporate Governance Report required by Articles L. 225-37 *et seq.* and L. 22-10-8 *et seq.* of the French Commercial Code is published in Chapters mentioned in the cross-reference table referring to said report as stated in Chapter 9 of this Universal Registration Document.

4.1.1 Composition of the Board of Directors

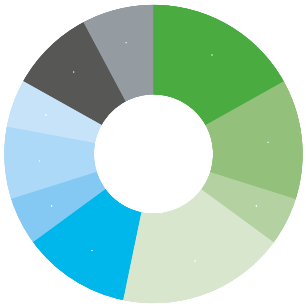
4.1.1.1 Board members

As of March 27, 2026, the Board of Directors consisted of 15 Directors. Mrs. Ellyn Shook was appointed as an Observer by the Board of Directors on July 30, 2025, in effect from October 15, 2025, with the intent to propose her appointment as a Director to the Annual Shareholders' Meeting to be held on May 7, 2026.

Jean-Pascal Tricoire
Chairman of the Board of Directors

Fred Kindle
Vice-Chairman & Lead Independent Director

Board expertise



- Public company management (13)
- Corporate finance (10)
- Accounting, audit & risk (4)
- International markets (14)
- Industry knowledge (9)
- Employee perspective & knowledge of the Group (4)
- Digital & software (6)
- Environment/Climate (4)
- Social (7)
- Governance, law, ethics & compliance (6)

Nive Bhagat
Independent Director

Giulia Chierchia
Independent Director

Clotilde Delbos
Independent Director

Laura Ding
Employee Shareholder Director

Rita Félix
Employee Director

Philippe Knoche
Independent Director

Linda Knoll
Independent Director

Jill Lee
Independent Director

Anna Ohlsson-Leijon
Independent Director

Abhay Parasnis
Independent Director

Anders Runevad
Independent Director

Lip-Bu Tan
Independent Director

Bruno Turchet
Employee Director

Ellyn Shook
Observer

Board committees

Audit & Risks Committee	Governance, Nominations & Sustainability Committee	Human Capital & Remunerations Committee	Investment Committee	Digital Committee
Jill Lee (C)	**Jean-Pascal Tricoire** (C)	**Linda Knoll** (C)	**Anders Runevad** (C)	**Abhay Parasnis** (C)
Clotilde Delbos	Fred Kindle	Nive Bhagat	Giulia Chierchia	Nive Bhagat
Philippe Knoche	Philippe Knoche	Rita Félix	Jill Lee	Laura Ding
Anna Ohlsson-Leijon	Linda Knoll	Fred Kindle	Lip-Bu Tan	Lip-Bu Tan
	Jill Lee	Anna Ohlsson-Leijon	Jean-Pascal Tricoire	Jean-Pascal Tricoire
	Anders Runevad	Ellyn Shook	Bruno Turchet	

Board members key

- Audit & Risks Committee
- Governance, Nominations & Sustainability Committee
- Human Capital & Remunerations Committee
- Investment Committee
- Digital Committee
- (C) Committee Chair

An independent and balanced governance structure

The Board of Directors of Schneider Electric SE is 92% independent and seeks to ensure a gender balance and broad diversity in terms of skills, experience, nationality, and age. The Board of Directors constantly reviews its composition and searches for complementary profiles in line with the skill set highlighted by its skill matrix and the challenges of the Company. The current governance structure which separates the offices of Chairman of the Board of Directors and Chief Executive Officer has been in force since 2023. As part of this governance structure, the term of office of Chairman of the Board of Directors is exercised by Mr. Jean-Pascal Tricoire, and that of Chief Executive Officer by Mr. Olivier Blum who was appointed by the Board of Directors on November 1, 2024.

Board of Directors

Jean-Pascal Tricoire
Chairman of the Board of Directors

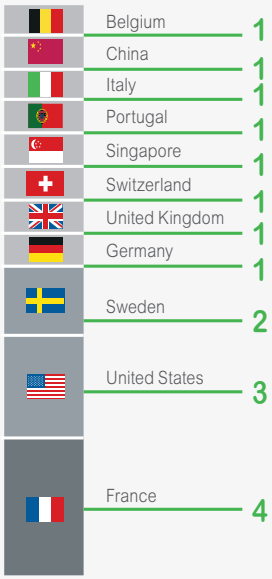
Fred Kindle
Vice-Chairman & Lead Independent Director

+

Olivier Blum
Chief Executive Officer

12+3	92%	54%	10
Directors	Independent Directors*	Female**	Non-French nationalities
57 years	5 years	1	2
Average age	Average length of office	Director representing employee shareholders	Directors representing employees

Directors' nationality



Board tenure

Board of Directors

7	100%
Meetings in 2025 including the strategy session	Attendance rate in 2025
8h 26min	5
Average duration of meetings	Executive sessions in 2025***

* Excluding the Directors representing employees and the Director representing employee shareholders in accordance with Article 10.3 of the AFEP-MEDEF Corporate Governance Code, unlike the rate disclosed section **2.2.1.1.2** of Chapter 2 of this Universal Registration Document.

** Excluding the Directors representing employees in accordance with Article L. 225-27-1 of the French Commercial Code, unlike the rate disclosed section **2.2.1.1.2** of Chapter 2 of this Universal Registration Document.

***Including two meetings without the Chairman attending.

Board committees

Audit & Risks Committee	Governance, Nominations & Sustainability Committee	Human Capital & Remunerations Committee	Investment Committee	Digital Committee
7 meetings****	8 meetings****	4 meetings****	5 meetings	7 meetings****
96% attendance	98% attendance	100% attendance	100% attendance	91% attendance
100% independence*	83% independence*	100% independence*	80% independence*	75% independence*

**** Including joint meetings with other committees.

Overview of the composition of the Board of Directors as of the date of this Universal Registration Document

Personal information					Position within the Board				Attendance rate in 2025		Participation in Board committees				
Age	Gender	Nationality	Number of director-ships in listed companies*	Number of Schneider Electric shares held	Independence	First appointment**	Term end	Seniority on the Board**	Board	Committee	Audit & Risks Committee	Governance, Nominations & Sustainability Committee	Human Capital & Remunerations Committee	Investment Committee	Digital Committee
Jean-Pascal Tricoire, Chairman of the Board of Directors															
62	M		2	823,872(1)		2013	AGM 2029	12	100%	100%		C		●	●
Fred Kindle, Vice-Chairman & Lead Independent Director															
67	M		1	40,000	●	2016	AGM 2028	9	100%	100%		●	●		
Nive Bhagat, Independent Director															
54	F		1	1,000	●	2022	AGM 2026	3	100%	86%			●		●
Giulia Chierchia, Independent Director															
47	F		1	1,000	●	2023	AGM 2027	2	100%	100%				●	
Clotilde Delbos, Independent Director															
58	F		4	1,000	●	2024	AGM 2028	1	100%	86%	●				
Laura Ding, Employee Shareholder Director															
45	F		1	2,061		2025	AGM 2029	<1	100%	100%					●
Rita Félix, Employee Director															
43	F		1	190		2020	AGM 2028	5	100%	100%			●		
Philippe Knoche, Independent Director															
57	M		1	1,000	●	2024	AGM 2028	1	100%	100%	●	●			
Linda Knoll, Independent Director															
65	F		3	1,000	●	2014	AGM 2026	11	100%	100%		●	C		
Jill Lee, Independent Director															
62	F		2	1,000	●	2020	AGM 2028	5	100%	100%	C	●		●	
Anna Ohlsson-Leijon, Independent Director															
57	F		2	1,000	●	2021	AGM 2029	4	100%	100%	●		●		
Abhay Parasnis, Independent Director															
51	M		2	1,000	●	2023	AGM 2027	2	100%	100%					C
Anders Runevad, Independent Director															
66	M		3	1,000	●	2018	AGM 2026	7	100%	94%		●		C	
Lip-Bu Tan, Independent Director															
66	M		2	8,700	●	2019	AGM 2027	6	100%	93%				●	●
Bruno Turchet, Employee Director															
52	M		1	531		2021	AGM 2029	4	100%	100%				●	
Ellyn Shook, Observer															
62	F		3	0		2025	AGM 2026	<1	100%	100%			●		

* Including Schneider Electric SE directorship.

** If any, the period of presence at the Board as an Observer is not taken into account.

(1) Held directly or through the FCPE (Fonds Commun de Placement d'Entreprise, corporate mutual fund) or his personal asset management company.

Changes in the composition of the Board of Directors in 2025 and until the date of this Universal Registration Document

	Name	Gender	Nationality	Date of appointment	Term end
Directors whose term of office was renewed in 2025	Anna Ohlsson-Leijon	F		April 2021	AGM* 2029
	Jean-Pascal Tricoire	M		April 2013	AGM* 2029
	Bruno Turchet	M		April 2021	AGM* 2029
Director who joined the Board of Directors in 2025	Laura Ding	F		May 2025	AGM* 2029
Observer who joined the Board of Directors in 2025	Ellyn Shook	F		October 2025	AGM* 2026
Directors who left the Board of Directors in 2025	Léo Apotheker	M		April 2008	May 2025
	Xiaoyun Ma	F		April 2017	May 2025
	Gregory Spierkel	M		April 2015	October 2025

* Annual Shareholders' Meeting.

Mr. Gregory Spierkel, member of the Board of Directors for 10 years, decided to resign from his office as a Director with effect from October 28, 2025, in line with Board policies, to dedicate enough time to a new professional project. The Board of Directors expressed its gratitude to Mr. Gregory Spierkel's dedication to the Board of Directors' work and to his long-term commitment.

4.1.1.2 Biographies of the Chief Executive Officer and Board members

List of directorships and other functions of the Chief Executive Officer and members of the Board of Directors as of the date of this Universal Registration Document

Jean-Pascal Tricoire

Chairman of the Board of Directors of Schneider Electric SE

Age: 62 years
Nationality: French
Business address: Schneider Electric, 11th Floor, 683 King's Road, Quarry Bay, Hong Kong
823,872[1] Schneider Electric SE shares

Board committees

C

Attendance rate at:

Board meetings	Committee meetings
100%	100%

Experience and qualifications

Jean-Pascal Tricoire is currently Chairman of the Board of Directors of Schneider Electric SE after having been for 18 years successively Chairman of the Management Board and Chairman & CEO. Prior to that, he spent his early career with Alcatel, Schlumberger, and Saint-Gobain and joined Schneider Electric (Merlin Gerin) in 1986. From 1988 to 2001, he occupied operational functions within Schneider Electric abroad, in Italy, China, South Africa, and the US. From January 2002 to the end of 2003, he joined the Executive Committee as Executive Vice-President of Schneider Electric's International Division. In October 2003, he was appointed Deputy CEO before becoming Chairman of the Management Board of Schneider Electric on May 3, 2006. On April 25, 2013, following the change in mode of governance of the Company, he was appointed Chairman & CEO. On May 4, 2023, he transitioned to Chairman of the Board. Jean-Pascal Tricoire is a graduate of ESEO Angers and obtained an MBA from EM Lyon. He also attended Management trainings at Harvard and INSEAD.

Term of office

First appointed: 2013
Current term started: 2025
Term ends: 2029

Current external directorships

Other directorships at listed companies:
Director of **Qualcomm, Inc.** (USA).
Other directorships:
Member of the Board of Trustees of Northeastern University (USA) and of the advisory council of Hong Kong University of Science and Technology (HKUST) (Hong Kong).

Other internal directorships:

Director of Delixi Electric Ltd (China); Chairman of the Board of Directors of Schneider Electric Asia Pacific Ltd (Hong Kong).

Previous directorships

Previous directorships held in the past five years:
Director of the Board of the United Nations Global Compact (USA); Director of Schneider Electric USA, Inc. (USA); Chairman of the Board of Directors of Schneider Electric Industries SAS (France); Chairman of the Board of Directors of Schneider Electric Holdings Inc. (USA).

Skills

Olivier Blum

Chief Executive Officer of Schneider Electric SE

Age: 55 years
Nationality: French
Business address: Schneider Electric, The Nest, Techno Hub 3, Dubai Silicon Oasis, PO Box 341057 Dubai, United Arab Emirates
78,915[2] Schneider Electric SE shares

Experience and qualifications

Olivier Blum is the Chief Executive Officer of Schneider Electric, a position he has held since November 2024. He has been employed by the Company for approximately 30 years in a variety of global leadership and operational roles. Since 2014, he has been a member of Schneider Electric's Executive Committee. During his tenure, Mr. Blum has held responsibilities across multiple functions, including strategy, sustainability, human resources, and business operations. His previous roles include leading the Company's Energy Management business, serving as Chief Strategy & Sustainability Officer, and serving as Chief Human Resources Officer. His experience covers assignments in India, China, Hong Kong, the Middle East, and Europe. Mr. Blum's work at Schneider Electric has included oversight of commercial, technical, strategic, and organizational functions. His long-term positions in different geographic regions and business domains have provided him with broad knowledge of the Company's operations and management practices. He currently also serves as an Independent Director at Keppel Corporation Ltd. Mr. Blum holds an MBA from Grenoble École de Management and a Bachelor's degree in Business Administration from IUT2, Grenoble, France.

Term of office

First appointed: November 2024

Current external directorships

Other directorships at listed companies:
Director of **Keppel Corporation Ltd.** (Singapore).
Other directorships:
None.

Other internal directorships:

President and Director of Schneider Electric Industries SAS (France); Director of Schneider Electric Asia Pacific Ltd. (Hong Kong); Director of Samos Acquisition Company Ltd. (United Kingdom).

Previous directorships

Previous directorships held in the past five years:
Director of AVEVA Group plc. (United Kingdom); Member of the Supervisory Board of Delta Dore Finance (France); Chairman of the Board of Directors of Luminous Power Technologies Private Ltd. (India).

(1) Held directly or through the FCPE (Fonds Commun de Placement d'Entreprise, corporate mutual fund) or his personal asset management company.
(2) Held directly or through the FCPE (*Fonds Commun de Placement d'Entreprise*, corporate mutual fund).
Note: **bold** indicates the names of companies whose securities are listed on a regulated market.

Board committees

- Audit & Risks Committee
- Governance, Nominations & Sustainability Committee
- Human Capital & Remunerations Committee
- Investment Committee
- Digital Committee
- C Committee Chair

Skills

- Public company management
- Corporate finance
- Accounting, audit & risk
- International markets
- Industry knowledge
- Employee perspective & knowledge of the Group
- Digital & software
- Environment/Climate
- Social
- Governance, law, ethics & compliance

Fred Kindle*

Vice-Chairman & Lead Independent Director of Schneider Electric SE

Age: 67 years
Nationality: Swiss
Business address: Schneider Electric, 35, rue Joseph Monier, 92500 Rueil-Malmaison, France
40,000 Schneider Electric SE shares

Board committees

Attendance rate at:

Board meetings	Committee meetings
100%	100%

Experience and qualifications

Fred Kindle, who currently is the Vice-Chairman & Lead Independent Director of Schneider Electric SE, is the former CEO of ABB. He began his career in the Marketing Department of Hilti AG in Liechtenstein from 1984 to 1986. From 1988 to 1992, he worked as a consultant at McKinsey & Company in New York and Zurich. He then joined Sulzer AG in Switzerland where he held various management positions. In 1999, he was appointed CEO of Sulzer Industries and in 2001, he became CEO of Sulzer AG. After joining ABB Ltd. in 2004, Fred Kindle was appointed CEO of the ABB Group, a position which he held until 2008. He then became a partner at Clayton, Dubilier & Rice LLC, a private equity fund based in London and New York. He is now an independent consultant and a company Director. Board member of Schneider Electric SE since 2016, he was appointed Vice-Chairman & Lead Independent Director in April 2020. Fred Kindle graduated from the Swiss Federal Institute of Technology (ETH) in Zurich and holds an MBA from Northwestern University, Evanston, USA.

Term of office

First appointed: 2016
Current term started: 2024
Term ends: 2028

Current external directorships

Other directorships at listed companies:

None.

Other directorships:

Non-executive Director of Seed-X AG (Liechtenstein).

Previous directorships

Previous directorships held in the past five years:

Chairman of the Board of Directors of **VZ Holding AG** (Switzerland); Director of **Stadler Rail AG** (Switzerland).

Skills

Nive Bhagat*

Chief Financial Officer of Capgemini

Age: 54 years
Nationality: British
Business address: Capgemini, 40 Holborn Viaduct, London, EC1N 2PB, United Kingdom
1,000 Schneider Electric SE shares

Board committees

Attendance rate at:

Board meetings	Committee meetings
100%	86%

Experience and qualifications

Nivedita Krishnamurthy Bhagat, also known as Nive Bhagat, is currently Chief Financial Officer of Capgemini Group. Nive began her career in articling with PricewaterhouseCoopers before joining KPMG's Corporate Finance team. She later joined Infosys Technologies where she held several leadership positions including Head of Enterprise Solutions EMEA and head of its Proximity Development Centre in London. In 2010, Nive joined Capgemini and held senior executive positions including Head of Markets of its Application Business in the UK and European Head of the Cloud Infrastructure Services business before becoming CEO of Capgemini's global Cloud, Cyber and Infrastructure business. Nive was appointed as Chief Financial Officer of the Capgemini Group and member of the Group Executive Board on January 1, 2024. She has a bachelor's degree in economics and is a Chartered Accountant from the Institute of Chartered Accountants of India.

Term of office

First appointed: 2022
Term ends: 2026

Current external directorships

Other directorships at listed companies:

None.

Other directorships:

Director of Capgemini Solutions Canada Inc. (Canada), Capgemini Sverige AB (Sweden), Capgemini America, Inc. (USA), CGS Holdings Limited (United Kingdom), Capgemini UK Plc. (United Kingdom), and Capgemini Semiconnext Platform B.V. (Netherlands).

Previous directorships

Previous directorships held in the past five years:

Director of Capgemini Outsourcing Services GmbH (Germany); Non-executive Director of **Mitie Plc.** (United Kingdom); Member of Audit & Nomination Committees of **Mitie Plc.** (United Kingdom).

Skills

* An independent Director within the meaning of the AFEP-MEDEF Corporate Governance Code.
Note: **bold** indicates the names of companies whose securities are listed on a regulated market.

Giulia Chierchia*

Company Director

Age: 47 years
Nationality: Italian/Belgian
Business address: Schneider Electric, 35, rue Joseph Monier, 92500 Rueil-Malmaison, France
1,000 Schneider Electric SE shares

Board committees

Attendance rate at:

Board meetings	Committee meetings
100%	100%

Experience and qualifications

Giulia Chierchia is the former Executive Vice-President Strategy, Sustainability and Ventures at BP. She began her career in 2001 working for UniCredit Bank as an analyst in the corporate banking division, followed by a two-and-a-half-year period with Value Partners as an associate consultant, leading projects in telecommunications and education. In 2006, she joined McKinsey & Company and was appointed Partner in 2013 and Senior Partner in 2019 leading the global downstream oil and gas practice and advising clients regarding their decarbonization strategy and how to pivot their existing portfolio. In April 2020, she was appointed as Executive Vice-President Strategy and Sustainability of BP, a British oil and gas industry company, in charge, in particular, of strategy and sustainability, ethics and compliance, capital allocation, investment governance for the company, delivery of its net-zero carbon aims, ESG transformation, external stakeholder engagement, and group energy transition policy. In March 2022, she became Executive Vice-President Strategy, Sustainability and Ventures and was given the additional responsibility for BP's ventures arm, a position from which she stepped down in June 2025. Giulia Chierchia holds a Bachelor's degree in Economics and Corporate Law from Bocconi University (Italy) and a Master's Degree in Business Administration from INSEAD Business School (France).

Term of office

First appointed: 2023
Term ends: 2027

Current external directorships

Other directorships at listed companies:
None.
Other directorships:
None.

Previous directorships

Previous directorships held in the past five years:
Director of BP Technology Ventures Limited (United Kingdom).

Skills

Clotilde Delbos*

Company Director

Age: 58 years
Nationality: French
Business address: Schneider Electric, 35, rue Joseph Monier, 92500 Rueil- Malmaison, France
1,000 Schneider Electric SE shares

Board committees

Attendance rate at:

Board meetings	Committee meetings
100%	86%

Experience and qualifications

Clotilde Delbos, currently company director, is the former Chief Financial Officer of Renault group. She began her career in California then in Paris at PricewaterhouseCoopers before joining the Pechiney group in 1992 where she held various positions in France and in Belgium in Internal Audit, Treasury and Mergers & Acquisitions. After the acquisition of Pechiney by the Québec group Alcan, Clotilde Delbos became Chief Financial Officer of the Engineered Products division in 2005, until its sale in 2011 to the Apollo Global Management investment fund and the Strategic Investment Fund. In the new company, Constellium, her last two positions were Chief Financial Officer and Chief Risk Officer. Clotilde Delbos joined Renault group in 2012 as Group Director of Performance and Control. In May 2014, she was appointed Director of Alliance, Performance and Control. In April 2016, Clotilde Delbos was appointed Chief Financial Officer of Renault group and Chairwoman of the Board of Directors of RCI Banque and in 2019 was also assigned responsibility for the Internal Control Department. In October of the same year, she was appointed Acting Chief Executive Officer of Renault SA, and then Deputy Chief Executive Officer in July 2020 while remaining Chief Financial Officer of Renault group. In 2021, she became Chief Executive Officer of the Mobilize brand of the Renault group, a position she held until 2023. Clotilde Delbos graduated from EM Lyon with a specialization in accounting.

Term of office

First appointed: 2024
Term ends: 2028

Current external directorships

Other directorships at listed companies:
Director of **Alstom** (France); Director of **AXA** (France); Director of **Sanofi** (France).
Other directorships:
Chairwoman of Hactif Advisory (France); Co-Manager of Hactif Patrimoine (France); Treasurer of the French Rugby Federation; Member of the Council of the National Rugby League, and Member of the World Rugby Council.

Previous directorships

Previous directorships held in the past five years:
Director of Renault España (Spain); Chief Executive Officer of Mobilize (France); Chairwoman and Director of Banque RCI SA (France); Chairwoman of Renault Venture Capital (now Mobilize Ventures) (France); Chairwoman of Renault Mobility as an Industry (France).

Skills

* An independent Director within the meaning of the AFEP-MEDEF Corporate Governance Code.
Note: **bold** indicates the names of companies whose securities are listed on a regulated market.

Board committees

- Audit & Risks Committee
- Governance, Nominations & Sustainability Committee
- Human Capital & Remunerations Committee
- Investment Committee
- Digital Committee
- Committee Chair

Skills

- Public company management
- Corporate finance
- Accounting, audit & risk
- International markets
- Industry knowledge
- Employee perspective & knowledge of the Group
- Digital & software
- Environment/Climate
- Social
- Governance, law, ethics & compliance

Laura Ding

Senior Vice-President, Industrial Automation China, Schneider Electric China and East Asia Operations

Age: 45 years
Nationality: Chinese
Business address: 8F Changfeng Int'l Building, 89 East Yunling Road, Shanghai, China
2,061[1] Schneider Electric SE shares

Board committees

Attendance rate at:

Board meetings	Committee meetings
100%	100%

Experience and qualifications
Xiaohong (Laura) Ding, currently Director representing the Employee Shareholders, is Senior Vice-President of Industrial Automation China at Schneider Electric China and East Asia Operations. She started her career as a project execution engineer in Emerson process management with certification on system configuration and batch implementation. She joined Schneider Electric in 2010. During 15 years within Schneider Electric, she has worked in a multitude of diverse functions and roles: Customer Service & Quality Manager, Senior Offer Management & Strategy Manager, Digital/AVEVA Competency Center & Business Development Director, and Vice-President of Process Automation & Digital, and gained a wealth of experiences in business development and digital transformation with strong technical background. Laura Ding earned a Master's Degree in control engineering.

Term of office
First appointed: 2025
Term ends: 2029

Current external directorships
Other directorships at listed companies:
None.
Other directorships:
Chairwoman of Proface China International Trading (Shanghai) Co., Ltd. (China), Beijing Leader Harvest Electric Technologies Co., Ltd. (China), and Shanghai Foxboro Co., Ltd. (China); Director of Shanghai Invensys Process System Co., Ltd. (China), and ProLeiT Automation Systems (Shanghai) Co., Ltd. (China).

Previous directorships
Previous directorships held in the past five years:
None.

Skills

Rita Félix

Customer Experience and Satisfaction Director for Home Solutions

Age: 43 years
Nationality: Portuguese
Business address: Schneider Electric, Av. do Forte 3, Ed. Suécia IV, Piso 3, 2794-038 Carnaxide, Portugal
190[1] Schneider Electric SE shares

Board committees

Attendance rate at:

Board meetings	Committee meetings
100%	100%

Experience and qualifications
Rita Félix has been an Employee Director designated by the European Work Council since 2020 and renewed in June 2024 for a four-year term. She began her career in consulting at Deloitte, where she worked from 2006 to 2008. After that she joined the Marketing Department of COSEC (a credit insurance company owned by Allianz Trade). Rita Félix came to Schneider Electric Portugal in 2012 as Business Excellence Manager. In 2017, she was appointed Project Management Officer (PMO) for Global Marketing, International Operations at Schneider Electric Group. She has worked as PMO, Inside Sales Director, and more recently as Market and Competitive Intelligence leader. In December 2023, she was appointed as Customer Experience and Satisfaction Director for global Home Solutions division. Since July 2020, she has been Employee Director. Rita Félix graduated from ISCTE – IUL (University Institute of Lisbon) including six months in the Vrije Universiteit (Amsterdam). She also holds a Master's Degree in Marketing Management (2012). Additionally, she has attended the High-Performance Boards program (IMD Business School, 2020), the Strategy in the Age of Digital Disruption program (INSEAD, 2021), the Digital Transformation Foundations program (IMD Business School, 2022), the Leading Sustainable Business Transformations program (IMD Business School, 2023), and more recently the Stakeholders Management for Boards program (IMD Business School, 2025).

Term of office
First appointed: 2020
Current term started: 2024
Term ends: 2028

Current external directorships
Other directorships at listed companies:
None.
Other directorships:
None.

Previous directorships
Previous directorships held in the past five years:
None.

Skills

(1) Held directly or through the FCPE (*Fonds Commun de Placement d'Entreprise*, corporate mutual fund).
Note: **bold** indicates the names of companies whose securities are listed on a regulated market.

Philippe Knoche*

Senior Executive Vice-President
Operations and Performance of Thales

Age: 57 years
Nationality: French/German
Business address: Thales, Campus Meudon, 4, rue de la Verrerie, 92190 Meudon
1,000 Schneider Electric SE shares

Board committees

Attendance rate at:

Board meetings	Committee meetings
100%	100%

Experience and qualifications

Philippe Knoche is currently Senior Executive Vice-President Operations and Performance of Thales and the former Chief Executive Officer of Orano. He began his career in 1995 in Brussels as a case handler on anti-dumping for the European Commission. In 2000, he joined Areva group as Director of Strategy, and became Director of the Processing Business Unit in 2004. In 2006, he took charge of the project to build the EPR generation 3 nuclear reactor in Finland. In 2010, Philippe Knoche was appointed Director of the Reactors and Services Business Group and member of Areva's Executive Board, before being named Executive Vice-President for Nuclear Operations in 2011. In 2015, Philippe Knoche was appointed Chief Executive Officer of Areva which he completely transformed and restructured, leading to the creation in 2017 of Orano of which he had been the Chief Executive Officer before joining Thales in October 2023 as Senior Executive Vice-President Operations and Performance. Philippe Knoche is a graduate of Ecole polytechnique and Ecole des mines.

Term of office

First appointed: 2024
Term ends: 2028

Current external directorships

Other directorships at listed companies:
None.
Other directorships:
None.

Previous directorships

Previous directorships held in the past five years:
Chief Executive Officer of Orano (France); Chairman of the Board of the World Nuclear Association (WNA); Board member of **Thales** (France).

Skills

Linda Knoll*

Company Director

Age: 65 years
Nationality: American
Business address: Schneider Electric, 35, rue Joseph Monier, 92500 Rueil-Malmaison, France
1,000 Schneider Electric SE shares

Board committees

Attendance rate at:

Board meetings	Committee meetings
100%	100%

Experience and qualifications

Linda Knoll, currently Company Director, is the former Chief Human Resources Officer of Fiat Chrysler Automobiles. After a career in the Land Systems Division of General Dynamics, Linda Knoll joined CNH Industrial in 1994. She held various operating positions there, culminating in her appointment to multiple senior management positions. In 1999, she became Vice-President and General Manager of the company's Global Crop Production business unit. From 2003 to 2005, she was Vice-President for North America Agricultural Industrial Operations. She then served as Executive Vice-President for Worldwide Agricultural Manufacturing until 2007, managing 20 plants in ten countries, before being appointed Executive Vice-President Agricultural Product Development, and President Parts and Service (ad interim). She served as Chief Human Resources Officer in CNH Industrial (from 2007 to 2019) and Fiat Chrysler Automobiles (from 2011 to March 2021). Linda Knoll holds a Bachelor of Science Degree in Business Administration from Central Michigan University.

Term of office

First appointed: 2014
Current term started: 2022
Term ends: 2026

Current external directorships

Other directorships at listed companies:
Director of **Astec Industries, Inc.** (USA); Director of **Iveco Group N.V.** (Netherlands).
Other directorships:
None.

Previous directorships

Previous directorships held in the past five years:
Director of Comau S.p.A. (Italy); Chief Human Resources Officer and member of the Group Executive Council of **Fiat Chrysler Automobiles N.V.** (the Netherlands).

Skills

* An independent Director within the meaning of the AFEP-MEDEF Corporate Governance Code.
Note: **bold** indicates the names of companies whose securities are listed on a regulated market.

Board committees

- Audit & Risks Committee
- Governance, Nominations & Sustainability Committee
- Human Capital & Remunerations Committee
- Investment Committee
- Digital Committee
- Committee Chair

Skills

- Public company management
- Corporate finance
- Accounting, audit & risk
- International markets
- Industry knowledge
- Employee perspective & knowledge of the Group
- Digital & software
- Environment/Climate
- Social
- Governance, law, ethics & compliance

Jill Lee*

Company Director

Age: 62 years
Nationality: Singaporean
Business address: Schneider Electric, 35, rue Joseph Monier, 92500 Rueil-Malmaison, France
1,000 Schneider Electric SE shares

Board committees

C

Attendance rate at:

Board meetings	Committee meetings
100%	100%

Experience and qualifications

Jill Lee is a non-executive director of PSA International, 65 Equity Partners, and StarHub Ltd. She is also a non-executive director of JTC Corporation, a statutory board under Singapore's Ministry of Trade and Industry that champions sustainable industrial development. Jill Lee was the Group Chief Financial Officer and a member of the Executive Committee of Sulzer Ltd. from 2018 to 2022. Beginning her career in Singapore in 1986 with AT&T, Tyco Electronics, and Siemens, Jill Lee went on to build an international career where she spent several years heading Asia regional CFO functions in China, followed by strategic global positions in Germany and Switzerland. Her career in Siemens spanned 20 years until 2010, where she had been the Country CFO in Singapore, North-East Asia CFO in China, as well as Chief Diversity Officer for Siemens Group in Germany. Later, Jill Lee was Senior Vice-President, Finance, Strategy and Investments for Neptune Orient Lines in Singapore (2010 to 2011). From 2012 to 2018, Jill Lee held leadership positions in ABB, including North Asia CFO in China, as well as Head of Next Level Program Management, responsible for global transformation programs at ABB Group in Switzerland. Jill Lee was previously a non-executive director and Chair of the audit committees of Sulzer Ltd. (2011 to 2018), Signify N.V. (2017 to 2020), and medmix Ltd. (2021 to 2022). Jill Lee holds a Bachelor's Degree in Business Administration from National University of Singapore and an MBA from Nanyang Technological University in Singapore.

Term of office

First appointed: 2020
Current term started: 2024
Term ends: 2028

Current external directorships

Other directorships at listed companies:
Non-executive Director of **StarHub Ltd.** (Singapore).
Other directorships:
Non-executive Director of 65 Equity Partners Pte Ltd. (Singapore); Non-executive Director of PSA International Pte Ltd. (Singapore); Non-executive director of JTC Corporation (a governmental agency in Singapore); Board Member of National University of Singapore - Institute of Systems Science (Singapore), Board Member of Institute of Technical Education (Singapore).

Previous directorships

Previous directorships held in the past five years:
Non-executive Director of Dyson Holdings Pte Ltd. (Singapore); Advisory Board Member of Nanyang Business School (Singapore); Non-executive Director of **medmix Ltd.** (Switzerland); Member of the Supervisory Board of **Signify N.V.** (Netherlands); Non-executive Director of **Sulzer Ltd.** (Switzerland).

Skills

Anna Ohlsson-Leijon*

Company Director

Age: 57 years
Nationality: Swedish
Business address: Schneider Electric, 35, rue Joseph Monier, 92500 Rueil-Malmaison, France
1,000 Schneider Electric SE shares

Board committees

Attendance rate at:

Board meetings	Committee meetings
100%	100%

Experience and qualifications

Anna Ohlsson-Leijon is the former Executive Vice-President of AB Electrolux, and CEO of Business Area Europe & Asia Pacific Middle East, and Africa. Anna Ohlsson-Leijon began her career in 1993 at PricewaterhouseCoopers where she held various positions advising high-tech, industrial, and media companies. In 2000, she joined Kimoda, an e-commerce platform, as Chief Financial Officer, before joining in 2001 AB Electrolux (Sweden) as Director of Project Management. Anna Ohlsson-Leijon then held various senior positions in corporate functions including Director Internal Audit & Global Program Manager Sarbanes-Oxley Act from 2003 to 2005, Head of Management Assurance & Special Assignments until 2008, Group Treasurer until 2011, Head of Corporate Control & Services until 2013, and Chief Financial Officer Major Appliance EMEA thereafter. She was then promoted to Chief Financial Officer of AB Electrolux in 2016 before taking the position as Chief Executive Officer Europe and Executive Vice-President of AB Electrolux in 2018. In 2022 she was promoted to Chief Commercial Officer for the Group, and in 2024 she took on the role as CEO of a new Business Area combined for Europe and Asia Pacific Middle East, and Africa, positions from which she stepped down end of December 2025. Anna Ohlsson-Leijon holds a Bachelor of Sciences Degree in Business Administration and Economics from Linköping University (Sweden).

Term of office

First appointed: 2021
Current term started: 2025
Term ends: 2029

Current external directorships

Other directorships at listed companies:
Director of **Atlas Copco AB** (Sweden).
Other directorships:
None.

Previous directorships

Previous directorships held in the past five years:
None.

Skills

* An independent Director within the meaning of the AFEP-MEDEF Corporate Governance Code.
Note: **bold** indicates the names of companies whose securities are listed on a regulated market.

Abhay Parasnis*

Founder & CEO of Typeface AI

Age: 51 years
Nationality: American
Business address: Schneider Electric, 35, rue Joseph Monier, 92500 Rueil-Malmaison, France
1,000 Schneider Electric SE shares

Board committees

C

Attendance rate at:

Board meetings	Committee meetings
100%	100%

Experience and qualifications

Abhay Parasnis is founder & CEO of Typeface AI, a generative artificial intelligence company. Previously, he was Executive Vice-President Chief Technology Officer & Chief Product Officer of Adobe Inc. He started his career at IBM in 1996 as a software researcher before joining i2 Technologies, Inc. in 1997 where he served as Chief Architect until 2002. From 2002 to 2011, Abhay Parasnis held various leadership positions at Microsoft Corporation, driving strategic platform initiatives and consumer technologies. In 2012, he joined Oracle Corporation, a cloud technology company, successively as Senior Vice-President and as Strategic Advisor of Oracle Public Cloud Initiative. In 2013, he was appointed as President & Chief Operating Officer of Kony, Inc., an enterprise mobility leader, before joining Adobe, Inc., a software company that provides digital marketing and media solutions, in 2015 where he held various leadership roles, including Executive Vice-President & Chief Technology Officer, Executive Vice-President Chief Technology Officer & Chief Strategy Officer, and finally, Executive Vice-President Chief Technology Officer & Chief Product Officer, a position from which he stepped down in February 2022. Abhay Parasnis is also a Director of Dropbox, Inc.'s Board of Directors. Abhay Parasnis holds a Bachelor of Science in Electronics and Telecommunications from the College of Engineering Pune and an advanced diploma from the National Institute of Information Technology.

Term of office

First appointed: 2023
Term ends: 2027

Current external directorships

Other directorships at listed companies:
Director of **Dropbox, Inc.** (USA).
Other directorships:
None.

Previous directorships

Previous directorships held in the past five years:
None.

Skills

Anders Runevad*

Company Director

Age: 66 years
Nationality: Swedish
Business address: Schneider Electric, 35, rue Joseph Monier, 92500 Rueil-Malmaison, France
1,000 Schneider Electric SE shares

Board committees

C

Attendance rate at:

Board meetings	Committee meetings
100%	94%

Experience and qualifications

Anders Runevad, currently Company Director, is the former Chief Executive Officer of Vestas Wind Systems A/S. He started his career at Ericsson in 1984 as a Design Engineer before holding various management positions in Sweden, Singapore, Brazil, the UK, and the US. In 1998, he was appointed President of Ericsson Singapore. From 2000 to 2004, he served as Vice-President Sales and Marketing of Ericsson Mobile Communications AB. In 2004, he was appointed President of Ericsson Brazil. From 2007 until 2010, he served as Executive Vice-President and member of the Board at Sony Ericsson Mobile Communications AB. He then became President of Western & Central Europe at Telefonaktiebolaget LM Ericsson (public company) in 2010. In 2013, he left Ericsson to join Vestas Wind Systems A/S as Group President and Chief Executive Officer, a position from which he stepped down in 2019. Anders Runevad holds a Master of Science Degree in Electrical Engineering from the University of Lund (Sweden), where he also studied business and economy.

Term of office

First appointed: 2018
Current term started: 2022
Term ends: 2026

Current external directorships

Other directorships at listed companies:
Chairman of the Board of **Vestas Wind Systems A/S** (Denmark); Chairman of the Board of **Peab AB** (Sweden).
Other directorships:
Director of Copenhagen Infrastructure Partners (CIP) (Denmark) and Ekhaga Utveckling AB (Sweden); Chairman of the Board of National Sweden (Sweden).

Previous directorships

Previous directorships held in the past five years:
Director of **Nilfisk Holding A/S** (Denmark).

Skills

* An independent Director within the meaning of the AFEP-MEDEF Corporate Governance Code.
Note: **bold** indicates the names of companies whose securities are listed on a regulated market.

Board committees

- Audit & Risks Committee
- Governance, Nominations & Sustainability Committee
- Human Capital & Remunerations Committee
- Investment Committee
- Digital Committee
- C Committee Chair

Skills

- Public company management
- Corporate finance
- Accounting, audit & risk
- International markets
- Industry knowledge
- Employee perspective & knowledge of the Group
- Digital & software
- Environment/Climate
- Social
- Governance, law, ethics & compliance

Lip-Bu Tan*

Chief Executive Officer of Intel Corporation

Age: 66 years
Nationality: American
Business address: One California Street, Suite 1750, San Francisco, CA 94111, United States
8,700 Schneider Electric SE shares

Board committee

Attendance rate at:

Board meetings	Committee meetings
100%	93%

Experience and qualifications

Lip-Bu Tan is currently Chief Executive Officer of Intel Corporation. Previously, he was the Executive Chairman of Cadence Design Systems, Inc. from which he retired as Chief Executive Officer in 2021. Lip-Bu Tan held management positions at EDS Nuclear and ECHO Energy before becoming Vice-President of Chappell & Co. He also serves as Chairman of Walden International, a venture capital firm he founded in 1987, and as Founding Managing Partner of Celesta Capital and Walden Catalyst Ventures, a venture capital firm focused on investing in core technology companies. After joining the Board of Cadence Design Systems, Inc. in 2004, Lip-Bu Tan was appointed as Chief Executive Officer in 2009, a position that he held until December 2021. At that time, he transitioned to his role of Executive Chairman of Cadence Design Systems, Inc. from which he retired in 2023. In March 2025, he became Chief Executive Officer and Director of Intel Corporation. Lip-Bu Tan holds a Master of Science Degree in Nuclear Engineering from the Massachusetts Institute of Technology, an MBA from the San Francisco University, and a Bachelor of Science Degree from the Nanyang University of Singapore.

Term of office

First appointed: 2019
Current term started: 2023
Term ends: 2027

Current external directorships

Other directorships at listed companies:

Director of **Intel Corporation** (USA).

Other directorships:

Director of Greenstone Biosciences (USA), Proteantecs (Israel), SambaNova Systems, Inc. (USA), and The Electronic System Design Alliance (ESD Alliance) (USA); Member of the board of trustees and the School of Engineering Dean's Council at Carnegie Mellon University (CMU) (USA); Advisory Board member of the College of Engineering, and Compute, Data Science & Social Division at University of California, Berkeley (USA); Member of UCSF Executive Health Council (USA); Global Advisory board Member of METI Japan (Japan); Member of the board of Global Semiconductor Alliance (GSA) (USA); Member of The Business Council and Committee 100 (USA).

Previous directorships

Previous directorships held in the past five years:

Director of Datachat, Inc. (USA), Exostella, Inc. (USA), Galileo Technologies, Inc. (USA), Osdyne, Inc. (USA), 3DGS Inc. (USA), Agita Labs (USA), DustPhotonics (Israel), Artera (USA), LightBits Labs (Israel), Movandi Corporation (USA), Prosimo, Inc. (USA), Rivos, Inc. (USA), Speedata.io (Israel), and Vayyar Imaging (Israel); Chairman of the Board of **Credo Technology Group Holding Ltd** (Cayman Islands); Director of RF Pixels, Inc. (USA) and **Intel Corporation** (USA); Chairman of **Cadence Design Systems, Inc**. (USA); Director of Advanced Micro-Fabrication Equipment Inc. (Shanghai) and **Softbank Group Corp.** (Japan); CEO of **Cadence Design Systems** (USA); Director of **Hewlett-Packard Enterprise** (USA); Board member of Habana Labs Ltd. (Israel), Tagore Technology, Inc. (USA), WekaIO, LTD (Israel), **Aquantia Corporation** (USA), CNEX Labs, Inc. (USA), Fungible, Inc. (USA), Innovium, Inc. (USA), Komprise (USA), NuVia, Inc. (USA), Oryx Vision (Israel), Rosetal System Information Ltd. (Israel), HiDeep, Inc. (South Korea), and Silicon Mitus, Inc. (South Korea).

Skills

Bruno Turchet

Vice-President Global Supply Chain Strategy Deployment

Age: 52 years
Nationality: French
Business address: Schneider Electric, 160, avenue des Martyrs, 38000 Grenoble, France
531(1) Schneider Electric SE shares

Board committees

Attendance rate at:

Board meetings	Committee meetings
100%	100%

Experience and qualifications

Bruno Turchet, currently Employee Director, began his career in 1999 as Electromechanical Engineer for Assystem Technologies (French consulting and engineering company) and held the role of Key Account Manager for the industry market (2001 to 2005). He joined Schneider Electric in 2005 and has worked in different operations. He started as Project Technical Leader for Low Voltage Equipment in France for two years, before expatriation to Schneider Electric China as Low & Medium Voltage Equipment R&D Manager for three years. Back in France in 2011, he led the Productivity Department of one of the main divisions of the Group and deployed there the sustainability program. From 2016 to 2021, he was New Products Industrialization Director of Final Distribution Line of Business, and then became Vice-President Industrialization for Home & Distribution Europe Division until 2024. Since July 2024, Bruno Turchet is Vice-President Global Supply Chain Strategy Deployment. In April 2021, he was appointed Employee Director. Bruno Turchet holds a Master of Science Degree in Engineering & Quality from the University of Besançon (France). He also attended the High Performance Boards program at IMD Business School of Lausanne (Switzerland) in October 2021.

Term of office

First appointed: 2021
Current term started: 2025
Term ends: 2029

Current external directorships

Other directorships at listed companies:

None.

Other directorships:

None.

Previous directorships

Previous directorships held in the past five years:

None.

Skills

* An independent Director within the meaning of the AFEP-MEDEF Corporate Governance Code.
(1) Held directly or through the FCPE (*Fonds Commun de Placement d'Entreprise*, corporate mutual fund).
Note: **bold** indicates the names of companies whose securities are listed on a regulated market.

Ellyn Shook

Observer

Age: 62 years
Nationality: American
Business address: Schneider Electric, 35, rue Joseph Monier, 92500 Rueil-Malmaison, France
0 Schneider Electric SE shares

Board committees

Attendance rate at:

Board meetings	Committee meetings
100%	100%

Experience and qualifications
Ellyn Shook is the former Chief Leadership and Human Resources Officer of Accenture. She began her career in 1985 at Marriott International, Inc. as manager in charge of catering sales. Ellyn Shook joined Accenture in 1988 as Director of Human Resources. Between 2002 and 2014, she held various management positions and served successively as Head of Global Human Resources, Strategy and Compensation (2002 to 2004), Lead of Global Human Resources (2004 to 2011), Senior Managing Director of Human Resources and Head of Human Resources Centers of Expertise and HRBP Organization (2011 to 2014). In 2014, Ellyn Shook was appointed as Chief Leadership and Human Resources Officer of Accenture, position from which she stepped down in 2024. Ellyn Shook is an executive committee member of the Professional Roundtable of Chief Human Resource Officers and serves on the Board for the National Academy of Human Resources. She is a Board member at Baldwin Group and SanDisk where she chairs both Compensation Committees. Ellyn Shook holds a Bachelor of Science degree from Purdue University (United States).

Term of office
Appointment as an Observer: October 2025
Candidate to appointment as a Director: 2026

Current external directorships
Other directorships at listed companies:
Director of **Baldwin Group** (USA); and **SanDisk** (USA).
Other directorships:
Executive committee member of the Professional Roundtable of Chief Human Resource Officers (USA); member of the Board of the National Academy of Human Resources (USA).

Previous directorships
Previous directorships held in the past five years:
None.

Skills

Directors who left the Board of Directors during the 2025 fiscal year

Léo Apotheker

Director of Schneider Electric SE until May 7, 2025

Age: 72 years
Nationality: French/German

Experience and qualifications
Léo Apotheker, former CEO of SAP and Hewlett-Packard, began his career in 1978 in Management Control. He then held management and executive responsibilities in several firms specializing in information systems including SAP France & Belgium, where he was Chairman and CEO between 1988 and 1991. Léo Apotheker was founding Chairman and CEO of ECsoft. In 1995, he returned to SAP and, after various appointments within SAP as Regional Director, he was appointed in 2002 as a member of the Executive Committee and President of Customer Solutions & Operations, then in 2007 as Deputy CEO of SAP AG, and in 2008 CEO of SAP AG. In 2010, he became President & CEO of Hewlett-Packard, a position he held until the fall of 2011. Board member of Schneider Electric SE from 2008 to 2025, Léo Apotheker served as Vice-Chairman & Lead Independent Director from 2014 to April 2020. Léo Apotheker graduated with a degree in International Relations and Economics from the Hebrew University in Jerusalem.

Term of office
First appointed: 2008
Term ended: May 7, 2025

Current external directorships
Other directorships at listed companies:
Director of **NICE-Systems Ltd.** (Israel).
Other directorships:
Chairman of BSI Software AG (Switzerland); Chairman of Syncron International AB (Sweden); Chairman of Harvest (France); Chairman of Eudonet (France).

Previous directorships
Previous directorships held in the past five years:
Director of **Schneider Electric SE** (France); and MercuryGate (USA); Chairman and Co-CEO of **Burgundy Technology Acquisition Corporation** (USA); Chairman of the Board of Directors of Unit 4 NV (Netherlands); Director of Taulia (USA); Chairman of the Supervisory Board of Signavio GmbH (Germany); Director and Chairman of the Board of KMD A.S. (Denmark); Member of the Supervisory Board of **Steria** (France); Chairman of Appway (Switzerland).

Note: **bold** indicates the names of companies whose securities are listed on a regulated market

Board committees

- Audit & Risks Committee
- Governance, Nominations & Sustainability Committee
- Human Capital & Remunerations Committee
- Investment Committee
- Digital Committee
- C Committee Chair

Skills

- Public company management
- Corporate finance
- Accounting, audit & risk
- International markets
- Industry knowledge
- Employee perspective & knowledge of the Group
- Digital & software
- Environment/Climate
- Social
- Governance, law, ethics & compliance

Directors who left the Board of Directors during the 2025 fiscal year (continued)

Xiaoyun Ma

Director representing the employee shareholders until May 7, 2025

Age: 62 years
Nationality: Chinese

Experience and qualifications

Xiaoyun Ma, former Employee Shareholders Director, is the Chief Financial Officer for Schneider Electric's China & East Asia Operations, in charge of China & East Asia daily finance operations, organization, simplification, and internal digital transformation. Graduated from top Chinese universities and holding a Chinese Public Accountant Certificate, she started her career as a finance professional at an audit firm (PwC). She joined Schneider Electric in 1997 as the Controller of Schneider (Beijing) Medium Voltage Co., Ltd in Beijing, China. Since then, she has worked in many different controller and Chief Financial Officer positions, covering manufacturing, supply chain, and front office, in the China and Asia Pacific zone, while getting an MBA from New York City University in 2004.

Term of office

First appointed: 2017
Term ended: May 7, 2025

Current external directorships

Other directorships at listed companies:

None.

Other directorships:

Vice-Chairwoman of the Board of Directors of Sunten Electric Equipment Co., Ltd. (China).

Current internal directorships or functions

Vice-Chairwoman of the Board of Directors of Beijing BipBop Efficiency and Automation Application Technology Center (China); Director of Full Excel (Hong Kong) Limited, Schneider Electric (China) Co., Ltd., Schneider Shanghai Power Distribution Electrical Apparatus Co., Ltd., Schneider Shanghai Low Voltage Terminal Apparatus Co., Ltd., Schneider Shanghai Industrial Control Co., Ltd., Schneider Busway (Guangzhou) Ltd., Schneider (Beijing) Low Voltage Co., Ltd. (formerly known as Schneider (Beijing) Medium and Low Voltage Co., Ltd.), Schneider Merlin Gerin Low Voltage (Tianjin) Co., Ltd., Schneider Wingoal (Tianjin), Electric Equipment Co., Ltd., Schneider (Shaanxi) Baoguang Electrical Apparatus Co., Ltd., and Schneider Switchgear (Suzhou) Co., Ltd.; Supervisor of Zircon Investment (Shanghai) Co. Ltd. (China).

Previous directorships

Previous directorships held in the past five years:

Director representing the employee shareholders of **Schneider Electric SE** (France); Chairwoman of the Board of Schneider Electric IT (China) Co., Ltd.; Vice-Chairwoman of the Board of Directors of Jingxin Hongde (Beijing) Technology Co., Ltd. (formerly known as Citic Schneider Smart Building Technology (Beijing) Co., Ltd.); Director of Schneider Great Wall Engineering (Beijing) Co., Ltd., Tianjin Merlin Gerin Co., Ltd, Schneider (Beijing) Medium Voltage Co., Ltd., Shanghai Schneider Electric Power Automation Co., Ltd., Tianjin Wingoal Electric Equipment Co., Ltd., Schneider South China Smart Technology (Guangdong) Co., Ltd., Clipsal Manufacturing (Huizhou) Co., Ltd., Schneider Shanghai Apparatus Parts Manufacturing Co., Ltd., Shanghai ASCO Electric Technology Co., Ltd. (formerly known as Schneider Automation Solutions (Shanghai) Co., Ltd.) and Schneider Smart Technology Co., Ltd.; Executive Director of Beijing Leader Harvest Energy Efficiency Investment Co., Ltd. (China).

Gregory Spierkel

Independent Director of Schneider Electric SE until October 28, 2025

Age: 69 years
Nationality: Canadian

Experience and qualifications

Gregory Spierkel, company director, is the former CEO of Ingram Micro Inc. He began his career working for Bell Canada in sales and product development, followed by a period with Nortel Inc. in market research. For four years, he served as Managing Director of Mitel Telecom with responsibilities over Europe and Asia. He then spent five years at Mitel Corp. where he served as President of North America and President of Global Sales and Marketing. In August 1997, he joined Ingram Micro as Senior Vice-President Asia-Pacific. In June 1999, he was appointed as Executive Vice-President and President of Ingram Micro Europe. He was promoted to President of the Ingram Micro Inc. Group in 2004, before assuming the role of CEO of Ingram Micro Inc. from 2005 to 2012. Gregory Spierkel holds a Bachelor's Degree in Commerce from Carleton University (Ottawa) and a Master's Degree in Business Administration from Georgetown University. He also attended the Advanced Manufacturing program at INSEAD.

Term of office

First appointed: 2015
Term ended: October 28, 2025

Current external directorships

Other directorships at listed companies:

Director of **PACCAR Inc.** (USA).

Other directorships:

Member of McLaren Advisory Group (McLaren Technology Group) (United Kingdom).

Previous directorships

Previous directorships held in the past five years:

Director of **Schneider Electric SE** (France) and **MGM Resorts International** (USA).

Note: **bold** indicates the names of companies whose securities are listed on a regulated market

4.1.1.3 Changes to the Board composition submitted to the Annual Shareholders' Meeting

Mrs. Linda Knoll and Mrs. Nive Bhagat, members of the Board of Directors for respectively 12 and 4 years, have decided not to seek the renewal of their terms of office which expire at the closing of the 2026 Shareholders' Meeting. The Board of Directors expressed its gratitude to Mrs. Linda Knoll's and Mrs. Nive Bhagat's dedication to the Board of Directors' work and to their devoted commitment.

As part of the Board's continuous review of its composition, the Board of Directors asked the Governance, Nominations & Sustainability Committee to make a recommendation on the renewal of Mr. Anders Runevad, as well as search for complementary candidates in line with the skill set highlighted by its Board skills matrix and the challenges of the Company.

In that respect, the Committee has analyzed Mr. Anders Runevad's situation with regards to his contribution and performance, his time commitment and availability to fulfill his duties, as well as his added value to the work of the Board.

Mr. Anders Runevad brings to the Board the benefit of his experience as the former CEO of Vestas Wind Systems A/S and a strong profile on sustainability matters. He holds two other positions in listed companies (Chairman of the Board of directors of Vestas Wind Systems A/S and Peab AB), and his attendance rate at the meetings of the Board and the committees in which he participates in 2025 is respectively 100% and 94%. Upon the recommendation of the Governance, Nominations & Sustainability Committee, the Board proposes to the shareholders the renewal of his mandate for a four-year term.

The Governance, Nominations & Sustainability Committee, leveraging the conclusions of the Board self-assessment, also identified the skills that would be useful to diversify and strengthen the Board composition and hired an external recruitment firm (Heidrick & Struggles) to search for suitable candidates, identified as being:

- a female candidate in order to strengthen the Board gender ratio, an executive with an experience as a chair or a long tenure as a member of a board committee overseeing compensation, or having been a business leader as well as Chief Human Resource Officer/Chief People Officer, with a technology or industry background and international exposure;
- a Chief Executive Officer or a former Chief Executive Officer, with a technology, industry or strategic consulting background, and an international exposure, European national and French speaker, in order to reinforce the connection to the French ecosystem.

Among these candidates, the Governance, Nominations & Sustainability Committee preselected a shortlist and the members of the Committee interviewed them. Following these interviews, the Committee recommended two candidates to the Board of Directors, Mrs. Ellyn Shook, who joined the Board on October 15, 2025 as an observer, with the intent to propose her appointment as a Board member to the 2026 Annual Shareholders' Meeting, and Mr. François Jackow.

Mrs. Ellyn Shook, a US citizen based in Florida, has served as the Chief Leadership and Human Resources Officer for Accenture from 2014 to 2024. She is also a Board member at Baldwin Group and SanDisk where she chairs both Compensation Committees. Mrs. Ellyn Shook will bring to the Board her global human resources expertise, leadership and talent management practices, as well as her experience as a Board member. She will qualify as an independent Director with regard to all the criteria set by Article 10.5 of the AFEP-MEDEF Corporate Governance Code and joined the Human Capital & Remunerations Committee.

M. François Jackow, a French citizen based in France, is currently Chief Executive Officer of Air Liquide, a position he has held since 2022, and is a member of its Board of Directors. Mr. François Jackow will bring to the Board his expertise in technology and industry as well as his knowledge of international markets. He will qualify as an independent Director with regard to all the criteria set by Article 10.5 of the AFEP-MEDEF Corporate Governance Code and join the Human Capital & Remunerations Committee.

Mr. François Jackow's biography is provided in **section 8.1** (page 610) of Chapter 8 of this Universal Registration Document.

If all proposals submitted to the Annual Shareholders' Meeting are approved by the shareholders, the Board of Directors would comprise:

15
Directors

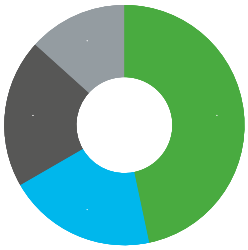
3
Employee Directors

11 (92%)
Independent Directors(1)

57
Average age of Directors

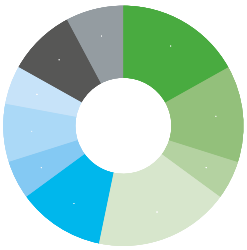
46%
Women Directors(2)

Board members nationality



- Rest of Europe (6)
- France (4)
- North America (3)
- Asia (2)

Board expertise



- Public company management (13)
- Corporate finance (10)
- Accounting, audit & risk (3)
- International markets (14)
- Industry knowledge (10)
- Employee perspective & knowledge of the Group (4)
- Digital & software (6)
- Environment/Climate (5)
- Social (8)
- Governance, law, ethics & compliance (6)

4.1.1.4 Skills and diversity

General diversity policy within the Board of Directors

The Board of Directors pays due attention to its composition and that of its committees. It relies on the works of the Governance, Nominations & Sustainability Committee which reviews regularly and proposes as often as required, the relevant changes to the composition of the Board of Directors and its committees depending on the Group's strategy.

In that respect, in conformity with its internal regulations, the Board of Directors ensures through its proposals and its decisions that:

- Its composition reflects the international nature of the Group's activities and of its shareholders by having a significant number of members of non-French nationality;
- It protects the independence of the Board through the competence, availability, and courage of its members;
- It ensures open and unrestricted speech;
- It pursues its objective of diversifying the Board of Directors in compliance with the legal principle of attaining balanced gender representation on the Board;
- It appoints persons with the expertise required for developing and overseeing the implementation of the Group strategy while considering the objectives of diversity based on criteria such as age, professional skills, nationality, and background;
- Employee shareholders and employees shall continue to be represented on the Board in compliance with the provisions set forth in Articles 11.3 and 11.4 of the Articles of Association; and
- It preserves the continuity of the Board by changing some of its members at regular intervals, if necessary, by anticipating the expiry of members' terms of office.

Employee representation within the Board of Directors

The Board of Directors includes three employee Directors: two employee representatives, namely Mrs. Rita Félix and Mr. Bruno Turchet, and one employee shareholders representative, Mrs. Laura Ding.

Pursuant to Article L. 225-27-1 of the French Commercial Code, the number of directors representing employees is at least equal to two in companies whose number of directors is greater than eight. In accordance with the procedure provided in Article 11.4 of the Articles of Association, and in line with the prescription of Article L. 225-27-1 of the French Commercial Code, the French employee representative, Mr. Bruno Turchet, is designated by the trade union which obtained the highest number of votes at the most recent elections which is as of today, Force Ouvrière, and the second Director representing employees, Mrs. Rita Félix, is appointed by the European Works Council, employee representative body of the Company set up in pursuance of Article L. 2352-16 of the French Labor Code, thereby ensuring a higher representation of the Group employees within the Board.

The Director representing the employee shareholders is appointed according to the procedure provided in Article 11-3 of the Articles of Association which stipulates that when employee shareholders hold more than 3% of the capital at the close of a given financial year, their representative is elected by the Annual Shareholders' Meeting from the candidates appointed by the supervisory boards of the FCPEs invested in company shares or by the employee shareholders when their shares are held directly.

(1) Excluding the Director representing the employee shareholders and the Directors representing the employees.
(2) Excluding the Directors representing the employees.

Gender diversity within the Board

As prescribed by Articles L. 225-18-1 and L. 22-10-3 of the French Commercial Code, the proportion of Directors of each gender must be at least 40%, it being specified that the Directors representing the employees are not counted to assess said proportion of 40% (Article L. 225-27-1 of the French Commercial Code).

The Directors representing the employees constitute a separate college for the purpose of complying with the obligation of balanced representation of women and men provided for in Article L. 225-27-2 of the French Commercial Code, the composition of which complies with the provisions of Article R. 225-60-3 of the French Commercial Code.

The gender diversity ratio of the Board of Directors, should the appointments of Mrs. Ellyn Shook and Mr. François Jackow be confirmed at the 2026 Annual Shareholders' Meeting, will reach 46% women (excluding the Employee Directors).

Gender diversity policy within the management of the Company

Schneider Electric is deeply committed towards diversity in general and gender diversity in particular. Schneider Electric focuses on taking proactive measures to encourage a balanced representation of men and women at the leadership level: the proportion of women at the Executive Committee level was 33% in 2025 (*vs*. 40% in 2024). For the leadership pool, comprising of the top leaders (Vice-Presidents and above, excluding direct reports to the CEO; around 1,145 employees), the female representation is 32% (+1pt *vs*. 2024).

At its meeting on October 29, 2025, the Board of Directors reviewed Senior Management's ambitions regarding the balanced representation of men and women at the leadership level and noted that the objectives[1] are set to:

- At least 40% women at the Executive Committee; and
- At least 40% women among the leadership (Vice-President and above; around 1,145 employees).

To achieve these objectives and further improve gender diversity, the Group aims at attracting female talents by offering a leadership training program and dedicated mentoring, an equal treatment policy, and a tailored family leave policy.

Skills within the Board of Directors

The Board of Directors frequently assesses the skills to include in its skills matrix in order to meet the Company's strategic needs. It reviews its composition and expertise to identify skills, relevant to Schneider Electric's current and future activities, that could be strengthened in the future or would deserve a stronger disclosure/ narrative. This assessment is based in particular on the one made by each Director as part of the self-assessment of the Board and on the continuous work of the Governance, Nominations & Sustainability Committee with the review of peer comparison.

Schneider Electric's Board, assessed against these skills, appears strong and balanced, and globally well positioned. The Board comprises individuals from diverse and complementary professional and cultural backgrounds, true to the Group's history and values. This enables it to perform its duties collectively and constructively.

The experience and expertise brought to the Board by each Director at the date of this Universal Registration Document can be summarized as follows:

Benchmarked Skills	Jean-Pascal Tricoire	Fred Kindle	Nive Bhagat	Giulia Chierchia	Clotilde Delbos	Laura Ding	Rita Félix	Philippe Knoche	Linda Knoll	Jill Lee	Anna Ohlsson-Leijon	Abhay Parasnis	Anders Runevad	Lip-Bu Tan	Bruno Turchet	Ellyn Shook	Total
Public company management	●	●	●	●	●			●	●	●	●	●	●	●		●	13
Corporate finance	●	●	●	●	●			●		●	●		●	●			10
Accounting, audit & risk			●		●					●	●						4
International markets	●	●	●	●	●	●		●	●	●	●	●	●	●		●	14
Industry knowledge	●	●		●		●		●		●			●	●	●		9
Employee perspective & knowledge of the Group	●					●	●								●		4
Digital & software	●		●			●		●				●		●			6
Environment/Climate	●			●	●								●				4
Social	●	●						●	●				●	●		●	7
Governance, law, ethics & compliance	●	●		●	●			●			●						6

(1) This gender balance metric is not connected to any incentive structure, and does not apply to territories that prohibit such ambition. The Schneider Electric policy is to always select the best candidate for any position based on skills, experience and potential (irrespective of their gender, age, origin, disability, appearance, *etc*.).

	Skills	Definition
Core Skills	Public company management	Directors with experience in executive leadership positions of public companies. These positions include industry CEOs as well as other top executive positions (*e.g.*, CEO of private companies, CFO, COO) and top management roles (regional or divisional leadership).
	Corporate finance	Directors who have gained experience in banking, investments, restructuring, or M&A. Also, those high-level executives with responsibilities for financial management (*e.g.*, CEO, CFO).
	Accounting, audit & risk	Directors from an auditing, or finance role *(e.g.*, financial reporting responsibilities). Also, expertise in risk management gained from subject matter expertise or responsibility for corporate risk management.
	International markets	Directors who have spent a large portion of their career in, or have been directly responsible for, foreign markets.
	Industry knowledge	Directors who have gained experience in energy, electricity, and automation sectors.
	Employee perspective & knowledge of the Group	Directors who are also employees of the Group and have gained a deep and inside knowledge of the Group.
	Digital & software	Directors who have gained technical or managerial experience directly in information technology, cybersecurity, digitization, software, data, artificial intelligence, and innovative technologies in relevant industries.
	Environment/Climate	To join the Schneider Board, all directors need to demonstrate during their recruitment process a strong commitment as well as a good understanding of environmental and climate topics. In this skills are highlighted directors who have made very significant contributions to either sustainability in business, climate change, or have important notoriety for promoting sustainable business in the wider economy. This skill does include technical expertise such as experience in innovative green technologies.
	Social	Directors who have gained experience and knowledge in social matters, and notably Human Resources/Human Capital Management. This also include former CEOs of public companies who have gained for a long period of time expertise from responsibility, management, and supervision of social matters at the highest level.
	Governance, law, ethics & compliance	Directors with advanced and relevant legal qualification or experience in a corporate legal, or corporate governance setting, direct career exposure to relevant regulators, or governmental organizations. Also includes Directors who have a proven track record contributing to ethical business practices and governance.

	Skills	Acquisition of skills
Jean-Pascal Tricoire	Public company management	• Former Chief Executive Officer of Schneider Electric SE
	Corporate finance	• Former Chief Executive Officer of Schneider Electric SE
	International markets	• American, European, and Asian markets
	Industry knowledge	• Large portion of career spent at Schneider Electric
	Employee perspective & knowledge of the Group	• Large portion of career spent at Schneider Electric • Former Schneider Electric Group employee
	Digital & software	• Built-up most of the software and digital business of Schneider Electric when CEO • Director of Qualcomm, Inc.
	Environment/Climate	• Significant contribution made to sustainability through his business activities • Well known for promoting sustainable activities • Member of the board of directors of the United Nations Global Compact, and President of Global Compact France for six years • Chairman of the Governance, Nominations & Sustainability Committee of Schneider Electric SE
	Social	• Former Chief Executive Officer of Schneider Electric SE
	Governance, law, ethics & compliance	• Chairman of the Board of Directors of Schneider Electric SE • Chairman of the Governance, Nominations & Sustainability Committee of Schneider Electric SE
Fred Kindle	Public company management	• Former Chief Executive Officer of ABB and of Sulzer AG
	Corporate finance	• Former Chief Executive Officer of ABB and of Sulzer AG
	International markets	• European market
	Industry knowledge	• Former Chief Executive Officer of ABB
	Social	• Former Chief Executive Officer of ABB and of Sulzer AG
	Governance, law, ethics & compliance	• Vice-Chairman & Lead Independent Director of Schneider Electric SE • Former Chairman of the former Governance & Remunerations Committee of Schneider Electric SE

	Skills	Acquisition of skills
Nive Bhagat	Public company management	• Chief Financial Officer of Capgemini
	Corporate finance	• Chief Financial Officer of Capgemini
	Accounting, audit & risk	• Chief Financial Officer of Capgemini • Worked at PricewaterhouseCoopers before joining KPMG's Corporate Finance team • Holds a bachelor's degree in economics and is a Chartered Accountant from the Institute of Chartered Accountants of India
	International markets	• European and Asian markets
	Digital & software	• Chief Financial Officer of Capgemini • Former Chief Executive Officer of Capgemini's global Cloud, Cyber and Infrastructure business
Giulia Chierchia	Public company management	• Former Executive Vice-President Strategy, Sustainability and Ventures at BP
	Corporate finance	• Worked as an analyst in the corporate banking division of UniCredit Bank • Worked for McKinsey & Company from 2006 to 2020 • Worked as responsible for BP's ventures arm
	International markets	• European market
	Industry knowledge	• Led the global downstream oil and gas practice as a Senior Partner of McKinsey & Company • Worked for BP group from 2020 to 2025
	Environment/Climate	• Former Executive Vice-President Strategy, Sustainability and Ventures at BP • Was Senior Partner of McKinsey & Company leading the global downstream oil and gas practice and advising clients regarding their decarbonization strategy
	Governance, law, ethics & compliance	• Former Executive Vice-President Strategy, Sustainability and Ventures at BP in charge, in particular, of ethics and compliance, capital allocation, and investment governance for the company
Clotilde Delbos	Public company management	• Former Acting Chief Executive Officer and former Deputy Chief Executive Officer of Renault SA • Former Chief Financial Officer of Renault group
	Corporate finance	• Former Chief Financial Officer of Renault group • Former Chairwoman of the Board of Directors of RCI Banque & Services
	Accounting, audit & risk	• Held various positions in Internal Audit, Treasury, and Mergers & Acquisitions at Pechiney group • Former Chief Risk Officer at Constellium • Former Chief Financial Officer of Renault group
	International markets	• European market
	Environment/Climate	• Former Chief Executive Officer of the Mobilize brand of the Renault group, a company dedicated to new forms of mobility providing the means to make the shift towards Net-Zero, by offering solutions for both emission free transport and a less carbon-intensive electricity mix • Long experience within the Pechiney group (from 1992 to 2005), and then in the automotive industry within the Renault group (from 2012 to 2023)
	Governance, law, ethics & compliance	• Worked at PricewaterhouseCoopers • Former Chief Risk Officer at Constellium • Former Group Director of Performance and Control at Renault group • Former Chief Financial Officer of Renault group (with responsibility of the Internal Control Department) and Chairwoman of the Board of Directors of RCI Banque • Former Acting Chief Executive Officer of Renault SA
Laura Ding	International markets	• Asian market
	Industry knowledge	• Joined Schneider Electric in 2010 and worked in a multitude of diverse functions (Customer Service & Quality Manager, Senior Offer Management & Strategy Manager, Digital/AVEVA Competency Center & Business Development Director, Vice-President of Process Automation & Digital) • Currently Senior Vice-President of Industrial Automation China at Schneider Electric China and East Asia Operation
	Employee perspective & knowledge of the Group	• Schneider Electric Group employee
	Digital & software	• Former Digital/AVEVA Competency Center & Business Development Director at Schneider Electric • Former Vice-President of Process Automation & Digital at Schneider Electric

	Skills	Acquisition of skills
Rita Félix	Employee perspective & knowledge of the Group	• Schneider Electric Group employee
Philippe Knoche	Public company management	• Former Chief Executive Officer of Areva and Orano
	Corporate finance	• Former Chief Executive Officer of Areva and Orano
	International markets	• European market
	Industry knowledge	• Large portion of career spent at Areva and Orano
	Digital & software	• Senior Executive Vice-President Operations and Performance of Thales
	Social	• Former Chief Executive Officer of Areva and Orano
	Governance, law, ethics & compliance	• Former Director and Chairperson of the Governance and Compensation Committee of Thales from 2020 to 2023
Linda Knoll	Public company management	• Former Chief Human Resources Officer at Fiat Chrysler Automobiles
	International markets	• American market
	Social	• Former Chief Human Resources Officer at CNH Industrial (2007 to 2019) and Fiat Chrysler Automobiles (from 2011 to March 2021)
Jill Lee	Public company management	• Former Chief Financial Officer of Sulzer Ltd
	Corporate finance	• Former Chief Financial Officer of Sulzer Ltd
	Accounting, audit & risk	• Former Chief Financial Officer of Sulzer Ltd • Has been Country Chief Financial Officer in Singapore, and North-East Asia Chief Financial Officer in China at Siemens • Has been North-Asia Chief Financial Officer in China at ABB • Chaired the audit committees of Sulzer Ltd (2011 to 2018), Signify N.V. (2017 to 2020), and medmix Ltd (2021 to 2022)
	International markets	• European and Asian markets
	Industry knowledge	• Large portion of career spent at Siemens and ABB
Anna Ohlsson-Leijon	Public company management	• Former Executive Vice-President at AB Electrolux and former Chief Executive Officer of Business Area Europe & APACMEA
	Corporate finance	• Former Executive Vice-President of AB Electrolux and former Chief Executive Officer of Business Area Europe & APACMEA • Former Chief Financial Officer of AB Electrolux
	Accounting, audit & risk	• Held various senior positions in corporate functions AB Electrolux including Director Internal Audit & Global Program Manager Sarbanes-Oxley Act, Group Treasurer, Head of Corporate Control & Services, and Chief Financial Officer Major Appliance EMEA
	International markets	• European and Asia Pacific, Middle East Africa markets
	Governance, law, ethics & compliance	• Worked at PricewaterhouseCoopers • Held various senior positions in corporate functions at AB Electrolux including Director Internal Audit & Global Program Manager Sarbanes – Oxley Act (2003 to 2005), and Head of Management Assurance & Special Assignments (until 2008)
Abhay Parasnis	Public company management	• Founder & Chief Executive Officer of Typeface AI • Has been Executive Vice-President & Chief Technology Officer of Adobe, Inc.
	International markets	• American and Asian markets
	Digital & software	• Founder & Chief Executive Officer of Typeface AI, a generative AI company • Worked at Adobe, Inc., a software company that provides digital marketing and media solutions

	Skills	Acquisition of skills
Anders Runevad	Public company management	• Former Chief Executive Officer of Vestas Wind Systems A/S
	Corporate finance	• Former Chief Executive Officer of Vestas Wind Systems A/S
	International markets	• European and Asian markets
	Industry knowledge	• Former Chief Executive Officer of Vestas Wind Systems A/S
	Environment/Climate	• Current Chairman and former Chief Executive Officer of Vestas Wind Systems A/S, Danish wind turbine design, manufacture and installation company, a position he held from 2013 to 2019
	Social	• Former Chief Executive Officer of Vestas Wind Systems A/S
Lip-Bu Tan	Public company management	• Chief Executive Officer of Intel Corporation • Former Executive Chairman of Cadence Design Systems, Inc.
	Corporate finance	• Chief Executive Officer of Intel Corporation • Former Executive Chairman of Cadence Design Systems, Inc.
	International markets	• American market
	Industry knowledge	• Chief Executive Officer of Intel Corporation • Former Executive Chairman of Cadence Design Systems, Inc.
	Digital & software	• Chief Executive Officer of Intel Corporation • Former Executive Chairman of Cadence Design Systems, Inc.
	Social	• Chief Executive Officer of Intel Corporation • Former Executive Chairman of Cadence Design Systems, Inc.
Bruno Turchet	Industry knowledge	• Joined Schneider Electric in 2005 and worked in many different operations (Project Technical Leader for Low Voltage Equipment, Low & Medium Voltage Equipment R&D Manager, New Products Industrialization Director of Final Distribution Line of Business, Vice-President Industrialization for Home & Distribution Europe Division) • Currently Vice-President Global Supply Chain Strategy Deployment
	Employee perspective & knowledge of the Group	• Schneider Electric Group employee
Ellyn Shook	Public company management	• Former Chief Leadership and Human Resources Officer of Accenture from 2014 to 2024
	International markets	• American market
	Social	• Former Chief Leadership and Human Resources Officer of Accenture from 2014 to 2024 • Current Chairwoman of the Compensation Committee of Baldwin Group and SanDisk

4.1.1.5 Independence and conflict of interests

Independent Directors

Each year, as provided under the AFEP-MEDEF Corporate Governance Code, the Board of Directors, on the report of the Governance, Nominations & Sustainability Committee, dedicates one of the points on its agenda to the qualification of its members as independent with regard to the criteria for independence set out in Article 10.5 of this Code as presented in the table below:

Criterion 1: Employee or Corporate Officer within the previous five years

Not to be and not to have been within the previous five years:

- an employee or executive Corporate Officer of the Company;
- an employee, executive Corporate Officer, or Director of a company consolidated with the Company;
- an employee, executive Corporate Officer, or Director of the Company's parent company or a company consolidated with this parent company.

Criterion 2: Cross-directorships

Not to be an executive Corporate Officer of a company in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive Corporate Officer of the Company (currently in office or having held such office within the last five years) holds a directorship.

Criterion 3: Significant business relationships

Not to be a customer, supplier, commercial banker, investment banker, or consultant:
- that is significant to the Company or its group; or
- for which the Company or its group represents a significant portion of its activity.

The assessment of the significance or otherwise of the relationship with the Company or its group must be debated by the Board and the quantitative and qualitative criteria that led to this evaluation (continuity, economic dependence, exclusivity, *etc.*) must be explicitly stated in the annual report.

Criterion 4: Family ties

Not to be related by close family ties to a Corporate Officer.

Criterion 5: Auditor

Not to have been an auditor of the Company within the previous five years.

Criterion 6: Period of office exceeding 12 years

Not to have been a Director of the Company for more than 12 years. Loss of the status of independent Director occurs on the date of the 12th anniversary.

Criterion 7: Status of non-executive Corporate Officer

A non-executive Corporate Officer cannot be considered independent if he or she receives variable compensation in cash or in the form of securities or any compensation linked to the performance of the Company or Group.

Criterion 8: Status of the major shareholder

Directors representing major shareholders of the Company or its parent company may be considered independent, provided these shareholders do not take part in the control of the Company. Nevertheless, beyond a 10% threshold in capital or voting rights, the Board, upon a report from the Governance, Nominations & Sustainability Committee, should systematically review the qualification as independent in light of the Company's shareholding structure and the existence of a potential conflict of interest.

Upon recommendation from the Governance, Nominations & Sustainability Committee, the Board of Directors, during its meeting of February 25, 2026, reviewed the independence of each Board member and candidates for appointment by the Annual Shareholders' Meeting, in regard of the criteria reminded above.

- With regard specifically to independence in terms of business relations, the Board of Directors noted that, due to:
  - (i) The absence of business relations between the Directors and Schneider Electric;
  - (ii) The nature of Schneider Electric activities and those of the companies in which members of the Board of Directors are employed or serve as Directors; and
  - (iii) The amounts, either unitary or global, of operations performed or that may be performed between Schneider Electric and these companies that are agreed at arm's length and that are by no means likely to be referred to the Board of Directors;

  the existing business relations between Schneider Electric and these companies in which the members of the Board of Directors are employed or serve as officers are not likely to prejudice their independence, indeed, when such operations exist, they are agreed at arm's length and their amounts, representing less than 0.2% of the consolidated turnover of each group, are without a doubt insignificant for each party, in particular with regard to respective size of the groups concerned.

  Among 15 Directors, 11 are independent according to the definition prescribed by the AFEP-MEDEF Corporate Governance Code: Mrs. Nive Bhagat, Mrs. Giulia Chierchia, Mrs. Clotilde Delbos, Mr. Fred Kindle, Mr. Philippe Knoche, Mrs. Linda Knoll, Mrs. Jill Lee, Mrs. Anna Ohlsson-Leijon, Mr. Abhay Parasnis, Mr. Anders Runevad, and Mr. Lip-Bu Tan.
- Mr. Jean-Pascal Tricoire, as former Chief Executive Officer, Mrs. Laura Ding, as Employee Shareholder Director, and Mrs. Rita Félix and Mr. Bruno Turchet, as Employee Directors, are not considered to be independent Directors under the AFEP-MEDEF Corporate Governance Code.
- The AFEP-MEDEF Corporate Governance Code recommends that, in non-controlled companies, the Board comprises at least 50% independent Directors (Directors representing employee shareholders and employees are not computed in calculating this percentage). The proportion of independent Directors of the Company, excluding Mrs. Laura Ding, who represents the employee shareholders, Mrs. Rita Félix, and Mr. Bruno Turchet, who represent the employees, is therefore 92%. The proportion would remain 92% should the renewal of Mr. Anders Runevad, and the appointments of Mrs. Ellyn Shook and Mr. François Jackow, who will qualify as independent Directors with regard to all the criteria set by Article 10.5 of the AFEP-MEDEF Corporate Governance Code, be voted by the Annual Shareholders' Meeting as per, respectively, the 12th, 13th and 14th resolutions.

The following table shows the status of each Director with regard to the criteria for independence set out in Article 10.5 of the AFEP-MEDEF Corporate Governance Code.

Criteria[1]	Jean-Pascal Tricoire[2]	Nive Bhagat	Giulia Chierchia	Clotilde Delbos	Laura Ding[3]	Rita Félix[4]	Fred Kindle	Philippe Knoche	Linda Knoll	Jill Lee	Anna Ohlsson-Leijon	Abhay Parasnis	Anders Runevad	Lip-Bu Tan	Bruno Turchet[5]
Criterion 1: Employee or Corporate Officer within the past five years	✗	✓	✓	✓	✗	✗	✓	✓	✓	✓	✓	✓	✓	✓	✗
Criterion 2: Cross-directorships	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 3: Significant business relationships	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 4: Family ties	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 5: Auditor	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 6: Period of office exceeding 12 years	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 7: Status of non-executive Corporate Officer	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 8: Status of the major shareholder	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Conclusion	✗	✓	✓	✓	✗	✗	✓	✓	✓	✓	✓	✓	✓	✓	✗

(1) In this table, ✓ means that a criterion for independence is satisfied and ✗ signifies that a criterion for independence is not satisfied.
(2) Mr. Jean-Pascal Tricoire is the former Chairman & Chief Executive Officer of Schneider Electric SE, the former Chairman of the Board of Directors of Schneider Electric Industries SAS, the former Director of Schneider Electric USA Inc., Director of Delixi Electric Ltd, and Chairman of the Board of Directors of Schneider Electric Asia Pacific Ltd.
(3) Mrs. Laura Ding has an employment contract with Schneider Electric (China) Co., Ltd.
(4) Mrs. Rita Félix has an employment contract with Schneider Electric Portugal Lda.
(5) Mr. Bruno Turchet has an employment contract with Schneider Electric Industries SAS.

Declarations concerning the situation of the members of the administrative, supervisory, or management bodies

Service contracts

None of the Directors nor the Chief Executive Officer has a service contract with the Company or any of its subsidiaries providing for benefits under such contract.

Absence of conviction or incrimination

To the best of the Company's knowledge, in the last five years, none of the Directors nor the Chief Executive Officer have been:

- The subject of any convictions in relation to fraudulent offenses or of any official public incrimination and/or sanctions by statutory regulatory authorities;
- Disqualified by a court from acting as a member of the administrative, management, or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of an issuer; or
- Involved, as a member of an administrative, management, or supervisory body or a partner, in a bankruptcy, receivership, or liquidation.

Family ties

To the best of the Company's knowledge, none of the Directors and/or the Chief Executive Officer of the Company are related through family ties.

Conflicts of interest

To the best of the Company's knowledge, there are no arrangements or understandings with major shareholders, customers, suppliers, or others pursuant to which a Director or the Chief Executive Officer has been selected as a member of an administrative, management, or supervisory body or a member of Senior Management of the Company.

To the best of the Company's knowledge, there are no conflicts of interest between the duties of any Directors and the Chief Executive Officer with respect to the Company in their capacity as members of those bodies or their private interests and/or other duties.

To the best of the Company's knowledge, the Directors and the Chief Executive Officer have no restrictions on the disposal of their Company shares aside from those stipulated in Performance Share plans (see **section 4.2.5** of Chapter 4 of this Universal Registration Document) for the former Chairman & Chief Executive Officer, who became the Chairman of the Board of Directors, and for the current Chief Executive Officer, and a minimum shareholding requirement for Directors.

4.1.1.6 Directors' and Chief Executive Officer's holding in the Company's share capital

Article 11 of the Company's Articles of Association provides that Directors are each required to hold at least 250 Schneider Electric shares during their term of office. Moreover, in accordance with Article 6 of the Board Internal Regulations, each Board member shall hold 1,000 Schneider Electric shares.

The Board of Directors has set a retention target of shares representing five years of base salary for the Chief Executive Officer. Calculation of the number of shares held is based on Schneider Electric SE shares and the equivalent in shares of the corporate mutual fund units invested in Schneider Electric shares held by the beneficiary. He is required to retain at least 50% of the Performance Shares granted to him until this number of shares is reached.

The shareholding target described above is largely met by Mr. Olivier Blum who owns 78,915 Schneider Electric shares.

To the Company's knowledge, the Chief Executive Officer's and Directors' shareholdings in the Company's registered capital as of December 31, 2025, are as follows:

Chief Executive Officer	Schneider Electric shares
Olivier Blum	78,915
Board member	
Jean-Pascal Tricoire	823,872[1]
Fred Kindle	40,000
Nive Bhagat	1,000
Giulia Chierchia	1,000
Clotilde Delbos	1,000
Laura Ding	2,061
Rita Félix	190
Philippe Knoche	1,000
Linda Knoll	1,000
Jill Lee	1,000
Anna Ohlsson-Leijon	1,000
Abhay Parasnis	1,000
Anders Runevad	1,000
Lip-Bu Tan	8,700
Bruno Turchet	531
TOTAL	**963,269**

The Chief Executive Officer and the members of the Board of Directors directly held 0.17% of the share capital as of December 31, 2025.

The table below shows the transactions in Schneider Electric securities carried out during fiscal year 2025 and notified to the *Autorité des Marchés Financiers* (AMF) in accordance with Article 19 of Regulation (EU) nº 596/2014 of April 16, 2014, on Market Abuse and Article L. 621-18-2 of the French Monetary and Financial Code:

First name and last name	Transaction date	Transaction type	Description of the financial instrument	Number of securities/ instruments	Unit price	Amount of the transaction
Philippe Knoche	25/02/2025	Acquisition	Ordinary shares	505	€230.60	€116,453.00
Jean-Pascal Tricoire	24/03/2025	Acquisition	LTIP – Plans 40 & 41	30,782	–	–
Olivier Blum	24/03/2025	Acquisition	LTIP – Plan 41	13,377	–	–
Xiaoyun Ma	24/03/2025	Acquisition	LTIP – Plan 41	4,337	–	–
Clotilde Delbos	25/03/2025	Acquisition	Ordinary shares	500	€233.20	€116,600.00
Laura (Xiaohong) Ding	28/07/2025	Acquisition	LTIP – Plan 41*bis*	288	–	–
Clotilde Delbos	04/09/2025	Acquisition	Ordinary shares	500	€215.95	€107,975.00
Jean-Pascal Tricoire	24/09/2025	Contribution	Ordinary shares	760,822	€232.45	€176,853,073.90
Company (Zouba Limited) related to Mr. Jean-Pascal Tricoire, Chairman of the Board of Directors	24/09/2025	Beneficiary of contribution	Ordinary shares	760,822	€232.45	€176,853,073.90
Jean-Pascal Tricoire	24/09/2025	Disposal	Ordinary shares	56,935	€233.00	€13,265,855.00

See details regarding Performance Shares granted to the Chairman of Board, when he was also Chief Executive Officer, and the Chief Executive Officer in **section 4.2.5** of Chapter 4 of this Universal Registration Document.

(1) Held directly or through the FCPE (Fonds Commun de Placement d'Entreprise, corporate mutual fund) or his personal asset management company.

4.1.2 Activities and operating procedures of the Board of Directors

4.1.2.1 Roles and duties of the corporate bodies

4.1.2.1.1 Roles and duties of the Board of Directors

The Board of Directors shall determine the business strategy of the Company and monitors its implementation, in accordance with its corporate interest and while considering its social and environmental aspects. Subject to the powers expressly conferred to annual general shareholders' meetings and within the limit of the corporate purpose, it shall deal with all matters regarding the smooth running of the Company and settle issues concerning the Company. At any time in the year, the Board carries out the controls and verifications it deems appropriate.

In accordance with its provisions, the Board of Directors' responsibilities include additional missions beyond the exercise its legal or statutory duties.

Mission of the Board of Directors	
Statutory missions of the Board of Directors	• To determine the method of exercising General management of the Company; • To appoint Executive Corporate Officers, remove them from office, and to set their remuneration and the benefits granted to them; • To co-opt Directors whenever necessary; • To distribute Directors' remuneration allocated at the annual general shareholders' meeting amongst members of the Board of Directors; • To convene general shareholders meetings; • To approve statutory and consolidated financial statements; • To ensure that the Company has reported in accordance with the EU Sustainability Reporting framework; • To decide on the dates for the payment of dividends and any possible down-payments on dividends; • To draw up management reports and reports for annual general shareholders' meetings; • To draw up management planning documents and the corresponding reports; • To draw up the corporate governance report as provided for in Article L. 225-37 of the French Commercial Code; • To decide on the use of the delegations of authority granted at annual general shareholders' meetings, more particularly for increasing Company capital, redeeming the Company's own shares, carrying out employee shareholding operations, and canceling shares; • To grant options or restricted/performance shares within the limits of authorizations given at annual general shareholders' meetings; • To authorize the issue of bonds; • To authorize the issue of sureties, endorsements, and guarantees; • To authorize regulated agreements (agreements covered by Article L. 225-38 and following of the French Commercial Code); and • To implement a process to regularly assess that the rules used to qualify a related party transaction as regulated agreement or not, are relevant and effective.
Additional missions of the Board of Directors	• To give prior authorization for: **(i)** all disposals or acquisitions of holdings or assets by the Company or by a Group company for a sum of more than EUR 250 million; **(ii)** significant changes to the scope and portfolio of activities outside of the strategy shared with the Board of Directors; **(iii)** establishment of significant strategic alliances; **(iv)** any settlement for a sum of more than EUR 125 million; **(v)** any off-balance sheet commitment in excess of EUR 125 million other than those relating to a guarantee given to an entity of the Group; **(vi)** major and very significant changes to the Group internal organization; • To be informed by its Chairperson or by its committees of any significant event concerning the Company's efficient operation; • To be informed about market developments, competitive environment, and the most important challenges the Company has to face, including in the area of social and environmental responsibility; • To establish the multi-annual strategic approach on social and environmental responsibility and review the results reached on a yearly basis (including on climate); • To review, in relation to the strategy it has defined, the opportunities and risks, such as financial, legal, operational, social, and environmental risks, as well as the measures taken accordingly and to that end receive all information necessary to fulfill its remit, especially from the Chief Executive Officer; • To seek assurance that the cyber risk management program is adequate and reduces the risk of attacks and, when necessary, will respond and recover from any attack that may happen; • To ensure that a process to prevent and detect bribery and influence peddling is in place; • To exercise control over management and oversee the quality of information provided to shareholders and to the markets, in particular *via* the financial statements or on the occasion of major corporate transactions;

Additional missions of the Board of Directors (continued)	• To review every year its composition, its organization, and its mode of operation; • To set up an Audit & Risks Committee on the terms specified by law and any other committees (i) which do not have decision-making powers but have the task of providing all useful information for the discussions and decisions which it is called upon to make, and (ii) which composition and rules with regard to their *modus operandi* is determined by the Board; • To be consulted prior to acceptance by the Chief Executive Officer or Deputy Chief Executive Officers, if any, of any corporate appointment in a listed company outside the Group; • To appoint a Vice-Chairperson if the Board is compelled or wishes to do so; • To appoint up to three Board Observers if the Board wishes to do so; and • To determine targets in terms of gender balance within the executive bodies and ensure that the Executive Corporate Officers implement a policy of non-discrimination and diversity, notably with regard to the balanced gender representation on the executive bodies.

4.1.2.1.2 Roles and duties of the Chairman of the Board

The Board of Directors shall elect a Chairperson amongst its members who shall be appointed for a period that can be no longer than his/her term of office as a Director. The Board shall deliberate once a year on the opportunity for the Chairperson to pursue his/her functions. The Chairperson is eligible for re-election. He/she may be removed from office by the Board of Directors at any time.

On May 4, 2023, the Board of Directors appointed Mr. Jean-Pascal Tricoire as Chairman of the Board.

In addition to his statutory missions, the Chairman of the Board is entrusted with additional powers and missions for which he shall organize his activities so as to ensure his availability and put his experience at the Company's service.

Missions of the Chairman of the Board of Directors	
Statutory missions of the Chairman of the Board of Directors	• To organize and direct the work of the Board; • To convene the Board meetings, determine the agenda, and preside over the meetings; • To request any document or information necessary to help the Board of Directors for the preparation of its meetings and verify the quality of the information provided; • To oversee the proper functioning of the Company's bodies and makes sure, in particular, that (i) the Directors are able to carry out their assignments, (ii) the Board of Directors is well organized, in a manner conducive to constructive discussion and decision-making, and (iii) the Board of Directors devotes an appropriate amount of time to issues relating to the future of the Company and particularly its strategy; and • To preside over general shareholders' meetings and report on the Board's work to the annual general shareholders' meeting.
Additional missions entrusted to the Chairman of the Board	• To be kept regularly informed by the Chief Executive Officer of significant events and situations relating to the business of the Group (including the Company's strategy, major acquisition or divestment projects, significant financial transactions, risks, major community projects, and the appointment of the most senior executives of the Group) and to be consulted by him on these matters; • To assist and advise the Chief Executive Officer on strategic, technological, leadership, and human capital matters; • To support, in coordination with the Chief Executive Officer, the representation of the Company in high-level relations with selected stakeholders (customers and institutions); • To represent the Company with selected Asian Partners and Asian government bodies in coordination with the Chief Executive Officer; • To be involved in some dialogue with shareholders in cooperation with the initiatives taken in this respect by the Chief Executive Officer; • To promote the Company's values and culture in particular in relation to Environmental, Social and Governance; • To meet with the Company's leaders and managers; • To hear the statutory auditors and the heads of the control functions in order to ensure that the Board and its committees are in a position to carry out of their duties; • To convene the members of the Board without Executive Directors being present, in particular to allow debates on the performance and compensation of the Executive Management and succession planning; • To participate in the recruitment process for new directors and the development of the succession plan; and • To work with the Board on the preparation and implementation of succession plan(s) for the Corporate Officer(s).

The Chairperson of the Board strives to develop and maintain a trustful and regular relationship between the Board and the General Management in order to guarantee continuous, ongoing implementation by the General Management of the strategies defined by the Board. In all his/her assignments other than those conferred by law, the Chairperson of the Board of Directors acts in close conjunction with the Chief Executive Officer, who has sole responsibility for the general and operational management of the Company.

The Chairperson of the Board of Directors is the only person authorized to speak on behalf of the Board, with the exception of any specific assignment entrusted to the Vice-Chairperson & Lead Independent Director pursuant to the dialogue with shareholders.

4.1.2.1.3 Roles and duties of the Vice-Chairman of the Board

The Board of Directors may appoint a Vice-Chairperson. If the roles of Chairperson and Chief Executive Officer are combined or if the Chairperson is not considered as independent according to the AFEP-MEDEF Corporate Governance Code, the appointment of a Vice-Chairperson is compulsory. The Vice-Chairperson shall be appointed for a period that may not be any longer than his/her term of office as a Director. The Vice-Chairperson is eligible for re-election. The Vice-Chairperson may be removed from office by the Board of Directors at any time.

Mr. Jean-Pascal Tricoire was appointed as Chairman of the Board on May 4, 2023, and as he was not considered as independent with regard to the criteria set by Article 10.5 of the AFEP-MEDEF Corporate Governance Code, Mr. Fred Kindle pursued his mission as Vice-Chairman & Lead Independent Director.

The Vice-Chairperson shall preside over Board meetings in the absence of the Chairperson. The Vice-Chairperson shall be called upon to replace the Chairperson of the Board of Directors in the event of any temporary inability of the latter to fulfill his/her functions or in the event of death. In the event of the Chairperson's inability to fulfill his/her functions, he will be replaced by the Vice-Chairperson as long as his inability may last and, in the case of death, until the election of a new Chairperson.

The Vice-Chairperson may also take on the role of Lead Independent Director. The Vice-Chairperson & Lead Independent Director must be an independent member of the Board, as defined in accordance with the criteria published by the Company. In this respect, the powers and missions of the Vice-Chairperson are as follows.

Mission of the Vice-Chairman & Lead Independent Director

- To be kept informed of major events in Group life through regular contacts and meetings with the Chairperson and the Chief Executive Officer;
- To be consulted by the Chairperson on the agenda and the sequence of events for every Board meeting as well as on the schedule for Board meetings;
- To request that the Chairperson of the Board of Directors include additional items on the agenda of any meeting of the Board of Directors;
- To request that the Chairperson of the Board of Directors call a meeting of the Board of Directors to discuss a given agenda;
- To convene – whenever he/she deems appropriate – an executive session with non-executive members of the Board of Directors and without the Chairperson attending, over which he/she will preside. It is the Vice-Chairperson's responsibility to appreciate for each topic discussed whether the employee Directors should leave the meeting until the topic is closed. In addition, the Vice-Chairperson may convene an executive session between two Board meetings;
- To promptly report to the Chairperson on the conclusions of executive sessions held without the Chairperson attending;
- To draw the attention of the Chairperson and of the Board of Directors to any possible conflicts of interest that he/she may have identified or which may be reported to him/her;
- To meet if he so wishes the Group's leading managers and visit Company sites in order to complement his/her knowledge;
- To carry out annual assessments of the Board of Directors and, in this context, assess the actual contribution of every member of the Board to the Board's activities
- To report on his/her actions at annual general shareholders' meetings; and
- To engage with shareholders on governance matters and inform the Board of their concerns.

4.1.2.1.4 Roles and duties of the Chief Executive Officer

According to the French law, the Chief Executive Officer has the broadest powers to act in all circumstances in the name of the Company. The Chief Executive Officer represents the Company in its relationship with third parties. He exercises his powers within the limitations of the corporate purpose, and subject to any powers expressly attributed by law to the Annual Shareholders' Meeting and Board of Directors.

Mr. Olivier Blum was appointed as Chief Executive Officer of Schneider Electric by the Board of Directors on November 1st, 2024.

Limitation of powers of the Chief Executive Officer

The Chief Executive Officer will be requested to obtain the Board's prior approval for:

- All disposals or acquisitions of holdings or assets by the Company or by a Group company for a sum of more than EUR 250 million;
- Significant changes to the scope and portfolio of activities outside of the strategy shared with the Board of Directors;
- Establishment of significant strategic alliances;
- Any settlement for a sum of more than EUR 125 million;
- Any off-balance sheet commitment in excess of EUR 125 million other than those relating to a guarantee given to an entity of the Group; and
- Major and very significant changes to the Group's internal organization.

4.1.2.2 Board of Directors activities in 2025

The Board held seven meetings in 2025 (*vs.* eight in 2024). The meetings lasted eight hours and 26 minutes on average with an average participation rate of Directors of 100% (*vs.* 97% in 2024), all Directors having an attendance rate of 100% as shown in the table summarizing the Directors' individual attendance at Board meetings.

The Board of Directors devoted most of its activities to the Company's business, strategy, and corporate governance as detailed below:

Business and financial results

- Review and approval of the 2024 financial statements based on the Audit & Risks Committee's report and the report by the statutory auditors, who were present at the meeting;
- Review and approval of the financial statements for the first half of 2025;
- Review of the first and third quarterly results and reports prepared by Senior Management;
- Review of the Group's 2025 guidance set in February;
- Proposal to the Annual Shareholders' Meeting that the dividend be set at EUR 3.90 per share;
- Update, at each meeting, on the business situation;
- Review of the Audit & Risks Committee's report on the works of the Group's internal audit and internal control teams;
- Review of the 2025 risk matrix, the framework design, and the deployment status of the Enterprise Risk Management framework;
- Review of the Group Trust Standards and their implementation;
- Review of the Group Ethics & Compliance System;
- Liquidity review;
- Authorization of the Chief Executive Officer to issue bonds convertible into new shares and/or exchangeable for existing shares (OCEANEs); and
- Authorization of the Chief Executive Officer to issue sureties, endorsements, and guarantees.

Strategy

- Thorough review of the Group strategy, as every year, as part of a four-day meeting named "Strategy session", held physically in Seattle (USA) from September 8 to 11, 2025, specifically dedicated to the topic;
- Review, during this Strategy session, on an in-depth strategy analysis of Energy Management, Industrial Automation, New Energy Landscape/Software Defined Power, AVEVA strategy, North America, and China;
- Authorization or review of external growth and divestment operations (such as Motivair, and Schneider Electric India Private Limited);
- Review of the portfolio;
- Updates on cybersecurity and artificial intelligence; and
- Information about moves and changes concerning competitors of Schneider Electric.

Corporate governance & sustainability

- Thorough review, as every year, of the succession planning of the Corporate Officers and top management;
- Deliberation on the composition of its membership and that of its committees and the principle of balanced gender representation;
- Review of the mission assigned to each Committee;
- Deliberation on its self assessment;
- Deliberation on and review of the principles and criteria relating to the compensation of the Corporate Officers and approval of the compensation and benefits of all types that may be or have been granted;
- Update on the meetings with major shareholders conducted by the Chairman and the Vice-Chairman & Lead Independent Director on governance topics;
- Update on the salary review of members of the Executive Committee;
- Review of the Group's Inclusion & Care program;
- Decision on the implementation of the 2025 Long-term incentive plan;
- Recorded the calculation of the level of achievement of performance conditions applicable to Performance Share plans nº 40, 41, 41*bis*, 41*ter,* 42, 42*bis*, 43, 42*ter,* 42*quater,* 44, 45, 45*bis*, 44*bis*, and 45*ter*;
- Decision of capital increases reserved for employees;
- Reviewed the CSR strategy, results, and targets of the Schneider Sustainability Impact 2021-2025;
- Prepared the CSR strategy Schneider Sustainability Impact 2026-2030;
- Review of the publication by the Company of the Corporate Sustainability Reporting Directive (CSRD) report;
- Approval of the corporate governance report as provided for in Article L. 225-37 of the French Commercial Code;
- Approval of the Management Report as provided for in Article L. 225-100 of the French Commercial Code;
- Review of the regulated agreements and commitments; and
- Review of the assessment process relating to the qualification of the related party agreements as "current" or "regulated".

Annual Shareholders' Meeting

The Board approved the agenda and draft resolutions of the 2025 Annual Shareholders' Meeting, and its report to the shareholders at the meeting. It was informed of the positions expressed by the shareholders met during the preparation of the Annual Shareholders' Meeting and took note of the proxy-advisors' reports. It approved the responses to the written questions.

The 2025 Annual Shareholders' Meeting met physically. It approved all resolutions supported by management, including those relating to the composition of the Board of Directors, the compensation of the Corporate Officers, and the renewal of financial authorizations.

In application of the provisions of Article 1.3.3 of the internal regulations, the Vice-Chairman & Lead Independent Director convenes executive sessions of the Board of Directors (with non-executive members of the Board of Directors and without the Chairperson attending) when he deems appropriate at the end of Board meetings. In 2025, the Board of Directors held five executive sessions, *vs*. six in 2024, including two without the Chairman of the Board of Directors attending.

In addition, when the Board debated and determined the compensation of the Corporate Officers, the interested parties were not present, as prescribed by Article 11.2 of the internal regulations, unless solicited to provide information on specific issues.

4.1.2.3 Succession planning

Board members

The Board of Directors shall have at least three and up to 18 members, all of whom must be natural persons elected by the shareholders at the Shareholders' Meeting. However, in case of death or resignation of a member, the Board may co-opt a new member. This appointment is then subject to ratification at the next Annual Shareholders' Meeting.

Directors are appointed for four-year terms (renewable). However, from the age of 70, Directors are re-elected or appointed for a period of two years. No more than one-third of the Directors may be 70 years old or over.

Mrs. Laura Ding represents the employee shareholders in accordance with the provisions of Articles L. 225-23 and L. 22-10-5 of the French Commercial Code. She was elected at the Annual Shareholders' Meeting upon the recommendation of the supervisory boards of the FCPEs.

Mrs. Rita Félix and Mr. Bruno Turchet represent the employees in accordance with the provisions of Article L. 225-27-1 of the French Commercial Code. They were appointed respectively by the European Works Council and by the most representative trade union organization in France in pursuance of Article 11.4 of the Articles of Association.

Director selection process

The independent Director selection process is led by the Governance, Nominations & Sustainability Committee. When one or more directorships become vacant, or more broadly when the Board of Directors wishes to expand or modify its composition, the Governance, Nominations & Sustainability Committee documents and ranks the selection criteria for potential candidates, taking into account the desired balance and diversity in the Board's composition. The Committee takes into account the diversity policy and the objectives defined by the Board of Directors in terms of skill set.

Based on these criteria, the Committee steers the search for and selection of new Directors, where appropriate with the assistance of an external consultant, and conducts the necessary verifications. The members of the Governance, Nominations & Sustainability Committee then interview the candidates and issue a recommendation to the Board of Directors.

In preparation of the 2026 Annual Shareholders' Meeting, the Governance, Nominations & Sustainability Committee focused on furthering the international diversification of the Board of Directors and maintaining the number of women Directors, as well as bringing to the Board a Chief Executive Officer, or a former Chief Executive Officer, and an executive with experience as chair or a long tenure as a member of a board committee overseeing compensation, or having been a business leader/P&L owner as well as Chief Human Resource Officer/Chief People Officer, with a technology or industry background and international exposure.

A specific selection process exists for Directors representing employees and Directors representing employee shareholders, in accordance with prevailing regulations.

External appointments and time commitment

In application of the provisions of Article 6.4 of the internal regulations, Directors may not exercise more than four other terms of office in listed companies outside the Group. In addition, pursuant to Article 6.5 of these regulations, members of the Board of Directors have a duty to inform the Board of any office they may hold or no longer hold in other companies. Once informed about any new external appointment in a listed company, the Board of Directors assesses whether this appointment could negatively impact on the Director's ability to perform his/her role as a Director of the Company taken into account the nature of the appointment and the expected time commitment to ensure that the effectiveness of the Board would not be compromised. Directors' external appointments are listed in their biographies in **section 4.1.1.2** of this Universal Registration Document. Having considered the scope of the external appointments of all Directors, the Board is satisfied that they do not compromise the effectiveness of the Board. Each Director has sufficient time to devote as necessary for the performance of their duties.

In addition, in pursuance of Article 6.2 of the internal regulations, members of the Board of Directors shall attend Board meetings and meetings of the committees of which they are members. Any member who has not attended at least half of the meetings held during the year, unless there are exceptional reasons, shall be deemed to wish to terminate his/her term of office and shall be invited to resign from the Board of Directors or the committee concerned, as appropriate.

Succession planning for Corporate Officers

Succession plans at Schneider Electric correspond to a systematic, structured process for identifying and preparing employees with potential to fill key organizational positions, should the position become vacant. This process applies to all key positions including the Chairman of the Board of Directors and the Chief Executive Officer positions. Succession plans aim at ensuring a continued effective performance of the organization by providing for the availability of experienced and capable employees who are prepared to assume these roles as they become available. Succession plans are necessary processes to reduce risk of vacant positions or skill gap transitions, create a pipeline of future leaders, ensure full business continuity, and improve employee motivation and engagement.

The mission of the Governance, Nominations & Sustainability Committee includes preparing for the future of the Company's executive bodies, in particular through the establishment of a succession plan for executive officers. The plan, which is reviewed at meetings of the Governance, Nominations & Sustainability Committee, addresses various scenarios:

- Unplanned vacancy due to prohibition, resignation, or death; and
- Planned vacancy due to retirement or expiration of term of office.

Through its work and discussions, the Committee seeks to devise a succession plan that is adaptable to situations arising in the short, medium, or long term. The Governance, Nominations & Sustainability Committee:

- Provides the Board with progress reports, in particular at executive sessions;

- Works closely with the Chief Executive Officer to (i) ensure the plan is consistent with the Company's own practices and market practices, (ii) ensure high-potential internal prospects receive appropriate support and training, and (iii) check there is adequate monitoring of key posts likely to fall vacant; and
- Meets with key executives.

The high-potential internal prospects are identified thanks to speed dating sessions organized between the Board and Executive committee members and lunches or events organized with top talents, as well as individual systematic review conducted by the Governance, Nominations & Sustainability.

4.1.2.4 Self-assessment of the Board of Directors

Pursuant to its internal regulations, Schneider Electric SE's Board of Directors annually reviews its composition, organization, and operations, as well as those of its committees. This yearly assessment is carried out through a written questionnaire sent to Board members or interviews with Board members. The evaluation is conducted under the leadership of the Vice-Chairman & Lead Independent Director by the Secretary of the Board of Directors. In addition, as per the AFEP-MEDEF Corporate Governance Code, the Board of Directors shall undertake at least once every three years, a formal self-assessment, which may be conducted with the assistance of an external consultant.

Internal self-assessment conducted in the third quarter of 2025

An internal assessment of the activities of the Board of Directors was conducted in the third quarter of 2025 by the Vice-Chairman & Lead Independent Director, who guaranteed the confidentiality of opinions expressed, based on a questionnaire answered anonymously by Board members.

The report was presented and discussed in detail at the Governance, Nominations & Sustainability Committee meeting on October 2, 2025, and a summary report was presented to the Board of Directors on October 29, 2025. The Chairman and the Vice-Chairman & Lead Independent Director provided individual feedback on the assessments of the effective contribution of each Director.

Themes

(i) Membership and dynamics of the Board; (ii) Mission, organization, and operation of the Board; (iii) Works of the Committees; (iv) Implementation of the change of Chief Executive Officer; (v) Deep dive on the Strategy session; (vi) On-boarding program of the new members; (vii) Effective contribution of each Director; and (viii) 2026 top Board priorities.

Key findings

Board functioning

- Board size is mostly considered as adequate;
- Involvement and contribution of Board members is still perceived as high;
- Perfect balance between the Chairman and the Vice-Chairman & Lead Independent Director, described as independent and objective, facilitating open and transparent dialogue, and courageous to deal with sensitive subjects;
- Board members are satisfied with the agendas, which are well designed and balanced between business, financial, and governance topics;
- Social and environmental dimensions are appropriately included in the decision process of the Board of Directors;
- Succession plan implemented for the change of Chief Executive Officer in 2024 was satisfactory;
- All committees operate properly, and their work is satisfactory and useful to the Board decision-making process; and
- Overall, the on-boarding program is considered as very valuable by the new Board members.

Board and management relationships

- Quality of relations between the Board and the management is seen as transparent, trustful, and supportive (everyone feel free to express his/her opinion);
- The collaboration between the Chairman of the Board and the Chief Executive Officer is effective; and
- The Strategy session is high quality, very useful, well organized, and tailored to discuss the key strategic topics for Schneider Electric.

Recommendations

- Span of skills brought to the Board could be reinforced in software, artificial intelligence, and technology; and
- Information provided in advance of Board meetings could be more selective and synthetic, and include an executive summary.

4.1.2.5 Information and training of the Board of Directors and its members

Information given to Directors

To ensure that the Board of Directors is well informed at all times, Schneider Electric SE applies the following rules: members of the Board have access, *via* a secure dedicated platform, in principle, ten days before every Board meeting, to the agenda for the meeting and to the draft minutes of the last meeting and, four to five days before, to the Board's file.

Executive Committee members are invited, depending on the subject, to present the major issues within their areas of responsibility. Statutory auditors attend the portion of the Board's meetings at which the full year and half year financial statements are reviewed.

In addition, each year a Board meeting called "Strategy session" is held in the form of a seminar and invites key executives of the Group to contribute to Board discussions. These seminars also enable Directors to constantly refine their understanding of the challenges facing the Group through themed-based presentations and site visits.

Furthermore, the Board organizes a range of specific training sessions throughout the year to help Directors increase their knowledge of the Group (through presentations of its ecosystem, challenges, climate strategy, businesses, and some of its regions) and its competitive environment, as well as recent market disruption trends and technological developments. In 2025, a dedicated training on the competitive landscape was thus organized.

Between each meeting of the Board of Directors, aside from meetings that they may have with the Chief Executive Officer, Directors receive information through relevant financial analysts'

reports and other documents. Board members also have the opportunity to meet informally with key members of Senior Management.

Board of Director dinners are organized in order to offer more opportunities to interact with investors, customers, experts, *etc*. These dinners are meant to provide Board members with external views on the Group, to increase their understanding of the changes in its business environment, and to gain more insight on the needs and motivations of all stakeholders. In 2025, four dinners were organized. In addition, the Board met with the Microsoft and Amazon Web Services teams and the Chief Executive Officer of Graybar.

On-boarding program of new Directors

A complete on-boarding program is provided to any new Director and Observer in order to help him/her to get a deep understanding of the business, the challenges, and priorities of Schneider Electric as well as its governance and values. As such, new Directors are offered a training and information program on the Group's strategy and businesses, designed around a common core which comprises of:

- A set of documents including, in particular, the last Universal Registration Document and integrated report, the Company's Articles of Association, the internal regulations of the Board of Directors, the AFEP-MEDEF Corporate Governance Code, the insider trading policy (see below), the minutes of the Board's and committees' meetings for the period starting from the appointment back to the full year before, and the Directors' and officers' liability master policy;
- A summary relating to the Group organization;
- Working meetings with the Chief Financial Officer and Executive Vice-Presidents of Strategy, Energy Management, Industrial Automation, and other Executive Vice-Presidents as the case may be;
- A work session with the secretary of the committee(s) he/she will join;
- Concerning governance and values: a work session with the Vice-Chairman & Lead Independent Director, the Chief Governance Officer & Secretary General, and the Board Secretary, as well as with the persons in charge of compliance, ethics, and sustainable development;
- To know more about Schneider Electric's shareholding structure and shareholders' expectations, an interview with the Senior Vice-President, Investors Relations;
- Training on the use of the secure dedicated platform on which all the Board's files are stored and kept;
- The designation of a mentor for any new Director to facilitate his/her integration; and
- As the case may be, visits to sites which are particularly illustrative of Schneider Electric's activities.

In addition, the Directors representing employees, Mrs. Rita Félix and Mr. Bruno Turchet, benefit from a training program compliant with legal requirements and approved by the Board of Directors. In pursuance of new French regulations coming from law nº 2019-486 of May 22, 2019, relating to companies' growth and transformation, known as PACTE law, the Director representing the employee shareholders, Mrs. Laura Ding, was offered a tailored training session to address her needs.

Insider trading policy

Schneider Electric has adopted an insider trading policy for members of the Board of Directors and Group employees, designed to prevent insider trading. Under these provisions, both Directors and relevant employees are barred from trading in the Company shares and shares in companies for which they have inside information that has not yet been made public. In addition, they may not trade in Schneider Electric SE shares during the 31 days preceding the day following publication of the annual and interim financial statements, nor during the 16 days preceding the day following publication of a quarterly update, nor may they engage in any type of speculative trading involving Schneider Electric SE shares (including margin trading, purchasing, and selling shares in a period of less than four months). In addition, in accordance with the AFEP-MEDEF Corporate Governance Code, Corporate Officers also undertake not to enter into hedges of shares resulting from exercise of options and of Performance Shares they are required to hold (see **section 4.1.1.6** of Chapter 4 of this Universal Registration Document). These restrictions supplement the prohibition against hedging unvested stock options and Performance Shares during their vesting period.

The insider trading policy was revised when the European "Market Abuse Regulation" (EU) nº 2014/596 of April 16, 2014, entered into force, and was subsequently updated in December 2018, and last amended in April 2024. The regulation obliges companies to draw up insider lists, and market operators to put in place mechanisms aimed at preventing and detecting suspicious transactions, enabling them to report to the *Autorité des Marchés Financiers* those that seem to them to constitute insider dealing.

The insider trading policy provides for rules for establishing, updating, and keeping in the prescribed electronic format a list of insiders whenever necessary, lists of persons subject to black-out periods, and possible confidentiality and abstention lists identifying the persons, whether from Schneider Electric or external to the Group, who have access to a piece of sensitive information that does not yet qualify as inside information according to the legal definition. Schneider Electric has deployed a digital tool to manage these lists which automates their processing and ensures better traceability.

4.1.3 Activities and operating procedures of the committees

In its internal regulations, the Board defined the functions, missions, and resources of its five study committees: the Audit & Risks Committee, the Governance, Nominations & Sustainability Committee, the Human Capital & Remunerations Committee, the Investment Committee, and the Digital Committee.

Committee members are appointed by the Board of Directors on the proposal of the Governance, Nominations & Sustainability Committee. Committees may open their meetings to the other Board members.

The Vice-Chairman & Lead Independent Director may attend any meetings of committees of which he is not a member. The committees may commission research from external consultants after having consulted with the Chairman of the Board of Directors. They may invite anybody they wish to meetings, as necessary. Secretaries of the Board committees organize and prepare the work of the committees. They draft the minutes for the meetings of the committees which, after their approval, are sent to all members of the Board of Directors. The secretaries of the committees are members of Group management teams and specialists in the subject matters of each committee.

4.1.3.1 Audit & Risks Committee

The members, operating procedures, and responsibilities of the Audit & Risks Committee are compliant with the recommendations included in the Audit & Risks Committee final report as updated by the AMF in July 2010.

7	4	100%	96%
meetings in 2025*	members	of independent Directors	average attendance rate

Composition as of December 31, 2025

The internal regulations and procedures of the Board of Directors stipulate that the Audit & Risks Committee must have at least three members.

Two-thirds of the members must be independent and at least one must have in-depth knowledge of accounting standards combined with hands-on experience in applying current accounting standards and producing financial statements.

• Jill Lee	Chairwoman	Independent
• Clotilde Delbos	Member	Independent
• Philippe Knoche	Member	Independent
• Anna Ohlsson-Leijon	Member	Independent

As demonstrated by their career records, summarized in section 4.1.1.2 of this Universal Registration Document, Mrs. Jill Lee, Mrs. Clotilde Delbos, and Mrs. Anna Ohlsson-Leijon have recognized expertise in finance, economics, and accounting. In addition to their in-depth financial and accounting knowledge, Mrs. Jill Lee also brings an in-depth knowledge of Schneider Electric's activities and of the Asian markets, Mrs. Clotilde Delbos her expertise in finance and industry, as well as her experience in transformations, Mr. Philippe Knoche his expertise in energy and technology as well as his experience in transformations both at a strategic and operational level, and Mrs. Anna Ohlsson-Leijon her professional experience and skills based on a wide-ranging finance and business background.

Changes in the composition in 2025

- Chairpersonship: no change.
- Membership: no change.

Individual attendance rate in 2025

- Jill Lee **100%**
- Clotilde Delbos **86%**
- Philippe Knoche **100%**
- Anna Ohlsson-Leijon **100%**

Operating procedures

- The Committee meets at the initiative of its Chairperson or at the request from the Chairperson of the Board of Directors or the Chief Executive Officer.
- At least five meetings are held during the year.
- The Head of Internal Audit is the secretary of the Audit & Risks Committee.
- The Committee may invite any person it wishes to hear to its meetings.
- The Chief Executive Officer will not attend the meetings of the Committee.
- The statutory auditors attend meetings at which financial statements are reviewed and, depending on the agenda, all or some of the other meetings.
- It may also require the Chief Executive Officer to provide any documents it deems to be useful.
- It may also commission studies from external consultants.
- The Committee presents its findings and recommendations to the Board. The Chairperson of the Audit & Risks Committee keeps the Chairperson of the Board of Directors and the Vice-Chairman & Lead Independent Director promptly informed of any difficulties encountered.

Responsibilities

The Audit & Risks Committee is responsible for preparing the work of the Board of Directors by making recommendations on financial reporting, sustainability reporting, accounting, internal control, internal audit, compliance, and risk management issues. Accordingly, its missions are as follows:

Items	Details of missions
Preparation for the annual and interim financial statements to be approved by the Board	• To check the appropriateness and consistency of the accounting methods used for drawing up consolidated and corporate accounts, as well as to check that significant operations at Group level have been dealt with appropriately and that rules relating to the scope of consolidation have been complied with; • To examine off-balance sheet risks (including those of a social and environmental nature) and commitments as well as the cash situation; • To examine the process for drawing up financial information; and • To review the Universal Registration Document as well as the reports on the interim financial statements and other main financial documents.

* Including the joint meetings with the Governance, Nominations & Sustainability Committee relating to the review of sustainability risks and the resolution Say on Climate and with the Digital Committee on cybersecurity risk review.

Items	Details of missions
Sustainability reporting in accordance with the new CSRD regulation	• To monitor issues relating to the preparation and control of the sustainability information; • To monitor the process of preparation of the sustainability information; • To monitor the process used to determine what information to disclose in accordance with the sustainability reporting standards; • To make recommendations to ensure the integrity of the sustainability reporting; and • To report to the Board on the results of the sustainability information certification mission as well as how this mission contributed to the integrity of sustainability information.
Issues related to the statutory auditors and sustainability auditors	• To make recommendations concerning the appointment or reappointment of the statutory auditors and sustainability auditors; • To handle follow-up on legal control of consolidated and statutory accounts made by statutory auditors, notably by examining the external audit plan and results of controls made by statutory auditors; • To handle follow-up on legal control of sustainability information made by sustainability auditors, notably by examining the external audit plan and results of controls made by sustainability auditors; and • To verify the statutory and sustainability auditors' independence, in particular, by reviewing fees paid by the Group to their firm and network and by giving prior approval for assignments that are not strictly included in the scope of the statutory audit.
Following-up on the efficiency of internal control, risk management systems, and compliance program	• To monitor the effectiveness of the internal control and risk management systems, as well as, where applicable, internal audit, with regard to the procedures relating to the preparation and processing of the financial statements and sustainability information and therefore, more particularly: **(i)** to examine the organization and resources used for internal audit, as well as its annual work program (the Committee shall receive summaries of reports produced on audits on a quarterly basis and the Chairperson of the Committee shall receive these reports in full); **(ii)** to review Enterprise Risk Management reports including operational risk-mapping and to make sure that measures exist for preventing or minimizing risks; **(iii)** to examine how to optimize risk coverage on the basis of reports requested from internal audit or risk management functions; **(iv)** to examine Group internal control measures and look into the results of entities' self-assessments with respect to internal control; to ensure that a relevant process exists for identifying and processing incidents and anomalies; **(v)** to ascertain the existence of Group compliance policies notably concerning competition, anti-bribery, ethics and data protection, and the measures implemented to ensure that these policies are circulated and applied; and **(vi)** to assess cyber risks and the Group's cybersecurity posture (jointly with the Digital Committee).

Activity in 2025

The Audit & Risks Committee reported on its work at the Board's meetings of February 19, July 30, October 29, and December 4, 2025.

Items	Details of missions
Financial statement and financial disclosures	• Review of the annual and interim financial statements and of the reports on the financial statements; • Review of goodwill, the Group's tax position, provisions and pension obligations, or similar obligations; • Review of investor relations' documents concerning the annual and interim financial statements; • Review of the Group's scope of consolidation; and • Review of pension commitments; • Review of the capital allocation strategy.
Sustainability reporting	• Review of the process of preparation of the sustainability information; • Double materiality analysis (jointly with the Governance, Nominations & Sustainability Committee).
Internal audit, internal control, risk management, and compliance	• Review of the risk mapping; • Review of the 2026 audit and control missions plan; • Review of the main internal audits performed in 2024 and in H1 2025; • Review of risks covered by insurance; • Status report on the Enterprise Risk Management system; • Update on Group Trust Standards and their implementation; • Update on the Group Ethics & Compliance system; • Cybersecurity risk review (jointly with the Digital Committee); • Review of the Management Report; and • Review of the main litigations.

Items	Details of missions
Statutory auditors	• Review of the fees paid to the statutory auditors and to their networks; and • Review of the 2025 external audit program.
Corporate governance	• Say on Climate resolution (jointly with the Governance, Nominations & Sustainability Committee); • Recommended dividend for 2025; and • Review of the financial authorizations and proposition for their renewal by the Annual Shareholders' Meeting of May 7, 2025.

4.1.3.2 Governance, Nominations & Sustainability Committee

8	6	83%	98%
meetings in 2025*	members	of independent Directors	average attendance rate

Composition as of December 31, 2025

The Board of Directors' internal regulations and procedures provide that the Governance, Nominations & Sustainability Committee must have at least three members.

• Jean-Pascal Tricoire	Chairman	Non-independent
• Fred Kindle	Member	Independent
• Philippe Knoche	Member since October 29, 2025	Independent
• Linda Knoll	Member	Independent
• Jill Lee	Member since October 29, 2025	Independent
• Anders Runevad	Member	Independent

Changes in the composition in 2025

- Chairpersonship: no change.
- Membership: Mr. Léo Apotheker and Mr. Gregory Spierkel left the Committee respectively on May 7 and October 28, 2025. Mr. Philippe Knoche and Mrs. Jill Lee were appointed as members of the Committee with effect on October 29, 2025.

Individual attendance rate in 2025

- Jean-Pascal Tricoire **100%**
- Fred Kindle **100%**
- Philippe Knoche **100%**
- Linda Knoll **100%**
- Jill Lee **100%**
- Anders Runevad **88%**

Operating procedures

- The Committee meets at the initiative of its Chairperson or at the request of the Chairperson of the Board of Directors or the Chief Executive Officer.
- The agenda is drawn up by the Chairperson, after consultation with the Chairperson of the Board of Directors.
- The Committee shall meet at least three times a year.
- The Committee may hear any person it wishes.
- The Secretary of the Board of Directors is the secretary of the Committee.

Responsibilities

Items	Details of missions
Appointments and succession plans	• To formulate proposals to the Board of Directors in view of any appointment made to the Board of Directors: Directors or Observers, Chairperson of the Board of Directors, Vice-Chairperson & Lead Independent Director, Chairpersons and members of committees; • To formulate proposals to the Board of Directors in view of any appointment of Executive Corporate Officers: Chief Executive Officer and/or Deputy Chief Executive Officer; • To ensure the implementation of a procedure for the preparation of succession plans for the Directors and Corporate Officers in the event of an unforeseen vacancy; • To examine succession plans for key Group executives; and • To be informed of any nomination of members of the Executive Committee and of the main Group executives.
Missions aiming at reassuring both shareholders and the market that the Board of Directors carries out its duties with all necessary independence and objectivity	• To ensure that the AFEP-MEDEF Corporate Governance Code to which the Company refers is applied; • To discuss governance issues related to the functioning and organization of the Board and its committees; • To propose on the conditions in which the regular evaluation of the Board is carried out; • To discuss the qualification of Directors as independent, which is reviewed by the Board every year prior to publication of the annual report;

* Including the joint meetings with the Audit & Risks Committee relating to the review of sustainability risks and the resolution Say on Climate and with the Human Capital & Remunerations Committee relating to the 2026 Long-term incentive plan.

Items	Details of missions
	• To conduct a review of the committees that are in charge of preparing the Board's work; • To review the implementation of the assessment process relating to the qualification of the related-party agreements as "current" or "regulated"; • To prepare the decisions by the Board with regard to the update of its internal regulations; and • To prepare the draft corporate governance report of the Board of Directors.
Sustainability and corporate governance	• To ensure that the long-term commitments in terms of sustainability undertaken by the Company are implemented; • To review the Group Sustainability strategy including the Climate strategy and follow up on the progress made on a regular basis; and • To review the sustainability risks (jointly with the Audit & Risks Committee).

Activity in 2025

The Governance, Nominations & Sustainability Committee reported on its work at the Board's meetings of February 19, May 7, July 30, September 8-11, October 29, and December 4, 2025.

Items	Details of missions
Proposals to the Board of Directors	• Composition of the Board of Directors and its committees; • Definition of the ESG criteria for long-term (LTIP) compensation of Corporate Officers (jointly with the Human Capital & Remunerations Committee); • Amendments of the Articles of Association and internal regulations; • Training program for the Directors representing the employees for 2025; • Sustainability strategy including Climate (Schneider Sustainability Index 2030); and • Say on Climate resolution (jointly with the Audit & Risks Committee).
Reports to the Board of Directors	• Review of the succession plan for the Executive Committee members; • Review of the progress made on the Schneider Sustainability Impact (SSI); • Inclusion & Care program progress; and • Double materiality analysis (jointly with the Audit & Risks Committee); • Review of the investors' feedback during the governance roadshows and vote at the Annual Shareholders' Meeting.
Self-assessment of the Board of Directors	• Review of the report and findings of the internal self-assessment of the Board of Directors.
Shareholder engagement	• Reporting on the Chairman of the Board's and Vice-Chairman & Lead Independent Director's meetings with governance analysts within the main shareholders: 34 face-to-face or phone meetings were held, covering 44.6% of the share capital. These meetings reflect the importance given by the Company to dialogue and the direct commitment of Directors towards shareholders (see "Report of the Chairman of the Board of Directors", **section 4.1.4.1** of Chapter 4 of this Universal Registration Document).

4.1.3.3 Human Capital & Remunerations Committee

4	6	100%	100%
meetings in 2025*	members	of independent Directors**	average attendance rate

Composition as of December 31, 2025

The Board of Directors' internal regulations and procedures provide that the Human Capital & Remunerations Committee must have at least three members.

• Linda Knoll	Chairwoman	Independent
• Nive Bhagat	Member	Independent
• Rita Félix	Member	Employee Director
• Fred Kindle	Member	Independent
• Anna Ohlsson-Leijon	Member	Independent
• Ellyn Shook	Member since October 15, 2025	Observer

Changes in the composition in 2025

- Chairmanship: no change.
- Membership: Mrs. Ellyn Shook was appointed as a member of the Committee with effect on October 15, 2025.

Individual attendance rate in 2025

* Including the joint meeting with the Governance, Nominations & Sustainability relating to the 2026 Long-term incentive plan.
** Employee Directors excluded as prescribed by the AFEP-MEDEF Corporate Governance Code.

- Linda Knoll **100%**
- Nive Bhagat **100%**
- Rita Félix **100%**
- Fred Kindle **100%**
- Anna Ohlsson-Leijon **100%**
- Ellyn Shook **100%**

Operating procedures

- The Committee meets at the initiative of its Chairperson or at the request from the Chairperson of the Board of Directors or the Chief Executive Officer.
- The agenda is drawn up by the Chairperson, after consultation with the Chairperson of the Board of Directors.
- The Committee shall meet at least three times a year.
- The Committee may hear any person it wishes.
- The Chief Human Resources Officer is the secretary of the Committee.

Responsibilities

Items	Details of missions
Employee shareholding schemes and share allocation plans	• To prepare the Board of Directors' deliberations on employee shareholding; and • To formulate proposals to the Board of Directors on setting up the Long-term incentive plans such as grant of stock options or performance/restricted shares.
Compensation of Corporate Officers and Directors	• To formulate proposals to the Board of Directors on the compensation policy of the Chairperson of the Board of Directors and Executive Corporate Officers (Chief Executive Officer, and/or Deputy Chief Executive Officer, if any), ensuring in particular its alignment with the corporate interest. The Committee shall prepare annual assessments of the persons concerned and make recommendations to the Board of Directors concerning the determination of the components of the compensation due to Executive Corporate Officers in accordance with the compensation policy; • To review the compensation of the members of the Executive Committee; and • To propose an amount of the remuneration package for Directors to be submitted to the annual general shareholders' meeting and the method of distribution.
Human resources	• To review the social impact of major reorganization projects and major human resource policies; and • To review risk management in relation to human resources.

Activity in 2025

The Human Capital & Remunerations Committee reported on its work at the Board's meetings of February 19, October 29, and December 4, 2025.

Items	Details of missions
Proposals to the Board of Directors	• 2025 Long-term incentive plan, and implementation of specific Performance Share plans to support the recruitment and the retention policy; • Compensation of Corporate Officers (amount and structure of 2025 compensation, 2025 objectives, and level of achievement of 2024 objectives), and allocation to them of Performance Shares as part of the Long-term incentive plan; • 2026 Worldwide Employee Share Ownership Plan (WESOP); • Directors' compensation; • Pay equity ratio.
Reports to the Board of Directors	• Review of the compensation of the members of the Executive Committee; • Talent strategy; • Review of the investors' feedback during the governance roadshows and vote at the Annual Shareholders' Meeting.

4.1.3.4 Investment Committee

5	6	80%	100%
meetings in 2025	members	of independent Directors*	average attendance rate

Composition as of December 31, 2025

The Board of Directors' internal regulations and procedures provide that the Investment Committee must have at least three members.

• Anders Runevad	Chairman since October 29, 2025	Independent
• Giulia Chierchia	Member	Independent
• Jill Lee	Member	Independent
• Lip-Bu Tan	Member	Independent
• Jean-Pascal Tricoire	Member	Non-independent
• Bruno Turchet	Member	Employee Director

* Employee Directors excluded as prescribed by the AFEP-MEDEF Corporate Governance Code.

Changes in the composition in 2025

- Chairmanship: Mr. Anders Runevad was appointed as Chairperson of the Committee with effect on October 29, 2025, in replacement of Mr. Gregory Spierkel.
- Membership: Mr. Léo Apotheker and Mrs. Xiaoyun Ma left the Committee on May 7, 2025. Mr. Gregory Spierkel left the Committee on October 28, 2025.

Individual attendance rate in 2025

- Anders Runevad **100%**
- Giulia Chierchia **100%**
- Jill Lee **100%**
- Lip-Bu Tan **100%**
- Jean-Pascal Tricoire **100%**
- Bruno Turchet **100%**

Operating procedures

- The Committee meets at the initiative of its Chairperson or at the request from the Chairperson of the Board of Directors or the Chief Executive Officer.
- The agenda is drawn up by the Chairperson, after consultation with the Chairperson of the Board of Directors.
- The Committee shall meet three times a year.
- In order to carry out its assignments, the Committee may hear any person it wishes.
- The Chief Executive Officer will be regularly invited to the meetings of the Committee.
- The Senior Vice-President Mergers & Acquisitions is the secretary of the Committee.

Responsibilities

Items	Details of missions
Preparation of the Board of Directors' deliberations on investment policy	• To elaborate recommendations for the Board on major capital deployment decisions; • To advise the management team on capital deployment strategies; • To launch, at the Board's request, or suggest research projects leading to material investments for the Company, typically for capital deployment decisions of EUR 250 million or above; • To investigate matters of smaller scale, if the strategic significance warrants it or the Board, or Chairperson of the Board specifically requires it; • To provide recommendations on major merger, alliances, and acquisition projects; • To pay special attention to reconfiguration or consolidation scenarios happening in the sectors the Company is operating in or likely to operate in; • To examine portfolio optimizations and divestment projects of financial or strategic significance; • To support management in the elaboration of investment policies linked to the long-term positioning of Schneider Electric, such as innovation and R&D strategies or any major organic growth investments; and • To present to the Board, social and environmental aspects of the strategic projects submitted to it such as M&A projects.

Activity in 2025

The Investment Committee reported on its work at the Board's meetings of February 19, March 26, October 29, and December 4, 2025, and during the Strategy session.

Items	Details of missions
Proposals to the Board of Directors	• Follow-up of investment projects and opportunities (such as Motivair, and Schneider Electric India Private Limited (Lauritz Knudsen)); and • Portfolio review.

4.1.3.5 Digital Committee

7 meetings in 2025*

5 members

75% of independent Directors**

91% average attendance rate

Composition as of December 31, 2025

The Board of Directors' internal regulations and procedures provide that the Digital Committee must have at least three members.

• Abhay Parasnis	Chairman	Independent
• Nive Bhagat	Member	Independent
• Laura Ding	Member since May 7, 2025	Employee Director
• Lip-Bu Tan	Member	Independent
• Jean-Pascal Tricoire	Member	Non-independent

* Including the joint meeting with the Audit & Risks Committee relating to cybersecurity risk review.
** Employee Directors excluded as prescribed by the AFEP-MEDEF Corporate Governance Code.

Changes in the composition in 2025

- Chairmanship: no change.
- Membership: Mr. Léo Apotheker and Mrs. Xiaoyun Ma left the Committee on May 7, 2025. Mrs. Laura Ding was appointed as member of the Committee with effect on May 7, 2025. Mr. Gregory Spierkel left the Committee on October 28, 2025.

Individual attendance rate in 2025

- Abhay Parasnis **100%**
- Nive Bhagat **71%**
- Laura Ding **100%**
- Lip-Bu Tan **86%**
- Jean-Pascal Tricoire **100%**

Operating procedures

- The Committee meets at the initiative of its Chairperson or at the request from the Chairperson of the Board of Directors or the Chief Executive Officer.
- The agenda is drawn up by the Chairperson, after consultation with the Chairperson of the Board of Directors.
- The Committee shall meet at least three times a year.
- In order to carry out its assignments, the Committee may hear any person it wishes.
- The Chief Executive Officer will be regularly invited to the meetings of the Committee.
- The Chief Digital Officer is the secretary of the Committee.

Responsibilities

Items	Details of missions
To assist the Board in digital matters in order to guide, support, and control the Group in its digitization efforts To prepare the Board of Directors' deliberations on digital matters	• To review, appraise, and follow-up projects and, generally, advise, *inter alia* on the following areas: – Development and growth of the EcoStruxure™ digital business, including (i) enhancing core businesses with Connectivity & Analytics, (ii) building new digital offers and business models, and (iii) establishing its contribution to and consistency with the overall strategy; – Assessment of the contribution of potential M&A operations to the Group's Digital strategy; – Monitoring and analysis of the digital landscape (competitors and disrupters, threats, and opportunities); – Improvement and transformation of the Group's Digital Customers & Partners Experience; – Improvement of Schneider Electric's operational efficiency through the effective use of information technology and digital automation capabilities; – Checking that the Company is equipped with the right pool of talents for digital transformation; and – Assessment of cyber risks and enhancement of the Group's cybersecurity posture (jointly with the Audit & Risks Committee); – Integration of artificial intelligence in the Company's internal activities and processes in order to strengthen its efficiency and overall performance; – Use of artificial intelligence in the Company's offers.

Activity in 2025

The Digital Committee reported on its work at the Board's meetings of February 19, May 7, July 30, October 29, and December 4, 2025.

Items	Details of missions
Proposals and reports to the Board of Directors	• Artificial intelligence; • Updates on cybersecurity; • Digital customer relationship; • Digital engineering; • Digital platforms; • Update on AVEVA; • Joint review with the Audit & Risks Committee of the cybersecurity risks; and • General updates on Schneider Digital.

4.1.4 Reports of the Chairman of the Board of Directors and of the Vice-Chairman & Lead Independent Director

4.1.4.1 Report of the Chairman of the Board of Directors

Mr. Jean-Pascal Tricoire hereby reports on the work he carried out in 2025 as part of his responsibilities as Chairman of the Board of Directors. He was appointed as Chairman on May 4, 2023 by the Board of Directors further to its decision to separate the functions of the Chairman of the Board of Directors and Chief Executive Officer.

The Chairman of the Board is appointed by the Board of Directors amongst its members in pursuance of Article 12 of the Articles of Association for a period that can be no longer than his term of office of as a Director.

Information of the Chairman of the Board of Directors

To be able to carry out his duties, the Chairman of the Board of Directors must have excellent knowledge of the Group and be particularly well informed about its business performance. As such, the Chairman is kept informed by the Chief Executive Officer of significant events and situations relating to the business of the Group (including the Company's strategy, major acquisition or divestment projects, significant financial transactions, risks, major community projects, and the appointment of the most senior executives of the Group). To that end, he meets the Chief Executive Officer on a weekly basis.

In addition, the Chairman of the Board of Directors interacts regularly with the Vice-Chairman & Lead Independent Director and other members of the Board of Directors and meets individually with each of the other Directors to obtain their feedback on the current situation of the Company, their possible concerns, and their wishes.

He is continuously kept informed of the evolution of the competitive environment, technological breakthroughs, and business opportunities. Additionally, he is the Chairman of the Governance, Nominations & Sustainability and a member of the Investment and the Digital Committees.

Representation of Schneider Electric

The Chairperson of the Board of Directors is the only person authorized to speak on behalf of the Board, with the exception of any specific assignment entrusted to the Vice-Chairperson & Lead Independent Director pursuant to the dialogue with shareholders.

In accordance with the additional missions entrusted to the Chairman by the Board of Directors, the Chairman participated in the following events in 2025.

As part of his remit to represent the Company with selected customers, institutions, and policymakers – in close coordination with the Chief Executive Officer – the Chairman advanced Schneider Electric's agenda in energy transition, digital innovation, and corporate sustainability. Throughout 2025, he maintained a prominent presence at global forums and strategic gatherings, reinforcing the Company's leadership and vision.

In January 2025, the Chairman participated in the World Economic Forum Annual Meeting in Davos, contributing to private roundtables on power system innovation and global economic outlooks. Over the year, he engaged with key investor and industry platforms, including the BlackRock Transition Summit (February), HSBC Investment Summit (March), Goldman Sachs CEO Forum (September), and supported technology dialogues at VivaTech (June). He continued policy-to-market engagement into the fourth quarter, notably at the French-American Business Council in Washington, D.C., and the French-China Business Commission in Beijing.

As Schneider Electric's ambassador in Asia and emerging markets, the Chairman strengthened strategic relationships with regional partners and public bodies through advisory boards and bilateral meetings in Beijing, Shanghai, Hong Kong, and Singapore, as well as participation in regional CEO forums. These activities reinforced Schneider Electric's multi-hub presence and supported priority customer and government engagements across the region.

Championing ESG leadership, the Chairman promoted energy efficiency, electrification, and digitalization as solutions to the energy trilemma. At Climate Week NYC, he led sessions with institutional leaders and policy shapers to advance resilience and clean energy, and also engaged with the INSEAD Board of Director class on integrating sustainability into corporate strategy and governance.

To inspire future leaders, the Chairman served in board advisory roles at Northeastern University and the Hong Kong University of Science and Technology (HKUST). Additionally, he engaged business school students at HEC Paris and EU Business School, delivering keynotes focused on future industry trends and Schneider Electric's transformation, and advocating for responsible innovation and AI-enabled energy productivity.

Participation in the preparation of the meetings of the Board

The Chairman of the Board of Directors prepared each of the Board of Directors meetings. As a result, he has participated in all the "pre-Board" meetings. Each meeting of the Board of Directors is preceded by one or two pre-Board meetings, in which the Chief Executive Officer, the Chairman of the Board, the Vice-Chairman & Lead Independent Director, the Chief Financial Officer, the Chief Governance Officer & Secretary General, and the Secretary of the Board of Directors review the topics and issues addressed by the committees, and establish the agenda set by the Chairman of the Board of Directors and the content of the meeting file prepared.

Interaction with shareholders

The Chairman of the Board of Directors is one of the designated contacts for the shareholders on matters pertaining to corporate governance. He carried out a shareholder engagement campaign in April 2025 before the Annual Shareholders' Meeting to present to those who so wished, the resolutions submitted for the shareholders' approval. The other campaign, called "off-season engagement" is meant to freely exchange views on topical themes of corporate governance that do not necessarily materialize in resolutions submitted for the shareholders' approval, and has been carried out in January 2026. On this occasion, the Chairman of the Board of Directors discussed with investors' representatives the growing importance of governance, social and environmental topics at the Board of Directors and their reflection in the Corporate Officers' compensation. Overall, these two campaigns comprised 34 face-to-face or phone meetings with governance analysts of major shareholders from a wide range of corporate governance cultures and covered 44.6% of the share capital. The conclusions of these discussions have been reported in detail to the Governance, Nominations & Sustainability Committee and contribute to its ongoing thought process on governance matters. A report thereon was subsequently made to the Board.

4.1.4.2 Report of the Vice-Chairman & Lead Independent Director

Mr. Fred Kindle hereby reports on the work he carried out in 2025 as part of his responsibilities as Vice-Chairman & Lead Independent Director. He was appointed as Vice-Chairman on April 23, 2020, in replacement of Mr. Léo Apotheker.

The Vice-Chairman & Lead Independent Director is appointed by the Board of Directors in pursuance of Article 12 of the Articles of Association, which provide for the appointment of a Vice-Chairman with the function of a Lead Independent Director if the roles of Chairman & CEO are combined. In compliance with Article 12 of the Articles of Association, the duties of the Vice-Chairman & Lead Independent Director are defined by the internal regulations of the Board of Directors which provide for the compulsory appointment of a Vice-Chairperson should the Chairperson be not considered as independent according to the AFEP-MEDEF Corporate Governance Code. Those internal regulations can be found in **section 4.1.5** of Chapter 4 of this Universal Registration Document.

Information of the Vice-Chairman & Lead Independent Director

To be able to carry out his duties, the Vice-Chairman & Lead Independent Director must have excellent knowledge of the Group and be particularly well informed about its business performance.

As such, the Vice-Chairman & Lead Independent Director is apprised of current events and the performance of the Group through regular exchanges with the Chief Executive Officer and the Chairman of the Board of Directors.

In addition, the Vice-Chairman & Lead Independent Director interacts regularly with the other members of the Board of Directors.

He is continuously kept informed of the evolution of the competitive environment, technological breakthroughs, and business opportunities. Additionally, he is a member of the Governance, Nominations & Sustainability and of the Human Capital & Remunerations Committees.

Participation in the preparation of the meetings of the Board

The Vice-Chairman & Lead Independent Director participated in the preparation for meetings of the Board of Directors. As a result, he has participated in all the "pre-Board" meetings. Each meeting of the Board of Directors is preceded by one or two pre-Board meetings, in which the Chief Executive Officer, the Chairman of the Board, the Vice-Chairman & Lead Independent Director, the Chief Financial Officer, the Chief Governance Officer & Secretary General, and the Secretary of the Board of Directors review the topics and issues addressed by the committees, and establish the agenda set by the Chairman of the Board of Directors and the content of the meeting file.

Executive sessions

The Vice-Chairman & Lead Independent Director convenes, whenever he deems it appropriate, and chairs the executive sessions (*i.e.*, the meetings with non-executive Board members, sometimes without the Chairperson attending). The employee Directors are invited to attend all executive sessions.

The Board of Directors held five executive sessions in 2025, including two meetings without the Chairman of the Board attending, during which its members expressed their views and observations on, among others, the Group's strategic options and the succession planning of the Corporate Officer. The Vice-Chairman & Lead Independent Director reported the conclusions of the executive sessions held without the Chairperson attending to the Chairman of the Board.

Interaction with shareholders

The Vice-Chairman & Lead Independent Director participated in the shareholder engagement campaigns in 2025, being available for shareholders who wished to exchange with him, in addition to the meetings conducted by the Chairman of the Board.

Other duties

The Vice-Chairman & Lead Independent Director conducted the annual deliberation of the Board on its composition, organization, and operations as well as those of its committees.

In 2025, this self-assessment was carried out internally. The conclusions of this assessment, which highlighted the quest for continuous improvement, are presented in section **4.1.2.4** of Chapter 4 of this Universal Registration Document.

The Vice-Chairman & Lead Independent Director ensures that there was no conflict of interest within the Board of Directors, which he would have been responsible for bringing to the attention of the Chairman of the Board.

4.1.5 Internal regulations of the Board of Directors

The Board internal regulations describe the rights and obligations of Board members, the composition, role, and operating procedures of the Board of Directors and its committees, and the roles and powers of the Chairman and the Chief Executive Officer. They have been drawn up in application of Article 13.7 of the Company's Articles of Association and are prepared in accordance with the French Commercial Code and the AFEP-MEDEF Corporate Governance Code which Schneider Electric refers to. The present internal regulations shall be binding on all members of the Board of Directors who shall be deemed to adhere to them on assuming office and shall comply with them in full. These internal regulations were adopted by the Board of Directors on April 25, 2013 and last amended on February 25, 2026 with immediate effect.

1. Method of exercising General management – Chairpersonship and Vice-Chairpersonship of the Board of Directors

1.1. Method of exercising General management

1.1.1. General management of the Company is under the responsibility of either the Chairperson of the Board of Directors, who will then go by the title of Chairman/Chairwoman and Chief Executive Officer, or of another natural person appointed by the Board of Directors going by the title of Chief Executive Officer.

1.1.2. The Board of Directors decides between these two methods of exercising General management at the time when the Chairperson of the Board of Directors or the Chief Executive Officer is appointed or when renewing their terms of office. If the Board of Directors has decided to combine the functions of Chairman/Chairwoman and Chief Executive Officer, it will deliberate on this choice every year.

1.1.3. In order to maintain continuity in the Company's operation if the Chairperson serving as Chief Executive Officer leaves his/her role or is prevented from doing so, the Deputy Chief Executive Officer(s), if any, shall take the interim responsibility for General management functions in the Company, unless otherwise decided by the Board, until such time as a new Chief Executive Officer is appointed. The Vice-Chairperson shall temporarily take the Chair of the Board of Directors.

1.2. Chairperson of the Board of Directors

1.2.1. The Board of Directors shall elect a Chairperson amongst its members ("Chairman/Chairwoman"). The Chairperson shall be appointed for a period that can be no longer than his/her term of office as a Director. The Board shall deliberate once a year on the opportunity for the Chairperson to pursue his/her functions. The Chairperson is eligible for re-election. He/she may be removed from office by the Board of Directors at any time.

1.2.2. The statutory missions of the Chairperson of the Board of Directors are:

- to organize and direct the work of the Board;
- to convene the Board meetings, determine the agenda and preside over the meetings;
- to request any document or information necessary to help the Board of Directors for the preparation of its meetings and verify the quality of the information provided;
- to oversee the proper functioning of the Company's bodies and makes sure, in particular, that (i) the Directors are able to carry out their assignments, (ii) the Board of Directors is well organized, in a manner conducive to constructive discussion and decision-making and (iii) the Board of Directors devotes an appropriate amount of time to issues relating to the future of the Company and particularly its strategy;
- to preside over general shareholders meetings and report on the Board work to the annual general shareholders' meeting.

1.2.3. The Chairperson of the Board is entrusted with the following additional powers and missions for which he/she shall organize his/her activities so as to ensure his/her availability and put his/her experience at the Company's service:

- to be kept regularly informed by the Chief Executive Officer of significant events and situations relating to the business of the Group (including the Company's strategy, major acquisition or divestment projects, significant financial transactions, risks, major community projects and the appointment of the most senior executives of the Group) and to be consulted by him on these matters;
- to assist and advise the Chief Executive Officer on strategic, technological, leadership and human capital matters;
- to support, in coordination with the Chief Executive Officer, the representation of the Company in high-level relations with selected stakeholders (customers and institutions);
- to represent the Company with selected Asian Partners and Asian government bodies in coordination with the Chief Executive Officer;
- to be involved in dialogue with shareholders in cooperation with the initiatives taken in this respect by the Chief Executive Officer;
- to promote the Company's values and culture in particular in relation to Environmental, Social and Governance;
- to meet with the Company's leaders and managers;
- to hear the statutory auditors and the heads of the control functions in order to ensure that the Board and its committees are in a position to carry out of their duties;
- to convene the members of the Board without Executive Directors being present, in particular to allow debates on the performance and compensation of the Executive Management and succession planning;
- to participate in the recruitment process for new directors and the development of the succession plan;
- to work with the Board on the preparation and implementation of succession plan(s) for the corporate officer(s).

The Chairperson of the Board strives to develop and maintain a trustful and regular relationship between the Board and the General Management, in order to guarantee continuous, ongoing implementation by the General Management of the strategies defined by the Board. In all his/her assignments other than those conferred by law, the Chairperson of the Board of Directors acts in close conjunction with the Chief Executive Officer, who has sole responsibility for the general and operational management of the Company.

1.2.4. The Chairperson of the Board of Directors is the only person authorized to speak on behalf of the Board, with the exception of any specific assignment entrusted to the Vice-Chairperson & Lead Independent Director pursuant to the dialogue with shareholders.

1.3. Vice-Chairperson of the Board of Directors – Lead Independent Director

1.3.1. The Board of Directors may appoint a Vice-Chairperson. If the roles of Chairperson and Chief Executive Officer are combined or if the Chairperson is not considered as independent according to the AFEP-MEDEF Corporate Governance Code, the appointment of a Vice-Chairperson is compulsory. The Vice-Chairperson shall be appointed for a period that may not be any longer than his/her term of office as a Director. The Vice-Chairperson is eligible for re-election. The Vice-Chairperson may be removed from office by the Board of Directors at any time.

1.3.2. The Vice-Chairperson shall preside over Board meetings in the absence of the Chairperson.

The Vice-Chairperson shall be called upon to replace the Chairperson of the Board of Directors in the event of any temporary inability of the latter to fulfill his/her functions or in the event of death. In the event of the Chairperson's inability to fulfill his/her functions, he/she will be replaced by the Vice-Chairperson as long as his/her inability may last and, in the case of death, until the election of a new Chairperson.

1.3.3. The Vice-Chairperson also takes on the role of Lead Independent Director. In this respect, the powers and missions of the Vice-Chairperson are:

- to be kept informed of major events in Group life through regular contacts and meetings with the Chairperson and the Chief Executive Officer;
- to be consulted by the Chairperson on the agenda and the sequence of events for every Board meeting as well as on the schedule for Board meetings;
- to request that the Chairperson of the Board of Directors include additional items on the agenda of any meeting of the Board of Directors;
- to request that the Chairperson of the Board of Directors call a meeting of the Board of Directors to discuss a given agenda;
- to convene – whenever he/she deems appropriate – an executive session with non-executive members of the Board of Directors and without the Chairperson attending, over which he/she will preside. It is the Vice-Chairperson's responsibility to appreciate for each topic discussed whether the employee Directors should leave the meeting until the topic is closed. In addition, the Vice-Chairperson may convene an executive session between two Board meetings;
- to promptly report to the Chairperson on the conclusions of executive sessions held without the Chairperson attending;
- to draw the attention of the Chairperson and of the Board of Directors to any possible conflicts of interest that he/she may have identified or which may be reported to him/her;
- to meet if he so wishes the Group's leading managers and visit Company sites in order to complement his/her knowledge;
- to carry out annual assessments of the Board of Directors and, in this context, assess the actual contribution of every member of the Board to the Board's activities;
- to report on his/her actions at annual general shareholders' meetings;
- to engage with shareholders on governance matters and inform the Board of their concerns.

1.3.4. The Vice-Chairperson & Lead Independent Director must be an independent member of the Board, as defined in accordance with the criteria published by the Company.

1.4. The Chief Executive Officer shall own a minimum number of shares representing five years of base salary. Calculation of the number of shares held is based on Schneider Electric SE shares and the equivalent in shares of the corporate mutual fund units invested in Schneider Electric shares held by him. He is required to retain at least 50% of the Performance Shares granted to him until this number of shares is reached.

2. Roles and powers of the Board of Directors

2.1. The Board of Directors shall determine the business strategy of the Company and monitors its implementation, in accordance with its corporate interest and while considering its social and environmental aspects. Subject to the powers expressly conferred to annual general shareholders' meetings and within the limit of the corporate purpose, it shall deal with all matters regarding the smooth running of the Company and settles issues concerning the Company. At any time in the year, the Board carries out the controls and verifications it deems appropriate.

2.2. In accordance with legal or statutory provisions, it is the Board of Directors' responsibility:

- to determine the method of exercising General management of the Company;
- to appoint Executive Corporate Officers, remove them from office and to set their remuneration and the benefits granted to them;
- to co-opt Directors whenever necessary;
- to distribute Directors' remuneration allocated at the annual general shareholders' meeting amongst members of the Board of Directors;
- to convene general shareholders meetings;
- to approve statutory and consolidated financial statements;
- to ensure that the Company has reported in accordance with EU sustainability reporting framework;
- to decide on the dates for the payment of dividends and any possible down-payments on dividends;
- to draw up management reports and reports for annual general shareholders' meetings;
- to draw up management planning documents and the corresponding reports;
- to draw up the corporate governance report as provided for in Article L. 225-37 of the French Commercial Code;

- to decide on the use of the delegations of authority granted at annual general shareholders' meetings, more particularly for increasing Company capital, redeeming the Company's own shares, carrying out employee shareholding operations and canceling shares;
- to grant options or restricted/performance shares within the limits of authorizations given at annual general shareholders' meetings;
- to authorize the issue of bonds;
- to authorize the issue of sureties, endorsements and guarantees;
- to authorize regulated agreements (agreements covered by Article L. 225-38 and following of the Commercial Code);
- to implement a process to regularly assess that the rules used to qualify a related party transaction as regulated agreement or not, are relevant and effective.

2.3. To enable the Board to exercise its duties as defined in 2.1. and beyond its specific powers summarized in 2.2., the Board of Directors' remits include:

- to give prior authorization for:
  - **(i)** all disposals or acquisitions of holdings or assets by the Company or by a Group company for a sum of more than 250 million euros;
  - **(ii)** significant changes to the scope and portfolio of activities outside of the strategy shared with the Board of Directors;
  - **(iii)** establishment of significant strategic alliances;
  - **(iv)** any settlement for a sum of more than 125 million euros;
  - **(v)** any off-balance sheet commitment in excess of 125 million euros other than those relating to a guarantee given to an entity of the Group;
  - **(vi)** major and very significant changes to the Group internal organization;
- to be informed by its Chairperson or by its committees of any significant event concerning the Company's efficient operation;
- to be informed about market developments, competitive environment and the most important challenges the Company has to face, including in the area of social and environmental responsibility;
- to establish the multi-annual strategic approach on social and environmental responsibility and review the results reached on a yearly basis (including on climate);
- to review, in relation to the strategy it has defined, the opportunities and risks, such as financial, legal, operational, social and environmental risks, as well as the measures taken accordingly and to that end receive all information necessary to fulfill its remit, especially from the Chief Executive Officer;
- to seek assurance that the cyber risk management program is adequate and reduces the risk of attacks and, when necessary, will respond and recover from any attack that may happen;
- to ensure that a process to prevent and detect bribery and influence peddling is in place;
- to exercise control over management and oversee the quality of information provided to shareholders and to the markets, in particular via the financial statements or on the occasion of major corporate transactions;
- to review every year its composition, its organization and its mode of operation;
- to set up an Audit & Risks Committee on the terms specified by law and any other committees (i) which do not have decision-making powers but have the task of providing all useful information for the discussions and decisions which the Board is called upon to make, (ii) which composition and rules with regard to their modus operandi is determined by the Board;
- to be consulted prior to acceptance by the Chief Executive Officer or Deputy Chief Executive Officer(s), if any, of any corporate appointment in a listed company outside the Group;
- to appoint a Vice-Chairperson if the Board is compelled or wishes to do so;
- to appoint up to three Board Observers if the Board wishes to do so;
- to determine targets in terms of gender balance within the executive bodies and ensure that the Executive Corporate Officers implement a policy of non-discrimination and diversity, notably with regard to the balanced gender representation on the executive bodies.

2.4. The activities of the Board of Directors and its committees shall be described in the corporate governance report.

3. Membership of the Board of Directors

In the proposals it makes and the decisions it takes, the Board of Directors shall ensure that:

- it reflects the international nature of the Group's activities and of its shareholders by having a significant number of members of non-French nationals;
- it protects the independence of the Board through the competence, availability and courage of its members;
- it pursues its objective of diversifying the Board of Directors in compliance with the legal principle of attaining balanced gender representation on the Board;
- it appoints persons with the expertise required for developing and implementing the Group strategy while considering the objectives of diversity based on criteria such as age, professional skills and experiences;
- employee shareholders and employees shall continue to be represented on the Board in compliance with the provisions set forth in Articles 11.3 and 11.4 of the Articles of Association;
- it preserves the continuity of the Board by changing some of its members at regular intervals, if necessary by anticipating the expiry of members' terms of office.

4. Meetings of the Board of Directors

4.1. The Board of Directors shall meet whenever the interests of the Company so require and at least six times a year, including one meeting for examining strategy in detail.

Notices to attend shall be issued by all means, including verbally. They shall be sent via the Secretary of the Board.

4.2. Board meetings shall be convened by the Chairperson or by the Vice-Chairperson in accordance with Article 1.3.3.

Moreover, if no Board meeting takes place for over two months, the Chairperson shall convene a meeting of the Board at a date no later than fifteen days after at least one-third of the members of the Board have made a justified request for this purpose. If the request goes unheeded, the person or persons requesting the meeting may convene a meeting himself/herself or themselves, stating the agenda of the proposed meeting.

Similarly, the Chief Executive Officer, if he/she is not Chairperson of the Board of Directors may also address a request to the Chairperson to convene a meeting on any given agenda.

The person responsible for convening the meeting shall set its agenda. The agenda may be modified or completed at the time of the meeting.

Board meetings shall be held at the Company's registered offices or at any other place specified in the notice of the meeting, whether in France or abroad.

4.3. Any member of the Board may appoint another member to represent him/her at a Board meeting by means of a proxy form.

During the same meeting, each member of the Board may only use one proxy form that he/she has received further to the foregoing paragraph.

Members of the Board may attend Board meetings by telecommunication links, which allow them to be identified and which guarantee their effective participation. In such a case, they are counted among the members present to the meeting and taken into account for the purpose of determining the quorum or the majority.

Deliberations of the Board of Directors shall only be valid if at least half of the Directors are present. However, in application of Article 15 of the Articles of Association, the Board of Directors may only deliberate validly on the methods for exercising General management if two-thirds of the Directors are present or represented.

Decisions shall be taken on a majority vote by the Directors present or represented. In the event of equality of votes, the Chairperson of the meeting shall have the casting vote.

In accordance with Article 14.3 of the Articles of Association, with the exception of (i) the approval of the statutory and consolidated annual financial statements, and (ii) the appointment or dismissal of the Chairperson of the Board of Directors, or the Chief Executive Officer, the decisions of the Board of Directors may be taken by written consultation, including by electronic means, under the terms and conditions provided by said Article.

4.4. The Secretary of the Board shall attend Board meetings.

The Board of Directors shall hear operational managers concerned by major issues submitted to examination by the Board.

The Board of Directors may authorize persons who are not members of the Board to attend Board meetings including by videoconference or by telecommunication links.

4.5. An attendance register shall be kept at the registered office.

The proceedings of the Board of Directors shall be recorded in minutes.

The Secretary of the Board shall be authorized to certify copies or excerpts from the minutes of the Board's proceedings.

5. Information of the Board of Directors

Members of the Board of Directors shall be provided with all the information necessary to enable them to carry out their duties and this within time limits that enable them to familiarize themselves with this information in a meaningful way. They may procure any documents they require for this purpose prior to meetings.

Any request for information made by members of the Board on specific subjects shall be addressed to the Chairperson of the Board or to the Chief Executive Officer, who will reply thereto as promptly as possible.

In order to provide members of the Board of Directors with complete information, visits to sites and customers shall be organized for them. Members of the Board of Directors shall have the right to meet the main Company executives. They shall inform the Chairperson (or, if appropriate, the Chief Executive Officer) thereof.

The Chairperson and/or Vice Chairperson shall meet each member of the Board individually once a year.

6. Status of members of the Board of Directors

6.1. Members of the Board of Directors shall represent all the shareholders and shall act in the interests of the Company in all circumstances.

6.2. Members of the Board of Directors shall attend Board meetings and meetings of the committees of which they are members.

Any member, who has not attended at least half of the meetings held during the year, unless there are exceptional reasons, shall be deemed to wish to terminate his/her term of office and shall be invited to resign from the Board of Directors or the committee concerned, as appropriate.

6.3. Members of the Board of Directors shall be bound by a general confidentiality obligation with respect to the deliberations of the Board and the committees and with respect to information which is not in the public domain, which they receive further to performing their duties.

By exception, any natural person linked to a Board member being a legal entity (Permanent Representative) or a shareholder (either employee of such legal entity or executive) is allowed to communicate some of non public information to such legal entity as well as any advisor of such legal entity. It is being specified that:

- Such communication is authorized only if (i) it is strictly necessary to accomplish the Board member's mission, (ii) it is made in the interest of the Company (with no conflict interest existing between the Company and the legal entity), (iii) it is limited in its content as well as its recipients and (iv) it respects the applicable rules and regulations, in particular in matters of market abuses;
- Such legal entity shall take all necessary measures to ensure that the strict confidentiality of such information is maintained;
- The Lead Independent Director can, upon request, obtain from the legal entity the list of the information communicated, and of all the recipients of such information.

6.4. Directors may not exercise more than four other terms of office in listed companies outside the Group.

6.5. Members of the Board of Directors shall have a duty to inform the Board of Directors of any office they may hold or no longer hold in other companies.

6.6. Members of the Board of Directors have a permanent duty to ensure that their personal situation shall not give rise to a conflict of interest with the Company. In this respect, they shall disclose:

- the existence of any conflict of interest, even a potential one, upon assuming their duties and then each year in response to a request made by the Company at the time of preparation of its Universal Registration Document;
- any event – open occurrence during the course of the year – which would render the statement above mentioned totally or partially inaccurate.

Any member of the Board of Directors having a conflict of interest, even a potential one, has a duty to notify it to the Vice-Chairperson & Lead Independent Director who shall in turn inform the Board of Directors. The Board of Directors shall rule upon the conflict of interest and may request to the member(s) of the Board of Directors concerned to correct his/her situation. The member of the Board of Directors having a conflict of interest, even a potential one, shall not take part in the discussions or to the vote of the corresponding decision and shall leave the meeting of the Board of Directors while the decision is being debated and voted.

6.7. Within eighteen months of their appointment, members of the Board of Directors, to the exclusion of the Directors representing employees, shall own at least 1,000 Schneider Electric SE shares to be held during their term of office. To fulfill this obligation, putting aside the 250 shares which must be held to comply with Article 11.1 of the Articles of Association, shares held via a company mutual fund essentially invested in the Company shares can be taken into account. The Schneider Electric SE shares that they hold shall either be in purely registered (*nominatif pur*) or in managed registered (*administré*) form.

6.8. Members of the Board of Directors shall inform the French Financial Market Authority (*Autorité des Marchés Financiers*) within three business days from the completion of the operation, by e-mail at the following address: https://onde.amf-france.org/RemiseInformationEmetteur/Client/PTRemiseInformationEmetteur.aspx, as well as the Secretary of the Board, of any acquisition, sale, subscription or exchange concerning shares issued by Schneider Electric SE or any operation on financial instruments linked thereto, conducted on their own account or on their behalf.

6.9. Members of the Board of Directors shall provide the Secretary of the Board with the list of the persons closely associated with them as defined by the European Regulation n°596/2014 ("Market Abuse Regulation"), whom they shall notify of their individual duties to inform the French Financial Market Authority and Schneider Electric SE (to the attention of the Secretary of the Board), similar to those applicable to themselves pursuant to paragraph 6.8. above.

6.10. Members of the Board of Directors undertake to abide by the compliance code governing stock-market ethics, of which they have received a copy, with respect to their personal financial transactions.

Members of the Board of Directors shall refrain from carrying out any transaction involving Company's listed shares during the 31 days before the day following publication of annual or half-yearly accounts, and during the 16-day period before the day following publication of quarterly information. The same principle applies when they hold insider information, *i.e.* precise information concerning the Company, which has not been made public and which, if it were made public, could have a marked impact on share price or on any financial instrument related to them.

6.11. Members of the Board of Directors are invited to attend the annual general shareholders' meetings.

6.12. Members of the Board of Directors shall be remunerated by the payment of an annual amount determined by the Board of Directors. The Board of Directors may grant exceptional remuneration for assignments or offices conferred upon Directors.

6.13. Traveling expenses, notably including hotel and restaurant expenses, incurred by the members of the Board of Directors in relation to the performance of their duties, shall be borne by the Company on presentation of supporting documents.

6.14. Members of the Board of Directors shall complete the on-boarding program offered to them at the beginning of their first term.

7. Observers

The Board of Directors may appoint a maximum of three Observers.

The Observers shall attend Board meetings in a consultative capacity.

They shall receive the same information as the other members of the Board. They may be appointed as members of committees, except for the Audit & Risks Committee.

They shall act in the interest of the Company under all circumstances.

They shall be bound by the same general confidentiality obligation as the members of the Board of Directors and shall be subject to the same limitations regarding transactions involving the Company's shares. Their remuneration shall be determined by the Board of Directors.

8. Committees of the Board of Directors

8.1. The committees created by the Board of Directors shall be as follows:
- Audit & Risks Committee;
- Governance, Nominations & Sustainability Committee;
- Human Capital & Remunerations Committee;
- Investment Committee;
- Digital Committee.

8.2. The role of these committees shall be to research and prepare certain matters to be considered by the Board of Directors. They shall make proposals, give recommendations and issue opinions, as appropriate, in their area of competence.

Created by virtue of Article 13 of the Articles of Association, they shall only have a consultative role and shall act under the authority of the Board of Directors.

8.3. The Chairpersons and members of the committees shall be appointed by the Board of Directors. They shall be appointed in a personal capacity and may not be represented.

The terms of office of committee members shall coincide with their terms of office as members of the Board of Directors. The terms of office of committee members may be renewed.

As a matter of good governance, committee Chairpersons should be rotated and not exceed four years for a given committee. The Board of Directors shall deliberate annually on the Chairpersonship of the concerned committee whenever such four-year limit is reached or exceeded.

8.4. Committees shall meet on the initiative of their Chairperson or on request from the Chairperson of the Board of Directors or the Chief Executive Officer.

8.5. The Chairperson and the Chief Executive Officer shall be kept informed of committee meetings. They shall be in regular contact with committee chairpersons.

8.6. Committee meetings shall be held at the Company's registered office or any other place decided upon by the Chairperson of the committee with an agenda prepared by the latter. If necessary, they may be held by audio or video conference.

Members of the Board of Directors may attend meetings of committees of which they are not a member. Only the members of the committee shall take part in the committee's recommendations.

A secretary will prepare the minutes of the meetings.

A report on each committee's activities shall be given by the committee's chairperson or one of its members at the next Board meeting. Minutes of committee meetings shall be provided to the members of the Board of Directors.

After referring the matter to the Chairperson of the Board, every committee may request studies from external consultants. Every committee may invite any person of its choice to its meetings, as and when required.

8.7. Other than the permanent specialist committees that it has created, the Board of Directors may also decide to set up any ad hoc committees for specific operations or assignments.

9. The Audit & Risks Committee

9.1. Membership and operation of the Audit & Risks Committee

The Committee shall be comprised of at least three members, two-thirds of whom must be independent members of the Board of Directors. At least one of the members must possess special skills concerning matters of finance and accountancy and be independent with regard to specified, published criteria.

The head of Internal Audit shall act as Secretary to the Audit & Risks Committee.

The Committee shall meet at least five times a year. The Chairperson of the Committee shall draw up agendas for meetings.

The meetings shall be attended by members of the finance department and of the Company's Internal Audit department and, with respect to meetings devoted to examining financial statements, by the statutory auditors. The Committee may invite any person it wishes to hear at its meetings. It may also require the Chief Executive Officer to provide any documents it deems to be useful.

Outside the presence of Company representatives, the Committee shall regularly hear the statutory auditors and the head of the Internal Audit.

9.2. Duties of the Audit & Risks Committee

The Audit & Risks Committee monitors questions on drawing up and controlling accounting, financial and sustainability information. It prepares the Board of Directors' decisions in these domains. It issues recommendations to the Board for the purpose of ensuring the integrity of the financial and sustainability information and gives advices. For this purpose, the Audit & Risks Committee's missions include:

- to prepare for annual and half-yearly financial statements to be approved by the Board and therefore, more particularly:
  - **(i)** checks the appropriateness and consistency of the accounting methods used for drawing up consolidated and statutory financial statements, as well as checking that significant operations on Group level have been dealt with appropriately and that rules relating to the consolidation perimeter have been complied with;
  - **(ii)** examines off-balance-sheet risks, including those of a social and environmental nature, and commitments as well as the cash situation;
  - **(iii)** examines the process for drawing up financial information;
- to examine the draft annual report, which bears the status of Universal Registration Document and contains the information on internal control, the draft half-yearly report and, where applicable, any remarks made by the French Financial Market Authority (AMF) concerning these reports, as well as the other key financial information documents;
- to monitor issues relating to the preparation and control of the sustainability information;
- to monitor the process of preparation of the sustainability information;
- to monitor the process used to determine what information to disclose in accordance with the sustainability reporting standards;
- to make recommendations to ensure the integrity of the sustainability reporting;
- to report to the Board on the results of the sustainability information certification mission as well as how this mission contributed to the integrity of sustainability information;
- to make recommendations concerning the appointment or reappointment of the statutory auditors and sustainability auditors;
- to handle follow-up on legal control of consolidated and statutory accounts made by statutory auditors, notably by examining the external audit plan and results of controls made by statutory auditors;
- to handle follow-up on legal control of sustainability information made by sustainability auditors, notably by examining the external audit plan and results of controls made by sustainability auditors;
- to verify the statutory and sustainability auditors' independence, in particular, by reviewing fees paid by the Group to their firm and network and by giving prior approval for assignments that are not strictly included in the scope of the statutory audit;
- to monitor the effectiveness of the internal control and risk management systems, as well as, where applicable, internal audit, with regard to the procedures relating to the preparation and processing of the financial statements and sustainability information, and therefore, more particularly:
  - **(i)** to examine the organization and resources used for internal audit, as well as its annual work program (the Committee shall receive summaries of reports produced on audits on a quarterly basis and the Chairperson of the Committee shall receive these reports in full);
  - **(ii)** to review Enterprise Risk Management reports including operational risk-mapping and to make sure that measures exist for preventing or minimizing risks;
  - **(iii)** to examine how to optimize risk coverage on the basis of reports requested from internal audit or risk management functions;
  - **(iv)** to examine Group internal control measures and look into the results of entities' self-assessments with respect to internal control; to ensure that a relevant process exists for identifying and processing incidents and anomalies;
  - **(v)** to ascertain the existence of Group compliance policies notably concerning competition, anti-bribery, ethics and data protection and the measures implemented to ensure that these policies are circulated and applied; and
  - **(vi)** to assess Cyber Risks and the Group's Cyber Security posture (jointly with the Digital Committee).

The Audit & Risks Committee shall examine proposals for distribution as well as the amount of financial authorizations submitted for approval at annual general shareholders' meetings.

The Audit & Risks Committee reports to the Board on the implementation of Schneider Electric SE's Charter on the related party transactions and on the relevance of the criteria to qualify related party transactions as regulated agreements or not.

The Audit & Risks Committee shall examine all financial and accounting questions and questions related to risk management submitted to it by the Board of Directors.

The Audit & Risks Committee reports to the Board on the findings of its works and how they contributed to the integrity of the financial and sustainability information. It informs the Board of the follow-up actions that it proposes to take. The Chairperson of the Audit & Risks Committee shall keep the Chairperson and the Vice-Chairperson & Lead Independent Director promptly informed of any difficulties encountered by the Committee.

10. Governance, Nominations & Sustainability Committee

10.1. Membership and operation of the Governance, Nominations & Sustainability Committee

The Committee shall be comprised of at least three members.

The Secretary of the Board shall be the secretary of the Governance, Nominations & Sustainability Committee.

The Committee shall meet at the initiative of its Chairperson. The agenda shall be drawn up by the Chairperson of the Committee after consultation with the Chairperson of the Board of Directors. The Committee shall meet at least three times a year.

In order to carry out its assignments, the Committee may hear any person it wishes.

10.2. Duties of the Governance, Nominations & Sustainability Committee

The Governance, Nominations & Sustainability Committee monitors questions related to the governance of the Company and its sustainability strategy. It issues recommendations and prepares the Board of Directors' decisions in these domains. For this purpose, the Governance, Nominations & Sustainability Committee's missions include:

- to formulate proposals to the Board of Directors in view of any appointment made to the Board of Directors: Directors or Observers, Chairperson of the Board of Directors, Vice-Chairperson & Lead Independent Director, Chairpersons and members of committees;
- to formulate proposals to the Board of Directors in view of any appointment of Executive Corporate Officers: Chief Executive Officer and/or Deputy Chief Executive Officer;
- to ensure the implementation of a procedure for the preparation of succession plans for the Directors and Corporate Officers in the event of an unforeseen vacancy;
- to examine succession plans for key Group executives;
- to be informed of any nomination of members of the Executive Committee and of the main Group executives;
- to ensure that the AFEP-MEDEF Corporate Governance Code to which the Company refers is applied;
- to discuss governance issues related to the functioning and organization of the Board and its committees;
- to propose on the conditions in which the regular evaluation of the Board is carried out;
- to discuss the qualification of Directors as independent, which is reviewed by the Board every year prior to publication of the annual report;
- to conduct a review of the committees that are in charge of preparing the Board's work;
- to review the implementation of the assessment process relating to the qualification of the related-party agreements as 'current' or 'regulated';
- to prepare the decisions by the Board with regard to the update of its Internal Regulations;
- to prepare the draft corporate governance report of the Board of Directors;
- to ensure that the long-term commitments in terms of Sustainability undertaken by the Company are implemented;
- to review the Group sustainability strategy including the Climate strategy and follow up on the progress made on a regular basis;
- to review the sustainability risks jointly with the Audit & Risks Committee.

11. Human Capital & Remunerations Committee

11.1. Membership and operation of the Human Capital & Remunerations Committee

The Committee shall be comprised of at least three members.

The Chief Human Resources Officer of the Group shall be the secretary of the Human Capital & Remunerations Committee.

The Committee shall meet at the initiative of its Chairperson. The agenda shall be drawn up by the Chairperson of the Committee after consultation with the Chairperson of the Board of Directors. The Committee shall meet at least three times a year.

In order to carry out its assignments, the Committee may hear any person it wishes.

11.2. Duties of the Human Capital & Remunerations Committee

The Human Capital & Remunerations Committee monitors questions related to the human resources of the Company and compensation. It issues recommendations and prepares the Board of Directors' decisions in these domains. For this purpose, the Human Capital & Remunerations Committee's missions include:

- to formulate proposals to the Board of Directors on the compensation policy of the Executive Corporate Officers (Chairperson of the Board of Directors and/or Chief Executive Officer, and/or Deputy Chief Executive Officer, if any), ensuring in particular its alignment with the corporate interest. The Committee shall prepare annual assessments of the persons concerned and make recommendations to the Board of Directors concerning the determination of the components of the compensation due to Executive Corporate Officers in accordance with the compensation policy;
- to review the compensation of the members of the Executive Committee;
- to propose an amount of the remuneration package for Directors to be submitted to the annual general shareholders' meeting and the method of distribution;
- to formulate proposals to the Board of Directors on setting up the long-term incentive plans such as, for example, grant of stock options or performance/restricted shares;
- to prepare the Board of Directors' deliberations on employee shareholding;
- to review the social impact of major re-organization projects and major human resource policies;
- to review risk management in relation to human resources.

The Committee considers questions relating to the remuneration of Corporate Officers outside their presence.

12. Investment Committee

12.1. Membership and operation of the Investment Committee

The Committee shall be comprised of at least three members.

The Senior Vice-President Mergers & Acquisitions shall be the secretary of the Investment Committee.

The Committee shall meet at the initiative of its Chairperson. The agenda shall be drawn up by the Chairperson of the Committee after consultation with the Chairperson of the Board of Directors. The Committee shall meet at least three times a year.

In order to carry out its assignments, the Committee may hear any person it wishes and call upon the Group M&A director.

12.2. Duties of the Investment Committee

The Committee prepares the Board of Directors' deliberations on investment policy.

To this purpose, the Committee:
- shall elaborate recommendations to the Board on major capital deployment decisions;
- shall advise the management team on capital deployment strategies;
- may launch, at the Board's request, or suggest research projects leading to material investments for the Company, typically for capital deployment decisions of 250 million euros or above;
- may investigate matters of smaller scale, if the strategic significance warrants it or the Board/Chairperson of the Board specifically requires it;
- shall provide recommendations on major merger, alliances and acquisition projects;
- shall pay special attention to reconfiguration or consolidation scenarios happening in the sectors the Company is operating in or likely to operate in;
- shall examine portfolio optimizations and divestment projects of financial or strategic significance;
- shall support the management in the elaboration of investment policies linked to the long-term positioning of Schneider Electric, such as innovation and R&D strategies or any major organic growth investments;
- shall present to the Board social and environmental aspects of the strategic projects submitted to it such as M&A projects.

13. Digital Committee

13.1. Membership and operation of the Digital Committee

The Committee shall be comprised of at least three members.

The Chief Digital Officer or the Chief Information Officer shall be the secretary of the Digital Committee.

The Committee shall meet at the initiative of its Chairperson. The agenda shall be drawn up by the Chairperson of the Committee after consultation with the Chairperson of the Board of Directors. The Committee shall meet at least three times a year.

In order to carry out its assignments, the Committee may hear any person it wishes.

13.2. Duties of the Digital Committee

The purpose of the Digital Committee is to assist the Board in digital matters in order to guide, support and control the Group in its digitization efforts. The Digital Committee prepares the Board of Directors' deliberations on digital matters.

For this purpose, the Digital Committee will review, appraise and follow-up on projects and, generally, advise, *inter alia* on the following areas:
- development and growth of the EcoStruxure digital business, including (i) enhancing Core Businesses with Connectivity & Analytics, (ii) building new digital offers and business models, (iii) establishing its contribution to and consistency with the overall strategy;
- assessment of the contribution of potential M&A operations to the Group's Digital strategy;
- monitoring and analysis of the Digital landscape (competitors and disrupters, threats and opportunities);
- improvement and transformation of the Group's Digital Customers & Partners Experience;
- improvement of Schneider Electric's Operational Efficiency through the effective use of Information Technology and digital automation capabilities;
- checking that the Company is equipped with the right pool of talents for digital transformation;
- assessment of Cyber Risks and enhancement of the Group's Cyber Security posture (jointly with the Audit & Risks Committee);
- integration of artificial intelligence in the Company's internal activities and processes in order to strengthen its efficiency and overall performance;
- use of artificial intelligence in the Company's offers.

14. Scope of Internal Regulations

The present Internal Regulations have been unanimously approved by the Board of Directors. A purely internal act, their objective is to complete the Articles of Association by stipulating the main conditions of organization and operation of the Board of Directors. Their purpose is not to replace the Articles of Association. They may not be relied upon by shareholders or third parties for use against members of the Board of Directors, the Company, or any company in Schneider Electric Group. They may be modified at any time solely by deliberation of the Board of Directors.

4.1.6 Regulated agreements and commitments

4.1.6.1 Review of the regulated agreements and commitments entered into by Schneider Electric SE

No agreements were concluded during the year that would have required approval by the Annual General Meeting in accordance with Article L. 225-38 of the French Commercial Code.

4.1.6.2 Procedure for assessing agreements relating to ordinary business operations concluded under normal conditions

The Board of Directors, at its meeting of December 11, 2019, established a procedure for regularly assessing whether agreements relating to ordinary business operations concluded under normal conditions meet these conditions. Any persons directly or indirectly concerned by any of these agreements shall not participate in its assessment.

The procedure is comprised of two phases:

- The assessment of the application of Schneider Electric SE's internal charter for regulated agreements approved by the Board of Directors on February 19, 2020, which results in an annual business report drawn up jointly by the Legal department and the Secretary of the Board of Directors. This report is made available to the Audit & Risks Committee for preparing the evaluation report it draws up for the Board of Directors; and
- The assessment by the Board of Directors of criteria for qualifying agreements relating to ordinary business operations concluded under normal conditions which deliberates on the basis of the above-mentioned assessment report drawn up by the Audit & Risks Committee.

According to this procedure, the Governance, Nominations & Sustainability Committee reviewed at its meeting of December 4, 2025, the relevance of criteria for qualifying agreements relating to ordinary business operations concluded under normal conditions as defined by the procedure and decided not to amend it.

4.1.6.3 Statutory auditors' report on related party agreements

Annual General Meeting of the fiscal year ended December 31, 2025

To the Annual General Meeting of Schneider Electric S.E.,

In our capacity as statutory auditors of your Company, we hereby present to you our report on related party agreements

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements indicated to us, or that we may have identified in the performance of our engagement, as well as the reasons justifying why they benefit the Company. We are not required to give our opinion as to whether they are beneficial or appropriate or to ascertain the existence of other agreements. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code *(Code de commerce*), to assess the relevance of these agreements prior to their approval.

We are also required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*) of the continuation of the implementation, during the year, of the agreements previously approved by the Annual General Meeting.

We performed those procedures which we deemed necessary in compliance with professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this type of engagement.

Agreements submitted for approval to the Annual General Meeting

Agreements authorized and concluded during the past fiscal year

We hereby inform you that we have not been notified of any agreements authorized during the year to be submitted to the Annual General Meeting for approval in accordance with Article L. 225-38 of the French Commercial Code (Code de commerce).

Agreements previously approved by the Annual General Meeting

Agreements authorized and concluded during previous past fiscal years

We hereby inform you that we have not been notified of any agreements previously approved by the Annual General Meeting, whose implementation continued during the year.

The Statutory Auditors

Forvis Mazars SA
Levallois-Perret, March 12, 2026

Juliette Decoux Guillemot Charles Desvernois

PricewaterhouseCoopers Audit
Neuilly-sur-Seine, March 12, 2026

Jean-Christophe Georghiou Séverine Scheer

4.1.7 Senior management

The Senior Management of Schneider Electric SE consists of the Chief Executive Officer supported by the Executive Committee.

The Executive Committee

The operational organization of the Senior Management of the Group is supported by the Executive Committee, which is chaired by the Chief Executive Officer. The Executive Committee meets every month to analyze and evaluate the financial performance of the Group's various businesses compared with the budget, strategic developments, and major events affecting the Group.

As of the date of this Universal Registration Document, the Executive Committee comprises of the 15 following members. As per its Diversity & Inclusion Policy, Schneider Electric pays a lot of attention to the composition of its Executive Committee, in particular to ensure a diversity of culture and gender. Thus, five nationalities from three continents are part of the Executive Committee which comprises 33% women.

Name of Executive Committee member	Gender	Age	Nationality	Responsibility
Olivier Blum	M	55	French	Chief Executive Officer
Gwenaelle Avice-Huet	F	46	French	Executive Vice-President Industrial Automation
Laurent Bataille	M	47	French	Executive Vice-President Europe Operations
Hervé Coureil	M	55	French	Chief Governance Officer & Secretary General
Esther Finidori	F	40	French	Chief Sustainability Officer
Frédéric Godemel	M	62	French	Executive Vice-President Energy Management
Caspar Herzberg	M	53	German	Chief Executive Officer – AVEVA
Charise Le	F	53	Chinese	Chief Human Resources Officer
Hilary Maxson	F	48	American	Chief Financial Officer
Manish Pant	M	56	Indian	Executive Vice-President International Operations
Aamir Paul	M	48	American	Executive Vice-President North America Operations
Jing Ren	F	45	Chinese	Executive Vice-President Strategy, Innovation & Communications
Mourad Tamoud	M	54	French	Executive Vice-President Global Supply Chain
Peter Weckesser	M	57	German	Chief Digital Officer
Zheng Yin	M	54	Chinese	Executive Vice-President China & East Asia Operations

The Executive Leadership Committee

The Executive Leadership Committee consists of the top 50 leaders of Schneider Electric, including the Executive Committee members, head of business division, operations geographies, and functions. The committee's responsibility is to accelerate the execution of the strategic transformation and ensure quickly alignment on key transversal matters. The group meets twice a year, preferably in person, to collaborate on company strategy, performance, and key initiatives prioritization. In 2025, the committee met once in person and held one digital meeting.

The Top Pulse Community

The Top Pulse Community includes the Executive Committee members and top executives, for a total of approximately 270 leaders of Schneider Electric's businesses, functions, and operations to be inclusive of the key decision makers across the organization. The group meets once a year, preferably in person, to ensure in depth discussion and decision making, as well as smooth and efficient implementation of such decisions. In 2025, the group met once in person and held one digital meeting.

The Business Pulse Community

The Business Pulse Community consists of approximately 2,200 leaders of Schneider Electric's businesses, functions, and operations. Its responsibility is to ensure the sharing and cascading of the Group's objectives and key strategic priorities. The Business Pulse community met digitally six times in total in 2025 to exchange on these matters.

4.2 Compensation Report

The Compensation Report presents the compensation paid or granted in 2025 to the Corporate Officers and Directors, as well as the compensation policies applicable to them in 2026. The Group had two corporate officers in 2025:

- a Chairman of the Board of Directors (Mr. Jean-Pascal Tricoire); and
- a Chief Executive Officer (Mr. Olivier Blum).

This section includes a complete description of the components of remuneration for the Corporate Officers, including the following components on which the Annual Shareholders' Meeting of May 7, 2026 is invited to vote:

- with regard to 2025:
  - for the Chief Executive Officer (Mr. Olivier Blum): the components which make up the total remuneration and the benefits of all kinds paid during 2025 (subject of the 6th resolution proposed to the Annual Shareholders' Meeting);
  - for the Chairman of the Board of Directors (Mr. Jean-Pascal Tricoire): the components which make up the total remuneration and the benefits of all kinds paid during 2025 (subject of the 7th resolution proposed to the Annual Shareholders' Meeting); and
  - for the Board members of Schneider Electric: the components of remuneration presented in the Corporate governance report pursuant to Article L. 22-10-9 I of the French Commercial Code (subject of the 5th resolution proposed to the Annual Shareholders' Meeting); and
- with regard to 2026, the remuneration policies which will be applicable to:
  - the Chief Executive Officer (Mr. Olivier Blum) (subject of the 8th resolution proposed to the Annual Shareholders' Meeting);
  - the Chairman of the Board of Directors (Mr. Jean-Pascal Tricoire) (subject of the 9th resolution proposed to the Annual Shareholders' Meeting); and
  - the Board members (subject of the 10th and 11th resolutions proposed to the Annual Shareholders' Meeting).

The information included in this section also takes into account the provisions of the AFEP-MEDEF Corporate Governance Code for listed companies, as interpreted by the *Haut Comité de Gouvernement d'Entreprise* (French High Committee on Corporate Governance), and the AMF's (*Autorité des Marchés Financiers*, French Financial Market Authority) recommendations.

4.2.1 Overview

All resolutions linked to compensation were approved by the 2025 Annual Shareholders' Meeting.

The 2025 compensation policies (say on pay *ex-ante*) were largely approved by shareholders as follows:

- by more than 90% for the Chief Executive Officer (Mr. Olivier Blum);
- by more than 98% for the Chairman of the Board of Directors (Mr. Jean-Pascal Tricoire);
- by more than 94% for the members of the Board of Directors.

The 2024 Compensation Report (say on pay *ex-post*) was also approved by shareholders as follows:

- by more than 94% for the global Compensation Report;
- by more than 92% for Mr. Olivier Blum as Chief Executive Officer (for the period from November 1 to December 31, 2024);
- by more than 68% for Mr. Peter Herweck as Chief Executive Officer (for the period from January 1 to November 1, 2024);
- by more than 87% for Mr. Jean-Pascal Tricoire as Chairman of the Board of Directors.

The 2024 Compensation Report for Mr. Peter Herweck (say on pay *ex-post*) raised some concerns at the 2025 Annual Shareholders' Meeting linked to the financial terms of Mr. Peter Herweck's departure following the Board of Directors' decision to dismiss him as Chief Executive Officer. Attentive to the concerns expressed by certain shareholders, the Board of Directors clarified the details of this severance package in a letter dated April 7, 2025, from Mr. Jean-Pascal Tricoire, Chairman of the Board, and Mr. Fred Kindle, Vice-Chairman & Lead Independent Director. In accordance with this letter, and after engaging with shareholders to calibrate a mutually satisfactory practice, the Board of Directors proposes a new wording for this severance package in the 2026 compensation policy for the Chief Executive Officer, subject to the shareholders' approval.

As in previous years, other key remuneration topics were discussed with Schneider Electric's largest shareholders in 2025. Schneider Electric representatives, together with the Chairman of the Board and/or Vice-Chairman & Lead Independent Director, notably interacted with 34 investors during the year, representing 44.6% of the issued share capital during the governance roadshow. Feedback was reported to the Human Capital & Remunerations Committee and to the Board of Directors. This dialogue will be pursued in 2026 to ensure that the Board takes this valuable feedback into account while determining the compensation policy of the Corporate Officers.

2025 performance highlights

Business performance

2025 was a milestone year for Schneider Electric, with record revenues of €40 billion growing +8.9% organically, expanding the adjusted EBITA margin despite volatility, and generating the highest ever free cash flow of €4.6 billion, with strong execution, particularly in H2. The Group successfully concluded its 2021-25 Schneider Sustainability Impact (SSI) program with a score of 8.86/10.

Revenue
€40B

Adjusted EBITA
€7.5B

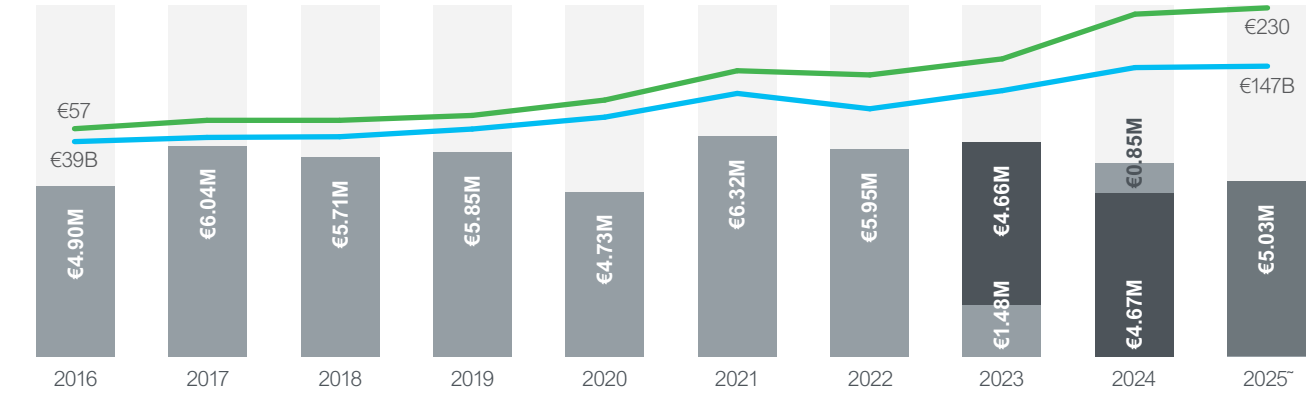
Progress on Schneider Sustainability Impact
8.86/10

Cash conversion
111%

Net Satisfaction Score
+4.3pts

Positioning in relation to the Company's performance

Compensation of the Chief Executive Officer *vs.* shareholder value creation – share price and enterprise value growth over ten years (re-based to 100)



- Total awarded compensation to **Mr. Jean-Pascal Tricoire, Chairman & Chief Executive Officer until May 3, 2023**
- Total awarded compensation to **Mr. Peter Herweck**, **Chief Executive Officer from May 4, 2023 until November 1, 2024**
- Total awarded compensation to **Mr. Olivier Blum**, **Chief Executive Officer from November 1, 2024**
- Schneider Electric share price
- Enterprise value

Summary of the compensation realized during the year 2025

Olivier Blum, Chief Executive Officer (euros) – January 1 to December 31, 2025

1,200,000	1,134,120	2,943,297(1)	379,105
Salary	STIP	LTIP	Other

(1) LTIP represents realized value of shares vested for which performance evaluation ended in 2025 (LTIP 2023). Those Performance Shares were granted to him in 2023 when he was not yet Chief Executive Officer.

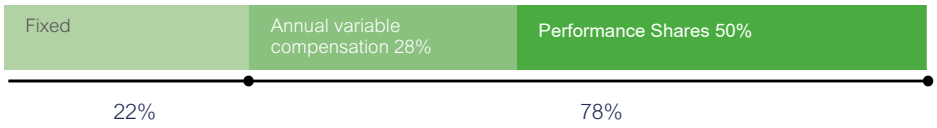
Jean-Pascal Tricoire, Chairman (euros) – January 1 to December 31, 2025

930,000	0	0	55,896
Salary	STIP	LTIP	Other

4.2.2 Report on the compensation granted or paid during the 2025 fiscal year (say on pay *ex-post*)

4.2.2.1 Pillars and principles

The principles and criteria determining the 2025 compensation described in this section were supported by the shareholders at the Annual Shareholders' Meeting on May 7, 2025 with more than 90% support. They are deemed to constitute the last policy approved by the shareholders in the meaning of Article L. 22-10-8 of the French Commercial Code and govern the entirety of the compensation granted by the Group to the Corporate Officers until the next policy is approved by the shareholders.

Pillar	How it is reflected in the Group 2025 compensation policy
Pay-for-performance	**Principle 1: Prevalence of variable components: circa 80% for Chief Executive Officer (at target).** A prevalent part of the Corporate Officer target package shall be variable; the 2025 target package (on an annualized basis) thus consists of 78% variable pay component (excluding pension payments). **Chief Executive Officer: 2025 on target pay mix**  **Principle 2: Performance evaluated via economic and measurable criteria.** Performance is evaluated *via* criteria that are mainly economic (70% of variable cash compensation and 75% of multi-year Performance Shares) and measurable, which are selected based on key performance indicators (KPIs) used in the market communication and drivers of the Group's strategy. All criteria have measurable targets approved by the Board at the beginning of the performance period, ensuring targets are achievable but demanding. **Principle 3: Financial and sustainability objectives are fairly balanced and distributed between short-term (annual incentive) and medium-term (long-term incentive) components.** 2025 annual incentive (70% financial / 30% customer satisfaction and sustainability): • 35% Group organic sales growth • 25% Adjusted EBITA margin improvement (organic) • 10% Group cash conversion rate • 10% Net Satisfaction Score • 20% Schneider Sustainability Impact (SSI) 2025 long-term incentive (75% financial / 25% sustainability): • 40% Adjusted Earnings per Share (EPS) • 35% Relative Total Shareholder Return (TSR) • 25% Carbon emissions reduction targets
Alignment with shareholders' interests	**Principle 4: Significant proportion of the total compensation delivered in shares.** The Corporate Officer's target package consists of approximately 50% long-term share-based compensation, meaning their compensation is subject to the same share price volatility that shareholders experience. **Principle 5: Performance conditions aligned to shareholders' expectations and Schneider Electric's strategic priorities.** Performance criteria were selected from financial indicators that are most representative of Group performance and that are closely linked to shareholder value creation. Performance levels required to reach targets were set at the beginning of the performance period in line with the objectives disclosed to the market at the same time as the results of the previous fiscal year and were supplemented by factors that enable the Group to offer a long-term and satisfactory development outlook for all stakeholders in the Company's success.

Pillar	How it is reflected in the Group 2025 compensation policy

Competitiveness

Principle 6: To benchmark the Corporate Officer's compensation package "at target" in the median range of the Company's peer group.

Schneider Electric competes for talents in a global marketplace. Most of the Group's key competitors are headquartered outside France. To reflect this, the international peer group consists of 26 French, European, and US companies that are comparable to Schneider Electric in size or industry sector, or that represent a potential source of recruitment or attrition. Compensation levels for the Corporate Officer are reviewed annually and benchmarked by reference to the median of this peer group to ensure they remain reasonable and appropriately competitive. This benchmarking is primarily used to establish a frame of reference for what competitors are paying for comparable roles, rather than as the main factor for making compensation decisions.

The 2025 peer group has been modified to exclude Atlas Copco and include Siemens Energy which is closer on electrification and the grid to Schneider Electric than Atlas Copco. It comprises European and US-based companies:

- Business competitors (in particular, those identified in the Long-term incentive plan as performance peers for TSR comparison purposes);
- Talent competitors for operational and functional roles; and
- "Acceptance" peers (*i.e.* similar groups in terms of size, business, or structure).

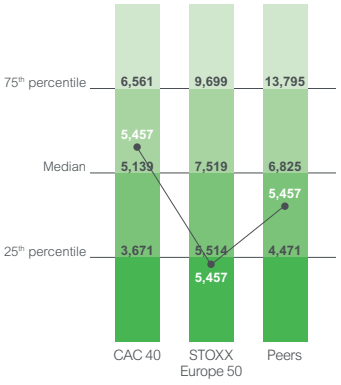
Group 1: European (Capital Goods)	**Group 2:** European (Construction)	**Group 3:** European (Technology Hardware & Software)	**Group 4:** European (Industrial)	**Group 5:** US (Capital Goods)	**Group 6:** US (Technology Hardware & Software)
– ABB – CNH Industrial – Legrand – Siemens – Siemens Energy	– ACS – Holcim – Saint-Gobain – Vinci	– ASML Holding – Dassault Systèmes – Hexagon – SAP – TE Connectivity	– Airbus – Air Liquide – BASF – Novo Nordisk	– Eaton – Emerson – Honeywell – Johnson Controls – Rockwell Automation	– Autodesk – ServiceNow – PTC

Principle 7: To reference the CAC 40 third quartile and the STOXX Europe 50 median.

The Board reviews the Corporate Officer's compensation with reference to the upper quartile of the CAC 40 companies and the median of the STOXX Europe 50 companies, in line with the Group's position within these panels.

2025 Chief Executive Officer's compensation relative to the market benchmarks

Total compensation package 2025: Fixed compensation + Targeted annual variable compensation + LTI granted (in EUR thousands)



Total compensation includes annualized base salary, annual incentive at target, and IFRS value of Performance Shares granted during the year.

4.2.2.2 Corporate Officers' compensation in relation to the 2025 fiscal year

At its meeting on February 25, 2026, after examining the suitability and fairness of the outcome of the 2025 compensation policy for the Corporate Officers and its alignment with the Group's performance, upon recommendation of the Human Capital & Remunerations Committee, the Board determined the Corporate Officers' compensation for 2025 in accordance with the principles and criteria previously approved by the shareholders on May 7, 2025 at the Annual Shareholders' Meeting. The outcome is detailed and commented on hereinafter along with the performance results for each Corporate Officer and each component of their respective compensation.

4.2.2.2.1 Chief Executive Officer's compensation in relation to the 2025 fiscal year

Table summarizing the compensation paid or granted to the Chief Executive Officer in 2025

The following table summarizes the compensation and benefits awarded or paid to Mr. Olivier Blum as Chief Executive Officer in 2025, presented on an allocated basis in accordance with the guidelines of the AFEP-MEDEF Code, as well as on an effective basis (compensation and benefits realized) when the performance evaluation period ended during the fiscal year.

Olivier Blum Chief Executive Officer	Compensation and benefits awarded for fiscal year		Compensation and benefits realized in fiscal year	
(Euro)	**2025**	2024[1]	**2025**	2024[1]
A – CASH COMPENSATION				
Fixed compensation	1,200,000	200,000	1,200,000	200,000
Annual variable compensation[2]	1,134,120	198,600	1,134,120	198,600
Compensation in relation to the Director's office	0	0	0	0
SUBTOTAL (A) CASH COMPENSATION	**2,334,120**	**398,600**	**2,334,120**	**398,600**
B – LONG-TERM INCENTIVE				
Valuation of the Performance Shares	2,696,733[3]	450,923	2,943,297[4]	3,222,519
SUBTOTAL (B) LONG-TERM INCENTIVE	**2,696,733**	**450,923**	**2,943,297**	**3,222,519**
C – PENSION CASH BENEFIT				
Complementary payment for pension building (fixed)	180,000	30,000	180,000	30,000
Complementary payment for pension building (variable)	170,118	29,790	170,118	29,790
SUBTOTAL (C) PENSION CASH BENEFIT	**350,118**	**59,790**	**350,118**	**59,790**
D – OTHER BENEFITS				
Other benefits[5]	28,987	3,335	28,987	3,335
SUBTOTAL (D) OTHER BENEFITS	**28,987**	**3,335**	**28,987**	**3,335**
TOTAL COMPENSATION AND BENEFITS (A)+(B)+(C)+(D)	**5,409,958**	**912,648**	**5,656,522**	**3,684,244**

(1) Amount prorated for the period from November 1 to December 31, 2024.

(2) The annual incentive for the fiscal year 2024 was paid in 2025 after approval by the shareholders at the Annual Shareholders' Meeting of May 7, 2025 of the 6th resolution relating to the compensation paid, due, or awarded to Olivier Blum in respect of the 2024 fiscal year. In accordance with Article L. 22-10-34 II of the French Commercial Code, the variable elements in cash awarded to Olivier Blum for the financial year 2025 will only be paid in 2026, subject to their prior approval by the shareholders at the Annual Shareholders' Meeting of May 7, 2026 under the 6th resolution.

(3) **Value of Performance Shares granted during fiscal year** – As per AFEP-MEDEF Corporate Governance Code methodology, compensation is presented on a reported basis. Long-term incentives for the fiscal year include Performance Shares granted during the fiscal year 2025, the performance period of which has not elapsed. The value of Performance Shares corresponds to the number of shares granted, before reduction on account of performance, multiplied by the share price determined in line with IFRS accounting standards.

(4) **Value of Performance Shares deemed vested during the fiscal year** – In order to facilitate the analysis, the long-term incentives are also presented on realized value basis, where the value of Performance Shares corresponds to the actual number of shares (granted in previous years) deemed vested at the end of the fiscal year, after reduction for performance conditions, multiplied by the share price on December 31, 2025. Performance Shares deemed vested in 2025 were granted to Mr. Olivier Blum in 2023 when he was not yet Chief Executive Officer.

(5) **Other benefits** includes employer matching contributions to the capital increase for employees, profit-sharing and private health insurance.

Say on pay table relating to the compensation paid or granted to the Chief Executive Officer in 2025

The fixed, variable, and exceptional components of the total compensation and benefits paid or awarded for the fiscal year 2025 to the Corporate Officer, as detailed below, will be submitted to the shareholders for approval at the 2026 Annual Shareholders' Meeting of May 7, 2026 under the 6th resolution.

The tables below summarize the compensation paid and awarded during the past fiscal year, along with a description of how each component was calculated in compliance with the compensation policy in force.

Elements of compensation submitted to the vote	Amounts	Description
Fixed compensation	**€1,200,000** (amount due for 2025 paid in 2025) Reminder: €200,000 (amount due for the period November 1 to December 31, 2024)	**Reminder of the 2025 compensation policy** For the fiscal year 2025, the theoretical gross annual fixed compensation of the Chief Executive Officer was set by the Board of Directors at €1,200,000 upon recommendation from the Human Capital & Remunerations Committee. **Application of the 2025 compensation policy** Mr. Olivier Blum received in 2025 a fixed compensation of €1,200,000.
Annual variable compensation	**€1,134,120** (amount due for 2025 to be paid in 2026) Reminder: €198,600 (amount due for the period November 1 to December 31, 2024)	**Reminder of the 2025 compensation policy** The annual variable compensation rewards achievement of the short-term financial, and sustainability (corporate and social responsibility) objectives of the Group. The pay-out opportunity is as follows: • at threshold performance: 0% of the fixed compensation; • at target: 130% of the fixed compensation; and • at maximum over-performance: 260% of the fixed compensation. The payment of the variable annual cash compensation is conditional upon approval by shareholders of the compensation granted to the concerned Corporate Officer. The structure of the 2025 annual variable compensation focuses on what matters to Schneider Electric in delivering value to shareholders. 100% of the variable compensation depends on measurable objectives: • 70% depends on financial criteria which closely align pay outcomes for the Corporate Officer to Schneider Electric's financial performance: – organic sales growth (35%); – organic adjusted EBITA margin improvement (25%); and – cash conversion rate (10%); • 10% depends on Net Satisfaction Score, highlighting the importance of building trust with customers and focus on quality; and • 20% depends on the Schneider Sustainability Impact, highlighting the importance of sustainability in Schneider Electric's business agenda. The Board also ensured that stringent targets were set for the annual variable compensation with maximum award only payable if a strong performance is delivered on each performance metric.

Elements of compensation submitted to the vote	Amounts	Description

Annual variable compensation (continued)

Application of the 2025 compensation policy

The annual incentive due for 2025 was determined by the Board at the meeting of February 25, 2026, based on the attainment rate of the objectives set for fiscal year 2025 as follows:

	Weight	Performance range			Achievement		
2025 performance criteria		Threshold 0%	Target 130%	Maximum 260%	**2025 Results**	Achievement rate (non-weighted)	Achievement rate (weighted)
Group financial indicators (70%)							
Organic sales growth	35%	7%	10.5%	14%	**8.9%**	**54.3%**	**19%**
Adjusted EBITA margin improvement (organic)	25%	0.5 pts	0.9 pts	1.3 pts	**0.5 pt**	**0%**	**0%**
Cash conversion rate	10%	85%	100%	115%	**111%**	**175.3%**	**17.5%**
Net Satisfaction Score (10%)	10%	1 pt	3 pts	5 pts	**4.3 pts**	**165%**	**16.5%**
Sustainability (20%) Schneider Sustainability Impact (score)	20%	7.76	8.88	10	**8.86**	**98.5%**	**19.7%**
Total	**100%**						**72.7%**

Overall, 2025 annual variable compensation resulted in a total achievement rate of 72.7%, reflecting mixed levels in revenues, adjusted EBITA, and good level of Free Cash Flow delivered by Schneider Electric in 2025.

Detailed achievement of each criterion:

- **Organic sales growth:** The Group delivered an organic sales growth of +8.9%, which was within the guidance communicated to the market in February of +7% to +10% resulting in an achievement rate of this criterion of 19% on the range between 0% to 70%.
- **Adjusted EBITA margin improvement (organic):** In 2025, adjusted EBITA margin rate improved by +0.5 pts organically to reach 18.7%. This result is at the bottom of the guidance communicated to the market in February of an adjusted EBITA margin up +0.5 pts to +0.8 pts organic. Hence, this results in an achievement rate of this criterion of 0% on a scale from 0% to 50%.
- **Cash conversion:** Free Cash Flow was €4.6 billion. Therefore, cash conversion rate was 111% in 2025 which represented an achievement rate of 17.5% on this criterion, on a scale from 0% to 20%.
- **Net Satisfaction Score:** The Net Satisfaction Score was up 4.3 pts from 57.9% in 2024 to 63% in 2025 as a result of a good recovery. This good result led to an achievement rate of 16.5% on a scale from 0% to 20%.
- **Schneider Sustainability Impact:** the SSI is the translation of our six long-term commitments into a selection of highly transformative and innovative sustainability programs. It is the Group's five-year (2021-2025) plan with progress tracked and published quarterly, as well as audited annually. In 2025 the SSI achieved a score of 8.86/10 (*cf.* section 2.1.1 of Chapter 2 of this Universal Registration Document), representing an achievement rate of 19.7% on a scale from 0% to 40%.

As a result, the 2025 annual variable compensation pay-out for the Corporate Officer was calculated on the base of his fixed compensation as follows:

At target pay-out		Achievement rate	2025 Actual pay-out	
as a % of salary	Amount (€)	as a % of target	**as a % of base salary**	**Amount (€)**
130%	€1,560,000	72.7%	94.51%	**€1,134,120**

In compliance with Article L. 22-10-34 II of the French Commercial Code, the payment of this annual variable compensation is subject to approval by the shareholders of the compensation granted to the Corporate Officer for the fiscal year 2025 (see 6th resolution to be submitted to the Annual Shareholders' Meeting of May 7, 2026).

Elements of compensation submitted to the vote	Amounts	Description
Long-term incentive (Performance Shares)	**13,970 Performance Shares** granted in March 2025 for a 100% performance conditions achievement (€2,696,733 according to IFRS valuation) Reminder: 2,229 Performance Shares granted in November 2024 (€450,923 according to IFRS valuation)	**Reminder of the 2025 compensation policy** The 2025 compensation policy provided: • a maximum annual award to the Chief Executive Officer capped at 300% of the fixed compensation at the date of the grant; • a vesting period of three years with an additional mandatory one-year holding period for all the shares granted under the plan reserved to the Corporate Officer except for the sale of shares necessary to cover his tax liabilities; and • performance conditions as follows: **40% Improvement of adjusted Earnings per Share (EPS)** Average of the annual rates of achievement of adjusted EPS improvement targets for the 2024 to 2026 fiscal years. Adjusted EPS performance is published in the external financial communications and its annual variance will be calculated using adjusted EBITA at constant FX from year N-1 to year N. Foreign exchange impacts below adjusted EBITA will be taken in full. Significant unforeseen scope impact could be restated from this calculation upon decision of the Board. • 0% at the minimum adjusted EPS improvement threshold • 75% at the intermediary adjusted EPS improvement objective • 100% at the targeted adjusted EPS improvement objective • 120% at the maximum over-performance adjusted EPS improvement objective *Vesting linear between these points* **35% Relative Total Shareholder Return (TSR)** **17.5% *vs.* STOXX Europe 50** • 0% at rank 26 and below (median) • 50% at median (rank 25) • 100% at rank 13 • 120% at ranks 5 to 1 *Vesting linear between these points* **17.5% *vs.* a panel of 11 peer companies** (ABB, Legrand, Siemens, Eaton, Emerson, Honeywell, Johnson Controls, Rockwell Automation, Fuji Electric, Mitsubishi Electric, and Yokogawa) • 0% at rank 7 and below • 50% at median (rank 6) • 100% at rank 4 • 150% at ranks 3 to 1 *Vesting linear between these points* **25% Carbon emissions reduction targets** **12.5% Scope 1 & 2 carbon emissions target** • 0% if the carbon emissions are above or equal to 105,000 tons of CO_2 • 100% if the carbon emissions are below or equal to 100,000 tons of CO_2 *Vesting linear between these points* **12.5% Scope 3 upstream carbon intensity target** • 0% if the carbon intensity is above or equal to 185 g of CO_2 per euro of revenue • 100% if the carbon intensity is below or equal to 165 g of CO_2 per euro of revenue *Vesting linear between these points*

Elements of compensation submitted to the vote	Amounts	Description
Long-term incentive (Performance Shares) (continued)		**Application of the 2025 compensation policy** According to the authorization given by the Annual Shareholders' Meeting on May 5, 2022 in its 15th resolution, the Board of Directors, during its meeting of March 26, 2025 decided to grant Mr. Olivier Blum, under Plan nº 46, a total of 13,970 Performance Shares in the case the performance conditions are achieved at 100% or 16,066 Performance Shares in the case the performance conditions are overachieved at 115% (representing less than 0.003% of Schneider Electric's share capital). The value of this LTIP grant in accordance with IFRS standards was EUR 2,696,733, *i.e.* 224.7% of the fixed compensation(1), well below the maximum grant authorized under the compensation policy (300% of the fixed compensation).
Pension benefits	**€350,118** (fixed portion of €180,000 paid in 2025 and variable portion of €170,118 to be paid in 2026) Reminder: €59,790 (amount due for period November 1 to December 31, 2024 (fixed portion of €30,000 paid in 2024 and variable portion of €29,790 paid in 2025))	**Reminder of the 2025 compensation policy** The Chief Executive Officer receives complementary cash payments whose purpose is to provide a competitive retirement benefit in a way that is cost effective to the Company and that allows the Chief Executive Officer to build his retirement benefits independently. The cash payments will be equal to: • a fixed portion equal to 15% of the fixed compensation; and • a variable portion equal to 15% of the actual annual variable compensation paid to the Chief Executive Officer. The total pension amount actually paid will thus depend on the Company's performance, since the calculation base of the variable portion of the pension includes the actual variable compensation paid to the Chief Executive Officer depending on performance conditions linked to the Group's results. The Chief Executive Officer has committed to depositing these additional payments, after taxes, into investment vehicles of his choice, dedicated to the supplementary financing of pensions. Accordingly, Mr. Olivier Blum is entitled to receive annually a complementary component, split into a fixed and variable portion as follows: **Fixed portion** / **Variable portion** (Minimum, At target, Maximum) / Total at target Full year amount: €180,000 / €0 / €234,000 / €468,000 / €414,000 The variable part is dependent on performance criteria aligned with the variable annual compensation (see above). **Application of the 2025 compensation policy** At the meeting held on February 25, 2026, the achievement rate of the annual complementary variable portion for pension for 2025 to be paid after the Annual Shareholders' Meeting of May 7, 2026, if the latter approves it, was set by the Board of Directors at 72.7%. For 2025, Mr. Olivier Blum is entitled to receive: Fixed amount: €180,000 Variable amount(1): €170,118 **Total: €350,118** (1) Corresponding to 15% of the actual annual variable compensation to be paid for 2025. In compliance with applicable law, the payment of the variable amount will be subject to shareholders' approval (see 6th resolution submitted to the Annual Shareholders' Meeting of May 7, 2026).

(1) In the 2024 Universal Registration Document, it was stated that the Board intended to grant Mr. Olivier Blum a LTIP amount, which in accordance with IFRS standards would be valued around 233% of the fixed compensation. At the date of the grant, the IFRS value cannot be known with certainty as it is computed only at the end of the calendar year. For the 2025 grant, as disclosed in the 2024 Universal Registration Document, the value of the grant to the Chief Executive Officer was based on the assumption that the discount rate applied according to the IFRS rules would be 15% as it was for the 2024 grant. The final discount rate applied according to the IFRS rules to the 2025 grant was equal to 18.14%, hence the final IFRS value for the 2025 grant represented 224.7% of the fixed compensation.

Elements of compensation submitted to the vote	Amounts	Description
Other benefits	**€28,987** (received in 2025) Reminder: €3,335 (received in the period November 1 to December 31, 2024)	**Reminder of the 2025 compensation policy** The compensation policy provides that the Chief Executive Officer may benefit from: • the employer matching contributions; • the profit-sharing; • a company car; • a tax assistance; and • supplementary health, life & disability scheme. **Application of the 2025 compensation policy** For the fiscal year 2025, the Chief Executive Officer was eligible for profit-sharing and the employer matching contributions paid to Employee Saving Plan subscribers. In addition, he was eligible for private health insurance.
Termination benefits	No payment	**Involuntary severance pay** The Chief Executive Officer may be entitled to involuntary termination benefits depending on the circumstances of his departure which, taking into account the non-compete compensation described below, are capped at twice the arithmetical average of his annual fixed and variable cash compensation paid over the last three years (see Chapter 4, section 4.2.3.1.2 of the 2024 Universal Registration Document). **Non-compete compensation** The Chief Executive Officer is entitled to non-compete compensation for a period of one year capped at 60% of annual fixed and target variable parts (excluding complementary payments) (see Chapter 4, section 4.2.3.1.2 of the 2024 Universal Registration Document).

Employer matching contributions to Employee Saving Plan	Employer matching contributions to collective pension saving plan (PERECO)	Profit-sharing	Private health insurance	**Total 2025 benefits**
€1,400	€0	€9,028	€18,559	**€28,987**

Employer social contributions paid by the Group's companies in respect of Mr. Olivier Blum's compensation amounted to EUR 767,803.75 in the period January 1 to December 31, 2025.

Details relating to the 2023 Long-term incentive plan realized in 2025 (LTIP 2023)

The performance period for shares granted in 2023 finished on December 31, 2025 and shares under Plan nº 42 are therefore deemed vested. Their final acquisition is, however, still subject to the satisfaction of the presence condition at the delivery date.

The Board of Directors at its meeting of February 25, 2026 assessed the achievement rate of the performance criteria based on the Group's performance over the three-year period 2023 – 2025 and set the final rate of achievement at 79.71%, *i.e.* a reduction of 20.29% in relation to the number of shares originally granted based on the formulaic achievement rate of each performance condition.

The Chief Executive Officer was conditionally granted 15,719 shares under Plan nº 42 in 2023 (*i.e.* when he was not yet Chief Executive Officer). After applying the final achievement rate base on performance, the outcomes are as follows:

Corporate Officer	Number of shares (Plan nº 42)	Number of shares deemed vested	Number of shares lapsed	Value of deemed vested shares[1]
Olivier Blum	15,719	12,530	3,189	**€2,943,297**
Vesting date	March 28, 2026			

(1) Vested shares are valued at the closing share price of December 31, 2025, *i.e.* EUR 234.90.

Shares granted under the 2023 LTIP were subjected to performance conditions as follows:

40%

Adjusted Earnings per Share improvement

2023 – 2025 payout rate: 40%

17.5%

Relative Total Shareholder Return *vs.* CAC 40

2023 – 2025 payout rate: 15.75%

17.5%

Relative Total Shareholder Return *vs.* panel of competitors

2023 – 2025 payout rate: 0%

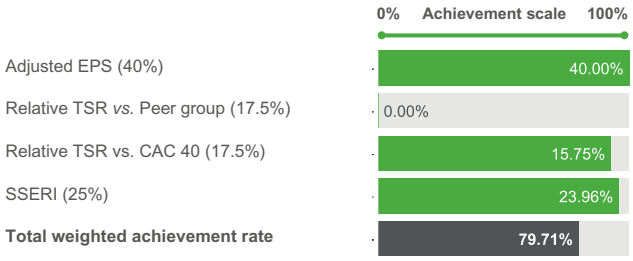
25%

Schneider Sustainability External and Relative Index (SSERI)

2023 – 2025 payout rate: 23.96%

2025 was the final year of performance measurement for the LTIP 2023 running from 2023 to 2025. Schneider Electric delivered robust organic adjusted EPS improvement year-on-year and demonstrated consistent progress on the Group's sustainability targets which are at the heart of the Group's strategy. Schneider Electric delivered 65.8% return to shareholders over the same three-year period, ranking 12th among the CAC 40 companies and 8th among the panel of competitors. These results across the range of performance criteria led to a vesting outcome of 79.71% out of 100%.

2023 LTIP performance criteria achievement



- **Adjusted Earnings per Share (EPS) improvement (40%)**
  During the three-year plan, the adjusted EPS improved organically by almost +16% on average, combining top line growth, positive net pricing, better mix, industrial productivity, and better efficiency to reduce support function costs. Overall, the achievement rate for this criterion was 40% (out of 40%).

	Reference period	Weight (%)	Target			Actual achievement	Pay-out rate	Weighted pay-out rate
			Min 0%	75%	Max 100%			
Adjusted Earnings per Share improvement rate	2023	13.33%	3%	5%	8%	16.50%	100%	13.33%
	2024	13.33%	10%	12%	14%	18.24%	100%	13.33%
	2025	13.33%	7%	10%	13%	13.60%	100%	13.33%
Total		**40%**						**40%**

- **Relative Total Shareholder Return (TSR)**
  vs. CAC 40 (17.5%) – Over the three-year performance period, Schneider Electric ranked 12th among the CAC 40 companies, demonstrating a strong value creation for the shareholders. The achievement rate for this criterion was set at 15.75% (out of 17.5%).

  vs. panel of peer companies (17.5%) – Over the period, Schneider Electric's TSR was ranked 8th *vs.* the selected peers (ABB, Legrand, Siemens, Eaton, Emerson, Honeywell, Johnson Controls, Rockwell Automation, Fuji Electric, Mitsubishi Electric, and Yokogawa). The achievement rate for this criterion was set at 0% (out of 17.5%).

			Target						Actual achievement	Pay-out rate	Weighted pay-out rate
		Weight (%)	0%	50%	75%	100%	120%	150%			
Relative Total Shareholder Return	*vs.* CAC 40 companies	17.5%	21	20	15	10	4-1		12th rank	90%	15.75%
	vs. panel of peer companies	17.5%	7	6		4		3-1	8th rank	0%	0%
		35%									**15.75%**

- **Schneider Sustainability External and Relative Index – SSERI (25%)**
  The SSERI measures the long-term sustainability performance of the Group in terms of relative performance, through a combination of external indices: (i) DJSI World which covers three dimensions: economic, environmental, and social (for 2025, the results of DJSI were not taken into consideration as the DJSI decided to publish the results only after the vesting date and were therefore not known at this date); (ii) Euronext Sustainalytics which covers environment, community involvement, business behavior, human rights, corporate governance, and human resources; (iii) EcoVadis which covers four dimensions: environment, labor and human rights, sustainable procurement, and ethics; and (iv) CDP Climate Change which covers climate change, water, and forests and represents a major reference for climate change leadership globally. The different rating achieved by Schneider Electric in 2023, 2024, and 2025 in those indexes resulted in an achievement rate of the SSERI of 23.96% (out of 25%).

			Actual achievement				
			2023	2024	2025	Pay-out rate	Weighted pay-out rate
Schneider Sustainability External and Relative Index	**4.17% DJSIW**	• 0%: not in World • 50%: included in World • 100%: sector leader	Sector leader	World	N/A (1)	75%	3.13%
	6.94% Euronext Sustainalytics	• 0%: out • 50%: included in World 120 or Europe 120 • 100%: included in World 120 & Europe 120	World 120 & Europe 120	World 120 & Europe 120	World 120 & Europe 120	100%	6.94%
	6.94% EcoVadis	• 0%: Silver Medal or less • 50%: Gold Medal (top 5%) • 100%: Platinum Medal (top 1%)	Platinum Medal	Platinum Medal	Platinum Medal	100%	6.94%
	6.94% CDP Climate Change	• 0%: C score • 50%: B score (25% at B-) • 100%: A score (75% at A-)	A score	A score	A score	100%	6.94%
Total	**25%**						**23.96%**

(1) For 2025, the results of DJSIW were not taken into consideration as the DJSI decided to publish the results only after the vesting date and were therefore not known at this date. The 2025 calculation was thus performed on the other three branches only.

Historical vesting of the Corporate Officers' Performance Share plans:

LTIP 2023	LTIP 2022	LTIP 2021	LTIP 2020	LTIP 2019	LTIP 2018
79.71%	98.96%	81.46%	96.71%	96.86%	98.18%

4.2.2.2.2 Chairman of the Board's compensation in relation to the 2025 fiscal year

Table summarizing the compensation paid or granted to the Chairman of the Board of Directors in 2025

The following table summarizes the compensation and benefits awarded or paid to the Chairman of the Board of Directors for the fiscal year 2025, presented on an allocated basis in accordance with the guidelines of the AFEP-MEDEF Code, as well as on an effective basis (compensation and benefits realized) when the performance evaluation period ended during the financial year.

Jean-Pascal Tricoire Chairman of the Board of Directors	Compensation and benefits awarded for fiscal year		Compensation and benefits realized in fiscal year	
(Euro)	**2025**	2024	**2025**	2024
A – CASH COMPENSATION				
Fixed compensation	930,000	930,000	930,000	930,000
Annual variable compensation	0	0	0	0
Compensation in relation to the Director's office	0	0	0	0
SUBTOTAL (A) CASH COMPENSATION	**930,000**	**930,000**	**930,000**	**930,000**
B – LONG-TERM INCENTIVE				
Valuation of the Performance Shares	0	0	0	7,415,384[(2)]
SUBTOTAL (B) LONG-TERM INCENTIVE	**0**	**0**	**0**	**7,415,384**
C – PENSION CASH BENEFIT				
Complementary payment for pension building (fixed)	0	0	0	0
Complementary payment for pension building (variable)	0	0	0	0
SUBTOTAL (C) PENSION CASH BENEFIT	**0**	**0**	**0**	**0**
D – OTHER BENEFITS				
Other benefits[(1)]	55,896	59,094	55,896	59,094
SUBTOTAL (D) OTHER BENEFITS	**55,896**	**59,094**	**55,896**	**59,094**
TOTAL COMPENSATION AND BENEFITS (A)+(B)+(C)+(D)	**985,896**	**989,094**	**985,896**	**8,404,478**

(1) **Other benefits** include company car, employer matching contributions to capital increase for employees or contributions to Employee Saving Plan and to collective pension saving plan (PERECO) as well as benefits from French profit-sharing plan.

(2) **Value of Performance Shares deemed vested during the fiscal year** – The last vesting of Performance Shares for the Chairman occurred on March 24, 2025 for the LTIP 2022 for which performance review ended on December 31, 2024 (see Chapter 4, section 4.2.2.2.3 of the 2024 Universal Registration Document). In order to facilitate the analysis, the long-term incentives are also presented on realized value basis, where the value of Performance Shares corresponds to the actual number of shares (granted in previous years) deemed vested at the end of the fiscal year, after reduction for performance conditions, multiplied by the share price on December 31, 2024.

Say on pay table relating to the compensation paid or granted to the Chairman of the Board in 2025

The fixed components of the total compensation and benefits paid for the fiscal year 2025 to the Chairman of the Board, as detailed below, will be submitted to the shareholders for approval at the 2026 Annual Shareholders' Meeting of May 7, 2026 under the 7th resolution.

The tables below summarize the compensation paid during the past fiscal year, along with a description of how each component was calculated in compliance with the compensation policy in force.

Elements of compensation submitted to the vote	Amounts	Description
Fixed compensation	**€930,000** (due for 2025 paid in 2025) Reminder: €930,000 (amount due for 2024 paid in 2024)	**Reminder of the 2025 compensation policy** For the fiscal year 2025, the Chairman of the Board of Directors' theoretical gross annual fixed compensation was set by the Board of Directors at €930,000 upon recommendation from the Human Capital & Remunerations Committee. **Application of the 2025 compensation policy** Mr. Jean-Pascal Tricoire received a fixed compensation of €930,000 in 2025.
Annual variable compensation	**€0**	**Reminder of the 2025 compensation policy** The 2025 compensation policy provided that the Chairman of the Board of Directors does not benefit from any annual variable compensation. **Application of the 2025 compensation policy** The Chairman of the Board of Directors did neither receive nor was awarded any annual variable compensation in 2025.

Elements of compensation submitted to the vote	Amounts	Description
Long-term incentive (Performance Shares)	**0 Performance Shares**	**Reminder of the 2025 compensation policy** The 2025 compensation policy provided that the Chairman of the Board of Directors does not benefit from any Long-term incentive plan. **Application of the 2025 compensation policy** The Chairman of the Board of Directors was not granted any Performance Shares.
Pension benefits	**€0**	**Reminder of the 2025 compensation policy** The 2025 compensation policy provided that the Chairman of the Board of Directors does not benefit from any Company pension arrangement or pension allowance. **Application of the 2025 compensation policy** The Chairman of the Board did not receive any pension benefits in 2025.
Other benefits	**€55,896** (received in 2025) Reminder: €59,094 (received in 2024)	**Reminder of the 2025 compensation policy** The compensation policy provides that the Chairman of the Board may benefit from: • the employer matching contributions; • the profit-sharing; • a company car; • a tax assistance; and • supplementary health, life & disability scheme. **Application of the 2025 compensation policy** For the fiscal year 2025, the Chairman of the Board was eligible for profit-sharing and the employer matching contributions paid to Employee Saving Plan subscribers. In addition, he was eligible for the employer matching contributions paid to subscribers to the collective pension fund (PERECO) for the retirement of workers in France. The use of a company car represented an equivalent cost of €44,268.

Employer matching contributions to Employee Saving Plan	Employer matching contributions to collective pension saving plan (PERECO)	Profit-sharing	Company car	**Total 2025 benefits**
€1,800	€800	€9,028	€44,268	**€55,896**

The Chairman of the Board is eligible for the collective welfare plan applicable to employees of Schneider Electric SE and Schneider Electric Industries SAS covering the risks of illness, incapacity, disability, and death (see Chapter 4, section 4.2.3.1.3 of the 2024 Universal Registration Document).

Termination benefits	No payment	**Involuntary severance pay** The 2025 compensation policy provided that the Chairman of the Board of Directors does not benefit from any severance indemnity (see Chapter 4, section 4.2.3.1.3 of the 2024 Universal Registration Document). **Non-compete compensation** The 2025 compensation policy provided that the Chairman of the Board of Directors does not benefit from any non-compete indemnity (see Chapter 4, section 4.2.3.1.3 of the 2024 Universal Registration Document).

For the period from January 1 to December 31, 2025, Mr. Jean-Pascal Tricoire was not awarded nor benefited from multi-annual variable compensation, exceptional compensation, stock options, performance shares, welcome bonus, or Directors' fees.

Employer social contributions paid by the Group's companies in respect of Mr. Jean-Pascal Tricoire's compensation amounted to EUR 247,326 for the period January 1 to December 31, 2025.

Mr. Jean-Pascal Tricoire was granted 65% of his cash compensation described above (fixed compensation) in consideration for his duties as Chairman of the Board of Schneider Electric SE exclusively; the remainder was granted to him for the discharge of his duties as Chairman of Schneider Electric Asia Pacific.

4.2.2.3 Non-executive Directors' compensation in relation to the 2025 fiscal year

Amounts granted to non-executive Directors are determined by taking into account the Board member's responsibilities, the expected commitment for the role and the competitive market rates among international peers. Besides the fixed base amount, Directors' compensation mostly depends upon the said Directors' attendance at Board and committee meetings.

Upon the recommendation from the Human Capital & Remunerations Committee, the Board of Directors is responsible for setting the allocation of the Directors' fees among Board members accordingly with the maximum annual amount of Directors' fees that can be paid to the Board members, set at EUR 2,800,000 by the Annual Shareholders' Meeting held on May 4, 2023. The 2025 compensation policy approved by the Annual Shareholders' Meeting held on May 7, 2025 provides the allocation rules of the fees to the non-executive Directors which are as follows:

- Non-executive Directors will be paid:
  - a fixed basic amount of EUR 25,000 for membership of the Board;
  - an amount of EUR 11,000 per Board meeting physically attended, and EUR 6,000 per Board meeting digitally attended;
  - an amount of EUR 4,500 per committee meeting attended;
  - an amount of EUR 25,000 for the yearly strategy week (half in case of digital attendance); and
  - an amount of EUR 6,000 (for intercontinental travel) or EUR 3,500 (for intra-continental travel) per Board session physically attended.
- Additional annual payments are made to non-executive Directors to reflect the additional responsibilities and workload:
  - to the Chairperson of the Audit & Risks Committee: EUR 20,000, and the other committees: EUR 15,000; and
  - to the Lead Independent Director: EUR 250,000.
- No compensation to be paid for written resolutions.
- For an observer, an annual fixed payment of EUR 20,000 is paid, unless they become a non-executive Director at the next General Meeting. In this case, they will receive the same fees for attending the Board and committee meetings as non-executive Directors.
- All payments are prorated for time served during the year and are paid in cash.

Directors' compensation earned in 2024 and 2025 was as follows, noting that Mr. Jean-Pascal Tricoire, Chairman of the Board, and Mrs. Xiaoyun Ma who represented the employee shareholders, waived the payments of the compensation they were entitled to as members of the Board.

	Directors' compensation (€)		Other compensation and benefits (€)		Total (€)	
(Euro)	**2025[1]**	2024[2]	**2025[1]**	2024[2]	**2025[1]**	2024[2]
Léo Apotheker[6]	**56,199**	213,336	**–**	–	**56,199**	213,336
Nive Bhagat	**149,500**	126,500	**–**	–	**149,500**	126,500
Cécile Cabanis[5]	**–**	55,445	**–**	–	**–**	55,445
Giulia Chierchia	**140,000**	135,500	**20,000[9]**	10,833[9]	**160,000**	146,333
Clotilde Delbos	**134,000**	37,623	**–**	–	**134,000**	37,623
Laura Ding[3]	**98,870**	–	**–**	–	**98,870**	–
Rita Félix[3]	**135,500**	122,000	**–**	–	**135,500**	122,000
Fred Kindle	**398,500**	430,000	**–**	–	**398,500**	430,000
Philippe Knoche	**143,000**	122,000	**–**	–	**143,000**	122,000
Linda Knoll	**187,000**	207,500	**–**	14,167[9]	**187,000**	221,667
Jill Lee	**192,500**	200,500	**–**	–	**192,500**	200,500
Xiaoyun Ma[3][4][6]	**–**	–	**–**	–	**–**	–
Anna Ohlsson-Leijon	**167,000**	159,000	**–**	–	**167,000**	159,000
Abhay Parasnis	**158,000**	158,164	**–**	–	**158,000**	158,164
Anders Runevad	**174,130**	180,000	**–**	–	**174,130**	180,000
Ellyn Shook[7]	**30,842**	–	**–**	–	**30,842**	–
Gregory Spierkel[6]	**139,486**	227,000	**–**	–	**139,486**	227,000
Lip-Bu Tan	**134,000**	165,500	**–**	–	**134,000**	165,500
Bruno Turchet[3][8]	**134,500**	128,500	**–**	–	**134,500**	128,500
Total	**2,573,027**	**2,668,568**	**20,000**	**25,000**	**2,593,027**	**2,693,568**

(1) Awarded for the fiscal year 2025 and paid in 2026.
(2) Awarded for the fiscal year 2024 and paid in 2025.
(3) Employee Directors are separately entitled to the compensation granted to them for the performance of their duties as an employee, such compensation is not affected by their office as a Director and is not disclosed.
(4) Mrs. Xiaoyun Ma waived the payment of the sum of EUR 44,699 she was entitled to.
(5) Board member whose term of office ended in 2024.
(6) Board members whose term of office ended in 2025.
(7) Mrs. Ellyn Shook was appointed as an Observer with effect on October 15, 2025.
(8) Mr. Bruno Turchet waived the payment of 30% of the sum he was entitled to, *i.e.* EUR 40,350, in favor of the trade union which appointed him.
(9) Amount paid to Mrs. Giulia Chierchia and Mrs. Linda Knoll as members of the Stakeholder Committee.

The total amount awarded to the Board members for their office as Directors for 2025 was EUR 2,573,027 compared to EUR 2,668,568 for 2024, *i.e.* a decrease of *circa* 4% due to reduction of almost half in the number of Governance, Nominations & Sustainability Committee meetings, one fewer Board meeting and one fewer Board member. Excluding the special fee paid to the Vice-Chairman & Lead Independent Director, the amount is composed of approximately 15% fixed compensation and 85% variable.

4.2.2.4 Pay equity ratio

Employees experience at Schneider Electric

Delivery of the strategy, both short term and long term, depends upon Schneider Electric's success in attracting and engaging a highly talented workforce, and on equipping people with the skills for the future. The Group is committed to fair pay, which is at the forefront of the Group's and executives' agenda, ensuring that all Schneider Electric employees are appropriately and fairly rewarded for their contribution. The progress is monitored *via* the Schneider Sustainability Impact indicators. More information can be found in Chapter 2 of this Universal Registration Document.

Pay equity	Living wage	Recognition	Well-being	Engagement
Fair and equitable pay is a core component of the Group's compensation philosophy. Since 2015, the Company has adopted a Global Pay Equity framework. With the help of this framework, Schneider Electric has committed to reaching <1% pay gap between females and males by 2025. Furthermore, pay equity is fully integrated during the annual global salary review and technology is embedded at the core of the process for managers to take the right decision during hiring and promotion process through a tool called Fair Pay Simulator.	Schneider Electric believes earning a decent wage is a basic human right and a key element to decent work. The Group is committed to paying employees in the lower salary ranges at or above the living wage to meet their family's basic needs. By basic needs, the Group considers food, housing, sanitation, education, and healthcare, plus discretionary income for a given local standard of living. Schneider Electric was certified as the "Living Wage Certified" organization through Fair Wage Network in 2023.	Schneider Electric is committed to creating a culture where employees receive regular feedback and coaching from their managers and colleagues, celebrating people who constantly demonstrate the Company's Core Values and go above and beyond – using global recognition portal "Step Up" and encouraging the recognition of small and big achievements by simply saying "Thank you".	Health and well-being are embedded in the Schneider Electric strategic people priorities and contribute to its core sustainability mission. The Company has a commitment to a comprehensive well-being at work program translated into dual standards of access to healthcare and well-being training programs.	The Group listens to employees through a number of different channels, both formally and informally. Three of the Board Directors are employees of the Company, appointed through a formal designation process. The Group runs the OneVoice internal survey designed to measure employee satisfaction and engagement; the Group also recognizes the importance of dialogue and engages with the local work councils on compensation matters on a regular basis.

Pay equity ratio

Pay equity ratio measures the ratio between the level of compensation of the Chairman and the Chief Executive Officer and the average and median compensation of the employees, as required by Article L. 22-10-9 I 6° and 7° of the French Commercial Code.

Calculation methodology

The compensation comparisons and pay ratios set out below were calculated based on the Corporate Sustainability Reporting Directive (CSRD) guidelines. The calculation includes employees who were continuously employed during the financial years concerned. For part-time employees, compensation was established on a full-time equivalent basis.

Compensation elements taken into account:

For the Chairman

- 2025 fixed compensation; and
- Relevant benefits (cost of the company car and profit-sharing) for 2025.

For the Chief Executive Officer[1]

- 2025 fixed compensation;
- Variable compensation paid in 2025 (for the performance year 2024);
- Relevant benefits (cost of the private health insurance and profit-sharing) for 2025; and
- Value of the Performance Shares granted in the period January 1 to December 31, 2025 at their final value (IFRS).

(1) Mr. Olivier Blum held this function from January 1 to December 31, 2025.

For the employees

- 2025 fixed compensation;
- Variable compensation paid in 2025 (for the performance year 2024);
- Relevant bonuses and benefits (in cash and kind) for 2025;
- Profit-sharing; and
- Value of the Performance Shares granted in 2025 at their fair value (IFRS) on the grant date.

Scope

France perimeter:

The legal scope, the issuer, comprises of only two employees, therefore, an alternate "relevant scope" was defined to reflect a larger representative employee population in France as prescribed by Article 27.2 of the AFEP-MEDEF Code. It is based on the French holding entity Schneider Electric SE (the issuer) as well as all employees in France of the operational company Schneider Electric Industries SAS. This group of employees is employed on comparable terms to the Corporate Officer(s) and the Chairman and represents more than 4,000 employees in France on a full-time equivalent basis.

Global perimeter:

In addition, **between 2021 and 2023** the Board of Directors, upon recommendation of the Human Capital & Remunerations Committee, had decided to voluntarily report the evolution of the pay ratio between the Chairman & Chief Executive Officer and the average and median compensation of the employees on a broader scope which included approximately 131,000 Schneider Electric employees across the **top 30 countries** ("Global perimeter"). This represented *circa* 89% of all Schneider Electric employees globally.

Since 2024, due to the new CSRD, the Board of Directors, upon recommendation of the Human Capital & Remunerations Committee, decided to report the evolution of the pay ratio between the Chairman, the Chief Executive Officer and the average and median compensation of the employees on a **worldwide scope** which includes approximately 158,000 Schneider Electric employees. This represents approximately 100% of all Schneider Electric employees globally.

Evolution of the Corporate Officers' and employees' compensation, pay ratios, and Group's performance over five years

Chairman Jean-Pascal Tricoire (January 1 to December 31, 2025)	FY2021	FY2022	FY2023	FY2024	FY2025
Group's performance					
Revenue (in €B)	*N/A*	*N/A*	36	38	40
% Reported Revenue growth	*N/A*	*N/A*	*+5%*	*+6%*	*+5%*
Adjusted EBITA (in €B)	*N/A*	*N/A*	6.4	7.1	7.5
% Reported Adjusted EBITA growth	*N/A*	*N/A*	*+7%*	*+10%*	*+6%*
French perimeter					
Chairman total compensation paid (in €)	N/A	N/A	985,189[(1)]	989,094	983,296
% change in total compensation	*N/A*	*N/A*	*N/A*	*0%*	*-1%*
Pay ratio – average compensation	N/A	N/A	10	10	9
% change in average pay ratio	*N/A*	*N/A*	*N/A*	*0%*	*-10%*
Pay ratio – median compensation	N/A	N/A	12	12	12
% change in median pay ratio	*N/A*	*N/A*	*N/A*	*0%*	*0%*
Employees average compensation (in €)	N/A	N/A	101,133	101,624	103,892
% change in employment average compensation	*N/A*	*N/A*	*N/A*	*0%*	*+2%*
Global perimeter					
Pay ratio – average compensation	N/A	N/A	N/A	16	16
% change in average pay ratio	*N/A*	*N/A*	*N/A*	*N/A*	*0%*
Pay ratio – median compensation	N/A	N/A	N/A	22	22
% change in median pay ratio	*N/A*	*N/A*	*N/A*	*N/A*	*0%*

(1) Annualized for 2023.

Chief Executive Officer Olivier Blum (January 1 to December 31, 2025)	FY2021	FY2022	FY2023	FY2024	FY2025
Group's performance					
Revenue (in €B)	*N/A*	N/A	36	38	40
% Reported Revenue growth	*N/A*	*N/A*	*+5%*	*+6%*	*+5%*
Adjusted EBITA (in €B)	*N/A*	N/A	6.4	7.1	7.5
% Reported Adjusted EBITA growth	*N/A*	*N/A*	*+7%*	*+10%*	*+6%*
French perimeter					
Chief Executive Officer total compensation paid (in €)	N/A	N/A	4,694,643[(1)]	5,110,091[(2)]	5,044,583
% change in total compensation	*N/A*	*N/A*	*N/A*	*+9%*	*-1%*
Pay ratio – average compensation	N/A	N/A	46	50	49
% change in average pay ratio	*N/A*	*N/A*	*N/A*	*+9%*	*-2%*
Pay ratio – median compensation	N/A	N/A	57	61	59
% change in median pay ratio	*N/A*	*N/A*	*N/A*	*+7%*	*-3%*
Employees average compensation (in €)	N/A	N/A	101,133	101,624	103,892
% change in employment average compensation	*N/A*	*N/A*	*N/A*	*0%*	*+2%*
Global perimeter					
Pay ratio – average compensation	N/A	N/A	N/A	82	82
% change in average pay ratio	*N/A*	*N/A*	*N/A*	*N/A*	*0%*
Pay ratio – median compensation	N/A	N/A	N/A	115	111
% change in median pay ratio	*N/A*	*N/A*	*N/A*	*N/A*	*-3%*

(1) Mr. Peter Herweck annualized for 2023.
(2) Mr. Peter Herweck ten months and Mr. Olivier Blum two months.

4.2.3 Compensation policy for the 2026 fiscal year (say on pay *ex-ante*)

The compensation policy is designed to clearly link the execution of Schneider Electric's strategy with the compensation of Corporate Officers, while reflecting value delivered to shareholders. Set out below is the Corporate Officers' and non-executive Directors' compensation policy for 2026. It will be submitted to the shareholders at the 2026 Annual Shareholders' Meeting (8th to 11th resolutions) and, subject to shareholders approval, will remain in force until the next policy is approved by the shareholders.

For the fiscal year 2026, three different compensation policies will be applicable:

- to the Chief Executive Officer (Mr. Olivier Blum) (subject of the 8th resolution proposed to the Annual Shareholders' Meeting);
- to the Chairman of the Board of Directors (Mr. Jean-Pascal Tricoire) (subject of the 9th resolution proposed to the Annual Shareholders' Meeting); and
- to the Board members (subject of the 10th and 11thresolutions proposed to the Annual Shareholders' Meeting).

4.2.3.1 Executive compensation policy

4.2.3.1.1 Overview

Schneider Electric follows a rigorous process for determining executive compensation, under the leadership of committed and independent Directors.

Role of the Human Capital & Remunerations Committee

The general principles and criteria forming part of the compensation policy for Corporate Officers, and their individual compensation packages are prepared and reviewed by the Human Capital & Remunerations Committee which makes recommendations to the Board of Directors for decision. The Board also receives inputs and recommendations from the Human Capital & Remunerations Committee on the incentive structure and performance criteria (annual variable compensation and Long-term incentive plan) applied to the members of the Executive Committee (see **section 4.2.4** of the Universal Registration Document), as well as the Group's other employees.

To help the Board in the decision-making process, the Human Capital & Remunerations Committee is authorized to call upon external experts for specific topics, benchmarking data and analyses. In 2025, the Committee held one joint meeting with the Governance, Nominations & Sustainability Committee to discuss the definition of the environmental, social, and governance (ESG) criteria for long-term (LTIP) compensation of executive Corporate Officers and top managers.

One of the two Directors representing the employees is a member of the Human Capital & Remunerations Committee.

As part of its preparatory work for its proposals to the Board, the Committee:

Defines performance criteria

Defines performance criteria based on Schneider Electric's executive compensation pillars and business strategy. Targets are determined at the beginning of the performance period in accordance with the goals of the strategic plan.

Based on circumstances and priorities, the targets also encompass risks raised by the Audit & Risks Committee as well as the recommendations of the Governance, Nominations & Sustainability Committee.

Benchmarks Corporate Officers' pay

Benchmarks Corporate Officers' pay against the median of a peer group consisting of 26 French and international companies that are comparable to Schneider Electric in terms of market capitalization, revenue, and industry, or that represent a potential source of recruitment or attrition.

This benchmarking is used as an indicator, not as a target, and is done *ex-post* only for reference.

Engages with shareholders

Relies on the Chairman and the Vice-Chairman & Lead Independent Director to directly engage with shareholders to ensure their perspectives and feedback on Schneider Electric's compensation policy are heard and considered in decision making.

The topic of Corporate Officers' compensation is usually discussed at four Board meetings every year. Corporate Officers do not take part in the debates of the Board concerning their own compensation.

This process ensures consistency and alignment between the compensation policy applied to the other executives and employees and the compensation policy applied to Corporate Officers. They share the same objectives and priorities and their rewards are aligned with the Group's performance and shareholder value creation.

Use of discretion

In determining executive compensation, the Board could use its discretionary power to ensure the execution of the compensation policy and related payouts remain in line with the performance of the Company.

As such, and only in exceptional circumstances such as unexpected changes in the industry environment and in compensation practice generally, not taken into account when determining the current compensation policy, the Board could exercise discretion, upwards or downwards, to adjust the formulaic outcome for annual or long-term incentive awards resulting from the strict application of the approved policy, where a qualitative assessment of performance is required to ensure that the awarded compensation is fair in light of the Corporate Officers' actual contribution to the Company's overall performance, its positioning *vs.* competition, and the outcomes for shareholders and employees.

If necessary, the Board could also adjust one or several parameters of the remuneration schemes, such as weights, targets, or criteria, being specified that in any event, these adjustments or modifications will not result in exceeding the maximum of annual variable compensation and LTIP award as set in the current compensation policy.

Any use of discretion will be explained and an appropriate disclosure would be provided, so that shareholders understand the basis for the Board's decisions.

Changes in the 2026 compensation policy

The Committee reviewed the existing policy and reassessed the pillars and principles formulated in 2018, as well as the compensation elements and criteria in light of shareholders' feedback received during the shareholder engagement process described above.

Upon recommendations of the Human Capital & Remunerations Committee, the Board wishes to maintain the overall stability of the compensation policy which appears balanced, ensuring a robust link between pay and performance, strong alignment with both employees and shareholders, and long-term focus, while at the same time taking into account the shareholders' feedback.

In 2025, several changes were implemented including (i) the increase of the annual variable compensation opportunity on-target and at maximum to take into account the rapidly evolving environment and the need to accelerate the execution of the Group's strategy; (ii) the maximum LTIP award expressed as a percentage of the fixed compensation only; (iii) the reinforcement of the pay-for-performance principle by ending the existing offsetting mechanism between EPS and TSR criteria in the LTIP, and incentivize instead the overperformance of the EPS criterion, leading to a total maximum vesting of 115%; (iv) the replacement of the CAC 40 by the STOXX Europe 50 for the TSR criterion of the LTIP that compares Schneider Electric to the index performance; and (v) the reinforcement of the alignment with shareholders' experience by increasing to 100% the number of shares required to be held for an additional one year after the end of the vesting period.

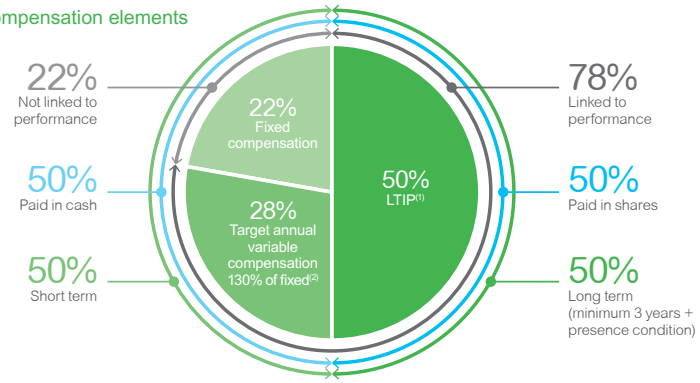
For 2026, the Board wishes to maintain the overall balance and stability of the CEO remuneration policy, ensuring a strong link between pay and performance, a fair alignment with employees and shareholders, and a focus on long-term value creation. Some adjustments were however deemed necessary and the Board proposes to implement the following adjustments in the 2026 compensation policy: (i) for the annual variable compensation, the sustainability criteria will depend upon the achievement of some selected indicators which are part of the new Schneider

Sustainability Impact launched this year with targets set for 2030; (ii) adjustment of the methodology used to calculate the target of reduction of Scope 3 upstream emission for the LTIP; and (iii) in response to the concerns expressed by certain shareholders at the 2025 Annual Shareholders' Meeting, and in line with the commitment taken by the Board of Directors in the shareholders' letter dated April 7, 2025, a clarification for the Chief Executive Officer's severance indemnity, it being specified that this indemnity remains capped at twice the annual fixed compensation and 24 months of monthly variable compensation received, and subject to the same stringent performance conditions. The Board also decided to maintain the progressive mechanism to reduce the maximum amount of severance payment in case of short tenure of a Chief Executive Officer (<12 months office), in order to guarantee a form of alignment with shareholder's interests. This is also in line with Schneider Electric's practice for other key executives of the Group. The Board combines the necessary attractiveness of remuneration practices with a positioning among the best practices in the market.

The Board also proposes to review the allocation mechanism for non-executive directors' compensation to take into consideration the results of a benchmark exercise conducted by the Human Capital & Remunerations Committee and specific issues around attractiveness and the retention of people with the right profile for the Board.

How performance criteria are linked to Schneider Electric's strategic priorities?

Balance between compensation elements



(1) Estimated value, in accordance with IFRS standards, of the LTIP to be granted during 2026 fiscal year
(2) Between 0% and 200%

Group's strategic priorities	How the strategy links to the Corporate Officers' variable compensation				
	Annual incentive plan				
	Delivering strong execution and creating value for customers and shareholders every year to contribute to Schneider Electric's long-term success				
Organic growth Value for customers Sustainability Continuous efficiency Value and returns to shareholders	**Group organic sales growth**	**Group Adjusted EBITA margin improvement (organic)**	**Group cash conversion rate**	**Net Satisfaction Score**	**Schneider Sustainability Impact**
	35%	25%	10%	10%	20%
	Long-term incentive plan				
	Building an integrated and leading company with strong sustainability focus and attractive returns to shareholders				
	Adjusted Earnings per Share	**Relative Total Shareholder Return**	**Carbon emissions reduction targets**		
	40%	35%	25%		

Variable pay is linked to performance metrics designed to deliver Schneider Electric's strategy. At the start of each year, the Board reviews the measures, targets, and weightings to ensure they remain consistent with the annual priorities and Group strategy. For the annual variable compensation and the Performance Shares, the approach to performance measurement is intended to provide a balance of measures to assess performance focusing on execution of the Group's strategic priorities.

Considerations of wider workforce compensation and shareholders' views

The Board monitors and reviews the effectiveness of the compensation policy for Corporate Officers and Senior Management and has regard to its impact and consistency with compensation policies in the wider workforce. During the year, the Board is provided with information and context on pay in the wider workforce and various HR initiatives to enable its decision making. This includes the approach to gender pay gap and living wage programs rolled out globally, the annual variable compensation results, and the total cost of LTIP awards.

The Board is committed to an open and transparent dialogue with Schneider Electric's shareholders through the Chairman and Vice-Chairman & Lead Independent Director. Where appropriate, Schneider Electric actively engages with shareholders and shareholder representative bodies, taking their views into account when making decisions about the Corporate Officers' compensation. The Chairman and Vice-Chairman & Lead Independent Director are also available to answer questions at the Annual Shareholders' Meeting.

2026 compensation pillars and principles

Pay-for-performance

- **Principle 1:** Prevalence of variable components: *circa* 80% for Chief Executive Officer (at target).
- **Principle 2:** Performance is evaluated *via* economic and measurable criteria.
- **Principle 3:** Financial and sustainability objectives are fairly balanced and distributed between short-term (annual variable compensation) and medium-term (long-term incentive) components.

Alignment with shareholders' interest

- **Principle 4:** Significant proportion of the total compensation delivered in shares.
- **Principle 5:** Performance conditions support Schneider Electric's strategic priorities and are aligned with shareholders' expectations.

Competitiveness

- **Principle 6:** To benchmark the Corporate Officers' compensation package "at target" in the median range of the Company's updated peer group.
- **Principle 7:** To reference the CAC 40 third quartile and the STOXX Europe 50 median.

4.2.3.1.2 Compensation policy of Mr. Olivier Blum as Chief Executive Officer

Fixed compensation

The Board decided to set the fixed compensation of the Chief Executive Officer at €1,200,000 for the fiscal year 2026, unchanged compared to 2025 on a full year basis.

The fixed compensation will be reviewed at long intervals by the Board in accordance with the AFEP-MEDEF Corporate Governance Code, unless there are specific circumstances that would warrant a salary increase, for example a major change in the duties.

Corporate Officer	FY2026
Olivier Blum, Chief Executive Officer	€1,200,000

Annual variable compensation

Annual variable compensation provides variable cash compensation which rewards achievement of the short-term financial, and sustainability targets of the Group.

At the start of the fiscal year, financial and sustainability performance criteria, weightings, and annual targets are reviewed in detail by the Committee and recommended to the Board for approval. Outcomes will be determined based on performance against each of those targets. The Board has the flexibility to review targets during the year notably to align with the guidance made to the market and thus ensure a continuous alignment with shareholders' interests. The pay-out opportunity at threshold performance is 0%, with 50% of maximum annual variable compensation payable for achieving target. The maximum annual variable compensation will only be earned where a strong performance is delivered on each performance metric. Pay-outs between threshold and target, and between target and maximum, are determined on a straight-line basis.

For 2026, the Board proposes that the measurable financial performance criteria determine 70% and sustainability and customer satisfaction criteria 30% of the variable cash compensation of Mr. Olivier Blum.

Performance criteria	Description and link to strategy
35% Group organic sales growth	Fostering organic growth through deployment of strategic priorities in key markets
25% Adjusted EBITA margin improvement (organic)	Enabling shareholder value creation through continuous efficiency
10% Group cash conversion	Enabling returns to shareholders
10% Net Satisfaction Score improvement	Focusing the Company on customers' satisfaction and quality
20% Schneider Sustainability Impact	Promoting continuous progress towards more sustainability and value for customers

For business confidentiality reasons and as in previous years, the targets cannot be disclosed; however, the targets have been set precisely by the Board at the meeting of February 25, 2026 and will be communicated *ex-post*. In case of unforeseen scope impact or exceptional events, the Board may decide to adjust and restate from the calculation of the achievement of these criteria the impact of such events. These adjustments or restatements would be disclosed *ex-post* in the Universal Registration Document.

For the Schneider Sustainability Impact, the score to be taken into consideration for the annual variable compensation will be computed on a selection of certain indicators (see **section 2.1.1** of Chapter 2 of this Universal Registration Document) which will all have the same weight and will include notably:

- The cumulative amount of energy saved or electrified (in MWh) for customers thanks to Schneider Electric offers;
- The percentage of projects in the design phase that meet defined circularity and sustainability criteria;
- The number of key suppliers developing the capabilities needed to measure and reduce their carbon footprint;
- The percentage of strategic suppliers engaged to implement advanced Decent Work practices;
- The percentage of senior talents engaged in their own development or the development of others;
- The number of people to whom Schneider Electric is giving access to sustainable electricity;
- The number of people upskilled through educational programs, including those from vulnerable communities.

Other programs of the Schneider Sustainability Impact, not yet launched, may be included in the calculation of the annual variable compensation if ready.

The Net Satisfaction Score is measured since 2018, it is a weighted average of the grade given by customers on six critical touchpoints: 1) Select offer, 2) Get quotation, 3) Get delivered, 4) Get delivered solutions, 5) Get technical support, and 6) Get failure support. More than 240,000 answers of customers are provided to the survey each year. The grades given by customers range from 0 (very dissatisfied) to 10 (very satisfied). The Net Satisfaction Score is calculated by subtracting the percentage of customers who are dissatisfied (grade 0 to 6) from the percentage who are very satisfied (grade 9 and 10). It generates a score between -100% and 100%:

- At one end of the spectrum, if all of the customers gave a grade lower or equal to 6, this would lead to a Net Satisfaction Score of -100%;
- On the other end of the spectrum, if all of the customers gave a grade of 9 or 10, then the Net Satisfaction Score would be 100%.

In consideration of all elements described above, the Board decided to set the annual variable compensation opportunity at target and maximum as follows (unchanged *vs.* 2025):

Minimum	At target	Maximum
0% of fixed compensation	130% of fixed compensation	260% of fixed compensation
Nil	€1,560,000	€3,120,000

The payment of the annual variable compensation is conditional upon approval by shareholders of the compensation granted to the Chief Executive Officer.

Schneider Electric does not operate a deferral program for its Chief Executive Officer.

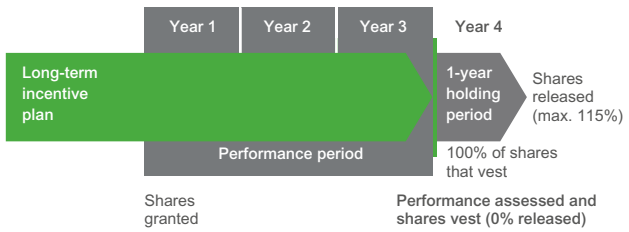
Performance Shares (Long-term incentive plan – LTIP)

LTIP links the largest part of the Chief Executive Officer's compensation with the long-term performance of the Group and the actual outcome varies with performance against criteria linked directly to strategic priorities.

All shares granted are subject to a performance period of three years with an additional mandatory one-year holding period for the shares granted to the Corporate Officers, except for the sale of shares necessary to cover his tax.

For threshold performance, 0% of shares granted will vest, for maximum, 115% will vest.

LTIP time horizon



For the LTIP 2026, the Board propose to implement an adjustment of the methodology used for the criteria linked to the reduction of Scope 3 upstream emission. Instead of using an absolute target of Scope 3 upstream carbon intensity, it is proposed to refer to a targeted average annual reduction of Scope 3 upstream CO_2 emissions per euro of revenue (carbon intensity) that the Group would have to reach during the duration of the plan (from 2026 to 2028). To vest all the shares under this criteria, the Group would need to reduce by at least 7.3% on average each year its Scope 3 upstream carbon intensity. Carbon accounting is an evolving discipline and Scope 3 accounting improves every year, both in terms of accounting principles and in terms of digitalization. Each year, the perimeter of the Group evolves and the Group progressively integrates new entities into Scope 3 reporting. Both the Science Based Targets initiative (SBTi) and the Greenhouse Gas Protocol (GHGP) require correcting significant perimeter and methodology changes when tracking the achievement of carbon reduction trajectories and this cannot be done with the previous absolute target. In line with these principles and to better reflect the intrinsic performance of Schneider Electric, it is proposed to implement this new methodology which will allow a like-for-like comparison *vs*. prior year (same scope and methodology both on CO_2 and revenue metrics) while keeping a long-term target for the entire duration of the plan.

In addition, the changes implemented in 2025 are maintained:

- The previous offsetting mechanism in case of under-performance of the EPS criteria with an over-performance of the TSR criteria was stopped and replaced by a new over-performance mechanism without any offsetting mechanism. There is therefore a maximum vesting of 120% in case of exceptional performance of the EPS and TSR which may lead to a total maximum vesting at 115% of the plan if all targets are overachieved (no over-performance mechanism on the sustainability metrics).
- For the TSR criteria of the LTIP, the CAC 40 was replaced by STOXX Europe 50, a European index for broader, more global comparison beyond France.

In order to align the interests of the Group's executives to those of the shareholders, in 2026, the Board will allocate Performance Shares to more than 4,000 Group executives and Senior Management, leaders, and key talents. For the Group Senior Management, 100% of shares allocated will be subject to performance conditions measured over three years.

The maximum targeted annual award to the Corporate Officer, valued in accordance with IFRS standards, will be capped at 300% of the fixed compensation at the date of grant to ensure that it does not represent a disproportionate percentage of his overall compensation. This change in expressing the maximum long-term incentive grant as a percentage of the fixed compensation (*vs*. fixed and annual variable before) has been made to avoid any compounding effects from the adjustment to the annual variable compensation and maintain a cap (in quantum) stable compared to the previous policy.

Each year, the volume of the annual award is set in consideration of:

- the market practice and competitive positioning of the Chief Executive Officer's compensation package;
- the Group's performance, acknowledged by the market;
- the performance criteria applicable to the final acquisition of LTIP awards; and
- the culture of ownership deeply rooted in Schneider Electric's DNA.

For 2026, the Board intends to grant Mr. Olivier Blum a LTIP amount which in accordance with IFRS standards will be valued around[(1)] 233.33% of the fixed compensation, well below the maximum grant authorized under the compensation policy (300% of the fixed compensation) and unchanged compared to 2025.

In the context described above, the Board decided that the number of shares granted to the Chief Executive Officer continues to be reasonable in terms of quantum and market practice for comparable roles; it rewards the Company's good performance in a challenging but solid year and supports the culture of ownership strongly promoted by Schneider Electric.

Performance conditions

100% measurable and quantifiable criteria	75% financial and TSR, and 25% sustainability

Performance conditions and weightings applicable to the 2026 LTIP

- 40%, improvement of adjusted EPS
- 35%, relative TSR performance of Schneider Electric:
  - 17.5% measured *vs*. a bespoke panel of 11 companies: ABB, Legrand, Siemens, Eaton, Emerson, Honeywell, Johnson Controls, Rockwell Automation, Fuji Electric, Mitsubishi Electric, and Yokogawa
  - 17.5% measured *vs*. STOXX Europe 50 companies
- 25%, based on Schneider Electric's carbon emissions reduction targets

(1) At the date of the grant, the IFRS value cannot be known with certainty as it is computed only at the end of the year. For the 2026 grant, the value of the grant to the Chief Executive Officer will be based on the assumption that the discount rate applied according to the IFRS rules will be 18.14% as it was for the 2025 grant.

- **Adjusted EPS (40%)**

Adjusted EPS is a key long-term performance metric which promotes the execution of Schneider Electric's strategy to deliver profitable growth, thus reinforcing alignment with shareholders. Performance Shares could vest subject to the achievement of the following targets as set by the Board of Directors at the beginning of each year:

- a minimum adjusted EPS improvement threshold under which there will be no vesting;
- an intermediary targeted adjusted EPS improvement objective that the Company will have to achieve in order to vest 75% of the shares under this condition;
- a targeted adjusted EPS improvement objective that the Company will have to achieve in order to vest 100% of the shares under this condition;
- a maximum adjusted EPS improvement objective that the Company will have to achieve in order to vest 120% of the shares under this condition; and
- the Performance Shares will vest progressively, on a linear basis, if the adjusted EPS improvement is between these objectives.

The targets cannot be disclosed *ex-ante* for competitive and confidentiality reasons. The Board commits to disclose *ex-post*, at the end of each Long-term incentive plan performance period, the minimum adjusted EPS improvement thresholds, the targeted adjusted EPS improvement objectives and the maximum adjusted EPS improvement objective. Those targets are set annually as the Company does not have an EPS long-term guidance.

Adjusted EPS performance is published in the external financial communications and its annual variance will be calculated using adjusted EBITA at constant FX from year N-1 to year N. Foreign exchange impacts below adjusted EBITA will be taken in full. In case of unforeseen scope impact or exceptional events, the Board may decide to adjust and restate from the calculation of the achievement of these criteria the impact of such events. These adjustments or restatements would be disclosed *ex-post* in the Universal Registration Document.

- **Relative TSR (35%)**

This criterion strengthens the alignment between the shareholders' interests and compensation of the Corporate Officer:

- For 17.5% of the shares, Schneider Electric TSR will be compared to a bespoke industry panel consisting of 11 companies (ABB, Legrand, Siemens, Eaton, Emerson, Honeywell, Johnson Controls, Rockwell Automation, Fuji Electric, Mitsubishi Electric, and Yokogawa) with a vesting scale as follows: 0% at rank 7 or below, 50% at median (rank 6), 100% at rank 4, 120% for ranks 3 to 1, and linear between these points.
- For the remaining 17.5%, Schneider Electric TSR will be compared with the TSR of the companies in the STOXX Europe 50 index to reflect the macro-economic and stock market specific trends which influence the performance of the share and in turn, the return to shareholders with a vesting scale as follows: 0% below median, 50% at median (rank 25), 100% at rank 13, 120% in ranks 5 to 1, and linear between these points.

If the Schneider Electric TSR is closely clustered with that of other companies in the panel, then the Board of Directors will apply its judgment to decide whether Schneider Electric's TSR shall be deemed to be ranked in the same position as those companies.

- **Carbon emissions reduction targets (25%)**

This criterion aims at linking the Chief Executive Officer's compensation with Schneider Electric's greenhouse gas (GHG) reduction targets as validated by the Science Based Targets initiative (SBTi), aligned with its "Corporate Net-Zero Standard" published in October 2021. The Board thus decided to link the LTIP:

- For 12.5% to an absolute number of tons of CO_2 emissions (carbon budget) that the Group would have to reach for its Scope 1 & 2 emissions for the full year 2028 (last year before the vesting in March 2029) with (i) a minimum objective (94,500 tons of CO_2 emissions) under which no vesting will occur for this criteria; (ii) a targeted objective (90,000 tons of CO_2 emissions) that the Group will have to achieve in order to vest all shares under this criteria, and (iii) a linear vesting if the actual achievement is between these two objectives.
- For 12.5%, the vesting of the LTIP will depend upon a targeted average annual reduction of Scope 3 upstream CO_2 emissions per euro of revenue (carbon intensity) that the Group would have to reach from 2026 to 2028 (last year before the vesting in March 2029) with (i) a minimum objective of average reduction of 4.7% per year under which no vesting will occur for this criteria, (ii) a targeted objective of average reduction of 7.3% per year that the Group will have to achieve in order to vest all shares under this criteria, and (iii) a linear vesting if the actual achievement is between these two objectives. The average annual reduction over the period will be calculated as the combined performance[(1)] of three annual percentage reductions, and each of the three annual reductions of the performance period will be calculated by comparing CO_2 emissions intensity of reporting year N with a *pro forma* of the previous year N-1 adjusted for scope, exchange rate variances, and with the same carbon accounting methodologies.

In case of significant change in the consolidation scope or in the methods used to calculate GHG emissions, Schneider Electric will apply the recalculation rules defined by the GHG Protocol and the Science Based Target Initiative. In case of significant regulatory changes or any other external event significantly impacting this condition, the Board may adjust the target or decide not to take in consideration this criteria.

(1) Combined performance of three annual reductions will be calculated as follows: ((1+y1)*(1+y2)*(1+y3))^(1/3)-1 where y1, y2 and y3 are respectively the year-on-year intensity reduction in 2026, 2027 and 2028.

The table below summarizes the performance conditions that will apply to the LTIP:

40% **Improvement of adjusted Earnings per Share**		• 0% at the minimum adjusted EPS improvement threshold • 75% at the intermediary adjusted EPS improvement objective • 100% at the targeted adjusted EPS improvement objective • 120% at the maximum over-performance adjusted EPS improvement objective *Vesting linear between these points*
35% **Relative Total Shareholder Return**	**17.5% *vs.* STOXX Europe 50**	• 0% at rank 26 and below • 50% at median (rank 25) • 100% at rank 13 • 120% at ranks 5 to 1 *Vesting linear between these points*
	17.5% *vs.* a panel of 11 companies (ABB, Legrand, Siemens, Eaton, Emerson, Honeywell, Johnson Controls, Rockwell Automation, Fuji Electric, Mitsubishi Electric, and Yokogawa)	• 0% at rank 7 and below • 50% at median (rank 6) • 100% at rank 4 • 120% at ranks 3 to 1 *Vesting linear between these points*
25% **Carbon emissions reduction targets**	**12.5% Scope 1 & 2 carbon emissions target**	• 0% if the carbon emissions are above or equal to 94,500 tons of CO_2 • 100% if the carbon emissions are below or equal to 90,000 tons of CO_2 *Vesting linear between these points*
	12.5% Scope 3 upstream carbon intensity (CO_2 emissions per euro of revenue) target	• 0% if the annual average of reduction of carbon intensity is equal or inferior to 4.7% • 100% if the annual average of reduction of carbon intensity is above or equal to 7.3% *Vesting linear between these points*

For each grant, the performance conditions will be determined by the Board and, although the Board favors stability, they could be adapted from the ones presented above. Depending on the evolution of the Group's strategic objectives, should they cease to be relevant or new criteria be deemed more appropriate based on their review by the Board of Directors, the latter would elect for criteria with similar long-term stringency, that will ensure a strong link between pay and performance.

Pension benefits

The Chief Executive Officer receives complementary cash payments whose purpose is to provide a competitive retirement benefit in a way that is cost effective to the Company and that allows the Chief Executive Officer to build his retirement benefits independently. The cash payments will be equal to:

- a fixed portion equal to 15% of the fixed compensation; and
- a variable portion equal to 15% of the actual annual variable compensation paid to the Chief Executive Officer.

The total pension amount actually paid will thus depend on the Company's performance, since the calculation base of the variable portion of the pension includes the actual variable compensation paid to the Chief Executive Officer depending on performance conditions linked to the Group's results.

The Chief Executive Officer has committed to depositing these additional payments, after taxes, into investment vehicles of his choice, dedicated to the supplementary financing of pensions.

	Variable portion			
Fixed portion	Minimum	At target	Maximum	Total at target
€180,000	€0	€234,000	€468,000	€414,000

Other benefits

Schneider Electric aims to provide an appropriate level of benefits considering market practice and the level of benefits provided for other employees in the Group. The benefits currently provided are described below, but may also include, for example, relocation assistance if required and subject to the Board's decision.

Employer matching contributions and profit-sharing

The Chief Executive Officer is eligible for profit-sharing and the employer matching contribution paid to subscribers to the capital increase reserved for employees. He is also eligible for the employer matching contribution paid to subscribers to the collective pension fund (PERECO), for the retirement of employees in France.

Company car

The Corporate Officer may use the cars made available to Group Senior Management with or without chauffeur services. In addition, the Chief Executive Officer is provided with a company car.

Tax assistance

The Corporate Officer may benefit from tax assistance.

Health, life and disability schemes

The Corporate Officer is eligible for:

iii. private medical cover;

iv. the collective welfare plan applicable to employees of Schneider Electric SE and Schneider Electric Industries SAS covering the risks of illness, incapacity, disability, and death;

v. additional coverage of the Group's French executives for risks of illness, incapacity, disability, and death. The main features of this coverage are:

1) in case of illness or accident resulting in a temporary stoppage or incapacity (of any category), the Corporate Officer shall be entitled to continue to receive 18 months' worth of his compensation (fixed and target variable) authorized by the Board,

2) in case of death or permanent total disability, the policyholder's beneficiaries shall be entitled to the compensation (fixed and target variable) authorized by the Board of Directors for the current month, along with a death benefit equal to six months of the average compensation authorized by the Board of Directors (monthly average of the fixed and variable compensation paid during the last 12 months of employment);

vi. the entitlement to a life annuity pension paid to the surviving spouse in the event of death before the age of 60 equal to 2.5% of his actual annual compensation at the time of death.

vii. in the event of an accident, the Group insurance covering the executive's accident risk, stipulating the payment of a benefit the sum of which may be up to four times the annual compensation based on the type and circumstances of the accident.

Eligibility for benefits (iii) through (v) above is conditional on the fulfillment of one of the following conditions:

- the average of the net income of the last five fiscal years preceding the event is positive; and
- the average of the Free Cash Flow of the last five fiscal years preceding the event is positive.

Director's fee

The Chief Executive Officer will not receive any attendance fees.

Extraordinary awards

The compensation policy does not include any provisions for extraordinary payments. The Board decided to maintain the prohibition of one-off payments that are not provided for in the compensation policy approved by the shareholders.

Clawback provision

In the event of gross misconduct or fraud causing a material adverse impact to the Group, in particular, resulting in a financial restatement, the Board reserves the right to reduce or cancel unvested LTIP or annual variable compensation amounts (malus), seek reimbursement of paid annual variable compensation or vested LTIP, and/or obtain damages.

Post-mandate benefits

As announced in the letter from Mr. Jean-Pascal Tricoire and Mr. Fred Kindle, dated April 7, 2025, and in response to the concerns raised by some shareholders, the Board proposes to clarify the wording of the severance indemnity.

The table below presents a summary of the benefits that could be granted to the Chief Executive Officer on leaving office depending on the terms of the departure. The information provided in this summary is without prejudice to any decisions that may be made by the Board to ensure a strong alignment with the shareholders' experience and in no way greater than the limits set below. In determining overall termination arrangements, the Board will ensure that termination benefits shall be granted only in case of forced departure and regardless of the form of the departure.

	Voluntary resignation/Removal from office for gross negligence or serious misconduct	Forced departure	Retirement or change of assignment within the Group
Involuntary severance pay	Not applicable	Payment of an indemnity (twice the average of the annual fixed and variable cash compensation paid over the last three years subject to performance conditions)	Not applicable
Non-compete indemnity	If not waived by the Board, 60% of annual fixed and target variable compensation (excluding complementary pension payments)		Not applicable
Retention of unvested share awards	Forfeited in full	Rights retained on *prorata* basis to presence within Schneider Electric	Rights retained subject to a *prorata* basis to the time served in executive functions

- **Definition of a forced departure**: The Chief Executive Officer will be entitled to a severance indemnity in the event of a forced departure at the Company's initiative, including requested resignation, for any reason whatsoever. Exceptionally, severance indemnity is not payable:
  - in the event of gross negligence or serious misconduct;
  - in the event of departure from the Company at the Chief Executive Officer's own initiative;
  - in the event of change of position within Schneider Electric;
  - in the event of the Chief Executive Officer's retirement;
  - in the event the Chief Executive Officer reaches the age limit provided for in the Company's by-laws.

- **Amount of the involuntary severance indemnity**: the "Maximum Amount" of the involuntary severance indemnity will be:
  - In case of departure after three full fiscal years of mandate: (i) twice the last annual fixed compensation and (ii) twice the arithmetical average of annual variable compensation received or to be received in respect of the last three full years available during which he/she held the position of Chief Executive Officer that ended prior to the date of termination of his duties;
  - In case of departure after 12 months of mandate and before three full fiscal years of mandate: (i) twice the last annual fixed compensation and (ii) 24 months of the arithmetical monthly average of annual variable compensation received or to be received in respect of each full month during which he/she held the position of Chief Executive Officer (if that period exceeds 36 months, the monthly average will be calculated based on the last 36 full months of office);
  - In case of departure before 12 months of mandate: one year of annual fixed compensation, plus one month of fixed compensation for each additional month of service and twice the annual variable compensation received or to be received for the period during which he/she held the position of Chief Executive Officer.

The aggregate amount of the involuntary severance indemnity and the non-compete compensation, if any, shall not exceed the Maximum Amount. It is specified that this amount remains a maximum and that the Board, depending on the circumstances, may decide to exercise its discretionary power to reduce this amount if necessary. In addition, as a French Company submitted to a mandatory say-on-pay *ex-post* vote, it is reminded that any potential severance indemnity to be paid to the Chief Executive Officer needs to be approved by the shareholders.

- **Performance conditions**: Payment of the involuntary severance indemnity is subject to fulfillment of the following rigorous performance conditions based on the average rate of achievement of the Group's performance criteria used in the annual variable compensation for the last three fiscal years preceding the date of the Board's decision:

Group criteria achievement	Severance payment
<80%	No payment
80–100%	80–100% of the Maximum Amount, calculated on a straight-line basis
>100%	100% of the Maximum Amount

It being specified that:
- in case of departure during the fiscal year of the appointment, the above performance conditions will be assessed on this same fiscal year;
- in case of departure after the end of the fiscal year during which the Chief Executive Officer was appointed, the above performance conditions will be assessed on fiscal years available (up to three fiscal years) during which he held the position of Chief Executive Officer that ended prior to the date of termination of his duties.

- **Non-compete agreement**: The Chief Executive Officer is bound by a non-compete agreement in case of departure. The one-year agreement calls for compensation to be paid at 60% of annual fixed and target variable compensation (excluding complementary payments). In line with the recommendations of the AFEP-MEDEF Corporate Governance Code, the Board will determine whether to apply the non-compete clause at the time of departure of the Chief Executive Officer.

- **Retention of unvested share awards**: In case of voluntary resignation or removal from office for gross negligence or serious misconduct, the Chief Executive Officer will lose all his/her unvested Performance Shares. If the Chief Executive Officer leaves the Group in circumstances of a forced departure or in case of retirement or change of assignment within the Group, the Chief Executive Officer will keep his/he right to the unvested Performance Shares granted to him/her previously, subject to the applicable performance conditions and which will be prorated for the time the Chief Executive Officer remained with the Group in this capacity during the performance period.

- **Best practices** in compliance with the recommendations of the AFEP-MEDEF Corporate Governance Code:
  - the entitlement to involuntary severance indemnity is subject to strict performance conditions, assessed over a period not less than two years;
  - only circumstances of a forced departure, regardless of the form of the departure, could trigger the entitlement to involuntary severance indemnity;
  - together with the non-compete indemnity, if any, the termination indemnity could not exceed twice the average of the Corporate Officer's annual compensation (fixed and variable part, to the exclusion of the pension benefits);
  - the Board shall determine unilaterally whether or not to apply the non-compete clause at the time of the departure of the Corporate Officer; and
  - the Corporate Officer shall not be entitled to termination indemnity in the case that he is entitled to benefit from his pension rights.

Corporate Officer	Employment contract	Top-Hat pension benefits	Payments or benefits that may be due in the event of termination of assignment	Payments in relation to a non-compete agreement
Olivier Blum Chief Executive Officer	No	No	Yes	Yes

Recruitment policy

On appointment of a new Corporate Officer, the Board expects any new Corporate Officer to be engaged on terms that are consistent with, and in no case more favorable than the policy approved by the shareholders at the last Annual Shareholders' Meeting, until the next policy is approved. However, it is recognized that not all circumstances in which the Corporate Officer may be appointed can be anticipated. The Board will aim to set compensation that is appropriate to attract, motivate, retain, and reward an individual of the quality required to run the Group successfully, while avoiding paying more than is necessary. If the Board determines that it is in the best interests of the Company and shareholders to secure the services of a particular individual not promoted within the Group, it may require considering the terms of that individual's existing employment and/or their personal circumstances.

The table below summarizes the policy on appointment of a new Corporate Officer.

Fixed compensation	Salaries are set by the Board, taking into consideration a number of factors including the current pay for other Corporate Officers, the experience, skill, and current pay level of the individual, and external market forces. The Board may choose to set the salary below that of the market or the other Corporate Officers with the intention of applying staged increases as the individual gains experience in the role.
Annual variable compensation	Annual variable compensation will be awarded within the parameters of the policy in force.
Pension	The Board would set the pension cash supplementary payments at the appropriate level based on an individual's circumstances.
Other benefits	The Board would expect any new Corporate Officer to participate in the benefit schemes that are open to other senior employees (where appropriate, referencing the candidate's home country) but would take into account the individual's existing arrangements, market norms, and their status as a Corporate Officer.
Buy-out awards	The Board may offer compensatory payments or buy-out awards where an individual forfeits outstanding variable pay opportunities or contractual rights as a result of their appointment. The specifics of any buy-out awards would be dependent on the individual circumstances of recruitment and would be determined on a case-by-case basis. On assessing such awards, the Board will seek to make awards on a like-for-like basis to ensure that the value awarded would be no greater than the value forfeited by the individual. The Board may choose to apply performance conditions to these awards.
Relocation	Where an individual relocates in order to take up the role, the Board may approve certain one-off benefits such as reasonable relocation expenses, accommodation for a defined period following appointment, assistance with visa applications or other immigration issues, and ongoing arrangements such as tax equalization, annual flights home, and a housing allowance.
Internal promotion	Where an existing employee is appointed to the Board, he will be required to resign from his employment contract and the Board will consider all existing contractual commitments including any outstanding share awards or pension entitlements.

In making any decision on the compensation of a new Corporate Officer, the Board would balance shareholder expectations, current best practice and the circumstances of any new Corporate Officer. It would strive not to pay more than is necessary to recruit the right candidate and would give full details in the next compensation report.

4.2.3.1.3 Compensation policy of Mr. Jean-Pascal Tricoire as non-executive Chairman of the Board

Fixed compensation

The Board decided to set the fixed compensation of the Chairman of the Board at €930,000 for the fiscal year 2026, unchanged compared to 2025.

This compensation is explained by the enlarged mission given by the Board to its Chairman (which is described in **section 4.1.2.1.2** of this Universal Registration Document) in order to ensure a smooth and efficient transition.

The fixed compensation will be reviewed at long intervals by the Board in accordance with the AFEP-MEDEF Corporate Governance Code, unless there are specific circumstances that would warrant a salary increase, for example a major change in the duties.

Other benefits

The Chairman of the Board will be entitled to receive the following benefits.

Employer matching contributions and profit-sharing

The Chairman is eligible for profit-sharing and the employer matching contribution paid to subscribers to the capital increase reserved for employees. He is also eligible for the employer matching contribution paid to subscribers to the collective pension fund (PERECO), for the retirement of employees in France.

Company car

The Chairman may use the cars made available to Group Senior Management with or without chauffeur services. In addition, the Chairman is provided with a company car.

Health, life and disability schemes

The Chairman will be eligible to the collective welfare plan applicable to employees of Schneider Electric SE and Schneider Electric Industries SAS covering the risks of illness, incapacity, disability, and death.

Tax assistance

The Chairman may benefit from tax assistance.

Annual variable compensation, Long-term incentive plan, Director's fee, extraordinary awards, post-mandate benefits

The Chairman will not benefit from:
- any annual variable compensation;
- any Long-term incentive plan;
- any Director's fee;
- any extraordinary awards;
- any Company pension arrangement or pension allowance;
- any severance pay; or
- any non-compete indemnity.

Chairman of the Board	Employment contract	Top-Hat pension benefits	Payments or benefits that may be due in the event of termination of assignment	Payments in relation to a non-compete agreement
Jean-Pascal Tricoire, Chairman	No	No	No	No

Voluntary non-compete undertaking

The Board asked Mr. Jean-Pascal Tricoire to undertake that, in the event of termination of his duties as Chairman for whatever reasons, he will be required, for a period of 12 months following termination, not to work, in whatever manner it may be, for the benefit of any entity carrying on operations which are in direct competition with Schneider Electric in any country. This commitment will not be indemnified in any way by the Company.

4.2.3.2 Non-executive Directors' compensation policy

2026 compensation policy subject to the approval by the 2026 Annual Shareholders' Meeting under the 10th and 11th resolutions

Given its responsibility to review the Board's composition and continuously enhance its effectiveness, the Human Capital & Remunerations Committee examined specific matters related to attractiveness and the retention of individuals with the appropriate profile for the Board:
- The need to maintain compensation at a competitive level, given that Schneider Electric has to be able to continue to attract and retain Board members with the specific skillsets and competencies required for a proper understanding of the Company industry, in particular its software and digital activities which represents a growing part of its revenue;
- The fact that directors' compensation at Schneider Electric has not been reviewed since 2024 in a competitive landscape to attract the best candidates;
- The need to take into consideration the increased responsibilities, the associated workload, and increasing complexity of the work of the Board and its committees;
- The significantly longer travel time required to attend Board meetings in person when an intercontinental travel is required;
- The significant inconvenient to have to connect to digital meetings at unusual timing when Board members are based outside of Europe;
- The increase in the number of members of the Board of Directors and that of Committee meetings.

With this in mind, the Human Capital & Remunerations Committee conducted a benchmarking exercise in 2025 to compare the non-executive directors' compensation at Schneider Electric with those of the CAC 40, STOXX Europe 50 and its peer group. The benchmarking exercise, conducted on the basis of 2024 data, showed that while versus the CAC 40, Schneider Electric is well positioned (93rd percentile), the Company is well below median for the STOXX Europe 50 (44th percentile) and the International Panel (31st percentile).

For the above mentioned reasons and the under-positioning of Schneider Electric versus the STOXX Europe 50 and the International Panel, on a recommendation from the Human Capital & Remunerations Committee, the Board has decided to review the envelope and the allocation mechanism for non-executive directors' compensation as follows:

- the maximum of the total compensation that may be awarded to members of the Board of Directors annually would be increased from €2,800,000 to €3,200,000;
- the compensation of the Chairpersons of the committees would be set at: €35,000 (*vs*. €20,000) for the Audit & Risks Committee's Chairperson and €30,000 (*vs*. €15,000) for the other Committees' Chairperson;
- for any digital meeting of the Board or Committees held outside of working hours for the Board members taking into account the time zone of their usual place of residence or work, the fee would be: €8,000 (*vs*. €6,000 during regular hours) per Board meeting and €6,000 (*vs*. €4,500 during regular hours) per Committee meeting;
- the travel fees would be set at: €5,000 (*vs*. €3,500) for intracontinental travel and €14,000 (*vs*. €6,000) for intercontinental travel;
- the compensation of the Vice-President & Lead Independent Director would be capped at €400,000.

It is thus proposed to the shareholders to approve at the 2026 Annual Shareholders' Meeting (i) the 10th resolution to set the maximum of the total compensation that may be awarded to members of the Board of Directors annually at €3,200,000 and (ii) the 11th resolution to approve the 2026 compensation policy for non-executive directors as follows:

Director's individual compensation
• Non-executive Directors will be paid: – a basic fixed amount of EUR 25,000 for membership of the Board; – an amount of EUR 11,000 per Board meeting physically attended and EUR 6,000 per Board meeting digitally attended or EUR 8,000 per Board meeting digitally attended outside of working hours; – an amount of EUR 4,500 per committee meeting attended or EUR 6,000 per Committee meeting digitally attended outside of working hours; – an amount of EUR 25,000 for the yearly strategy week (half in case of digital attendance); and – an amount of EUR 14,000 (for intercontinental travel) or EUR 5,000 (for intracontinental travel) per Board session physically attended. • Additional annual payments are made to non-executive Directors to reflect the additional responsibilities and workload: – to the Chairperson of the Audit & Risks Committee: EUR 35,000, and the other committees: EUR 30,000; and – to the Lead Independent Director: EUR 250,000, it being specified that his/her compensation will be capped at €400,000. • No compensation to be paid for written resolutions. • No travel fee or special fee for meeting outside of working hours will be paid to non-independent Director. • For an observer, an annual fixed payment of EUR 20,000 is paid, unless his/her appointment as a member of the Board be submitted at the next General Meeting. In this case, they will receive the same fees for attending the Board and committee meetings as non-executive Directors. • All payments are prorated for time served during the year and are paid in cash.

4.2.4 Compensation of Group Senior Management (excluding Corporate Officers)

Scope of Senior Management in 2025

At December 31, 2025, Group Senior Management is composed of 14 Executive Committee members. The Executive Committee is chaired by the Chief Executive Officer and includes:

- Executive Vice-Presidents of corporate functions: Finance; Supply Chain; Digital; Governance; Strategy, Innovation & Communications; Sustainability; and Human Resources.
- Chief Executive Officer of AVEVA.
- Executive Vice-Presidents of Operations: North America Operations; China & East Asia Operations; Europe Operations; and International Operations.
- Executive Vice-President of two Businesses: Industrial Automation; and Energy Management.

Women represent 33% of the Group Senior Management (including Chief Executive Officer).

Compensation policy

The compensation principles of the Group Senior Management (excluding the Corporate Officer) and their individual analyses are reviewed by the Human Capital & Remunerations Committee for information and consultation with the Board of Directors. The Human Capital & Remunerations Committee may consult external experts for specific analyses.

The compensation policy of the Group Senior Management follows the principles of competitiveness, pay-for-performance, and alignment with shareholders' long-term interests, aligned with the principles applicable to the Corporate Officer as described in this report, with the following variations:

- The competitiveness of the Group Senior Management compensation is considered using a relevant geographical panel and the scope of responsibilities as prepared by the consultancy firm Mercer; and
- The proportion of variable components within their on target compensation package is around 75%.

Compensation paid in 2025

Gross compensation, including benefits in kind, paid by Group companies in 2025 to the members of Group Senior Management other than the Corporate Officer, amounted to EUR 39.9 million, including EUR 9.1 million in variable compensation paid in the 2025 fiscal year.

The performance objectives for the annual incentive for the fiscal year 2025 were:

- Group organic sales growth;
- Improvement of Group adjusted EBITA margin (organic);
- Group cash conversion rate;
- Improvement of Net Satisfaction Score; and
- Schneider Sustainability Impact.

Long-term incentive plans

During the last three financial years, Performance Shares with a target number of 395,316 and a corresponding maximum number of 412,720 have been allocated to the Group Senior Management, excluding Corporate Officers. No stock options and no stock appreciation rights (SARs) have been granted during the last three financial years.

In 2025, Performance Shares were allocated under the 2025 Long-term incentive Plan n°47.

The Board of Directors has set a retention target of shares representing 100% of annual base salary for the Executive Committee members. Calculation of the number of shares held is based on Schneider Electric SE shares and the equivalent in shares of the corporate mutual fund units invested in Schneider Electric shares held by the beneficiary. They are required to retain at least 50% of the Performance Shares granted to them until this number of shares is reached.

Pension benefits

Schneider Electric's policy concerning pension benefits states that:

- The Group's Senior Management who are not subject to the French Social Security System are covered by pension plan arrangements in line with local practices in their respective countries; and
- The Group's Senior Management subject to the French Social Security system, with the exception of the Corporate Officer, are covered by the additional defined-contribution pension (Article 83) plans for employees, and/or Group Senior Management. Their defined-benefit pension plan (Article 39) was canceled on March 22, 2016.

4.2.5 Long-term incentive plans

Grant policy

As part of its overall staff pay policy, Schneider Electric sets up a Long-Term Incentive Plan (LTIP) every year. These plans allow the Group to ensure the competitiveness of the compensation offered by the Group, in dynamic and competitive international markets, and in sectors where the ability to attract talent is a key factor to success. These plans also aim at mobilizing Schneider Electric's management for the achievement of the Group's long-term objectives and align their interest with those of our shareholders.

The LTIPs are based on an allocation of Performance Shares. No stock options or SARs have been granted since December 2009 and the last plan of stock options implemented expired on December 31, 2019.

These plans are granted by the Board of Directors, based on the recommendation from the Human Capital & Remunerations Committee.

Beneficiaries include members of Group Senior Management, top managers, high-potential managers, and employees in all countries whose performance was judged remarkable. The grants made in 2025 are characterized by:

- a total of 4,755 beneficiaries in the 2025 LTIP (*vs.* 4,492 beneficiaries in the 2024 LTIP);
- allocations to Executive Committee members, including the Corporate Officers, represented 13.2% of the total attributions in the framework of the 2025 LTIP (*vs.* 12.7% in the framework of the 2024 LTIP); and
- 31.6% of the beneficiaries were women in the 2025 LTIP to whom 31.2% of the shares were granted (*vs.* 31.5% of women in the 2024 LTIP to whom 30.9% of the shares were granted).

Corporate Officers formally undertake, for each grant of shares, not to engage in hedging transactions until the end of their duties as executive officers.

Past share plans (as of December 31, 2025)

	LTIP 2022	LTIP 2023	LTIP 2024	LTIP 2025*
Plan number	Plans 40, 41, 41*bis*, 41*ter*	Plans 42, 42*bis*, 43, 42*ter*, 42*quater*	Plans 44, 44*bis*, 45, 45*bis*, 45*ter*	Plans 46, 47, 47*bis*, 47*ter*
Date of Annual Shareholders' Meeting	Apr. 25, 2019 May 5, 2022	May 5, 2022	May 5, 2022	May 5, 2022 May 7, 2025
Date of the grant by the Board	Mar. 24, 2022 Jul. 27, 2022 Oct. 26, 2022	Mar. 28, 2023 May 4, 2023 Jul. 26, 2023 Oct. 25, 2023	Mar. 26, 2024 Jul. 30, 2024 Nov. 7, 2024	Mar. 26, 2025 Jul. 30, 2025 Oct. 29, 2025
Number of shares at grant, of which:	1,423,558	1,510,001	1,059,113	
• Jean-Pascal Tricoire	31,105			
• Olivier Blum	13,517	15,719	14,148	• At target: 13,970 • Maximum: 16,066
• Top ten employee beneficiaries	123,522	143,510	85,534	• At target: 92,718 • Maximum: 106,632
Vesting date	Mar. 24, 2025 Jul. 27, 2025 Oct. 26, 2025	Mar. 28, 2026 May 4, 2026 Jul. 26, 2026 Oct. 25, 2026	Mar. 26, 2027 Jul. 30, 2027 Nov. 7, 2027	Mar. 26, 2028 Jul. 30, 2028 Oct. 29, 2028
End of holding period	Mar. 24, 2026 for Plan 40 (only for 9,932 shares granted to Jean-Pascal Tricoire)	May 4, 2027 for Plan 43 (only for 14,047 shares granted to Peter Herweck)	Nov. 7, 2028 for Plan 44*bis* (only for 2,229 shares granted to Olivier Blum) Mar. 26, 2028 for Plan 44 (only for 11,902 shares granted to Peter Herweck)	Mar. 26, 2029 for Plan 46
Number of rights outstanding as of Dec. 31, 2024	1,285,989	1,427,022	1,037,676	• At target: N/A • Maximum: N/A
Number of rights granted in 2025	N/A	N/A	N/A	• At target: 1,026,641 • Maximum: 1,142,769
Number of shares delivered in 2025	1,261,754	1,299	865	127
Number of rights canceled in 2025	24,235	89,310	66,547	• At target: 27,056 • Maximum: 30,217
Number of rights outstanding as of Dec. 31, 2025	0	1,336,413	970,264	• At target: 999,458 • Maximum: 1,112,377
Total number of rights outstanding as of Dec. 31, 2025				• **At target: 3,306,135** • **Maximum: 3,419,054**

LTIP 2022

Plan number	Plan 40	Plan 41	Plan 41*bis*	Plan 41*ter*
Date of Annual Shareholders' Meeting	Apr. 25, 2019	Apr. 25, 2019	May 5, 2022	May 5, 2022
Date of the grant by the Board	Mar. 24, 2022	Mar. 24, 2022	Jul. 27, 2022	Oct. 26, 2022
Number of shares at grant, of which: – Jean-Pascal Tricoire – Olivier Blum	9,332 9,332	1,321,546 21,773 13,517	67,590	25,090
Number of rights outstanding as of Dec. 31, 2024	9,332	1,188,862	64,760	23,035
Number of shares granted in 2025	N/A	N/A	N/A	N/A
Number of shares delivered in 2025	9,235	1,166,909	63,858	21,752
Number of rights canceled in 2025	97	21,953	902	1,283
Number of rights outstanding as of Dec. 31, 2025	0	0	0	0
Vesting date/vesting period	Mar. 24, 2025 3 years	Mar. 24, 2025 3 years	Jul. 27, 2025 3 years	Oct. 26, 2025 3 years
End of holding period	Mar. 24, 2026	N/A	N/A	N/A

* The LTIP 2025 provides for an over-performance mechanism. The figures at target correspond to performance conditions achieved at 100% and at maximum to performance conditions overachieved at 115%.

LTIP 2022

Plan number	Plan 40	Plan 41	Plan 41*bis*	Plan 41*ter*
Presence condition	Yes			
Performance conditions	• Yes for 70% of the shares/100% for the Corporate Officer and Executive Committee • 2022, 2023, 2024 Adjusted EPS improvement average achievement rate (40%) • TSR ranking at end of 2024 *vs.* bespoke panel of peer companies and CAC 40 (35%) • 2022, 2023, 2024 SSERI (25%)			
Achievement of the performance conditions	98.96%			
Detailed achievement of the Performance conditions of Plans 40, 41, 41*bis,* and 41*ter*	The Board of Directors at its meeting of February 19, 2025 assessed the achievement rate of performance criteria for Plans nº 40, 41, 41*bis,* and 41*ter* granted in 2022 based on the Group's performance over the three-year period 2022 to 2024, and set the final rate of achievement at 98.96%, *i.e.* a reduction of 1.04% in relation to the number of shares originally granted.			

Performance conditions of Plans 40, 41, 41*bis*, and 41*ter*		Reference period	Weight	Actual achievement	Pay-out rate	Weighted pay-out rate
Adjusted Earnings per Share improvement rate		2022	13.33%	13.13%	100.00%	40.00%
		2023	13.33%	16.50%	100.00%	
		2024	13.33%	18.24%	100.00%	
Relative Total Shareholder Return	*vs.* CAC 40 companies	2022 – 2024	17.50%	5th rank	116.7%	17.50%*
	vs. panel of peer companies	2022 – 2024	17.50%	3rd rank	150.00%	17.50%*
Schneider Sustainability External and Relative Index		2022	8.33%	100.00%	100.00%	23.96%
		2023	8.33%	100.00%	100.00%	
		2024	8.33%	87.50%	87.50%	
Total			**100%**			**98.96%**

* The relative TSR criterion delivered an over-performance but considering the full achievement of the EPS criterion, no off-setting mechanism was used for the 2022 LTIP.

LTIP 2023

Plan number	Plan 42	Plan 43	Plan 42*bis*	Plan 42*ter*	Plan 42*quater*
Date of Annual Shareholders' Meeting	May 5, 2022	May 5, 2022	May 5, 2022	May 5, 2022	May 5, 2022
Date of the grant by the Board	Mar. 28, 2023	May 4, 2023	May 4, 2023	Jul. 26, 2023	Oct. 25, 2023
Number of shares at grant, of which: • Olivier Blum	1,414,309 15,719	14,047	3,512	47,528	30,605
Number of rights outstanding as of Dec. 31, 2024	1,338,899	8,584	2,146	46,788	30,605
Number of shares granted in 2025	N/A	N/A	N/A	N/A	N/A
Number of shares delivered in 2025	1,299	0	0	0	0
Number of rights canceled in 2025	87,015	0	0	499	1,796
Number of rights outstanding as of Dec. 31, 2025	1,250,585	8,584	2,146	46,289	28,809
Vesting date/vesting period	Mar. 28, 2026 3 years	May 4, 2026 3 years	May 4, 2026 3 years	Jul. 26, 2026 3 years	Oct. 25, 2026 3 years
End of holding period	N/A	May 4, 2027	N/A	N/A	N/A
Presence condition	Yes				
Performance conditions	• Yes for 70% of the shares/100% for the Corporate Officer and Executive Committee • 2023, 2024, 2025 Adjusted EPS improvement average achievement rate (40%) • TSR ranking at end of 2025 *vs.* bespoke panel of peer companies and CAC 40 (35%) • 2023, 2024, 2025 SSERI (25%)				

LTIP 2023

Plan number	Plan 42	Plan 43	Plan 42*bis*	Plan 42*ter*	Plan 42*quater*
Achievement of the performance conditions	79.71%				
Detailed achievement of the Performance conditions of Plans 42, 43, 42*bis*, 42*ter*, and 42*quater*	The Board of Directors at its meeting of February 25, 2026 assessed the achievement rate of performance criteria for Plans nº 42, 43, 42*bis*, 42*ter*, and 42*quater* granted in 2023 based on the Group's performance over the three-year period 2023 to 2025, and set the final rate of achievement at 79.71%, *i.e.* a reduction of 20.29% in relation to the number of shares originally granted.				

Performance conditions of Plans 42, 43, 42*bis*, 42*ter*, and 42*quater*		Reference period	Weight	Actual achievement	Pay-out rate	Weighted pay-out rate
Adjusted Earnings per Share improvement rate		2023	13.33%	16.50%	100.00%	40.00%
		2024	13.33%	18.24%	100.00%	
		2025	13.33%	13.60%	100.00%	
Relative Total Shareholder Return	*vs.* CAC 40 companies	2023 – 2025	17.50%	12th rank	90.00%	15.75%
	vs. panel of peer companies	2023 – 2025	17.50%	8th rank	0.00%	0.00%
Schneider Sustainability External and Relative Index		2023	8.33%	100.00%	100.00%	23.96%
		2024	8.33%	87.50%	87.50%	
		2025	8.33%	100.00%	100.00%	
Total			**100%**			**79.71%**

LTIP 2024

Plan number	Plan 44	Plan 45	Plan 45*bis*	Plan 44*bis*	Plan 45*ter*
Date of Annual Shareholders' Meeting	May 5, 2022	May 5, 2022	May 5, 2022	May 5, 2022	May 5, 2022
Date of the grant by the Board	Mar. 26, 2024	Mar. 26, 2024	Jul. 30, 2024	Nov. 7, 2024	Nov. 7, 2024
Number of shares at grant, of which: • Olivier Blum	11,902	997,732 11,919	32,818	2,229 2,229	14,432
Number of rights outstanding as of Dec. 31, 2024	3,306	984,891	32,818	2,229	14,432
Number of shares granted in 2025	0	0	0	0	0
Number of shares delivered in 2025	0	865	0	0	0
Number of rights canceled in 2025	0	65,602	172	0	773
Number of rights outstanding as of Dec. 31, 2025	3,306	918,424	32,646	2,229	13,659
Vesting date/vesting period	Mar. 26, 2027 3 years	Mar. 26, 2027 3 years	Jul. 30, 2027 3 years	Nov. 7, 2027 3 years	Nov. 7, 2027 3 years
End of holding period	Mar. 26, 2028	N/A	N/A	Nov. 7, 2028	N/A
Presence condition	Yes				
Performance conditions	• Yes for 70% of the shares/100% for the Corporate Officer and Executive Committee • 2024, 2025, 2026 Adjusted EPS improvement average achievement rate (40%) • TSR ranking at end of 2026 *vs.* bespoke panel of peer companies and CAC 40 (35%) • Carbon emissions reduction targets achievement for the full year 2026 (25%)				
Achievement of the performance conditions	To be assessed by the Board of Directors in February 2027				

LTIP 2025

The LTIP 2025 provides for an over-performance mechanism. The figures at target correspond to performance conditions achieved at 100% and at maximum to performance conditions overachieved at 115%.

Plan number	Plan 46	Plan 47	Plan 47*bis*	Plan 47*ter*
Date of Annual Shareholders' Meeting	May 5, 2022	May 5, 2022	May 7, 2025	May 7, 2025
Date of the grant by the Board	Mar. 26, 2025	Mar. 26, 2025	Jul. 30, 2025	Oct. 29, 2025
Target number of shares at grant, of which:	13,970	961,303	30,232	21,136
• Olivier Blum	13,970	0	0	0
Maximum number of shares at grant, of which:	16,066	1,069,586	33,568	23,515
• Olivier Blum	16,066	0	0	0
Number of rights outstanding as of Dec. 31, 2024				
• At target	N/A	N/A	N/A	N/A
• Maximum	N/A	N/A	N/A	N/A
Number of shares granted in 2025				
• At target	13,970	961,303	30,232	21,136
• Maximum	16,066	1,069,586	33,568	23,515
Number of shares delivered in 2025	0	127	0	0
Number of rights canceled in 2025				
• At target	0	27,056	0	0
• Maximum	0	30,271	0	0
Number of rights outstanding as of Dec. 31, 2025				
• At target	13,970	934,120	30,232	21,136
• Maximum	16,066	1,039,228	33,568	23,515
Vesting date/vesting period	Mar. 26, 2028 3 years	Mar. 26, 2028 3 years	Jul. 30, 2028 3 years	Oct. 29, 2028 3 years
End of holding period	Mar. 26, 2029	N/A	N/A	N/A
Presence condition	Yes			
Performance conditions	• Yes for 70% of the shares/100% for the Corporate Officer and Executive Committee • 2025, 2026, 2027 Adjusted EPS improvement average achievement rate (40% if performance condition achieved at 100% and 48% if performance condition overachieved at 120%) • TSR ranking at end of 2027 *vs.* bespoke panel of peer companies and STOXX Europe 50 (35% if performance condition achieved at 100% and 42% if performance condition overachieved at 120%) • Carbon emissions reduction targets achievement for the full year 2027 (25%)			
Achievement of the performance conditions	To be assessed by the Board of Directors in February 2028			

Technology INTO Solutions

05. Consolidated financial statements at December 31, 2025

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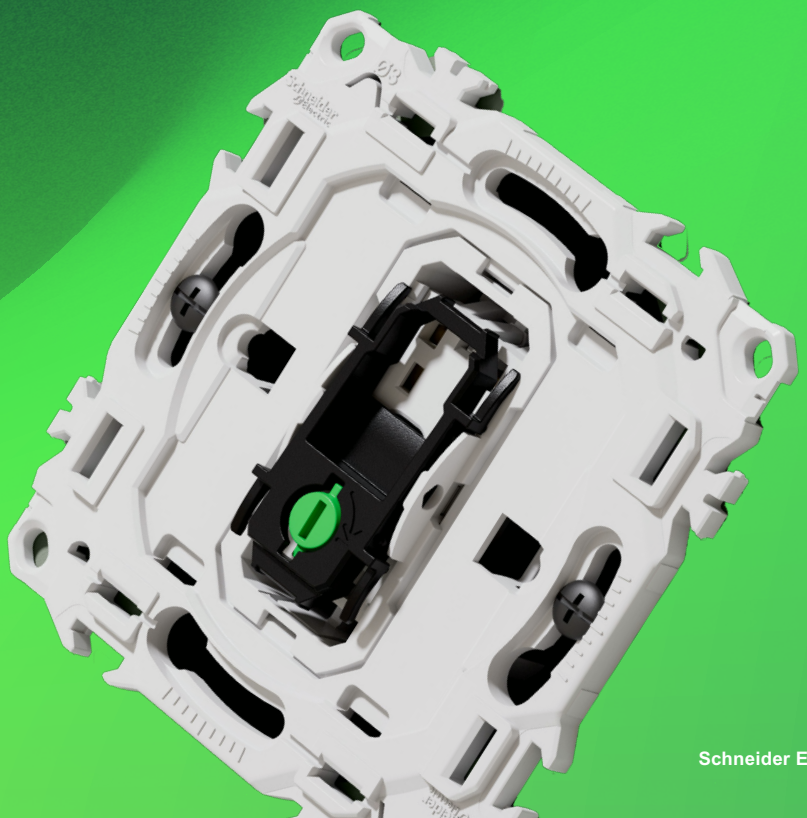
HOME SOLUTIONS: ODACE

With its sleek, flush design and iF Design Award recognition, the new Odace range offers a wide palette of modern colors and materials, giving homeowners the freedom to personalize and elevate every room to match their unique style.



5.1 Consolidated statement of income

(in millions of euros except for earnings per share)	Note	**Full Year 2025**	Full Year 2024
Revenue	**3, 4**	**40,152**	**38,153**
Cost of sales		(23,257)	(21,885)
Gross profit		**16,895**	**16,268**
Research and development	5	(1,365)	(1,308)
Selling, general and administrative expenses		(8,010)	(7,877)
Adjusted EBITA *	**4**	**7,520**	**7,083**
Other operating income and expenses	7	(77)	(87)
Restructuring costs		(287)	(141)
EBITA **		**7,156**	**6,855**
Amortization and impairment of purchase accounting intangibles	6	(457)	(406)
Operating income		**6,699**	**6,449**
Interest income		152	174
Interest expense		(473)	(435)
Finance costs, net		**(321)**	**(261)**
Other financial income and expenses	8	(198)	(148)
Net financial income/(loss)		**(519)**	**(409)**
Profit from continuing operations before income tax		**6,180**	**6,040**
Income tax expense	9	(1,455)	(1,398)
Share of profit/(loss) of associates	14	14	17
Impairment of investments in associates	14	(388)	(220)
PROFIT FOR THE YEAR		**4,351**	**4,439**
attributable to owners of the parent		*4,163*	*4,269*
attributable to non-controlling interests		*188*	*170*
Basic earnings (attributable to owners of the parent) per share (in euros per share)	20	7.41	7.61
Diluted earnings (attributable to owners of the parent) per share (in euros per share)	20	7.33	7.53

* Adjusted EBITA (Earnings Before Interest, Taxes, Amortization of Purchase Accounting Intangibles): Operating profit before amortization and impairment of purchase accounting intangible assets, before goodwill impairment, other operating income and expenses and restructuring costs.

** EBITA (Earnings Before Interest, Taxes and Amortization of Purchase Accounting Intangibles): Operating profit before amortization and impairment of purchase accounting intangible assets and before goodwill impairment.

Other comprehensive income

(in millions of euros)	Note	**Full Year 2025**	Full Year 2024
Profit for the year		**4,351**	**4,439**
Other comprehensive income:			
Translation adjustment		(3,531)	1,426
Revaluation of assets and liabilities due to hyperinflation		-	44
Net gains/(losses) on hedging		81	(29)
Income tax effect of cash flow hedges	20	(42)	6
Gains and losses recorded in equity with recycling		**(3,492)**	**1,447**
Net gains/(losses) on financial assets		(40)	26
Income tax effect of gains/(losses) on financial assets	20	5	(7)
Actuarial gains/(losses) on defined benefit plans	21	(45)	(39)
Income tax effect of actuarial gains/(losses) on defined benefit plans	20	(4)	18
Gains and losses recorded in equity with no recycling		**(84)**	**(2)**
Other comprehensive income for the year, net of tax		**(3,576)**	**1,445**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**775**	**5,884**
attributable to owners of the parent		*697*	*5,695*
attributable to non-controlling interests		*78*	*189*

The accompanying notes are an integral part of the consolidated financial statements.

5.2 Consolidated balance sheet

Assets

(in millions of euros)	Note	**Dec. 31, 2025**	Dec. 31, 2024
NON-CURRENT ASSETS:			
Goodwill, net	11	25,142	26,281
Intangible assets, net	12	5,938	6,280
Property, plant and equipment, net	13	5,481	4,884
Investments in associates and joint ventures	14	705	1,111
Non-current financial assets	15	1,633	1,601
Deferred tax assets	9	1,567	1,794
TOTAL NON-CURRENT ASSETS		**40,466**	**41,951**
CURRENT ASSETS:			
Inventories	16	5,368	5,411
Trade and other operating receivables	17	9,836	9,364
Other receivables and prepaid expenses	18	2,200	2,330
Cash and cash equivalents	19	4,634	6,887
TOTAL CURRENT ASSETS		**22,038**	**23,992**
Assets held for sale	2	-	-
TOTAL ASSETS		**62,504**	**65,943**

Liabilities

(in millions of euros)	Note	**Dec. 31, 2025**	Dec. 31, 2024
EQUITY:	**20**		
Share capital		2,308	2,303
Additional paid in capital		2,844	3,354
Retained earnings		21,315	23,677
Translation reserve		(2,268)	1,155
Equity attributable to owners of the parent		**24,199**	**30,489**
Non-controlling interests		256	791
TOTAL EQUITY		**24,455**	**31,280**
NON-CURRENT LIABILITIES:			
Pensions and other post-employment benefit obligations	21	1,048	1,098
Other non-current provisions	22	1,136	1,251
Non-current financial liabilities	23	15,021	10,910
Non-current purchase commitments over non-controlling interests	23	278	19
Deferred tax liabilities	9	813	810
Other non-current liabilities		1,247	1,006
TOTAL NON-CURRENT LIABILITIES		**19,543**	**15,094**
CURRENT LIABILITIES:			
Trade and other operating payables		9,327	8,893
Accrued taxes and payroll costs		3,674	4,015
Current provisions	22	1,074	1,052
Other current liabilities		1,375	1,504
Current financial liabilities	23	2,859	3,921
Current purchase commitments over non-controlling interests	23	197	184
TOTAL CURRENT LIABILITIES		**18,506**	**19,569**
Liabilities held for sale	2	-	-
TOTAL EQUITY AND LIABILITIES		**62,504**	**65,943**

The accompanying notes are an integral part of the consolidated financial statements.

5.3 Consolidated statement of cash flows

(in millions of euros)	Note	**Full Year 2025**	Full Year 2024
Profit for the year		**4,351**	**4,439**
Share of (profit)/losses of associates	14	(14)	(17)
Impairment of investments in associates	14	388	220
Income and expenses with no effect on cash flow:			
Depreciation of property, plant and equipment	13	871	822
Amortization of intangible assets	12	781	716
Impairment losses on non-current assets		53	31
Increase/(decrease) in provisions	22	106	93
Losses/(gains) on disposals of business and assets		(25)	(115)
Income taxes	9	1,455	1,398
Other non-cash adjustments		200	200
Taxes paid, net		(1,418)	(1,479)
Net cash provided by operating activities		**6,748**	**6,308**
Decrease/(increase) in accounts receivable		(301)	(199)
Decrease/(increase) in inventories		(366)	(834)
(Decrease)/increase in accounts payable		307	439
Decrease/(increase) in other current assets and liabilities		(257)	(134)
Change in working capital requirement		**(617)**	**(728)**
TOTAL I - CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		**6,131**	**5,580**
Purchases of property, plant and equipment	13	(1,072)	(950)
Purchases of intangible assets	12	(471)	(469)
Proceeds from property, plant and equipment and intangible assets		47	55
Net cash used by investment in operating assets		**(1,496)**	**(1,364)**
Acquisitions and disposals of businesses, net of cash acquired & disposed	2	(1,158)	(452)
Other long-term investments		(9)	(91)
Increase in long-term pension assets	21	(54)	(80)
Sub-total		**(1,221)**	**(623)**
TOTAL II - CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		**(2,717)**	**(1,987)**
Issuance of bonds	23	4,864	3,466
Repayment of bonds	23	(1,800)	(1,384)
Sale/(purchase) of treasury shares		(341)	(322)
Increase/(decrease) in other financial debt and other debt		(510)	(1,338)
OCEANEs issuance and repayment (equity component)		109	(66)
Increase/(decrease) of share capital	20	271	252
Transaction with non-controlling interests	2	(5,535)	(183)
Dividends paid to Schneider Electric's shareholders	20	(2,191)	(1,963)
Dividends paid to non-controlling interests		(96)	(86)
TOTAL III - CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		**(5,229)**	**(1,624)**
TOTAL IV - NET FOREIGN EXCHANGE DIFFERENCE		**(410)**	**189**
TOTAL V - IMPACT OF RECLASSIFICATION OF ITEMS HELD FOR SALE		**-**	**-**
INCREASE/(DECREASE) IN NET CASH AND CASH EQUIVALENTS: I + II + III + IV + V		**(2,225)**	**2,158**
Net cash and cash equivalents, beginning of the year	19	6,812	4,654
Increase/(decrease) in cash and cash equivalents		(2,225)	2,158
NET CASH AND CASH EQUIVALENTS, END OF THE YEAR	**19**	**4,587**	**6,812**

The accompanying notes are an integral part of the consolidated financial statements.

5.4 Consolidated statement of changes in equity

(in millions of euros except for number of shares)	Number of shares (thousands)	Share capital	Additional paid-in capital	Retained earnings	Translation reserve	Equity attributable to owners of the parent	Non-controlling interests	Total
Dec. 31, 2023	**572,836**	**2,291**	**2,872**	**21,593**	**(294)**	**26,462**	**706**	**27,168**
Profit for the year	-	-	-	4,269		4,269	170	**4,439**
Other comprehensive income	-	-	-	(23)	1,449	1,426	19	**1,445**
Comprehensive income for the year	**-**	**-**	**-**	**4,246**	**1,449**	**5,695**	**189**	**5,884**
Capital increase	1,410	6	246	-	-	252	-	**252**
OCEANEs issuance, conversion and repurchase	1,386	6	237	(88)	-	155	-	**155**
Dividends	-	-	-	(1,963)	-	(1,963)	(86)	**(2,049)**
Purchase of treasury shares	-	-	-	(322)	-	(322)	-	**(322)**
Share-based compensation expense	-	-	-	234	-	234	-	**234**
IAS 29 Hyperinflation	-	-	-	(13)	-	(13)		**(13)**
Other	-	-	-	(11)	-	(11)	(18)	**(29)**
Dec. 31, 2024	**575,632**	**2,303**	**3,354**	**23,677**	**1,155**	**30,489**	**791**	**31,280**
Profit for the year	-	-	-	4,163		4,163	188	**4,351**
Other comprehensive income	-	-	-	(43)	(3,423)	(3,466)	(110)	**(3,576)**
Comprehensive income for the year	**-**	**-**	**-**	**4,120**	**(3,423)**	**697**	**78**	**775**
Capital increase	1,491	6	265	-	-	271	-	**271**
OCEANEs issuance	-	-	-	81	-	81	-	**81**
Dividends	-	-	(774)	(1,417)	-	(2,191)	(96)	**(2,287)**
Purchase of treasury shares	-	-	-	(341)	-	(341)	-	**(341)**
Share-based compensation expense	-	-	-	202	-	202	-	**202**
IAS 29 Hyperinflation	-	-	-	48	-	48	-	**48**
SEIPL purchase of non-controlling interest	-	-	-	(5,053)	-	(5,053)	(519)	**(5,572)**
Other	-	-	-	(4)	-	(4)	2	**(2)**
Dec. 31, 2025	**577,123**	**2,308**	**2,844**	**21,315**	**(2,268)**	**24,199**	**256**	**24,455**

The accompanying notes are an integral part of the consolidated financial statements.

5.5 Notes to the consolidated financial statements

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All amounts are stated in millions of euros unless otherwise indicated.

The following notes form an integral part of the consolidated financial statements.

The Schneider Electric Group's consolidated financial statements for the financial year ended December 31, 2025 were authorized for issue by the Board of Directors on February 25, 2026. They will be submitted to shareholders for approval at the Annual General Meeting to be held on May 7, 2026.

Note 1: Basis of preparation

1.1 – Applicable framework

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and as issued by the IASB (International Accounting Standards Board) as of December 31, 2025.

The Group has applied the same accounting policies as those applied in the consolidated financial statements for the year ended December 31, 2024, except for those amendments and interpretations of IFRS described below.

The IFRS standards and interpretations as adopted by the European Union are available at the following website: **https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/financial-reporting**

Standards, interpretations and amendments endorsed by the European Union whose application is mandatory as of January 1, 2025

The following standards and interpretations applicable in the period did not have a material impact on the consolidated financial statements as of December 31, 2025:

- Amendments to IAS 21 – *The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability*.

Standards, interpretations and amendments not endorsed by the European Union as of December 31, 2025, or whose application is not mandatory as of January 1, 2025

- Amendments to IFRS 7 – *Financial Instruments: Disclosures* and IFRS 9 – *Financial Instruments* on the Classification and Measurement of Financial Instruments;
- Amendments to IFRS 7 – *Financial Instruments: Disclosures* and IFRS 9 – *Financial Instruments* for *Contracts Referencing Nature-dependent Electricity*;
- Annual Improvements to IFRS Standards Volume 11.

The Group is currently assessing the potential effects on its consolidated financial statements of the above standards not yet applicable as of December 31, 2025. At this stage of analysis, the Group does not expect any material impact on its consolidated financial statements.

- IFRS 18 - *Presentation and Disclosure in Financial Statements*;

The Group is currently assessing the potential effects on its consolidated financial statements of this standard. The Group will apply IFRS 18 - *Presentation and Disclosure in Financial Statements* from its mandatory effective date of January 1, 2027 and restate the comparative information in accordance with IFRS 18.

Climate-related matters

The potential impacts of climate-related matters on the measurement of the Group's assets and liabilities, as well as on significant judgments and estimates, have been analyzed from multiple perspectives: climate transition risks and opportunities, physical risks, and Schneider Electric's net-zero commitment. The Group is committed to be "net-zero ready" in its operation (scope 1 and 2) by 2030 and net-zero across the whole value chain by 2050. Those objectives are concretely integrated in the Group's sustainability strategy through the Schneider Sustainability Impact (SSI) and Schneider Sustainability Essentials (SSE) programs that are externally reported respectively on a quarterly and annual basis.

To achieve its emission reduction objectives and meet the net-zero commitment taken, the Group has defined a comprehensive roadmap and key actions to enable the decarbonization of both its own operations and its value chain, having direct implications on its processes, sites decarbonization, R&D and investment priorities:

- Significant investments on both industrial processes and real estate portfolio planned to decarbonize operations by 2030 (scopes 1 & 2) in line with company-wide energy and climate targets: for instance electrification of industrial processes and building heating in order to meet energy productivity target, electric vehicles chargers instalment in order to meet fleet electrification target, on-site solar generation in order to meet the commitment of sourcing 100% of electricity from renewables by 2030. Specifically on manufacturing and distribution centers, the Group has defined a priority list and invests progressively on electric and efficient systems (e.g., heat pumps, micro grids, solar panels, thermal insulation) to achieve net-zero ready operations by 2030.
- Implementation of a process to follow carbon footprint evolution at an early stage of new product development to reduce the footprint of future generations of products. The Group committed on a step up in R&D in coming years, from a circa 6% of Group revenues dedicated to strategic R&D investment to a future circa 7% by 2030, with a strong focus on sustainability.

The actual and potential financial links and effects of the Group's external commitments and specific climate risks identified, are detailed as follows:

- At Schneider Electric, climate risks to operations and supply chain are addressed with a comprehensive supply chain resilience and adaptation program, aiming at identifying climate risks, quantifying the value at risk under different climate scenarios, and reducing the Group's vulnerability. Schneider Electric is working with multiple actors on its value chain to adapt to climate change and increase its resilience. The Group invests in protecting sites exposed to extreme weather events, essentially flooding and fire risks, by implementing engineered and built environment adaptation solutions. It also detects potential climate risks using real-time predictive weather analysis to alert at-risk sites, enabling them to proactively activate their business continuity plans. This approach helps contain the potential impact of these risks and defines necessary remediation and control measures. The Group is not a capital-intensive company, majority of its sites are leased and not owned, and the individual residual value of its tangible assets in the most at-risk locations is not material. The Group has a low dependence on water in its production processes. Additionally, the multi hub position of the Group with agile capacity to relocate its production in case of climate disaster is a way to significantly mitigate risks and potential effects. No material impact has been identified, notably on evaluation and useful life of tangible assets or in the impairment tests performed at Group level. From 2023, the Group has worked on quantifying investments and additional costs, as well as opportunities, to achieve long-term net-zero carbon commitments, taking into consideration several scenarios to integrate them into the Group's impairment tests. Schneider Electric is well positioned to capitalize on the global push for electrification and the net-zero commitments of other companies. The alignment between the Group's sustainability commitments, its transformation, and its financial statements was further strengthened in 2024 with the implementation of the Corporate Sustainability Reporting Directive (CSRD). The Group has not identified any risk of impairment as of December 31, 2025.
- The Schneider Sustainability Impact (SSI), which encompasses several climate objectives, serves as a factor in the annual short-term variable compensation. Over 80,000 employees, including Corporate Officer, are eligible, with the weight varying up to 20%, depending on the type of plan. Also, criteria related to climate targets on scopes 1, 2, and upstream scope 3 have been introduced in 2024 in the long-term incentive plan granted to more than 4,500 employees, including the Corporate Officer (25% weight). This amendment has been designed to align executive remuneration with the Group's commitment in terms of climate transition and Schneider Electric's sustainable value creation over the long-term.
- To further tie climate-related issues to financial planning, Schneider Electric has linked in 2022 its bank fundings with the SSI performance with the signature of a KPIs linked facility.

1.2 – Valuation principles

The consolidated financial statements have been prepared on a historical cost basis, except for the following items:

- derivative instruments and certain financial assets, which are measured at fair value;
- assets held for sale, which are measured at the lower of their carrying amount and fair value less costs to sell;
- defined benefit pension plans, where plan assets are measured at fair value.

Financial liabilities are measured using the amortized cost model. The carrying amount of hedged assets and liabilities, in a fair value hedge corresponds to their fair value for the portion attributable to the hedged risk.

1.3 – Major accounting estimates and judgments

The preparation of financial statements requires Group management and subsidiaries to make estimates and assumptions that may affect the amounts of assets and liabilities reported in the consolidated balance sheet, as well as revenues and expenses in the statement of income and the commitments created during the reporting period. Actual results may differ from those estimates. Besides making use of estimates, the Group's Management must exercise judgment in selecting and/or applying the most appropriate accounting treatment for certain transactions and activities and in defining the terms of its application.

These accounting estimates and judgments principally relate to:

- the measurement of the recoverable amount of goodwill, property, plant and equipment and intangible assets (Note 10);
- the measurement of non-current financial assets (Note 15);
- the measurement of provisions relating to litigations (Note 22);
- the measurement of pension and other post-employment benefit obligations (Note 21);
- the recoverability of deferred tax assets (Note 9);
- the measurement of provisions covering uncertainties over income tax treatment (Note 9);
- the estimation of the margin at completion for Construction contracts (Note 3);
- the assumptions retained to evaluate the lease liability (IFRS 16): lease term and discount rate (Note 13).

1.4 – Consolidation principles

Subsidiaries over which the Group exercises exclusive control, directly or indirectly, are fully consolidated. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the entity's relevant activities.

Where necessary, the accounting policies of subsidiaries, joint ventures and associates have been adjusted to ensure consistency with those applied by the Group.

Investments in entities that are jointly controlled with a limited number of partners such as joint ventures and in entities over which the Group exercises significant influence ("associates") are accounted for using the equity method. Significant influence is presumed when the Group holds more than 20% of voting rights.

Entities acquired or disposed of during the year are included in, or removed from, the consolidated financial statements from the date on which control is obtained or relinquished, respectively.

Acquisitions or disposals of interests in a subsidiary that do not result in a change of control are accounted for as shareholder transactions and recognized directly in equity.

Changes in ownership interests are reflected through adjustments between the carrying amounts of controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the adjustment to non-controlling interests and any consideration paid or received is recognized directly in equity attributable to owners of the parent, within retained earnings.

Intra-group balances and transactions are eliminated in full.

The list of the Group's main consolidated subsidiaries, joint ventures and associates is presented in Note 30.

The reporting date of all companies included in the scope of consolidation is December 31, except for certain immaterial associates accounted for using the equity method, for which financial statements up to September 30 are used (maximum difference of three months permitted by IAS 28).

1.5 – Translation of the financial statements of foreign subsidiaries

The consolidated financial statements are presented in euros.

The financial statements of subsidiaries whose functional currency differs from the euro are translated into euros as follows:
- assets and liabilities are translated at the closing exchange rates;
- statement of income, backlog and cash flow items are translated at average exchange rates for the year.

An entity's functional currency is the currency of the primary economic environment in which it operates. In most cases, the functional currency is the local currency. However, another functional currency may be used where it better represents the currency of the entity's main transactions and provides a faithful representation of its economic environment.

Translation differences are recognized in consolidated equity under "Translation reserve".

Upon disposal, the cumulative translation reserve relating to an entity whose functional currency is not the euro is recycled in the statement of income and included in the gain or loss on disposal.

The Group applies IAS 29 - *Financial Reporting in Hyperinflationary Economies* to subsidiaries operating in hyperinflationary economies (Argentina and Türkiye). The Group uses the Consumer Price Index (CPI) for Argentina and Türkiye to restate income statement items, cash flows and non-monetary assets and liabilities. Between December 2024 and December 2025, the CPI increased by 30% in Argentina and by 31% in Türkiye.

1.6 – Foreign currency transactions

Foreign currency transactions are initially recorded at the exchange rate in effect at the transaction date or at the hedging rate, as applicable. At the reporting date, monetary items denominated in foreign currencies (e.g. payables, receivables, etc.) are translated into the entity's functional currency using the closing exchange rate or the hedging rate. Exchange differences arising on translation are recognized in "Net financial income/(loss)". The Group's foreign currency hedging policies are described in Note 24.3.

Certain long-term receivables and loans to subsidiaries are, however, considered to form part of a net investment in a foreign operation within the meaning of IAS 21 - *The Effects of Changes in Foreign Exchange Rates*. Accordingly, exchange differences are recognized in other comprehensive income (OCI) and recycled to the statement of income upon disposal of the investment or upon settlement of the long-term receivable or loan.

1.7 – Statement of cash flows

The consolidated statement of cash flows is prepared using the indirect method. Interest paid and interest received are presented within cash flows from operating activities.

Note 2: Changes in the scope of consolidation

Accounting principles

Business combination

Business combinations are accounted for using the acquisition method, in accordance with IFRS 3 – *Business Combinations*. Acquisition-related costs are presented under "Other operating income and expenses" in the statement of income.

Identifiable acquired assets, liabilities and contingent liabilities are recognized at their fair values at the acquisition date. Those fair values may be adjusted during the measurement period, which may extend up to 12 months from the acquisition date.

For most acquisitions, the Group applies the full goodwill method where goodwill is recognized for the excess of (i) the consideration transferred, plus (ii) the fair value of any non-controlling interests, over (iii) the fair value of identifiable net assets acquired at acquisition date.

For certain business combinations, the Group may elect to apply the partial goodwill method, under which goodwill corresponds to the excess of (i) the consideration transferred, plus (ii) non-controlling interest's proportionate share of the acquiree's identifiable net assets, over (iii) the fair value of identifiable net assets acquired at acquisition date.

Goodwill is allocated to Cash-Generating Units (CGUs) or groups of CGUs expected to benefit from the synergies of the business combination.

Assets and liabilities held for sale

Non-current assets or disposal groups are classified as held for sale when their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This classification is made when management has committed to a plan to sell and the sale is highly probable.

Assets and liabilities classified as held for sale are presented separately in the consolidated balance sheet and measured at the lower of their carrying amount and fair value less costs to sell. Depreciation and amortization cease for non-financial assets classified as held for sale from the date of classification.

When a sale involving a loss of control of a subsidiary is highly probable, all assets and liabilities of that subsidiary are classified as held for sale, regardless of whether the Group will retain a residual interest after the sale.

2.1 – Scope variations

Main acquisitions of the period

Motivair

On February 28, 2025, Schneider Electric completed the transaction to acquire Motivair Corporation, a company specialized in liquid cooling and advanced thermal management solutions for high performance computing systems. Under the terms of the transaction, Schneider Electric has acquired an initial 75% controlling interest in the equity of Motivair for a consideration of EUR 847 million at acquisition date, fully paid in cash. Motivair is consolidated within the Energy Management reporting segment.

The Group expects to acquire the remaining 25% of non-controlling interests in 2028 through a put/call option. In 2028, the minority shareholders will have the right to sell to the Group their remaining 25% stake in Motivair. The Group also holds a right to acquire the remaining 25% of non-controlling interests in 2028 as well. The related debt has been recognized in "Non-current purchase commitments over non-controlling interests" for EUR 278 million at acquisition date.

The purchase accounting as per IFRS 3 is completed as of December 31, 2025. Motivair carrying value at acquisition date for net identifiable assets was EUR 59 million. The net adjustment of the opening balance sheet is EUR 298 million, resulting mainly from the booking of identifiable intangible assets (customer relationships and brand). The goodwill recognized amounts to EUR 769 million at acquisition date.

Schneider eStar

On May 6, 2024, a memorandum of understanding was signed between Schneider Electric and StarCharge, a major operator of charging service networks in China, for the creation of a joint venture to support the growth of the European prosumer market. The joint venture (called Schneider eStar) creation steps occurred during the first quarter of 2025. On April 1st 2025, Schneider Electric acquired 51.01% of Schneider eStar for a consideration of EUR 230 million, of which EUR 220 million paid in cash.

The purchase accounting as per IFRS 3 is completed as of December 31, 2025. Schneider eStar carrying value at acquisition date for net identifiable assets was EUR 16 million. The net adjustment of the opening balance sheet is EUR 111 million, resulting from the booking of an identifiable intangible asset. The partial goodwill method was used and a partial goodwill of EUR 165 million was recognized at acquisition date.

Schneider eStar started operating in April 2025 and is fully consolidated within the Energy Management reporting segment.

Transaction with Schneider Electric India Private Limited ("SEIPL") non-controlling interests

On July 29, 2025, Schneider Electric signed an agreement to acquire the remaining 35% non-controlling interests of SEIPL from Temasek to reach full ownership. The transaction closed on December 18, 2025.

Under the terms of the transaction, Schneider Electric acquired the remaining 35% of SEIPL for an all-cash consideration of EUR 5.5 billion.

This transaction was accounted for as a shareholder transaction. The difference between the consideration paid including transaction costs and the carrying amount of the non-controlling interests acquired, amounting to EUR 519 million as of December 31, 2025, was recognized directly in "Equity attributable to owners of the parent".

Follow-up on acquisitions and divestments transacted in 2024 with effect in 2025

Planon

On July 30, 2024, Schneider Electric signed an agreement to acquire an additional 55% stake in Planon for a consideration of EUR 525 million, fully paid in cash, increasing its ownership of Planon to a controlling stake of 80%. Since transaction closing date on October 28, 2024, Planon is consolidated within the Energy Management reporting segment.

The purchase accounting as per IFRS 3 is completed as of December 31, 2025. As of December 31, 2024, a preliminary goodwill of EUR 608 million was recognized. As of December 31, 2025, the goodwill was raised to EUR 644 million.

2.2 – Impact of changes in the scope of consolidation on the Group cash flow

Changes in the scope of consolidation at December 31, 2025, decreased the Group's cash position by a net EUR 6,693 million outflow, as detailed below:

(in millions of euros)	**Full Year 2025**	Full Year 2024
Acquisitions (net of cash acquired)	(1,183)	(535)
of which Motivair	*(816)*	-
of which Schneider eStar	*(219)*	-
of which Planon	*(7)*	*(495)*
Disposals (net of cash disposed)	25	83
FINANCIAL INVESTMENTS NET OF DISPOSALS	**(1,158)**	**(452)**
Schneider Electric India Private Limited – SEIPL	(5,478)	-
Others	(57)	(183)
TRANSACTION WITH NON-CONTROLLING INTERESTS	**(5,535)**	**(183)**
TOTAL CASH FLOW IMPACT	**(6,693)**	**(635)**

In 2025, cash outflow net of cash acquired is mainly due to the non-controlling interest buyout of Schneider Electric India Private Limited for EUR 5,478 million, to the acquisition of Motivair for EUR 816 million and the creation of Schneider eStar Joint Venture for EUR 219 million. The main acquisitions and disposals of the year are described in Note 2.1.

In 2024, cash outflow was mainly due to the acquisitions of Planon and ETAP's non-controlling interests and other individually not significant acquisitions.

Note 3: Revenue and backlog

Accounting principles

The Group's revenue primarily comprises transactional sales, and revenue from services, systems contracts (projects) and software.

In accordance with IFRS 15, when a contract includes multiple goods or services, the Group assesses whether these goods or services are distinct. Where that assessment concludes that distinct goods or services are transferred to the customer (for example, contracts combining build followed by operation and maintenance), the contract is separated into multiple performance obligations, which are accounted for separately.

Revenue is recognized for each identified performance obligation when (or as) that obligation is satisfied, i.e., when control of the promised goods or services is transferred to the customer, for an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue recognized at a point in time

Revenue from sales is recognized at a point in time when control of the promised goods or services is transferred to the customer. This method applies to all transactional sales and to certain services such as spare parts deliveries, or on-demand services.

Discounts and rebates granted to distributors are accrued when the related products are sold and are recognised as a reduction of revenue. Certain Group subsidiaries also grant cash discounts to distributors, which are likewise deducted from revenue.

Accordingly, consolidated revenue is presented net of these discounts and rebates.

Revenue recognized over time

In order to conclude that control transfers over time and therefore recognize revenue over time, the following criteria must be met cumulatively:

- the goods sold have no alternative use; and
- the Group has an enforceable right to payment (corresponding to costs incurred, plus a reasonable profit margin) for the work performed to date, in the event of termination for convenience by the customer.

When these criteria are met, revenue is recognized using the percentage-of-completion method, based on the proportion of costs incurred relative to the total estimated costs for the performance obligation. Costs incurred include direct and indirect costs attributable to the contract.

Expected contract losses are recognized in full as soon as they are identified.

Penalties for late delivery or improper execution are recognized as a reduction of revenue.

This method applies to systems contracts (projects), as the constructed assets are highly customized, and the Group would otherwise incur significant economic losses to redirect the solutions to alternative customers.

Revenue from most services contracts is recognized over time, as the customer simultaneously receives and consumes the benefits of the services provided. Where costs incurred are stable over the contract period, revenue is recognized on a straight-line basis over the contract term.

Software revenue recognition

The Group generates software-related revenue primarily from subscriptions, licenses, maintenance and services. Revenue is recognized upon transfer of control of the promised software or service to customers.

- Subscription arrangements are either:
  - SaaS (Software as a Service): remote access to a cloud software solution, hosting and services for which revenue is recognized on a straight-line basis over the contract term; or
  - On premise subscriptions, which contain two separate performance obligations relating to the on-premise software license and maintenance, for which revenue is recognized consistently with arrangements that include multiple performance obligations.
- Software license revenue represents fees earned from granting customers licenses to use the Group's software. It includes revenue from perpetual and term (periodic) licenses and is recognized at a point in time when control is transferred to the customer.
- Maintenance includes annual fees as well as separate support and maintenance contracts. Revenue is recognized over time on a straight-line basis over the contract term.
- Services include, in particular, setup, training and customization services. Revenue from these services is recognized over time as the services are performed.

Backlog

Backlog (as disclosed in Note 4) corresponds to the selling price allocated to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date and includes binding contracts only.

Note 4: Segment information

The Group is organized into two reporting segments as follows:

Energy Management leverages a complete end-to-end technology offering enabled by EcoStruxure. The Group's go-to-market is oriented to address customer needs across its four end-markets of Data Center & Networks, Buildings, Industry and Infrastructure, supported by a worldwide partner network.

Industrial Automation includes Industrial Automation and Industrial Control activities, across discrete, process & hybrid industries.

Expenses concerning General Management that cannot be allocated to a particular segment are presented under "Central functions & digital costs".

The Executive Committee, which is chaired by the Chief Executive Officer, has been identified as the main decision-making body for allocating resources and evaluating segment performance. Performance and decisions on the allocation of resources are assessed by the Executive Committee and are mainly based on Adjusted EBITA.

Share-based payment is presented under "Central functions & digital costs".

The Executive Committee does not review assets and liabilities by reporting segments.

The same accounting principles governing the consolidated financial statements apply to segment data.

Due to the substantial number of customers served by the Group, to their significant diversity in multiple sectors and to their wide geographical dispersion, the Group's largest customer does not exceed 10% of Schneider Electric's revenue.

4.1 – Information by reporting segment

Full Year 2025

(in millions of euros)	**Energy Management**	**Industrial Automation**	**Central functions & digital costs**	**Total**
Backlog	21,340	4,022	-	**25,362**
Revenue	33,130	7,022	-	**40,152**
Adjusted EBITA	7,235	994	(709)	**7,520**
including depreciation & amortization	*(914)*	*(281)*	-	***(1,195)***
Adjusted EBITA (%)	*21.8%*	*14.2%*		***18.7%***

On December 31, 2025, the total backlog to be executed in more than a year amounted to EUR 8,022 million.

Full Year 2024

(in millions of euros)	Energy Management	Industrial Automation	Central functions & digital costs	Total
Backlog	17,698	3,722	-	21,420
Revenue	31,131	7,022	-	38,153
Adjusted EBITA	6,865	1,041	(823)	7,083
including depreciation & amortization	*(845)*	*(287)*	-	*(1,132)*
Adjusted EBITA (%)	*22.1%*	*14.8%*		*18.6%*

On December 31, 2024, the total backlog to be executed in more than a year amounted to EUR 4,842 million.

4.2 – Information by region

The geographic regions covered by the Group are:
- Western Europe;
- North America (including Mexico);
- Asia-Pacific;
- Rest of the World (Eastern Europe, Middle East, Africa, South America).

Non-current assets include net goodwill, net intangible assets and net property, plant and equipment.

Full Year 2025

(in millions of euros)	**Western Europe**	***of which France***	**Asia-Pacific**	***of which China***	**North America**	***of which USA***	**Rest of the world**	**Total**
Revenue by country market	9,316	*2,240*	10,497	*4,607*	15,438	*13,818*	4,901	**40,152**
Non-current assets as of Dec. 31, 2025	13,966	*3,178*	5,359	*1,101*	15,705	*15,259*	1,531	**36,561**

Full Year 2024

(in millions of euros)	Western Europe	*of which France*	Asia-Pacific	*of which China*	North America	*of which USA*	Rest of the world	Total
Revenue by country market	8,993	*2,137*	10,347	*4,670*	13,850	*12,108*	4,963	38,153
Non-current assets as of Dec. 31, 2024	13,807	*2,975*	5,868	*1,156*	16,328	*15,947*	1,442	37,445

Note 5: Research and development expenditures

Accounting principles

Research expenditures are expensed in the statement of income as incurred. Development expenditures for new projects are capitalized when the recognition criteria in IAS 38 are met.

Development costs that have previously been expensed are not subsequently recognized as intangible assets.

Research and development expenditures are as follows:

(in millions of euros)	**Full Year 2025**	Full Year 2024
Research and development expenditures in costs of sales	(648)	(594)
Research and development expenditures in R&D costs *	(1,365)	(1,308)
Capitalized development costs	(367)	(358)
TOTAL RESEARCH AND DEVELOPMENT EXPENDITURES **	**(2,380)**	**(2,260)**

* Net of EUR 52 million of research and development tax credit in full year 2025 and EUR 46 million in full year 2024
** Excluding amortization of capitalized development costs

In addition to the research and development expenditures, amortization expenses of capitalized development costs booked in cost of sales, amounted to EUR 234 million in 2025 and EUR 232 million in 2024.

Note 6: Impairment losses, depreciation and amortization expenses

Depreciation and amortization expenses and impairment losses on property, plant and equipment, goodwill and intangible assets are as follows:

(in millions of euros)	**Full Year 2025**	Full Year 2024
Depreciation, amortization and impairment included in cost of sales	(595)	(590)
Depreciation, amortization and impairment included in selling, general and administrative expenses	(617)	(570)
Impairment included in restructuring costs	(19)	-
Amortization expenses of purchase accounting intangible assets	(457)	(406)
Impairment losses of purchase accounting intangible assets	-	-
IMPAIRMENT LOSSES, DEPRECIATION AND AMORTIZATION EXPENSES	**(1,688)**	**(1,566)**

Note 7: Other operating income and expenses

Accounting principles

Material non-recurring operations that could affect operating performance readability are classified under "Other operating income and expenses". They notably include:

- gains or losses from the disposal of activities or groups of assets;
- costs in relation with acquisitions or separation (advisors' fee, costs from external experts involved in the due diligence process);
- costs in relation with integration (one-off costs expensed in the next three years after acquisition, in relation with upgrade or modification of existing IT systems, to reach the Group standards);
- significant provisions and impairment losses for property, plant and equipment and intangible assets;
- provisions or costs relating to significant legal risks or litigations;
- gain or loss related to the amendment, curtailment or settlement of a defined benefit plan.

Other operating income and expenses are as follows:

(in millions of euros)	**Full Year 2025**	Full Year 2024
Gains/(losses) on assets disposals	5	6
Gains/(losses) on business disposals	20	110
Costs of acquisitions, integrations and separations	(49)	(96)
Others	(53)	(107)
OTHER OPERATING INCOME AND EXPENSES	**(77)**	**(87)**

In 2025, the costs of acquisitions, integrations and separations are mainly related to the recent acquisitions or ongoing projects. "Others" mainly include some legal provisions.

In 2024, the gains on business disposals mainly related to the revaluation of the Planon's shares previously owned by the Group, following the acquisition of a controlling stake in 2024. The costs of acquisitions, integrations and separations are mainly related to the recent acquisitions and 2024 projects. "Others" mainly included EUR 104 million provision in relation to the French Competition Authority decision.

Note 8: Other financial income and expenses

Other financial income and expenses are as follows:

(in millions of euros)	**Full Year 2025**	Full Year 2024
Exchange gains and losses, net	(47)	3
Net monetary gain/(loss) (IAS 29 Hyperinflation)	(4)	(23)
Financial component of defined benefit plan costs	(43)	(44)
Dividends received	3	4
Fair value adjustment of financial assets	(22)	(12)
Financial interests – IFRS16	(62)	(48)
Effect of discounting & unwinding of discount	(5)	(16)
Other financial expenses, net	(18)	(12)
OTHER FINANCIAL INCOME AND EXPENSES	**(198)**	**(148)**

Note 9: Income tax

Accounting principles

Income tax expense

Current income tax is determined based on tax laws and regulations enacted or substantively enacted at the reporting date in each jurisdiction in which Group entities operate. The Group's applicable tax rate corresponds to the weighted average of the theoretical tax rates in force in each country, with the weighting based on the profit generated in those jurisdictions. The average effective tax rate is determined as follows: current and deferred income tax expense divided by net profit before tax, excluding the share of profit of associates and net profit from discontinued operations.

Provisions covering uncertainties over income tax treatment are presented under "Accrued taxes and payroll costs".

Deferred taxes

Deferred taxes are recognized for all temporary differences between the carrying amounts of assets and liabilities and their tax bases (except for temporary differences arising on initial recognition of goodwill), as well as for tax loss carryforwards and unused tax credits.

Deferred taxes are measured using tax rates and tax laws enacted or substantively enacted by the end of the reporting period and expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled. The effects of changes in the current and deferred tax rates are recognized in the statement of income, except to the extent that they relate to items recognized in OCI or directly in equity.

When the Group decides not to distribute profits retained by the subsidiary within the foreseeable future, no deferred tax liability is recognized.

Deferred tax assets relating to future tax benefits arising from the utilization of tax loss carryforwards (including amounts that may be carried forward without time limit) are recognized only when it is probable that sufficient taxable profit will be available against which the losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Wherever the regulatory environment allows it, the Group entities file consolidated tax returns. Schneider Electric SE files a consolidated tax return with its French subsidiaries held directly or indirectly through Schneider Electric Industries SAS.

9.1 – Analysis of income tax expense

(in millions of euros)	**Full Year 2025**	Full Year 2024
Current taxes	(1,382)	(1,599)
Deferred taxes	(73)	201
INCOME TAX EXPENSE	**(1,455)**	**(1,398)**

9.2 – Income tax expense by country market

Full Year 2025

(in millions of euros)	**Western Europe**	***of which France***	**Asia-Pacific**	***of which China***	**North America**	***of which USA***	**Rest of the world**	**Total**
Revenue by country market	9,316	*2,240*	10,497	*4,607*	15,438	*13,818*	4,901	**40,152**
in %	23%	*6%*	26%	*12%*	38%	*34%*	12%	
Income tax expense by country market*	(189)	*(50)*	(611)	*(304)*	(549)	*(491)*	(106)	**(1,455)**
in %	13%	*3%*	42%	*21%*	38%	*34%*	7%	

* after reallocation of withholding taxes on dividends

Full Year 2024

(in millions of euros)	Western Europe	*of which France*	Asia-Pacific	*of which China*	North America	*of which USA*	Rest of the world	Total
Revenue by country market	8,993	*2,137*	10,347	*4,670*	13,850	*12,108*	4,963	38,153
in %	24%	*6%*	27%	*12%*	36%	*32%*	13%	
Income tax expense by country market*	(234)	*(44)*	(582)	*(280)*	(457)	*(409)*	(125)	(1,398)
in %	17%	*3%*	42%	*20%*	33%	*29%*	9%	

* after reallocation of withholding taxes on dividends

9.3 – Tax reconciliation

(in millions of euros)	**Full Year 2025**	Full Year 2024
Profit attributable to owners of the parent	**4,163**	**4,269**
Income tax expense	(1,455)	(1,398)
Non-controlling interests	(188)	(170)
Share of profit of associates	14	17
Impairment of investments in associates	(388)	(220)
Profit before tax	**6,180**	**6,040**
Geographical weighted average Group tax rate	23.9%	24.1%
Theoretical income tax expense	**(1,476)**	**(1,454)**
Reconciling items:		
Tax credits and other tax reductions	166	198
Impact of tax losses	8	25
Withholding taxes	(84)	(120)
Other elements without tax bases (current or deferred)	(28)	(58)
Other permanent differences	(41)	11
INCOME TAX EXPENSE	**(1,455)**	**(1,398)**
EFFECTIVE TAX RATE	**23.5%**	**23.1%**

The Company's consolidated income from continuing operations being predominantly generated outside of France, theoretical tax expense from continuing operations is reconciled above from the Company's weighted–average global tax rate (rather than from the French domestic statutory tax rate).

9.4 – Deferred taxes by nature

Deferred taxes by type can be analyzed as follows:

(in millions of euros)	**Dec. 31, 2025**	Dec. 31, 2024
Tax loss carryforwards (net)	666	622
Provisions for pensions and other post-retirement benefit obligations (net)	223	233
Non-deductible provisions and accruals (net)	411	483
Differences between tax and accounting depreciation on tangible assets (net)	(48)	(35)
Differences between tax and accounting amortization on intangible assets (net)	(812)	(719)
Differences on working capital (net)	201	262
Other deferred tax assets/(liabilities) (net)	113	138
TOTAL NET DEFERRED TAX ASSETS/(LIABILITIES)	**754**	**984**
of which total deferred tax assets	*1,567*	*1,794*
of which total deferred tax liabilities	*813*	*810*

Deferred tax assets recorded in respect of tax losses carried forward on December 31, 2025 essentially concern France (EUR 403 million). These deficits can be carried forward indefinitely, and have been activated using the rate of 25.83%, in accordance with the applicable rate in the expected consumption horizon of 7 years. Unrecognized deferred tax losses amount EUR 104 million as of December 31, 2025 compared to EUR 116 million as of December 31, 2024.

Note 10: Impairment of assets

Accounting principles

The Group assesses the recoverability of its long-lived assets as follows:

- For all depreciable property, plant and equipment and amortizable intangible assets, the Group reviews at each reporting date whether there is any indication of impairment based on external and internal sources of information. Where such indicators exist, the Group performs an impairment test.
  - For capitalized development projects integrated in sold offers, deviations from the business plan of selected quantitative indicators (such as revenue, volumes, prices and costs) and qualitative indicators (such as market changes, strategic turnarounds, changes in R&D roadmap priorities, etc.) are considered impairment indicators that trigger an impairment test;
  - Prior to commercial launch, capitalized development projects are tested for impairment at least annually.
- Indefinite-lived trademarks and goodwill are tested for impairment annually and whenever events or changes in circumstances indicate that the assets may be impaired.

Goodwill impairment tests are performed at the level of the CGUs (or groups of CGUs) to which goodwill is allocated.

Indefinite-lived trademarks (mainly APC) are allocated to the group of CGUs to which they contribute cash inflows and are assessed for impairment as part of the CGU impairment test.

A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent from the cash inflows of other assets or groups of assets. The groups of CGUs are *Low Voltage*, *Medium Voltage*, *Secure Power*, *Sustainability*, *EM Software*, *Industrial Automation* and *Industrial Automation Software*.

Net assets are allocated to groups of CGUs at the lowest possible level, based on the activities of the group of CGUs to which they relate.

Where the recoverable amount of a CGU or a long-lived asset is lower than its carrying amount, an impairment loss is recognized for the excess of the carrying amount over the recoverable amount. The recoverable amount is the higher of value in use and fair value less costs to sell. When the tested CGU comprises goodwill, any impairment losses are firstly deducted from goodwill.

Value in use is determined by discounting the future cash flows expected to be generated by the assets tested. Those cash flows are based on Group management's economic assumptions and operating forecasts included in business plans, generally covering a period not exceeding five years, and are subsequently extrapolated using a perpetual growth rate. The discount rate applied corresponds to the weighted average cost of capital (WACC) at the measurement date. It stood at 9.0% at December 31, 2025 and December 31, 2024 for the Group. The WACC is determined on the following principal assumptions:

- a long-term interest rate of 2.7%, corresponding to the 10-year euro mid-swap rate;
- the average premium applied to financing obtained by the Group in 2025;
- the weighted country risk premiums for the Group's activities in the relevant countries.

10.1 – Main items of goodwill

Goodwill is broken down by groups of Cash Generating Units (CGUs) as follows, with long-term growth rates and WACC used for annual impairment test:

(in millions of euros)	LTG	WACC	Dec. 31, 2025	LTG	WACC	Dec. 31, 2024
Energy Management:			**15,282**			**15,356**
Low Voltage	2.0%	9.2%	7,496	2.0%	9.0%	7,904
Medium Voltage	2.0%	8.9%	3,723	2.0%	9.0%	3,858
Secure Power	2.0%	8.9%	3,567	2.0%	9.0%	3,068
Other	2.0% to 3.0%	8.2% to 8.9%	496	2.0% to 3.0%	8.0% to 9.1%	526
Industrial Automation:			**9,860**			**10,925**
Industrial Automation	2.0%	9.5%	5,482	2.0%	9.2%	6,113
Industrial Automation Software	3.0%	9.1%	4,378	3.0%	9.1%	4,812
TOTAL GOODWILL			**25,142**			**26,281**

The Group performed the annual impairment test of all the groups of CGUs' assets using the same methodology as the one used on previous periods and described in the accounting principles.

Impairment tests performed in 2025 indicated that no impairment loss was required on the groups of CGUs' assets.

The sensitivity analysis on the test's main assumptions shows that no impairment losses would be recognized in each of the following scenarios, for each group of CGUs:

- a 0.5 point increase of the discount rate;
- a 1.0 point decrease in the growth rate;
- a 0.5 point decrease in the margin rate.

10.2 – Climate-related matters

In 2025, the Group relied on advanced modeling tools to evaluate the potential impact of climate-related matters and physical risks on fixed assets over the Group future cash flows. This risk assessment covered a broad spectrum of risks as outlined below:

- Policy: Legislation that are or could be enacted by governments to price and penalize Greenhouse gas (GHG) emissions;
- Market consumer: Consumer preferences could shift towards sustainable alternative products and services, transforming market demand;
- Technology: Disruptive lower-carbon technology could change in key economic sectors and risks to carbon intensive assets and operations;
- Liability: Litigation that could be brought by plaintiffs against companies for their liabilities in causing harm from climate change;
- Investor: Investors prioritize returns from lower-carbon companies, driving cost of capital and valuation changes;
- Reputation: Customer sentiment could be influenced by company's actions to address climate change risk;
- Physical risk: Key facility operational risk and physical asset damage due to extreme weather.

Results of the risk assessment are showing that most of those risks do not have a significant impact on the Group future cash flows. The most impactful risk would be the Policy risk. To evaluate this particular risk, external experts considered the Group scope 1, 2 and 3 GHG emissions by country and projected them over a 10-year period (based on growth of the business) multiplied by current and projected country-level carbon pricing data, taken from several databases (including IEA, WB, NGFS), and projected across various climate futures based on academic research. Political risk primarily affects our scope 3 emissions, which in turn impacts our future cash flows through an increase in our cost of sales (upstream) combined with a drop in demand (downstream).

However, the model, being conservative, is not considering any upside from the Group's strong long-term position to meet the increasing demand of organizations making meaningful progress on their energy transition and decarbonization goals, neither the actions taken by the Group to decarbonate its value chain.

In addition, the Group also considered the impact on future cash flows of its commitments to be "net-zero ready" in its operation (scopes 1 and 2) by 2030 and net-zero across the whole value chain by 2050.

Considering the above risk assessment and its commitments, the Group has performed a sensitivity analysis to our impairment tests at groups of CGUs level and did not identify impairment risk on its assets.

Note 11: Goodwill

The main movements during the year are summarized as follows:

(in millions of euros)	**Dec. 31, 2025**	Dec. 31, 2024
Net goodwill at opening	**26,281**	**24,664**
Acquisitions	997	616
Disposals	(8)	(4)
Reclassifications	-	24
Translation adjustment	(2,128)	981
NET GOODWILL AT END OF YEAR	**25,142**	**26,281**
including cumulative impairment losses	*(372)*	*(371)*

Acquisitions & Disposals

Movements from acquisitions and disposals are described in Note 2.

Other changes

Translation adjustments mainly concern goodwill denominated in US dollar.

Note 12: Intangible assets

Accounting principles

Intangible assets acquired separately are initially recognized at cost and are subsequently measured using amortized cost.

Intangible assets (primarily trademarks, technologies and customer relationships) acquired as part of a business combination are recognized at fair value at the acquisition date. For the most significant assets, fair values are determined with support from external experts; for other assets, valuations are performed internally. Valuations are performed using generally accepted techniques, based on expected future cash inflows. The trademarks fair value is determined using the relief from royalty method.

Development expenditures for new projects are capitalized when the recognition criteria in IAS 38 are met. From the date of commercial launch, capitalized development costs are amortized over the useful life of the underlying technology. The related amortization expense is included in the cost of the products concerned and recognized within "Cost of sales" when the products are sold.

External and internal costs associated with the implementation of Enterprise Resource Planning (ERP) applications are capitalized when they relate to the programming, coding and testing phase. They are amortized over the useful lives of the related applications. The Group does not capitalize software provided under a SaaS model, as the underlying application is not controlled by the Group. Related costs are therefore expensed unless they create a separate identifiable asset controlled by the Group.

Intangible assets are generally amortized on a straight-line basis over their useful lives or, where relevant, over the period of legal protection.

Trademarks acquired in a business combination are not amortized when they are determined to have an indefinite useful life. The criteria used to determine whether or not such trademarks have indefinite lives and, as the case may be, their lifespan, are as follows:

- brand awareness;
- outlook for the brand in light of the Group's strategy for integrating the trademark into its existing portfolio.

Useful lives are generally as follows:

- Acquired technologies: 8 to 10 years
- Development projects: 3 to 10 years
- Customer relationships: 10 to 20 years
- Trademarks: 7 to 10 years or indefinite

Amortization expenses and impairment losses on intangible assets acquired in a business combination are presented on a separate line in the statement of income, "Amortization and impairment of purchase accounting intangibles".

12.1 – Change in intangible assets

Gross value

(in millions of euros)	Trademarks	Software	Development Projects (R&D)	Acquired technologies and customer relationships	Other	**Total**
Dec. 31, 2023	**2,871**	**1,214**	**4,148**	**4,536**	**292**	**13,061**
Acquisitions	-	111	358	-	-	**469**
Disposals	(6)	(15)	(69)	-	(20)	**(110)**
Translation adjustments	126	17	54	227	17	**441**
Reclassifications	6	(36)	16	55	11	**52**
Reclassifications to assets held for sale	-	-	-	-	-	**-**
Changes in scope of consolidation and other	45	3	-	388	10	**446**
Dec. 31, 2024	**3,042**	**1,294**	**4,507**	**5,206**	**310**	**14,359**
Acquisitions	-	101	369	1	-	**471**
Disposals	(3)	(58)	(90)	(7)	(28)	**(186)**
Translation adjustments	(283)	(38)	(156)	(502)	(38)	**(1,017)**
Reclassifications	-	17	(12)	1	15	**21**
Reclassifications to assets held for sale	-	-	-	-	-	**-**
Changes in scope of consolidation and other	43	(1)	(1)	324	150	**515**
Dec. 31, 2025	**2,799**	**1,315**	**4,617**	**5,023**	**409**	**14,163**

Amortization and impairment

(in millions of euros)	Trademarks	Software	Development Projects (R&D)	Acquired technologies and customer relationships	Other	Total
Dec. 31, 2023	**(574)**	**(943)**	**(2,912)**	**(2,579)**	**(216)**	**(7,224)**
Amortization	(40)	(72)	(233)	(361)	(10)	**(716)**
Impairment	-	-	(19)	-	-	**(19)**
Reversals	6	15	65	-	20	**106**
Translation adjustments	(4)	(11)	(35)	(137)	(4)	**(191)**
Reclassifications	-	-	-	(38)	-	**(38)**
Reclassifications to assets held for sale	-	-	-	-	-	**-**
Changes in scope of consolidation and other	-	-	-	10	(7)	**3**
Dec. 31, 2024	**(612)**	**(1,011)**	**(3,134)**	**(3,105)**	**(217)**	**(8,079)**
Amortization	(44)	(85)	(234)	(393)	(25)	**(781)**
Impairment	-	-	(19)	-	-	**(19)**
Reversals	3	56	96	7	29	**191**
Translation adjustments	19	29	108	295	12	**463**
Reclassifications	-	-	-	-	-	**-**
Reclassifications to assets held for sale	-	-	-	-	-	**-**
Changes in scope of consolidation and other	-	1	-	-	(1)	**-**
Dec. 31, 2025	**(634)**	**(1,010)**	**(3,183)**	**(3,196)**	**(202)**	**(8,225)**

Net value

(in millions of euros)	Trademarks	Software	Development Projects (R&D)	Acquired technologies and customer relationships	Other	Total
Dec. 31, 2023	**2,297**	**271**	**1,236**	**1,957**	**76**	**5,837**
Dec. 31, 2024	**2,430**	**283**	**1,373**	**2,101**	**93**	**6,280**
Dec. 31, 2025	**2,165**	**305**	**1,434**	**1,827**	**207**	**5,938**

12.2 – Trademarks

On December 31, 2025, the main trademarks recognized were as follows:

(in millions of euros)	**Dec. 31, 2025**	Dec. 31, 2024
APC (Secure Power)	1,565	1,770
Asco (Low Voltage)	106	120
Clipsal (Low Voltage)	102	114
OSIsoft (Industrial Automation Software)	80	107
Aveva (Industrial Automation Software)	87	92
Invensys – Triconex and Foxboro (Industrial Automation)	47	53
Motivair (Secure Power)	35	-
Digital (Industrial Automation)	30	33
Planon (Medium Voltage)	28	32
Lauritz Knudsen (Low Voltage)	13	25
Other	72	84
TRADEMARKS NET BOOK VALUE	**2,165**	**2,430**

Note 13: Property, plant and equipment

Accounting principles

Property, plant and equipment

Property, plant and equipment are carried at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Property, plant and equipment are depreciated on a straight-line basis over their useful lives, as follows:

- Buildings: 20 to 40 years;
- Machinery and equipment: 3 to 10 years;
- Other: 3 to 12 years.

The useful lives of property, plant and equipment used in operating activities, such as production lines, reflect the estimated life cycles of the related products.

Each significant component of an asset is identified and depreciated separately when it has a useful life that differs from that of the asset as a whole.

The useful lives of property, plant and equipment are reviewed regularly and adjusted prospectively when necessary. The depreciable amount of an asset is determined after deducting its residual value, where such residual value is considered material.

Depreciation is recognised in the period in which it is incurred and included in the production cost of inventories or in the cost of internally generated intangible assets. It is recorded in the statement of income within "Cost of sales", "Research and development costs" or "Selling, general and administrative expenses", as applicable.

Leases

Scope of the Group's contracts

The lease contracts identified across the Group primarily relate to the following categories:

- Real estate, including office buildings, factories and warehouses;
- Vehicles, such as cars and trucks;
- Material-handling equipment, including forklifts mainly used in factories or storage facilities.

The Group applies the recognition exemptions for low-value assets (i.e. assets with an individual value of less than USD 5,000) and for short-term leases (i.e. leases of less than 12 months without a purchase option).

Lease liabilities

At the commencement date of a lease, the Group recognizes a lease liability, measured at the present value of lease payments to be made over the lease term. The present value is determined principally using the incremental borrowing rate of the contracting entity's country, reflecting a maturity consistent with the lease term and a payment profile similar to the lease payments.

Subsequent to commencement, the lease liability is increased to reflect interest accretion and reduced for lease payments made.

The carrying amount of the lease liability is remeasured in the event of a reassessment or modification of the lease (e.g. changes in lease term, changes in lease payments, application of annual indexation, etc.).

Lease liabilities are presented within other current and other non-current liabilities.

Right-of-use assets

Right-of-use assets are recognized at the lease commencement date (i.e. the date on which the underlying asset is available for use). They are measured at cost, less accumulated depreciation and impairment losses, and adjusted for remeasurement of the lease liability.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life of the underlying asset and the lease term.

Lease terms

Real estate lease terms vary by country and local regulations. Vehicles and forklifts are generally leased for periods ranging from 3 to 6 years.

In most cases, the lease term corresponds to the enforceable term of the real estate contracts, particularly for the most strategic buildings and factories.

Gross value

(in millions of euros)	Land	Buildings	Machinery and equipments	Other	Rights of use of Assets (IFRS 16)	Total
Dec. 31, 2023	**161**	**2,074**	**4,945**	**1,612**	**2,360**	**11,152**
Acquisitions	15	21	81	838	574	**1,529**
Disposals	(2)	(59)	(175)	(76)	(201)	**(513)**
Translation adjustments	4	16	99	35	36	**190**
Reclassifications	2	185	434	(635)	(51)	**(65)**
Reclassifications to assets held for sale	-	-	-	-	-	**-**
Changes in scope of consolidation and other	-	2	(23)	3	9	**(9)**
Dec. 31, 2024	**180**	**2,239**	**5,361**	**1,777**	**2,727**	**12,284**
Acquisitions	1	21	78	1,004	736	**1,840**
Disposals	(2)	(71)	(276)	(88)	(174)	**(611)**
Translation adjustments	(13)	(91)	(283)	(127)	(162)	**(676)**
Reclassifications	5	230	470	(752)	91	**44**
Reclassifications to assets held for sale	-	-	-	-	-	**-**
Changes in scope of consolidation and other	(1)	(4)	(11)	(10)	12	**(14)**
Dec. 31, 2025	**170**	**2,324**	**5,339**	**1,804**	**3,230**	**12,867**

Depreciation and impairment

(in millions of euros)	Land	Buildings	Machinery and equipments	Other	Rights of use of Assets (IFRS 16)	Total
Dec. 31, 2023	**(19)**	**(1,210)**	**(3,784)**	**(573)**	**(1,357)**	**(6,943)**
Depreciation	(1)	(103)	(277)	(76)	(365)	**(822)**
Impairment	-	-	(4)	(5)	-	**(9)**
Reversals	-	45	161	54	158	**418**
Translation adjustments	(1)	(16)	(72)	(16)	(16)	**(121)**
Reclassifications	(1)	-	24	(14)	52	**61**
Reclassifications to assets held for sale	-	-	-	-	-	**-**
Changes in scope of consolidation and other	-	(2)	18	(2)	2	**16**
Dec. 31, 2024	**(22)**	**(1,286)**	**(3,934)**	**(632)**	**(1,526)**	**(7,400)**
Depreciation	(2)	(105)	(316)	(75)	(373)	**(871)**
Impairment	-	(6)	(8)	(3)	-	**(17)**
Reversals	-	59	264	72	154	**549**
Translation adjustments	2	54	184	41	64	**345**
Reclassifications	(2)	(7)	11	6	(34)	**(26)**
Reclassifications to assets held for sale	-	-	-	-	-	**-**
Changes in scope of consolidation and other	-	5	28	7	(6)	**34**
Dec. 31, 2025	**(24)**	**(1 286)**	**(3 771)**	**(584)**	**(1 721)**	**(7 386)**

Net value

(in millions of euros)	Land	Buildings	Machinery and equipments	Other	Rights of use of Assets (IFRS 16)	Total
Dec. 31, 2023	**142**	**864**	**1,161**	**1,039**	**1,003**	**4,209**
Dec. 31, 2024	**158**	**953**	**1,427**	**1,145**	**1,201**	**4,884**
Dec. 31, 2025	**146**	**1,038**	**1,568**	**1,220**	**1,509**	**5,481**

Reclassifications primarily correspond to assets put into use.

The cash impact of purchases of property, plant and equipment was as follows:

(in millions of euros)	**Full Year 2025**	Full Year 2024
Increase in property, plant and equipment	(1,840)	(1,529)
Of which non-cash impact related to IFRS 16	*736*	*574*
Changes in receivables and liabilities on property, plant and equipment	32	5
TOTAL	**(1,072)**	**(950)**

IFRS 16 debt by maturity:

(in millions of euros)	**Dec. 31, 2025**	Dec. 31, 2024
2025	-	236
2026	292	246
2027	261	187
2028	204	134
2029	155	94
2030	122	75
2031	99	64
2032	88	52
2033 and beyond	333	191
TOTAL	**1,554**	**1,279**

Note 14: Investments in associates and joint ventures

Accounting principles

Under the equity method, investments in associates and joint ventures are initially recognized at cost and subsequently adjusted to reflect the Group's share of the investee's net income, dividend and other comprehensive income. Goodwill relating to an associate or joint venture is included in the carrying amount of the investment.

When the Group's share of losses of an equity-accounted investee exceeds the carrying amount of the investment, the Group discontinues recognizing its share of further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the investee.

Investments in associates and joint ventures can be analyzed as follows:

(in millions of euros)	Delixi Group	Uplight	Planon	Fuji Electrics	Sunten Electric Equipment	Other	**Total**
% of interest							
Dec. 31, 2024	50.0%	43.5%	80.0%	36.8%	25.0%		
Dec. 31, 2025	50.0%	43.5%	80.0%	36.8%	25.0%		
CLOSING VALUE DEC. 31, 2023	**487**	**388**	**115**	**142**	**34**	**40**	**1,206**
Net Income/(loss)	54	(51)	-	14	2	(2)	**17**
Impairment of investments in associates	-	(220)	-	-	-	-	**(220)**
Dividends distribution	(19)	-	-	(13)	(1)	(1)	**(34)**
Perimeter changes	-	229	(115)	-	-	(27)	**87**
Translation impacts & others	16	38	-	(4)	1	4	**55**
CLOSING VALUE DEC. 31, 2024	**538**	**384**	**-**	**139**	**36**	**14**	**1,111**
Net Income/(loss)	44	(38)	-	4	6	(2)	**14**
Impairment of investments in associates	-	(299)	-	-	-	-	**(299)**
Dividends distribution	(31)	-	-	(5)	(3)	(2)	**(41)**
Perimeter changes	-	-	-	-	-	-	**-**
Translation impacts & others	(37)	(47)	-	(15)	(3)	22	**(80)**
CLOSING VALUE DEC. 31, 2025	**514**	**-**	**-**	**123**	**36**	**32**	**705**

Following updated investee-specific financial information and market-based inputs, the Group recognised a EUR (299) million impairment of its equity-accounted investment in Uplight, reducing its carrying amount to nil. The Group also recognised EUR (55) million of expected credit losses on convertible notes issued by the investee which are presented in "Non-current financial assets". These amounts, recorded in "Impairment of investments in associates", are non-cash and reflect revised cash-flow expectations.

14.1 – Main entities consolidated under the equity method:

Delixi Electric Ltd.

In 2007, Schneider Electric joined Delixi Group to establish a win-win partnership in a joint-venture, Delixi Electric Ltd., aka “Delixi Electric”. Delixi Electric, based in China, is specialist in manufacturing, retail and distribution of low voltage products.

The key financial indicators for the Delixi Electric subgroup (on a 100% basis) are as follows:

(in millions of euros)	**Dec. 31, 2025**	Dec. 31, 2024
Non-current assets	655	754
Current assets	663	531
of which cash and cash equivalents	*252*	*182*
TOTAL ASSETS	**1,318**	**1,285**
Equity	711	737
Non-current liabilities	18	22
Current liabilities	589	526
TOTAL EQUITY AND LIABILITIES	**1,318**	**1,285**
Revenue	1,351	1,371
Adjusted EBITA	149	145
PROFIT FOR THE YEAR	**88**	**108**
Dividends paid	62	38

Note 15: Non-current financial assets

Accounting principles

Equity instruments are initially recognized at cost and subsequently measured at fair value.

IFRS 9 permits two accounting treatments for equity instruments, other than those held for trading:

- Changes in fair value are recognized in OCI, with no subsequent recycling in the statement of income even upon disposal; or
- Changes in fair value, as well as gains or losses on disposal, are recognized in the statement of income.

The election between these two methods is made at initial recognition for each equity instrument and is irrevocable. For significant unlisted investments for which no active market exists, fair values are determined with support from external experts at each reporting date.

Venture capital investments (SE Ventures investments in funds, FCPR) and mutual funds (SICAV) are measured at fair value through statement of income, in accordance with IFRS 9.

Non-current financial assets, primarily comprising investments, are detailed below:

		Dec. 31, 2024	Dec. 31, 2025				
(in millions of euros)	% interest	Fair value	Acquisitions Disposals	Fair value through P&L	Fair value through Equity	Translation adjustments & Other	Fair Value
LISTED FINANCIAL ASSETS:							
Gold Peak Industries Holding Ltd	3.2%	2	-	-	-	-	2
Others (Unit fair value lower than EUR 3 million)		13	-	-	-	-	13
TOTAL LISTED FINANCIAL ASSETS		**15**	**-**	**-**	**-**	**-**	**15**
UNLISTED FINANCIAL ASSETS:							
Funds							
SE Ventures Funds of Funds in Portfolio		103	5	(10)	-	(11)	87
Sensetime & Stalagnate Fund China	33.1%	64	(2)	2	-	(3)	61
FCPR Aster II (part A, B and C)	-	19	(4)	(15)	-	-	-
SICAV SESS	99.9%	12	-	-	-	-	12
FCPI Energy Access Ventures Fund	28.6%	18	-	-	-	(1)	17
Others (Unit fair value lower than EUR 10 million)		14	2	-	-	3	19
Direct investments							
SE Ventures – Claroty	4.4%	88	-	-	3	(11)	80
SE Ventures – Verkor	2.8%	45	-	-	(5)	(5)	35
SE Ventures – Augury	2.6%	25	2	-	-	(2)	25
SE Ventures – Sense Labs	13.0%	23	-	-	-	(3)	20
SE Ventures – Scandit	2.4%	19	-	-	(4)	(2)	13
SE Ventures – AiDash	7.6%	14	-	-	3	(2)	15
SE Ventures – Fabric8Labs	5.7%	8	1	-	4	(1)	12
SE Ventures (Unit fair value lower than EUR 10 million)		144	49	-	(24)	(18)	151
Nozomi Networks	6.3%	75	-	-	(17)	(8)	50
Star Charge	1.3%	38	-	-	-	(3)	35
Others (Unit fair value lower than EUR 10 million)		35	2	1	-	(2)	36
TOTAL UNLISTED FINANCIAL ASSETS		**744**	**55**	**(22)**	**(40)**	**(69)**	**668**
PENSIONS ASSETS		**323**	**4**	**-**	**(66)**	**-**	**261**
OTHER		**519**	**299**	**(69)**	**(10)**	**(50)**	**689**
TOTAL NON-CURRENT FINANCIAL ASSETS		**1,601**	**358**	**(91)**	**(116)**	**(119)**	**1,633**

The fair value of investments listed in an active market corresponds to the stock price on the balance sheet date.

"Other" include mainly convertible bonds, insurance recoveries, contributions to US employee deferred compensation trusts ("rabbi trusts") as well as EUR 207 million relative to the fine paid to the French Competition Authority ("Autorité de la concurrence") described in Note 22.

"SE Ventures" is a corporate venture capital fund created in partnership with Schneider Electric. SE Ventures current portfolio is composed of direct investments in various start-up companies and funds of funds.

Note 16: Inventories

Accounting principles

Inventories are measured at the lower of cost (purchase cost or production cost, generally determined using the weighted-average cost method and, in certain cases, the first-in, first-out (FIFO) method) and estimated net realizable value.

The cost of work in progress, semi-finished and finished goods comprises the cost of materials and direct labor, subcontracting costs, production overheads allocated on the basis of normal production capacity, and the portion of development costs that relates directly to the manufacturing process.

The risk of impairment is assessed based on historical or forecast consumption and with consideration of:
- Inventory turnover
- The strategic nature of the inventory
- The phasing in or phasing out of inventory

Inventories changed as follows:

(in millions of euros)	**Dec. 31, 2025**	Dec. 31, 2024
COST:		
Raw materials	2,524	2,721
Production work in progress	365	351
Semi-finished and finished products	1,913	1,807
Finished goods	1,019	1,010
Solution work in progress	235	244
INVENTORIES AT COST	**6,056**	**6,133**
IMPAIRMENT:		
Raw materials	(443)	(468)
Production work in progress	(9)	(10)
Semi-finished and finished products	(209)	(224)
Finished goods	(20)	(12)
Solution work in progress	(7)	(8)
IMPAIRMENT LOSSES	**(688)**	**(722)**
NET:		
Raw materials	2,081	2,253
Production work in progress	356	341
Semi-finished and finished products	1,704	1,583
Finished goods	999	998
Solution work in progress	228	236
INVENTORIES	**5,368**	**5,411**

Note 17: Trade and other operating receivables

Accounting principles

Trade and other receivables are initially recognized at their transaction price and subsequently measured at amortized cost, net of impairment losses recognized under the expected credit loss (ECL) model.

Trade and other operating receivables are impaired using the simplified approach under IFRS 9. From initial recognition, trade receivables are provided for based on lifetime expected credit losses.

Credit risk on trade receivables is assessed collectively on a country-by-country basis, as the geographical origin of receivables is considered representative of their risk profiles. Countries are assigned risk profiles based on assessments provided by an external agency. The ECL allowance is determined using (i) probabilities of default communicated by a credit agency, (ii) historical default rates, (iii) aging balance, and (iv) the Group's assessment of credit risk considering actual guarantees and credit insurance.

When it is determined with certainty that a doubtful receivable will not be collected, the receivable and the related allowance are written off through the statement of income.

Assignment of receivables

Where the Group can demonstrate that it has transferred substantially all of the risks and rewards associated with assigned receivables, in particular credit risk, the receivables are derecognized. Otherwise, the transaction is accounted for as a financing arrangement, and the receivables remain recognized as assets, with a corresponding financial liability.

Contract assets and liabilities

For each contract, the cumulative revenue recognized, less received payments and issued invoices is determined on a contract-by-contract basis. Where this amount is positive, it is recognized as "contract assets"; where it is negative, it is recognized as "contract liabilities".

(in millions of euros)	**Dec. 31, 2025**	Dec. 31, 2024
Accounts receivable	7,038	7,024
Unbilled revenue	2,740	2,244
Notes receivable	183	256
Advances to suppliers	192	204
Trade and other operating receivables at cost	**10,153**	**9,728**
Impairment	(317)	(364)
TRADE AND OTHER OPERATING RECEIVABLES	**9,836**	**9,364**

	Dec. 31, 2025			Dec. 31, 2024		
(in millions of euros)	**Trade and other operating receivables at cost**	**Impairment**	**Trade and other operating receivables**	Trade and other operating receivables at cost	Impairment	Trade and other operating receivables
On time	8,924	(55)	8,869	8,391	(76)	8,315
Less than one month past due	485	(6)	479	538	(6)	532
One to two months past due	204	(5)	199	204	(8)	196
Two to three months past due	115	(5)	110	133	(6)	127
Three to four months past due	76	(10)	66	83	(9)	74
More than four months past due	349	(236)	113	379	(259)	120
TOTAL	**10,153**	**(317)**	**9,836**	**9,728**	**(364)**	**9,364**

Non-recourse factoring of trade receivables led to the derecognition of those receivables for EUR 345 million as of December 31, 2025, compared to EUR 343 million as of December 31, 2024. Substantially all risks and rewards have been transferred.

Accounts receivable result from sales to end-customers, who are widely spread both geographically and economically. Consequently, the Group believes that there is no significant concentration of credit risk.

In addition, the Group takes out substantial credit insurance and uses other types of guarantees to limit the risk of losses on trade accounts receivable.

Changes in provisions for impairment of short and long-term trade accounts receivable were as follows:

(in millions of euros)	**Full Year 2025**	Full Year 2024
Provisions for impairment at opening balance	**(364)**	**(373)**
Additions	(154)	(173)
Utilizations	80	83
Reversal of surplus provisions	87	95
Translation adjustments	30	(8)
Changes in scope of consolidation and other	4	12
PROVISIONS FOR IMPAIRMENT AT CLOSING BALANCE	**(317)**	**(364)**

The contracts assets and liabilities, respectively reported within the “Trade and other operating receivables” and “Trade and other operating payables”, are as follows:

(in millions of euros)	**Dec. 31, 2025**	Dec. 31, 2024
Contract assets (Unbilled revenue)	2,740	2,244
Contract liabilities (Deferred revenue)	(3,542)	(3,102)
NET CONTRACT ASSETS	**(802)**	**(858)**

Contract assets increase is linked to an increase of activity on long term contracts, notably data centers, where invoicing milestone are not yet achieved. Contract liabilities increase is linked to new contracts signed in 2025 with large upfront milestone payment received, in excess of revenue recognized as of December 31, 2025, notably on data centers contracts.

Note 18: Other receivables and prepaid expenses

(in millions of euros)	**Dec. 31, 2025**	Dec. 31, 2024
Other receivables	520	601
VAT receivables	498	638
Current income tax receivables	462	528
Other tax receivables	35	47
Derivative instruments	276	131
Prepaid expenses	409	385
OTHER RECEIVABLES AND PREPAID EXPENSES	**2,200**	**2,330**

Note 19: Cash and cash equivalents

Accounting principles

Cash and cash equivalents presented in the consolidated balance sheet comprise cash on hand, bank accounts, term deposits with original maturities of three months or less, and marketable securities traded in organized markets. Marketable securities are short-term, highly liquid investments that are readily convertible to known amounts of cash at maturity. They notably include bank deposits, commercial paper, mutual funds and similar instruments. Given their nature and maturities, these instruments have an insignificant risk of changes in value and are therefore treated as cash equivalents.

(in millions of euros)	**Dec. 31, 2025**	Dec. 31, 2024
Marketable securities	1,819	3,978
Negotiable debt securities and short-term deposits	813	1,027
Cash *	2,002	1,882
Total cash and cash equivalents	**4,634**	**6,887**
Bank overdrafts	(47)	(75)
NET CASH AND CASH EQUIVALENTS	**4,587**	**6,812**

* Cash includes interest-bearing bank accounts.

Note 20: Shareholder's equity

20.1 – Share capital

The company' share capital on December 31, 2025 amounted to EUR 2,308,490,048 represented by 577,122,512 shares with a par value of EUR 4, all fully paid up.

On December 31, 2025, a total of 603,755,105 voting rights were attached to the 577,122,512 issued shares. Schneider Electric's capital management strategy is designed to:

- ensure Group liquidity;
- optimize its financial structure;
- optimize the weighted average cost of capital.

The strategy must also ensure the Group has access to different capital markets under the best possible conditions. Factors taken into account for decision-making purposes include objectives expressed in terms of earnings per share, ratings or balance sheet stability. Finally, decisions may be implemented depending on specific market conditions.

Changes in share capital and cumulative number of shares

Changes in share capital since December 31, 2023 were as follows:

(in number of shares and in euros)	Cumulative number of shares	Share capital
SHARE CAPITAL AT DEC. 31, 2023	**572,835,884**	**2,291,343,536**
Cancellation of own shares	-	-
Capital increase	2,795,792	11,183,168
SHARE CAPITAL AT DEC. 31, 2024	**575,631,676**	**2,302,526,704**
Cancellation of own shares	-	-
Capital increase	1,490,836	5,963,344
SHARE CAPITAL AT DEC. 31, 2025	**577,122,512**	**2,308,490,048**

In 2025, the additional paid-in capital decreased by EUR (509) million following the below operations:

- Employee share ownership plan: in 2025, it represented a capital increase of EUR 271 million, of which EUR 265 million of additional paid-in capital (refer to Note 20.4);
- Dividends distribution: in 2025, Schneider Electric SE distributed its share premium for EUR (774) million.

20.2 – Earnings per share

Accounting principles

Earnings per share is calculated in accordance with IAS 33 - *Earnings Per Share*.

Diluted earnings per share is calculated by adjusting the profit attributable to equity holders of the parent and the weighted average number of shares outstanding for the dilutive effect of instruments outstanding at the reporting date, such as performance shares and convertible bonds (OCEANEs).

The dilutive effect of performance shares is determined using the treasury stock method, while the potential dilution from OCEANEs is assessed by assuming their conversion into ordinary shares at the beginning of the period (or at issuance date if later), with the profit adjusted to eliminate related interest expense, net of tax, and the weighted average number of shares increased accordingly.

	Full Year 2025		Full Year 2024	
(in thousands of shares and in euros per share)	**Basic**	**Diluted**	Basic	Diluted
Issued shares (Net of treasury shares)	562,186	562,186	560,716	560,716
Performance shares	-	2,280	-	2,702
Bonds convertible into shares	-	6,050	-	5,667
WEIGHTED AVERAGE NUMBER OF SHARES	**562,186**	**570,516**	**560,716**	**569,085**
Earnings per share before tax	10.99	10.88	10.77	10.65
EARNINGS PER SHARE	**7.41**	**7.33**	**7.61**	**7.53**

20.3 – Dividends paid and proposed

In 2025, the Group paid out the 2024 dividend of EUR 3.90 per share, for a total of EUR 2,191 million.

At the Shareholders' Meeting of May 7, 2026, shareholders will be asked to approve a dividend of EUR 4.20 per share for fiscal year 2025. On December 31, 2025, Schneider Electric SE had distributable reserves in an amount of EUR 2,802 million (versus EUR 4,183 million at December 31, 2024, not including profit for the year).

20.4 – Share-based payments

Accounting principles

The Group grants performance shares to senior executives and certain employees.

These equity instruments are measured at fair value at the grant date, based on the market price adjusted for the expected dividend yield over the vesting period and adjusted for the achievement of market conditions.

The Group uses the Monte Carlo method to estimate the achievement market vesting conditions linked with Relative Total Shareholder Return (TSR).

The number of equity instruments granted may be adjusted during the vesting period to reflect the Group's best estimate of the achievement of non-market vesting conditions.

Share-based payments expenses are recognized with a corresponding increase in equity on a straight-line basis over the vesting period, generally three years.

Nature and extent of existing share-based payments

Rules governing the performance shares plans are as follows:

- Adjusted earnings per share improvement rate;
- *Schneider Sustainability External and Relative Index* ("SSERI") (until 2023) or Carbon emissions reduction targets (since 2024);
- TSR evolution against CAC 40 (until 2024) or STOXX Europe 50 (since 2025);
- TSR evolution against a panel of peer companies;
- service conditions (3 years);
- lock-up period (0 or 1 year).

The main characteristics of these plans were as follows at December 31, 2025:

	LTIP 2022	LTIP 2023	LTIP 2024	LTIP 2025	
Plan no.	40 & 41 *41bis* *41ter*	*42* *42bis & 43* *42ter* *42quater*	*44 & 45* *45bis* *44bis & 45ter*	46 & 47 *47bis* 47ter	
Date of Annual Shareholders' Meeting	Apr. 25, 2019 May 5, 2022 May 5, 2022	May 5, 2022 May 5, 2022 May 5, 2022 May 5, 2022	May 5, 2022 May 5, 2022 May 5, 2022	May 5, 2022 May 5, 2022 May 5, 2022	
Date of the grant by the Board	Mar. 24, 2022 July 27, 2022 Oct. 26, 2022	Mar. 28, 2023 May 4, 2023 July 26, 2023 Oct. 25, 2023	Mar. 26, 2024 July 30, 2024 Nov 7, 2024	Mar. 26, 2025 July 30, 2025 Oct. 29, 2025	
Vesting date	Mar. 24, 2025 July 27, 2025 Oct. 26, 2025	Mar. 28, 2026 May 4, 2026 July 26, 2026 Oct. 25, 2026	Mar. 26, 2027 July 30, 2027 Nov 7, 2027	Mar. 26, 2028 July 30, 2028 Oct. 29, 2028	
End of holding period	Mar. 24, 2026 for Plan 40	May 4, 2027 for Plan 43	Mar. 26, 2028 for Plan 44 Nov 7, 2028 for Plan 44bis	Mar. 26, 2029 for Plan 46	
Fair value per share (in euros – weighted average)	**126.6**	**124.2**	**186.3**	**201.5**	
Number of performance shares					
Outstanding as of Dec. 31, 2024	**1,285,989**	**1,427,022**	**1,037,676**	**-**	**3,750,687**
Granted in 2025	-	-	-	1,142,735	1,142,735
Delivered in 2025	(1,261,754)	(1,299)	(865)	(141)	(1,264,059)
Canceled in 2025	(24,235)	(89,310)	(66,547)	(30,217)	(210,309)
Outstanding as of Dec. 31, 2025	**-**	**1,336,413**	**970,264**	**1,112,377**	**3,419,054**

Schneider Electric SE has not created shares in 2025 to deliver vested plans but used existing treasury shares.

Worldwide Employee Share Ownership Plan ("WESOP")

Every year, Schneider Electric gives its employees the opportunity to become group shareholders thanks to employee share issues. In countries that meet legal and fiscal requirements, the classic plan has been proposed to employees. Under the plan, employees may purchase Schneider Electric shares at a 15% discount to the price quoted for the shares on the stock market. Employees must then hold their shares for five years, except in certain cases provided for by law.

On April 15, 2025, Schneider Electric gave its employees the opportunity to purchase shares at a price of EUR 182.86 per share, as part of its commitment to employee share ownership. This represented a 15% discount to the reference price of EUR 215.14 calculated as the average opening price quoted for the share during the 20 days preceding the Board of Directors decision to launch the employee share issue. Altogether, 1.5 million shares were subscribed, increasing the Company's equity by EUR 271 million, net of issuance fees, as of July 9, 2025.

As of December 31, 2025, the share-based payment expense recorded in accordance with IFRS 2, measured by reference to the fair value of the discount, amounted to EUR 45 million, compared to EUR 64 million as of December 31, 2024.

IFRS 2 expense

The IFRS 2 expense is recorded under "Selling, general and administrative expenses" and breaks down as follows:

(in million of euros)	**Full Year 2025**	Full Year 2024
Group LTIP	157	163
WESOP discount	45	64
Other	-	6
TOTAL	**202**	**233**

20.5 – Schneider Electric SE treasury shares

Accounting principles

Schneider Electric SE shares held by the parent company or by fully consolidated entities are measured at acquisition cost and deducted from equity.

Gains/(losses) on the sale of treasury shares are recognized directly in retained earnings, net of tax.

On December 31, 2025, the Group held 14,899,626 Schneider Electric shares in treasury stock, which have been recorded as a deduction from retained earnings.

The Group has repurchased 1,503,680 shares for a total amount of EUR 341 million in 2025.

20.6 – Income tax recorded in equity

Total income tax recorded in equity as of December 31, 2025 can be analyzed as follows:

(in million of euros)	**Dec. 31, 2025**	Dec. 31, 2024	Change in tax
Cash-Flow hedges	(11)	31	(42)
Financial assets measured at FVOCI	(21)	(26)	5
Actuarial gains/(losses) on defined benefits obligations	183	187	(4)
Other	(3)	(3)	-
TOTAL	**148**	**189**	**(41)**

20.7 – Non-controlling interests

In 2025, the Group acquired the remaining 35% non-controlling interests of SEIPL from Temasek to reach full ownership. SEIPL was the main contributor of non-controlling interests.

Note 21: Pensions and other post-employment benefit obligations

Accounting principles

Depending on local practices and legislation, the Group's subsidiaries participate in pensions, termination benefits, healthcare, life insurance and other benefits, as well as long-term benefit plans for active employees. Benefits paid under these plans depend on factors such as length of service, compensation levels and contributions to mandatory retirement programs.

Defined contribution plans

Contributions to defined contribution plans are recognized as an expense in the statement of income in the period in which they are payable and settle the Group's obligation in full. As the Group has no further obligation beyond the contributions made, no provision is recognized in respect of these plans.

In most jurisdictions, the Group participates in mandatory state plans, which are accounted for as defined contribution plans.

Defined benefit plans

Defined benefit obligations are measured using the projected unit credit method.

Expenses recognized in the statement of income are presented as operating costs (service cost for services rendered in the period) and net financial income/(loss) (net interest on the defined benefit obligation and plan assets).

The amount recognized in the consolidated balance sheet corresponds to the present value of the defined benefit obligation net of the fair value of plan assets. Measurements are performed by external actuaries.

Where the measurement results in an asset, the recognized surplus is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions.

Remeasurements arising from actuarial assumption changes and experience adjustments are recognized immediately in OCI.

Past service costs are recognized in "Other operating income and expenses".

Other commitments

Provisions are recognized and expenses recorded to cover the cost of providing healthcare benefits to certain Group retirees in Europe and the United States. The accounting policies applied to these plans are consistent with those applied to defined benefit pension plans.

The Group also recognizes provisions in respect of seniority-related benefits for certain subsidiaries (primarily long service awards for its French subsidiaries). Actuarial gains and losses on these benefit obligations are recognized in profit or loss.

Defined Contribution Pension Plans

The Group policy regarding pensions is to propose defined contribution pension plans, including a contribution from the employer. This is the most common active benefit offered worldwide, including for example 401k in US and PERO in France. The contribution to these plans is booked as an operating cost and do not translate into any further obligation by the employer.

Defined Benefit Pension Plans

The Group's main Defined Benefit pension plans are located in the United Kingdom (UK) and the United States (US). They respectively represent 66% (2024: 61%) and 6% (2024: 16%) of the Group's total Defined Benefit Obligations (DBO) on pensions. The majority of benefit obligations under these plans, which represent 88% of the Group's total commitment on December 31, 2025, are partially or fully funded through payments to external funds. These funds are never invested in Group assets.

United Kingdom

The Group companies operate several Defined Benefit pension plans in the UK. The main one is related to the Invensys Pension Scheme. Pensions payable to employees depend on average final salary and length of service within the Group. These plans are registered schemes under UK tax law and managed by independent Boards of Trustees. They are closed to new entrants, and for most of them, the vested rights were frozen as they have been replaced by Defined Contributions plans.

These plans are funded by employer contributions, which are negotiated every three years based on plan valuations carried out by independent actuaries, so that the long-term financing services are ensured.

In relation to risk management and asset allocation, the Board of Trustees' aims of each plan are to ensure that it can meet its obligations to the plan's beneficiaries both in the short and long-term. The Board of Trustees is responsible for the plan's long-term investment strategy and defines and manages long-term investment strategies to reduce risks, including interest rate risks and longevity risks. A certain proportion of assets hedges the liability valuation change resulting from the interest rates evolution. Those assets are primarily invested in fixed income investments, particularly intermediate and longer-term instruments.

Following the agreement reached with the Trustee of the Invensys Pension Scheme on February 2014, Schneider Electric SE guaranteed all obligations of the Invensys subsidiaries which participate in the Scheme, up to a maximum amount of GBP 1.75 billion.
At December 31, 2025, plan assets exceed the value of obligations subject to this guarantee and thus this guarantee cannot be called.

Schneider UK pension plans contain provisions of pension called Guaranteed Minimum Pension ("GMP"). GMPs were accrued for individuals who subscribed to the State Second Pension prior to April 6, 1997. Historically, there was an inequality in the benefits between male and female members concerning GMP.

A High Court case concluded on October 26, 2018, confirmed that all UK pension plans must equalize "GMPs" between men and women.

There was a High Court ruling in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others in June 2023, and subsequent appeal outcome on 25 July 2024, which make void any amendment to the rules of a contracted-out pension scheme without required actuarial confirmation under Regulation 42(2) of the Occupational Pension Schemes (Contracting Out) Regulations 1996, for the pension plans in question.

This validated that actuarial confirmations should have been provided for amendments made to contracted-out schemes benefits in the period between 6 April 1997 and 5 April 2016. The Trustees of the Plans and the Directors work closely together and take appropriate legal and professional advice when making amendments to the Plans' rules.

Since the appeal ruling, the Company has engaged its legal advisers as well as the Plans' Trustee in order to consider the matter further in the context of the Schemes's particular circumstances and that work is ongoing at this stage.

At 31 December 2025, it is premature to determine conclusively whether any amendments to section 9(2B) rights were made to the Pension Schemes that were not in accordance with section 37 of the Pension Schemes Act 1993 requirements.

As a result, it is not currently possible to reliably estimate if there is any potential impact to the defined benefit obligations of the Pension Schemes should any such amendments be found to be not in accordance with section 37 of the Pension Schemes Act 1993 requirements.

United States

The United States' subsidiaries operate several Defined Benefit pension plans. These plans are closed to new entrants, frozen to future accruals and have been replaced by Defined Contributions plans. Pensions payable to employees depends on the average final salary and the length of service within the Group.

Each year, the Group companies contribute a certain amount to the Defined Benefit pension plans. This amount is determined actuarially and is comprised of service costs, administrative expenses and payments toward any existing deficits. Since the plans are closed and frozen, there is generally no service cost component.

The companies delegate various responsibilities to Pension Committees. These committees define and manage long-term investment strategies to reduce risks, including interest rate risks and longevity risks. A certain proportion of assets hedges the liability valuation change, resulting from the interest rates evolution. Those assets are primarily invested in fixed income investments, particularly intermediate and longer-term instruments.

In June 2024, the Schneider Pension Plan purchased a Group Annuity Contract from high-quality insurer. As part of the buy-in contract, lump sums were offered to active and terminated participants. Lump sums were paid in December 2024 and February 2025, and this generated a credit of respectively USD 22 million and USD 6 million recognized through settlement.

In May 2025, the buy-in contract was converted to buy-out contract in conjunction with the plan termination. All liabilities were transferred to the insurer with no further benefit obligation for Schneider.

France

The French subsidiaries offer a Retirement Benefit (ICDR) that can be either taken as a lump sum at retirement or as time off (partial or full) before retirement is effective.

This benefit is calculated based on salary and years of services in company, according to the collective agreements and there is no funding requirement.

Assumptions

Actuarial valuations are generally performed each year. The assumptions used vary according to the economic conditions prevailing in the country concerned, as follows:

	Group weighted average		Of which United Kingdom		Of which United States	
	Dec. 31, 2025	Dec. 31, 2024	**Dec. 31, 2025**	Dec. 31, 2024	**Dec. 31, 2025**	Dec. 31, 2024
Discount rate	5.00%	5.11%	5.40%	5.50%	5.11%	5.61%
Rate of compensation increases	2.94%	2.71%	3.40%	3.51%	n.a.	n.a.

The discount rate is determined based on the interest rate for investment-grade (AA) corporate bonds or, if a liquid market does not exist, government bonds with a maturity that matches the duration of the benefit obligation. In the United States, the average discount rate is determined based on a yield curve for AA and AAA investment-grade corporate bonds.

In the Euro zone, the 2025 discount rate is 3.90% for the main plans.

The rate of compensation increases includes both the salary increase and inflation rate if relevant.

Weighted average duration of defined benefit obligations plans:

	Total		Of which United Kingdom		Of which United States	
	Dec. 31, 2025	Dec. 31, 2024	**Dec. 31, 2025**	Dec. 31, 2024	**Dec. 31, 2025**	Dec. 31, 2024
Weighted average duration in years	9.6	9.8	9.2	9.6	7.6	8.2

21.1 – Changes in provisions for pensions and other post-employment benefit obligations

Annual changes in obligations, the market value of plan assets and the corresponding assets and provisions recognized in the financial statements can be analyzed as follows:

(in millions of euros)	Defined Benefit Obligation	Plan assets	Asset ceiling	Net Liability
Dec. 31, 2023	**(6,490)**	**5,852**	**(178)**	**(816)**
of which UK	*(4,018)*	*4,351*	*(130)*	*203*
of which US	*(1,122)*	*937*	-	*(185)*
of which France	*(353)*	*65*	-	*(288)*
Service cost	(67)	-	-	(67)
Past service cost	(3)	-	-	(3)
Curtailments and settlements	125	(99)	-	26
Interest cost	(283)	-	(7)	(290)
Interest income	-	246	-	246
Net impact in P&L, (expense)/profit	**(228)**	**147**	**(7)**	**(88)**
of which UK	*(187)*	*187*	*(7)*	*(7)*
of which US	*(34)*	*42*	-	*8*
of which France	*(18)*	*2*	-	*(16)*
Benefits paid	508	(431)	-	77
Plan participants' contributions	(6)	6	-	-
Employer contributions	-	80	-	80
Changes in the scope of consolidation	11	-	-	11
Actuarial gains/(losses) recognized in equity	223	(295)	33	(39)
Translation adjustment	(304)	309	(4)	1
Other changes	(1)	-	-	(1)
Dec. 31, 2024	**(6,287)**	**5,668**	**(156)**	**(775)**
of which UK	*(3,846)*	*4,219*	*(99)*	*274*
of which US	*(997)*	*835*	-	*(162)*
of which France	*(359)*	*59*	-	*(300)*
Service cost	*(100)*	-	-	*(100)*
Past service cost	(20)	-	-	(20)
Curtailments and settlements	553	(543)	-	10
Interest cost	(270)	-	(6)	(276)
Interest income	-	233	-	233
Net impact in P&L, (expense)/profit	**163**	**(310)**	**(6)**	**(153)**
of which UK	*(198)*	*200*	*(6)*	*(4)*
of which US	*519*	*(524)*	-	*(5)*
of which France	*(22)*	*2*	-	*(20)*
Benefits paid	499	(395)	-	104
Plan participants' contributions	(6)	6	-	-
Employer contributions	-	54	-	54
Changes in the scope of consolidation	-	-	-	-
Actuarial gains/(losses) recognized in equity	(16)	(64)	35	(45)
Translation adjustment	312	(289)	4	27
Other changes	1	-	-	1
Dec. 31, 2025	**(5,334)**	**4,670**	**(123)**	**(787)**
of which UK	*(3,517)*	*3,804*	*(77)*	*210*
of which US	*(341)*	*198*	-	*(143)*
of which France	*(336)*	*51*	-	*(285)*

The Group defined benefit obligations of EUR 5,334 million (2024: EUR 6,287 million) are broken down as EUR 5,167 million (2024: EUR 6,067 million) for post-employment benefits and EUR 167 million (2024: EUR 220 million) for other post-employment and long-term benefits.

The post-employment benefits are broken down between EUR 4,581 million for pension of which 93% are funded, and EUR 586 million for lump sum benefits of which 72% are funded.

The total present value of Defined Benefit Obligations breaks down as follows between wholly or partly funded plans and wholly unfunded plans:

(in millions of euros)	**Dec. 31, 2025**	Dec. 31, 2024
Present value of wholly or partly funded benefit obligation	(4,699)	(5,643)
Fair value on plan assets	4,670	5,668
Effect of assets ceiling	(123)	(156)
Net position of wholly or partly funded benefit obligation	**(152)**	**(131)**
Present value of wholly or partly unfunded benefit obligation	**(635)**	**(644)**
NET LIABILITY FROM FUNDED AND UNFUNDED PLANS	**(787)**	**(775)**
Balance Sheet impact:		
*surplus of plans recognized as assets **	*261*	*323*
provisions recognized as liabilities	*(1,048)*	*(1,098)*

* The surplus of plans recognized as assets represents the assets in excess of the liabilities, generally assumed to be recoverable, and after applying any asset ceiling.

Changes in gross items recognized in equity were as follows:

(in millions of euros)	**Full Year 2025**	Full Year 2024
Actuarial (gains)/losses on Defined Benefit Obligations arising from demographic assumptions	28	61
Actuarial (gains)/losses on Defined Benefit Obligations arising from financial assumptions	(28)	(319)
Actuarial (gains)/losses on Defined Benefit Obligations from experience effects	16	35
Actuarial (gains)/losses on plan assets	64	295
Effect of asset ceiling	(35)	(33)
TOTAL RECOGNIZED IN EQUITY DURING THE YEAR	**45**	**39**
of which UK	*(53)*	*11*
of which US	*(9)*	*12*

The table below shows the expected timing of benefit payments under pension and other post-employment benefit plans for the next 3 years:

(in millions of euros)	**United Kingdom**	**United States**	**Rest of the world**	**Total**
2026	302	35	90	427
2027	297	34	62	393
2028	292	33	69	394

Plans asset allocation:

(in millions of euros)	**Dec. 31, 2025**	Dec. 31, 2024
Equity	4%	3%
Bonds	82%	71%
Others	14%	26%
TOTAL	**100%**	**100%**

21.2 – Sensitivity analysis

The effect of a ± 0.5% change in the discount rate and in the rate of compensation increases on the 2025 Defined Benefit Obligations is as follows:

	United Kingdom		**United States**		**Rest of the world**		**Total**	
(in millions of euros)	**+0.5%**	**(0.5)%**	**+0.5%**	**(0.5)%**	**+0.5%**	**(0.5)%**	**+0.5%**	**(0.5)%**
Discount rate	(157)	170	(12)	13	(71)	76	(240)	259
Rate of compensation increases	65	(57)	-	-	36	(34)	101	(91)

Note 22: Provisions and contingent liabilities

22.1 – Provisions

Accounting principles

A provision is recognized when the Group has a present legal or constructive obligation arising from a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When a loss or liability is not considered likely and cannot be measured reliably, but remains possible, the Group discloses it as a contingent liability. Provisions are measured on a case-by-case or statistical basis and are discounted where the effect of discounting is material.

Provisions are primarily recognized for:

- **Economic risks**: provisions for tax risks, other than income taxes arising from positions taken by the Group or its subsidiaries. Each position is assessed individually (without offset), and the provision reflects the best estimate of the risk at the reporting date. Where applicable, the estimate includes late-payment interest and penalties.
- **Customer risks**: provisions for losses at completion on certain long-term contracts (onerous contracts). Expected losses are recognized in full as soon as they are identified.
- **Product risks**: provisions comprise:
  - Statistical provisions for warranties: provisions recognized on a statistical basis for the residual cost of product warranties not covered by insurance, estimated with reference to historical claims experience and the warranty period; and
  - Provisions for disputes relating to defective products and recalls of specifically identified products.
- **Environmental risks**: provisions recognized primarily for remediation and clean-up costs. Estimated future outflows are based on reports prepared by independent experts.
- **Restructuring costs**: provisions recognized when the Group has a detailed restructuring plan and has either announced the plan or commenced implementation before the end of the reporting period. The provision includes only direct expenditures arising from the restructuring.
- **Other risks**: A portion of these risks is covered by insurance assets. These risks primarily include provisions recognized for litigation matters inherited from acquired businesses. They also include the EUR 104 million provision recorded in connection with the ongoing investigation by the French Competition Authority, as described below.

(in millions of euros)	Economic risks	Customer risks	Products risks	Environmental risks	Restructuring	Other risks	**Provisions**
Dec. 31, 2023	**209**	**119**	**727**	**297**	**169**	**499**	**2,020**
of which long-term portion	*124*	*61*	*194*	*256*	*16*	*308*	***959***
Additions	35	26	165	9	51	314	**600**
Utilizations	(21)	(25)	(146)	(24)	(68)	(151)	**(435)**
Reversals of surplus provisions	-	(1)	(52)	(14)	(4)	(12)	**(83)**
Translation adjustments	5	5	15	14	1	22	**62**
Changes in the scope of consolidation and other	(3)	-	18	8	(5)	121	**139**
Dec. 31, 2024	**225**	**124**	**727**	**290**	**144**	**793**	**2,303**
of which long-term portion	*144*	*64*	*208*	*243*	*16*	*576*	***1,251***
Additions	37	71	180	11	156	140	**595**
Utilizations	(30)	(38)	(129)	(22)	(87)	(96)	**(402)**
Reversals of surplus provisions	(29)	(6)	(65)	(17)	(2)	(17)	**(136)**
Translation adjustments	(19)	(13)	(50)	(29)	(3)	(67)	**(181)**
Changes in the scope of consolidation and other	23	(6)	(5)	(12)	(6)	37	**31**
Dec. 31, 2025	**207**	**132**	**658**	**221**	**202**	**790**	**2,210**
of which long-term portion	*129*	*42*	*180*	*188*	*16*	*581*	***1,136***

Reconciliation with cash flow statement:

(in millions of euros)	**Full Year 2025**	Full Year 2024
Increase of provision	595	600
Utilization of provision	(402)	(435)
Reversal of surplus provision	(136)	(83)
Provision variance excluding employee benefit obligation	**57**	**82**
Employee benefit obligation net variance contribution to plan assets	49	11
INCREASE/(DECREASE) IN PROVISIONS IN CASH-FLOW STATEMENT	**106**	**93**

22.2 – Contingent liabilities

As previously disclosed, investigations were conducted in September 2018 by the French judicial authority and French Competition Authority (*Autorité de la concurrence*) at Schneider Electric's head office and other premises concerning the sale of electrical products through commercial distribution activities in France.

- After 6 years of procedure, the French Competition Authority issued on October 29, 2024 a decision to sanction several companies concerning the electrical distribution activities in France, including Schneider Electric for a EUR 207 million penalty considering that the pricing autonomy of some distributors in the French market had been limited by Schneider Electric, in breach of competition rules. This fine was paid in April 2025. Schneider Electric strongly disagrees with the conclusion of the French Competition Authority and has appealed the decision in front of the Paris Appeal Court. Considering the difficulty to assess the extent to which the Appeal Court will consider the arguments of Schneider Electric in its defense, the Group booked, as of December 31, 2024, a provision of EUR 104 million in "Other operating income and expenses". This provision remained unchanged as of December 31, 2025.
- Concurrently on October 7, 2022, Schneider Electric was indicted by an investigating judge who required Schneider Electric to provide a bank guarantee of EUR 20 million (which validity has now expired) and a cash guarantee of EUR 80 million. Schneider Electric officially contested the indictment decision and raised numerous arguments in law and fact. Procedure is ongoing.

Schneider Electric rejects any allegation that its distribution practices are not compliant with competition rules. Schneider Electric commercial policy is designed to comply with all regulations. Schneider Electric has always cooperated with the authorities and intends to continue to do so.

Schneider Electric has other contingent liabilities relating to legal, arbitration or regulatory proceedings arising in the normal course of its business. Known or ongoing claims and litigation involving the Group or its subsidiaries were reviewed at the date on which the consolidated financial statements were approved for issue. Based on the advice of legal counsel, all provisions deemed necessary have been made to cover the related risks.

Note 23: Current and non-current financial liabilities

Accounting principles

Financial liabilities primarily comprise bonds, commercial paper and short and long-term bank borrowings. These liabilities are initially recognized at fair value, net of directly attributable transaction costs. Subsequently, they are measured at amortized cost using the effective interest method.

The breakdown of net debt is as follows:

(in millions of euros)	**Dec. 31, 2025**	Dec. 31, 2024
Bonds	15,752	12,650
Other bank borrowings	23	1,840
Short-term portion of bonds	(749)	(1,800)
Short-term portion of long-term debt	(5)	(1,780)
NON-CURRENT FINANCIAL LIABILITIES	**15,021**	**10,910**
Commercial paper	1,320	70
Accrued interest	137	139
Other short-term borrowings	601	57
Bank overdrafts	47	75
Short-term portion of convertible and non-convertible bonds	749	1,800
Short-term portion of long-term debt	5	1,780
CURRENT FINANCIAL LIABILITIES	**2,859**	**3,921**
TOTAL CURRENT AND NON-CURRENT FINANCIAL LIABILITIES	**17,880**	**14,831**
CASH AND CASH EQUIVALENTS	**(4,634)**	**(6,887)**
NET FINANCIAL DEBT excl. purchase commitments over non-controlling interests	**13,246**	**7,944**
Non-current purchase commitments over non-controlling interests	278	19
Current purchase commitments over non-controlling interests	197	184
NET FINANCIAL DEBT incl. purchase commitments over non-controlling interests	**13,721**	**8,147**

In January 2023, the Group had drawn 1,700 million under the Term loan facility set up to fund the acquisition of the minority interest of AVEVA. This term loan matured in October 2025. As of December 31, 2025, this term loan presented in current financial liabilities in 2024 was fully repaid.

In December 2025, the Group drew EUR 500 million on the bridge loan arranged in connection with the acquisition of SEIPL's non-controlling interests. This drawdown is presented under "Other short-term borrowings".

23.1 – Breakdown by maturity

(in millions of euros)	Dec. 31, 2025 Contractual payments	Dec. 31, 2025 Interests	Dec. 31, 2024 Contractual payments
2025	-	-	3,921
2026	2,860	394	760
2027	2,757	365	1,750
2028	1,250	309	1,250
2029	2,150	289	1,400
2030	2,150	242	1,400
2031	1,350	181	1,350
2032 and beyond	5,655	531	3,150
TOTAL	**18,172**	**2,311**	**14,981**

23.2 – Breakdown by currency

(in millions of euros)	Dec. 31, 2025	Dec. 31, 2024
Euro	17,746	14,655
Brazilian Real	76	59
Turkish Lira	22	33
Indian Rupee	9	27
US Dollar	18	22
Algerian Dinar	1	14
Other	8	21
TOTAL	**17,880**	**14,831**

23.3 – Bonds

(in millions of euros)	Dec. 31, 2025	Dec. 31, 2024	Interest rate	Issuance date	Maturity
Schneider Electric SE 2025	-	750	0.875% fixed	March 2015	March 2025
Schneider Electric SE 2025	-	750	3.375% fixed	April 2023	April 2025
Schneider Electric SE 2025	-	300	1.841% fixed	October 2015	October 2025
Schneider Electric SE 2026	749	748	0.875% fixed	December 2017	December 2026
Schneider Electric SE 2027	499	499	1.000% fixed	April 2020	April 2027
Schneider Electric SE 2027	748	747	1.375% fixed	June 2018	June 2027
Schneider Electric SE 2027	997	-	EUR3M+25bps	September 2025	September 2027
Schneider Electric SE 2027	499	499	3.250% fixed	November 2022	November 2027
Schneider Electric SE 2028	500	499	1.500% fixed	January 2019	January 2028
Schneider Electric SE 2028	253	255	1.500% fixed	May 2019	January 2028
Schneider Electric SE 2028	498	497	3.250% fixed	June 2023	June 2028
Schneider Electric SE 2029	797	796	0.250% fixed	March 2020	March 2029
Schneider Electric SE 2029	748	-	2.625% fixed	September 2025	September 2029
Schneider Electric SE 2029	596	595	3.125% fixed	January 2023	October 2029
Schneider Electric SE 2030	744	-	2.750% fixed	December 2025	July 2030
Schneider Electric SE 2030	745	744	3.000% fixed	September 2024	September 2030
Schneider Electric SE 2030 (OCEANEs)	602	592	1.970% fixed	November 2023	November 2030
Schneider Electric SE 2031	597	597	3.000% fixed	January 2024	January 2031
Schneider Electric SE 2031 (OCEANEs)	679	666	1.625% fixed	June 2024	June 2031
Schneider Electric SE 2032	747	-	3.000% fixed	September 2025	March 2032
Schneider Electric SE 2032	596	595	3.500% fixed	November 2022	November 2032
Schneider Electric SE 2033	496	495	3.500% fixed	June 2023	June 2033
Schneider Electric SE 2033 (OCEANEs)	638	-	1.250% fixed	September 2025	September 2033
Schneider Electric SE 2034	593	592	3.375% fixed	January 2023	April 2034
Schneider Electric SE 2035	691	690	3.250% fixed	January 2024	October 2035
Schneider Electric SE 2036	744	744	3.375% fixed	September 2024	September 2036
Schneider Electric SE 2037	996	-	3.624% fixed	September 2025	September 2037
TOTAL	**15,752**	**12,650**			

Euro Medium Term Notes program

As part of its Euro Medium Term Notes (EMTN) program, Schneider Electric has issued bonds admitted to trading on Euronext Paris. Issues that matured in 2025 and those that had not yet matured as of December 31, 2025 are described in the table above.

OCEANE due 2030

In 2023, the Group issued OCEANEs for EUR 650 million at a rate of 1.97%, maturing in November 2030. At end of December 2025, the debt component recorded at net book value amounts to EUR 602 million and the optional component to EUR 66 million. The initial conversion and/or exchange ratio of the Bonds was 426.66 shares per bond with a nominal value set at EUR 100,000.00 corresponding to EUR 234.38 per share and has been adjusted to 440.95 shares per bond in May 2025.

OCEANE due 2031

Concurrently with the repurchase of the OCEANE due 2026, the Group issued on June 25, 2024, bonds convertible into new shares and/or exchangeable for existing shares (OCEANEs) for EUR 750 million at a rate of 1.625%, maturing in June 2031. At end of December 2025, the debt component recorded at net book value amounts to EUR 679 million and the optional component to EUR 84 million. The initial conversion and/or exchange ratio of the Bonds was 321.48 shares per bond with a nominal value set at EUR 100,000.00 corresponding to EUR 311.07 per share and has been adjusted to 323.51 shares per bond in May 2025.

OCEANE due 2033

The Group issued on September 23, 2025, bonds convertible into new shares and/or exchangeable for existing shares (OCEANEs) for EUR 750 million at a rate of 1.250%, maturing in September 2033. The OCEANE has a debt component, assessed on inception date on the basis of the market interest rate applied to an equivalent non-convertible bond, and recognized in non-current financial debts and an optional component recognized in equity. At end of December 2025, the debt component recorded at net book value amounts to EUR 638 million and the optional component to EUR 109 million. The initial conversion and/or exchange ratio of the Bonds was 311.98 shares per bond with a nominal value set at EUR 100,000.00 corresponding to EUR 320.54 per share.

For all those transactions, issue premium and issue costs are amortized per the effective interest rate method.

23.4 – Cash flow statement impact

			Non-cash variations			
(in millions of euros)	Dec. 31, 2024	Cash Variation	Scope impacts	Equity impacts	Forex and others	Dec. 31, 2025
Bonds	12,650	3,173	-	(109)	38	15,752
Other borrowings	2,106	15	(1)	-	(39)	2,081
Bank overdrafts	75	(17)	-	-	(11)	47
TOTAL CURRENT AND NON-CURRENT FINANCIAL LIABILITIES	**14,831**	**3,171**	**(1)**	**(109)**	**(12)**	**17,880**

23.5 – Purchase commitments over non-controlling interests

Accounting principles

In accordance with IAS 32, put options granted to minority shareholders are recognized as financial liabilities at the present value of the estimated exercise price of the option against non-controlling interests.

The Group has elected to apply IFRS 10 for purchase commitments over non-controlling interests. Subsequent changes in the carrying amount of the liability recognised for the purchase commitment are recorded in equity, unless the purchase commitment conveys a transfer of risks and rewards, in which case they are recognised in profit or loss.

Upon settlement of the purchase commitment over non-controlling interests, the difference between the consideration paid and the carrying amount of the non-controlling interests acquired is recognized directly in “Equity attributable to owners of the parent”.

(in millions of euros)	Maturity	**Dec. 31, 2025**	Dec. 31, 2024
Current portion		197	184
Non-current portion	2028	278	19
TOTAL PURCHASE COMMITMENTS OVER NON-CONTROLLING INTEREST		**475**	**203**

In 2025, purchase commitments over non-controlling interests relate to Planon and Motivair.

In 2024, purchase commitments over non-controlling interests related to Planon and Qmerit.

Note 24: Classification of financial instruments

Accounting principles

The Group uses financial instruments to manage its exposure to fluctuations in interest rates, exchange rates and metal prices.

Financial assets and liabilities can be classified at the fair value following the hierarchy levels below:

- Level 1: market value (non-adjusted) on active markets, for similar assets and liabilities, which the company can obtain on a given valuation date;
- Level 2: data other than the market rate available for level 1, which are directly or indirectly observable on the market;
- Level 3: data on the asset or liability that are not observable on the market.

24.1 – Balance sheet exposure and fair value hierarchy

	Dec. 31, 2025					
(in millions of euros)	Carrying amount	Fair value through P&L	Fair value through Equity	Financial assets/liabilities measured at amortized cost	Fair value	Fair value hierarchy
ASSETS:						
Listed financial assets	15	15	-	-	15	Level 1
Venture capital (FCPR)/mutual funds (SICAV)	109	109	-	-	109	Level 3
Other unlisted financial assets	559	87	472	-	559	Level 3
Other non-current financial assets	950	-	261	689	950	Level 2
TOTAL NON-CURRENT ASSETS	**1,633**	**211**	**733**	**689**	**1,633**	
Marketable securities	1,819	1,819	-	-	1,819	Level 1
Negotiable debt securities and short-term deposits	813	813	-	-	813	Level 2
Cash	2,002	2,002	-	-	2,002	Level 1
Derivative instruments - foreign currencies	85	19	66	-	85	Level 2
Derivative instruments - interest rates	18	18	-	-	18	Level 2
Derivative instruments - commodities	174	27	147	-	174	Level 2
TOTAL CURRENT ASSETS	**4,911**	**4,698**	**213**	**-**	**4,911**	
LIABILITIES:						
Long-term portion of non-convertible bonds *	(13,084)	-	-	(13,084)	(13,098)	Level 1
Long-term portion of convertible bonds *	(1,919)	-	-	(1,919)	(1,938)	Level 2
Non-current purchase commitments over non-controlling interests	(278)	-	(278)	-	(278)	Level 3
Other long-term debt	(18)	-	-	(18)	(18)	Level 2
TOTAL NON-CURRENT LIABILITIES	**(15,299)**	**-**	**(278)**	**(15,021)**	**(15,332)**	
Short-term portion of bonds *	(749)	-	-	(749)	(742)	Level 1
Short-term debt	(2,110)	-	-	(2,110)	(2,110)	Level 2
Current purchase commitments over non-controlling interests	(197)	-	(197)	-	(197)	Level 3
Derivative instruments - foreign currencies	(31)	(24)	(7)	-	(31)	Level 2
Derivative instruments - interest rates	(12)	(12)	-	-	(12)	Level 2
Derivative instruments - commodities	-	-	-	-	-	Level 2
Derivative instruments - others	(8)	(8)		-	(8)	Level 2
TOTAL CURRENT LIABILITIES	**(3,107)**	**(44)**	**(204)**	**(2,859)**	**(3,100)**	

* The majority of the financial instruments listed in the balance sheet have a fair value close to their book value, except for bonds, for which the amortized cost in the balance sheet represents EUR 15,752 million compared to EUR 15,778 million at fair value.

(in millions of euros)	Dec. 31, 2024 Carrying amount	Fair value through P&L	Fair value through Equity	Financial assets/liabilities measured at amortized cost	Fair value	Fair value hierarchy
ASSETS:						
Listed financial assets	15	15	-	-	15	Level 1
Venture capital (FCPR)/mutual funds (SICAV)	127	127	-	-	127	Level 3
Other unlisted financial assets	617	103	514	-	617	Level 3
Other non-current financial assets	842	-	323	519	842	Level 2
TOTAL NON-CURRENT ASSETS	**1,601**	**245**	**837**	**519**	**1,601**	
Marketable securities	3,978	3,978	-	-	3,978	Level 1
Negotiable debt securities and short-term deposits	1,027	1,027	-	-	1,027	Level 2
Cash	1,882	1,882	-	-	1,882	Level 1
Derivative instruments - foreign currencies	80	64	16	-	80	Level 2
Derivative instruments - interest rates	50	50	-	-	50	Level 2
Derivative instruments - commodities	1	-	1	-	1	Level 2
TOTAL CURRENT ASSETS	**7,018**	**7,001**	**17**	**-**	**7,018**	
LIABILITIES:						
Long-term portions of non-convertible bonds *	(9,592)	-	-	(9,592)	(9,599)	Level 1
Long-term portions of convertible bonds *	(1,258)	-	-	(1,258)	(1,313)	Level 2
Non-current purchase commitments over non-controlling interests	(19)	-	(19)	-	(19)	Level 3
Other long-term debt	(60)	-	-	(60)	(60)	Level 2
TOTAL NON-CURRENT LIABILITIES	**(10,929)**	**-**	**(19)**	**(10,910)**	**(10,991)**	
Short-term portion of bonds *	(1,800)	-	-	(1,800)	(1,796)	Level 1
Short-term debt	(2,121)	-	-	(2,121)	(2,121)	Level 2
Current purchase commitments over non-controlling interests	(184)	-	(184)	-	(184)	Level 3
Derivative instruments - foreign currencies	(112)	(33)	(79)	-	(112)	Level 2
Derivative instruments - interest rates	-	-	-	-	-	Level 2
Derivative instruments - commodities	(23)	-	(23)	-	(23)	Level 2
Derivative instruments - others	(4)	(4)	-	-	(4)	Level 2
TOTAL CURRENT LIABILITIES	**(4,244)**	**(37)**	**(286)**	**(3,921)**	**(4,240)**	

* The majority of the financial instruments listed in the balance sheet have a fair value close to their book value, except for bonds, for which the amortized cost in the balance sheet represents EUR 12,650 million compared to EUR 12,708 million at fair value.

24.2 – Derivative instruments

Accounting principles

The management of hedging activities is centralized. The Group's policy is to use derivative financial instruments exclusively to manage and hedge exposures to changes in exchange rates, interest rates, or certain raw material prices. Depending on the nature of the exposure, the Group uses instruments such as foreign exchange forwards, foreign exchange options, cross-currency swaps, interest rate swaps and commodity forwards, swaps or options.

All derivatives are recognized in the consolidated balance sheet at fair value, with changes in fair value recognized in the statement of income, except where the derivative is designated and qualified as a hedging instrument in a hedging relationship.

Cash flows relating to financial instruments are presented in the consolidated statement of cash flows in a manner consistent with the cash flows of the underlying transactions.

			Dec 31, 2025					
(in millions of euros)	Accounting qualification	Maturity	Nominal sales	Nominal purchases	Fair value	Carrying amounts in assets	Carrying amounts in liabilities	Carrying amounts in OCI
Forwards contracts	CFH	< 1 year	514	(433)	-	9	(9)	-
Forwards contracts	CFH	< 2 years	60	(87)	-	1	(1)	-
Forwards contracts	CFH	> 2 years	4	(8)	-	-	-	-
Forwards contracts	FVH	< 1 year	2,544	(1,785)	8	14	(6)	2
Forwards contracts	NIH	< 1 year	661	-	1	1	-	1
Forwards contracts	Trading	< 1 year	1,502	(5,739)	(5)	7	(12)	-
Cross currency swaps	FVH	< 1 year	83	-	(2)	1	(3)	1
Cross currency swaps	NIH	< 1 year	213	-	18	18	-	19
Cross currency swaps	NIH	> 2 years	255	-	34	34	-	36
TOTAL FOREIGN CHANGE DERIVATIVES			**5,836**	**(8,052)**	**54**	**85**	**(31)**	**59**
Forwards contracts	CFH	< 1 year	-	(391)	174	174	-	147
Commodities derivatives			**-**	**(391)**	**174**	**174**	**-**	**147**
Interest rate swaps	FVH	> 2 years	1,550	(1,550)	6	18	(12)	-
Interest rate derivative			**1,550**	**(1,550)**	**6**	**18**	**(12)**	**-**
Options	Trading	> 2 years	-		(8)	-	(8)	-
Other derivatives			**-**	**-**	**(8)**	**-**	**(8)**	**-**
TOTAL			**7,386**	**(9,993)**	**226**	**277**	**(51)**	**206**

			Dec 31, 2024					
(in millions of euros)	Accounting qualification	Maturity	Nominal sales	Nominal purchases	Fair value	Carrying amounts in assets	Carrying amounts in liabilities	Carrying amounts in OCI
Forwards contracts	CFH	< 1 year	611	(466)	(11)	16	(27)	(11)
Forwards contracts	CFH	< 2 years	39	(42)	-	1	(1)	-
Forwards contracts	CFH	> 2 years	2	-	-	-	-	-
Forwards contracts	FVH	< 1 year	2,647	(1,790)	19	48	(29)	(2)
Forwards contracts	NIH	< 1 year	719	-	(28)	-	(28)	(28)
Forwards contracts	Trading	< 1 year	877	(4,920)	10	15	(5)	-
Cross currency swaps	CFH	< 1 year	69	-	-	-	-	-
Cross currency swaps	NIH	> 2 years	529	-	(22)	-	(22)	(22)
TOTAL FX DERIVATIVES			**5,493**	**(7,218)**	**(32)**	**80**	**(112)**	**(63)**
Forwards contracts	CFH	< 1 year	-	(423)	(22)	1	(23)	(22)
Commodities derivatives			**-**	**(423)**	**(22)**	**1**	**(23)**	**(22)**
Interest Rate Swap	FVH	> 2 years	1,050	(1,050)	50	50	-	-
Interest Rate Derivatives			**1,050**	**(1,050)**	**50**	**50**	**-**	**-**
Options	Trading	> 2 years	-	-	(4)	-	(4)	-
Other derivatives			**-**	**-**	**(4)**	**-**	**(4)**	**-**
TOTAL			**6,543**	**(8,691)**	**(8)**	**131**	**(139)**	**(85)**

24.3 – Foreign currency hedges

Accounting principles

The Group periodically enters into foreign exchange derivatives to hedge foreign currency risk arising from transactions denominated in foreign currencies.

Wherever possible, monetary items (other than specific financing items) denominated in foreign currency in the balance sheet of Group entities are hedged by rebalancing assets and liabilities by currency through foreign exchange spot transactions executed with Corporate Treasury (natural hedging). Foreign exchange exposure is therefore aggregated at Group level and hedged using foreign exchange derivatives. Where centralization is not feasible, the Group enters into foreign exchange forward contracts to hedge operating receivables and payables denominated in foreign currencies. In both cases, the Group does not apply hedge accounting because gains and losses on foreign exchange derivatives naturally offset, within "Net financial income/(loss)", the gains or losses arising from the translation at year-end rates of payables and receivables denominated in foreign currency.

The Group also hedges highly probable forecast cash flows, including recurring forecast transactions and planned acquisitions or disposals of investments. In accordance with IFRS 9, such hedges are accounted for as cash flow hedges. The hedging instruments are recognized at fair value in the consolidated balance sheet. The effective portion of the gain or loss on the hedging instrument is accumulated in OCI and is reclassified in the statement of income when the hedged item affects profit or loss.

The Group also hedges foreign exchange risk on financing receivables and payables (including current accounts and intercompany loans) using foreign exchange derivatives that may be documented as cash flow hedges or fair value hedges depending on the nature of the hedged item.

The Group may designate foreign exchange derivatives or borrowings as hedging instruments for its investments in foreign operations (*net investment hedges*). Changes in the value of the hedging instruments are accumulated in OCI and are reclassified to the statement of income in a manner consistent with the recycling of the hedged item.

The Group designates foreign exchange derivatives based on the spot rate. The Group has elected to apply the cost of hedging approach under IFRS 9 to reduce volatility in the statement of income attributable to forward points:

- For foreign exchange derivatives hedging recognized balance sheet items, forward points are amortized in the statement of income on a straight-line basis. Forward points related to foreign exchange derivatives hedging financing transactions are included in "Finance costs, net".
- For foreign exchange derivatives hedging forecast transactions not yet recognized in the consolidated balance sheet, forward points are recognized in the statement of income when the hedged transaction affects profit or loss.

The breakdown of the nominal of foreign change derivatives related to operating and financing activities is as follows:

	Dec. 31, 2025		
(in millions of euros)	**Sales**	**Purchases**	**Net**
US Dollar	2,789	(3,798)	(1,009)
British Pound	979	(1,415)	(436)
Chinese Yuan	167	(577)	(410)
Singapore Dollar	434	(616)	(182)
Japanese Yen	9	(134)	(125)
Swedish Crown	51	(173)	(122)
Swiss Franc	13	(113)	(100)
Brazilian real	120	(28)	92
Danish Crown	68	(157)	(89)
UAE Dirham	66	(151)	(85)
Hong Kong Dollar	28	(110)	(82)
South African Rand	50	(1)	49
Canadian Dollar	108	(60)	48
Saudi Riyal	17	(61)	(44)
Norwegian Krone	13	(49)	(36)
Australian Dollar	86	(94)	(8)
Others	838	(515)	323
TOTAL	**5,836**	**(8,052)**	**(2,216)**

24.4 – Interest rate hedges

Accounting principles

Interest rate risk on borrowings is managed at the Group level, based on consolidated debt and taking into consideration market conditions to optimize overall borrowing costs. The Group uses derivative instruments to hedge its exposure to interest rates through swaps or cross-currency swaps.

The derivative instruments are structured to match the schedules, rates and currencies of the borrowings they hedge, and involve the exchange of fixed and floating-rate interest payments. The net settlement to be paid (or received) is accrued as an adjustment to interest income or expense over the life of the agreement. The Group applies hedge accounting under IFRS 9 for qualifying interest rate swaps. Gains and losses arising from remeasurement of interest rate swaps to fair value are recognized in OCI (for cash flow hedges) or in the statement of income (for fair value hedges).

Borrowings hedged in a fair value hedge are adjusted for changes in fair value attributable to the hedged risk, with the corresponding gain or loss recognized in the statement of income.

Cross-currency swaps may be presented as foreign exchange hedges or as interest rate hedges depending on the specific characteristics of the derivative.

During the fiscal year 2025, the Group set up new interest rate swaps for a nominal amount EUR 500 million.

	Dec. 31, 2025			Dec. 31, 2024		
(in millions of euros)	**Fixed rates**	**Floating rates**	**Total**	Fixed rates	Floating rates	Total
Total current and non-current financial liabilities	14,987	2,893	17,880	12,650	2,181	14,831
Cash and cash equivalent	-	(4,634)	(4,634)	-	(6,887)	(6,887)
NET DEBT BEFORE HEDGING	**14,987**	**(1,741)**	**13,246**	**12,650**	**(4,706)**	**7,944**
Impact of Hedges	(1,550)	1,550	-	(1,050)	1,050	-
NET DEBT AFTER HEDGING	**13,437**	**(191)**	**13,246**	**11,600**	**(3,656)**	**7,944**

24.5 – Commodity hedges

Accounting principles

The Group is exposed to fluctuations in energy and raw material prices, in particular copper, aluminum, silver, lead, nickel, zinc, steel and plastics. If the Group is not able to hedge, compensate for or pass on to customers any such increased costs, this could have an adverse impact on its results. The Group has, however, implemented certain procedures to limit exposure to rising non-ferrous and precious raw material prices. The Purchasing departments of the operating units report their purchasing forecasts to the Treasury & Corporate Finance department. Purchase commitments are hedged using forward contracts, swaps and, to a lesser extent, options.

The Group enters into commodity derivatives, including forward purchase contracts, swaps and options to hedge price risk on all or part of its forecast purchases. In accordance with IFRS 9, such hedges are accounted for as cash flow hedges. These instruments are recognized at fair value at period-end (mark-to-market). The effective portion of the hedge is recognized in OCI and is subsequently reclassified to the statement of income (within gross margin) when the hedged purchases affect profit or loss. The effect of this hedging is incorporated into the cost of products sold.

All commodities instruments are futures and options designated as cash flow hedge under IFRS standards, of which:

(in millions of euros)	**Dec. 31, 2025**	Dec. 31, 2024
Fair value	174	(22)
Nominal amount	(391)	(423)

24.6 – Financial assets and liabilities subject to netting

Accounting principles

The Group trades over-the-counter derivatives with tier-one banks under agreements which provide for the offsetting of amounts payable and receivable in the event of default by one of the contracting parties. These conditional offsetting agreements do not meet the eligibility criteria within the meaning of IAS 32 for offsetting derivative instruments recorded under assets and liabilities. However, they do fall within the scope of disclosures under IFRS 7 on offsetting.

In accordance with IFRS 7 standards, this section discloses financial instruments that are subject to netting agreements.

	Dec. 31, 2025				
(in millions of euros)	**Gross amounts**	**Gross amounts offset in the statement of financial position**	**Net amounts presented in the statement of financial position**	**Related amounts not offset in the statement of financial position**	**Net amounts as per IFRS 7**
Financial assets	277	-	277	(40)	237
Financial liabilities	(51)	-	(51)	40	(11)

	Dec. 31, 2024				
(in millions of euros)	Gross amounts	Gross amounts offset in the statement of financial position	Net amounts presented in the statement of financial position	Related amounts not offset in the statement of financial position	Net amounts as per IFRS 7
Financial assets	131	-	131	(73)	58
Financial liabilities	(139)	-	(139)	73	(66)

24.7 – Counterparty risk

Financial transactions are entered with carefully selected counterparties. Banking counterparties are chosen according to the customary criteria, including the credit rating issued by an independent rating agency.

Group policy consists of diversifying counterparty risks and periodic controls are performed to check compliance with the related rules. In addition, the Group takes out substantial credit insurance and uses other types of guarantees to limit the risk of losses on trade accounts receivable.

24.8 – Liquidity risk

As of December 31, 2025, the Group had confirmed credit lines of EUR 3,525 million, all unused with EUR 2,875 million maturing after December 2026. Among them, EUR 2,775 million are sustainable-linked credit line with margin indexed on the annual performance of the Schneider Sustainability Impact (SSI).

With EUR 3.5 billion available committed facility and EUR 4.6 billion cash & cash equivalent, the liquidity of the Group amounted to EUR 8.1 billion end of the year. In the next 12 months, the total short-term financial debt amounts to EUR 2.9 billion.

Committed credit lines do not include any financial covenants or credit rating triggers in case of rating downgrade.

24.9 – Financial risk management

Foreign currency risk arises from the Group undertaking a significant number of foreign currency transactions in the course of operations. These exposures arise from sales in currencies other than the Group's presentational currency of Euro.

The main exposure of the Group in terms of currency exchange risk is related to the US dollar, Chinese Yuan and currencies linked to the US dollar. In 2025, revenue in foreign currencies amounted to EUR 32.7 billion (EUR 31.1 billion in 2024), including around EUR 15.1 billion in US dollars and EUR 4.3 billion in Chinese yuan (respectively EUR 13.3 and EUR 4.4 billion in 2024).

The Group manages its exposure to currency risk to reduce the sensitivity of earnings to changes in exchange rates. The financial instruments used to hedge the Group's exposure to fluctuations in exchange rates are described above.

The table below shows the impact of a 10% change in the US dollar and the Chinese Yuan against the Euro on Revenue and Adjusted EBITA. It includes the impact from the translation of financial statements into the Group's presentation currency and assumes no scope impact.

	Dec. 31, 2025		
(in millions of euros)	**Increase/ (decrease) in average rate**	**Revenue**	**Adj. EBITA**
US Dollar	10%	1,505	427
	(10)%	(1,505)	(427)
Chinese Yuan	10%	434	64
	(10)%	(434)	(64)

	Dec. 31, 2024		
(in millions of euros)	Increase/ (decrease) in average rate	Revenue	Adj. EBITA
US Dollar	10%	1,327	281
	(10)%	(1,327)	(281)
Chinese Yuan	10%	435	113
	(10)%	(435)	(113)

24.10 – Supplier Financing

The Group has set up supplier financing programs in several countries. The total amount of discounted payables as of December 31, 2025, amounts to EUR 83 million compared to EUR 110 million as of December 31, 2024, and is not considered material. In addition, payment terms remain in line with payment practices in those countries. The Group's supplier financing programs do not lead to the derecognition of trade payables or to their reclassification within financial liabilities.

Note 25: Employees

25.1 – Employees

The Group average number of permanent and temporary employees is as follows:

(number of employees)	**Full Year 2025**	Full Year 2024 *
Production	76,859	75,142
Administration	86,111	83,493
TOTAL AVERAGE WORKFORCE	**162,970**	**158,635**
of which Western Europe	*40,753*	*40,436*
of which North America	*46,302*	*44,080*
of which Asia-Pacific	*55,785*	*54,354*
of which Rest of the world	*20,130*	*19,765*

* The 2024 average headcount has been restated to exclude non-employee interim workers, who were previously included in the Group's total headcount, and to include certain missing headcount figures resulting from a scope adjustment.

25.2 – Employee benefit expense

(in millions of euros)	**Full Year 2025**	Full Year 2024 *
Payroll costs	(11,751)	(11,622)
Share-based payments	(202)	(233)
EMPLOYEE BENEFITS EXPENSE	**(11,953)**	**(11,855)**

* The 2024 payroll costs have been restated following a refinement of the methodology used to determine the scope of payroll-related accounts, in order to ensure consistency and comparability between periods.

25.3 – Benefits granted to key management personnel

In 2025, the Group granted EUR 2.6 million in attendance fees to the members of its Board of directors.

Gross compensation, including benefits in kind, allocated in 2025 by Group companies to the chairman, totaled EUR 1.0 million.

Gross compensation, including benefits in kind, allocated by Group companies in 2025 to the Corporate Officer, amounted to EUR 2.7 million, including EUR 1.1 million in variable compensation.

Gross compensation, including benefits in kind, allocated by Group companies in 2025 to the members of Group Senior Management other than the Corporate Officer, amounted to EUR 39.9 million, including EUR 9.1 million in variable compensation allocated in the 2025 fiscal year.

During the last three financial years, 491,089 performance shares have been allocated to key management personnel (Chairman, Corporate officer and Other Members of Group Senior Management). No stock options have been granted during the last three financial years. In 2025, performance shares were allocated under the 2025 long-term incentive plans 46, 47 and 47ter. Since December 16, 2011, 100% of performance shares are conditional on the achievement of performance criteria for members of the Executive Committee.

Note 26: Related party transactions

26.1 – Transactions with associates

Companies over which the Group has significant influence are accounted through the equity method. Transactions with these related parties are carried out on arm's length terms.

Related party transactions were not material in 2025.

26.2 – Transactions with key management personnel

No unusual transactions were carried out during the year with members of the supervisory board or management board. Compensation and benefits paid to the Group's top senior executives are described in Note 25.

Note 27: Commitments

The following table discloses the maximum exposure on guarantees given and received:

(in millions of euros)	**Dec. 31, 2025**	Dec. 31, 2024
Market counter guarantees *	1,550	1,571
Pledges, mortgages and sureties **	140	131
Invensys Pension Scheme guarantees	2,006	2,111
Other commitments given	535	472
GUARANTEES GIVEN	**4,231**	**4,285**
Endorsements and guarantees received	354	233
GUARANTEES RECEIVED	**354**	**233**

* On certain contracts, customers require some commitments to guarantee that the contract will be fully executed by the subsidiaries of the Group. The risk linked to the commitment is assessed and a provision for contingencies is recorded when the risk is considered probable and can be reasonably estimated. Market counter guarantees also include the guaranteed obligations towards pension schemes.

** Some loans are secured by property, plant and equipment and securities lodged as collateral.

As of December 31, 2025, the Group had confirmed credit lines described in Note 24.8.

Note 28: Subsequent events

No significant subsequent events occurred between December 31, 2025 and February 25, 2026, the date at which the consolidated financial statements were authorized for issue by the Board of Directors.

Note 29: Statutory Auditors' fees

Fees paid by the Group to the Statutory Auditors and their networks:

	Full Year 2025				
(in thousands of euros)	**PwC**	**%**	**Forvis Mazars**	**%**	**Total**
Statutory auditors, certification, examination of the parent company and consolidated accounts	13,959	82%	10,612	93%	24,571
o/w Schneider Electric SE	*1,979*		*1,248*		*3,227*
o/w subsidiaries	*11,980*		*9,364*		*21,344*
Limited assurance procedures on CSRD	1,083	6%	380	3%	1,463
Services other than statutory audit – Audit-related services ("SACC")*	2,011	12%	398	4%	2,409
o/w Schneider Electric SE	*354*		*27*		*381*
o/w subsidiaries	*1,657*		*371*		*2,028*
TOTAL FEES	**17,053**	**100%**	**11,390**	**100%**	**28,443**

* Audit related services include services required by regulations and those provided at the request of the parent company or controlled entities, in particular: the review of environmental, social and societal information, contractual audits, comfort letters, audit certificates, agreed procedures, audits of procedures and information systems, and tax services that do not impair auditor independence.

	Full Year 2024				
(in thousands of euros)	PwC	%	Forvis Mazars	%	Total
Statutory auditors, certification, examination of the parent company and consolidated accounts	13,187	78%	10,555	92%	23,742
o/w Schneider Electric SE	*1,651*		*1,132*		*2,783*
o/w subsidiaries	*11,536*		*9,423*		*20,959*
Limited assurance procedures on CSRD	1,103	7%	473	4%	1,576
Services other than statutory audit – Audit-related services ("SACC")*	2,594	15%	503	4%	3,097
o/w Schneider Electric SE	*1,365*		*27*		*1,392*
o/w subsidiaries	*1,229*		*476*		*1,705*
TOTAL FEES	**16,884**	**100%**	**11,531**	**100%**	**28,415**

* Audit related services include services required by regulations and those provided at the request of the parent company or controlled entities, in particular: the review of environmental, social and societal information, contractual audits, comfort letters, audit certificates, agreed procedures, audits of procedures and information systems, and tax services that do not impair auditor independence.

Note 30: Consolidated companies

The main companies included in the Schneider Electric Group scope of consolidation are listed below:

The percentage of control is equal to the percentage of interest for most of the companies.

(in % of interest)		**Dec. 31, 2025**	Dec. 31, 2024
Europe			
Fully consolidated			
Schneider Electric NV SA	Belgium	100	100
Schneider Electric Services International	Belgium	100	100
Schneider Electric Danmark A/S	Denmark	100	100
Schneider Electric Finland Oy	Finland	100	100
Schneider Electric Industries SAS	France	100	100
Schneider Electric France	France	100	100
Schneider Electric International	France	100	100
Sarel – Appareillage Electrique	France	100	100
Schneider Electric SE	France	100	100
Boissiere Finance	France	100	100
Aveva Sas	France	100	100
Schneider Electric GmbH	Germany	100	100
Schneider Electric Sachsenwerk GmbH	Germany	100	100
Schneider Electric Investment AG	Germany	100	100
Schneider Electric IT Logistics Europe Limited	Ireland	100	100
Schneider Electric IT Limited	Ireland	100	100
Schneider Electric S.p.a.	Italy	100	100
Uniflair S.p.a.	Italy	100	100
Schneider Electric The Netherlands B.V.	Netherlands	100	100
American Power Conversion Corporation (A.P.C.) B.V.	Netherlands	100	100
BTR (European Holdings) Bv	Netherlands	100	100
Planon Beheer BV	Netherlands	80	80
Schneider Electric Norge AS	Norway	100	100
Schneider Electric Polska Sp. Z o.o.	Poland	100	100
Schneider Electric Portugal, LDA	Portugal	100	100
Schneider Electric Romania, SRL	Romania	100	100
Schneider Electric Espana, S.A.U	Spain	100	100
Schneider Electric Sverige AB	Sweden	100	100
Schneider Electric Buildings AB	Sweden	100	100
Schneider Electric (Suisse) SA	Switzerland	100	100
Feller AG	Switzerland	83.7	83.7
Schneider Electric Limited	United Kingdom	100	100
BTR Industries Ltd	United Kingdom	100	100
Invensys Group Ltd	United Kingdom	100	100
Invensys Holdings Ltd	United Kingdom	100	100
Invensys International Holdings Ltd	United Kingdom	100	100
Invensys Ltd	United Kingdom	100	100
Schneider Electric Invensys (UK) Ltd	United Kingdom	100	100
Aveva Group Limited	United Kingdom	100	100
Aveva UK 1 Limited	United Kingdom	100	100
Aveva Solutions Limited	United Kingdom	100	100
Aveva Software GB Limited	United Kingdom	100	100
Samos Acquisition Company Limited	United Kingdom	100	100
Ascot Acquisition Holdings Limited	United Kingdom	100	100
Schneider Electric Systems Holdings Limited	United Kingdom	100	-
North America			
Fully consolidated			
Schneider Electric Canada Inc.	Canada	100	100
Schneider Electric Mexico S.A. de C.V.	Mexico	100	100
Industrias Electronicas Pacifico, S.A. de C.V.	Mexico	100	100
Schneider Electric USA, Inc.	United States	100	100

(in % of interest)		Dec. 31, 2025	Dec. 31, 2024
SNA Holdings Inc.	United States	100	100
Schneider Electric Holdings, Inc.	United States	100	100
Veris Industries LLC	United States	100	100
Schneider Electric Buildings Americas, Inc.	United States	100	100
Schneider Electric IT Corporation	United States	100	100
Schneider Electric IT Mission Critical Services, Inc.	United States	100	100
Schneider Electric Smart Grid Solutions, LLC	United States	100	100
SE Vermont Ltd	United States	100	100
Summit Energy Services, Inc.	United States	100	100
BTR, LLC	United States	100	100
H.S. Investments, LLC	United States	100	100
Schneider Electric Systems USA, Inc.	United States	100	100
Siebe Inc.	United States	100	100
Ranco Incorporated of Delaware	United States	100	100
Schneider Electric Foundries LLC	United States	100	100
Schneider Electric Ventures Fund II	United States	100	100
Osisoft, LLC	United States	100	100
Charge Holdings, LLC	United States	100	90.83
Aveva US 2 Corp.	United States	100	100
Aveva Inc.	United States	100	100
Aveva Software, LLC	United States	100	100
ASCO Power Technologies, L.P.	United States	100	100
Motivair LLC	United States	75	-
ETAP Automation Inc.	United States	100	100
Accounted for by equity method			
Uplight Inc.	United States	43.46	43.46
Asia-Pacific			
Fully consolidated			
Schneider Electric (Australia) Pty Limited	Australia	100	100
Schneider Electric Australia Holdings Pty Ltd	Australia	100	100
Aveva Software Australia Pty Ltd	Australia	100	100
Schneider Electric (China) Company Limited	China	100	100
Schneider Shanghai Power Distribution Electrical Apparatus Co., Ltd	China	80	80
Schneider Shanghai Low Voltage Terminal Apparatus Co., Ltd	China	75	75
Schneider Busway (Guangzhou) Limited	China	95	95
Schneider (Beijing) Medium Voltage Co., Ltd	China	100	100
Schneider (Beijing) Low Voltage Co., Ltd.	China	95	95
Wuxi Pro-Face Co., Ltd	China	100	100
Schneider (Suzhou) Transformers Co., Ltd	China	100	100
Schneider Shanghai Apparatus Parts Manufacturing Co., Ltd	China	100	100
Schneider Electric IT (China) Co., Ltd	China	100	100
Schneider Wingoal (Tianjin) Electric Equipment Co., Ltd	China	100	100
Schneider Electric (Xiamen) Switchgear Equipment Co., Ltd	China	100	100
Schneider Electric Equipment and Engineering (Xi'An) Co., Ltd	China	100	100
Schneider Electric (Hong Kong) Limited	Hong Kong	100	100
Schneider Electric India Private Limited	India	100	65
Schneider Electric IT Business India Private Limited	India	100	100
Luminous Power Technologies Private Limited	India	100	100
Schneider Electric Infrastructure Limited	India	75	75
Schneider Electric Private Limited	India	100	100
Aveva Solutions India Llp	India	100	100
PT Schneider Indonesia	Indonesia	95	95
Schneider Electric Japan Holdings Inc	Japan	100	100
Schneider Electric Japan, Inc.	Japan	100	100
Schneider Electric Korea Limited	Korea	100	100
Schneider Electric Industries (M) Sdn. Bhd.	Malaysia	100	100
Schneider Electric Singapore Pte Ltd	Singapore	100	100

(in % of interest)		Dec. 31, 2025	Dec. 31, 2024
Schneider Electric Asia Pte. Ltd.	Singapore	100	100
Schneider Electric South East Asia (HQ) Pte Ltd	Singapore	100	100
Schneider Electric IT Logistics Asia Pacific Pte Ltd	Singapore	100	100
Schneider Electric Taiwan Co., Ltd	Taiwan	100	100
Schneider (Thailand) Limited	Thailand	100	100
Schneider Electric Vietnam Limited	Viet Nam	100	100
Accounted for by equity method			
Delixi Electric Limited (sub-group)	China	50	50
Rest of the World			
Fully consolidated			
Schneider Electric Argentina S.A.	Argentina	100	100
Schneider Electric Brasil Ltda	Brazil	100	100
Schneider Electric Chile S.P.A	Chile	100	100
Schneider Electric de Colombia S.A.S	Colombia	100	100
Schneider Electric Egypt S.A.E.	Egypt	91.93	92
Schneider Electric Distribution Company	Egypt	91.99	91.99
Schneider Electric FZE	United Arab Emirates	100	100
Schneider Electric DC MEA FZCO	United Arab Emirates	100	100
Schneider Electric Services LLC	Qatar	49	49
Schneider Electric Saudi Arabia Limited	Saudi Arabia	100	100
Schneider Electric South Africa (Pty) Ltd	South Africa	100	74.9
Schneider Elektrik Sanayi Ve Ticaret A.S.	Türkiye	100	100

5.6 Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2025

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the annual general meeting of Schneider Electric S.E.

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of Schneider Electric S.E. for the year ended December 31, 2025, as attached to this report.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2025 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European union.

The audit opinion expressed above is consistent with our report to the Audit and Risks Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from January 1st 2025 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments – Key Audit Matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of goodwill and trademarks with indefinite useful lives

Notes 1.3, 6, 10, 11 and 12 to the consolidated financial statements

Description of risk	As of December 31, 2025, the carrying amount of goodwill and trademarks was 25,142 million of euros and 2,165 million of euros respectively, representing 44% of the Group's total assets. As described in Note 10 "Impairment of assets" to the consolidated financial statements, trademarks with indefinite useful lives and goodwill allocated to Cash Generating Units (CGUs) are tested for impairment at least once a year and whenever there is an indication of impairment. Goodwill is tested at CGU group level, as described in note 10 "Impairment of assets" to the consolidated financial statements: Low Voltage, Medium Voltage, Secure Power, Sustainability, EM Software, Industrial Automation and Industrial Automation Software. The recoverable amount of a CGU is defined as the higher between its value in use and its fair value less costs to sell. The value in use of a CGU is determined by discounting future cash flows that will be generated by its underlying assets and which are based on the Group management's economic assumptions and operating forecasts. Indefinite-lived trademarks are allocated to the group of CGUs to which they contribute cash inflows and are assessed for impairment as part of the CGU impairment test. An impairment loss is recognized whenever the recoverable amount of a CGU is less than its carrying amount, in the amount of the excess of its carrying amount over its recoverable amount. When the tested CGU comprises goodwill, the impairment loss is primarily deducted therefrom. The valuation of goodwill and trademarks with indefinite useful lives is a key audit matter due to their significance in the Group's consolidated balance sheet and the level of judgment required by management to: • define the CGUs, as improper mapping could lead the Group to not recognize, or to underestimate, the impairment of goodwill; • determine the assumptions used for the impairment tests of goodwill, particularly the discount rate, perpetuity growth rate and the expected margin rates and the consideration of climate risks.
How our audit addressed this risk	Our audit work consisted in: • reviewing the methods used to determine the level of goodwill impairment testing; • comparing the carrying amount of assets tested with the accounting data; • assessing the procedures implemented by the Group to evaluate the discounted future cash flows underlying the determination of the value in use of each CGU and checking their consistency with the business plans/cash flow projections approved by the Group's Board of Directors; • assessing the procedures implemented by the Group to evaluate the impact of climate risks in determining the value in use of each group of CGUs; • assessing the reasonableness of the business forecasts underlying the future cash flows, in particular with respect to past performance; • with the assistance of our valuation experts, assessing the assumptions used such as the discount rate, perpetuity growth rate and expected margin rates, as well as the sensitivity of impairment test results to changes in these key assumptions; • reconciling the sensitivity analyses performed by the Group with our sensitivity calculations; • verifying the arithmetical accuracy of the impairment tests. Lastly, we assessed the appropriateness of the disclosures provided in the notes to the consolidated financial statements.

Uncertain tax positions and recognition and recoverability of deferred tax assets recognized for tax loss carryforwards

Notes 1.3 and 9 to the consolidated financial statements

Description of risk	The Group operates in several different tax jurisdictions around the world. As a result, the company and its subsidiaries may be subject to audits or questions from local tax authorities. Situations where cash outflows are considered probable give rise to liabilities, measured on the basis of the known facts in the jurisdiction concerned. In accordance with IFRIC 23 – Uncertainty over Income Tax Treatments, provisions covering uncertainties over tax treatments are presented under "Accrued taxes and payroll costs", as specified in Note 9 to the consolidated financial statements. In addition, the Group recognizes deferred tax assets in several countries based on its ability to recover them in future years. As of December 31, 2025, deferred tax assets in respect of tax loss carryforwards recognized in the consolidated balance sheet amounted to 666 million of euros, mainly in France for an amount of 403 million of euros. As described in Note 9 to the consolidated financial statements, the Group only recognizes future tax relief arising from the use of tax loss carryforwards when it can be reasonably anticipated that such relief will be granted, including when such amounts can be carried forward indefinitely. The Group's ability to recover deferred tax assets on tax loss carryforwards is assessed by management at the end of each reporting period. The recognition and correct valuation of these deferred tax assets are subject to the quality of the forecasts made by the Group. The recognition and recoverability of deferred tax assets relating to tax loss carryforwards, primarily in France, and the recognition of liabilities for uncertain tax positions are key audit matters, given the judgment required from the Group to (i) assess the recoverability of the deferred taxes and (ii) estimate the likely outflow of resources in a constantly changing international environment.
How our audit addressed this risk	We held meetings with management, gained an understanding of the internal control procedures implemented by the Group to identify tax risks, and, where appropriate, to recognize any tax loss. With the assistance of our tax specialists, we also assessed the judgments made by management as part of our estimate of the income tax likely to be payable and the amount of any potential exposure, and, by extension, the reasonableness of the estimates as regards tax liabilities. With regard to the recognition and recoverability of deferred tax assets relating to tax loss carryforwards, our audit approach consisted in assessing the Group's likelihood of benefiting from future tax relief arising from the use of tax loss carryforwards, in particular with regard to: • plans for the consumption of the tax loss carryforwards of the subsidiaries or tax consolidation groups concerned; • the main data and assumptions underlying the plans for the consumption of tax loss carryforwards underlying the recognition and measurement of the corresponding deferred tax assets by the Group. We also verified the appropriateness of the disclosures provided in the notes to the consolidated financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information given in the management report of the Board of Directors.

We have no matters to report as to their fair presentation and their consistency with the consolidated financial statements.

Report on Other Legal and Regulatory Requirements

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Schneider Electric SE by your Annual General Meetings held on May 6, 2004 for Forvis Mazars SA and on May 5, 2022 for PricewaterhouseCoopers Audit.

As of December 31, 2025, Forvis Mazars SA was in the twenty-second consecutive year of their engagement and PricewaterhouseCoopers in their fourth year.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit and Risks Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.821-55 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit and Risks Committee

We submit a report to the Audit and Risks Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Risks Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit and Risks Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.821-27 to L.821-34 of the French Commercial Code (code de commerce) and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit and Risks Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

The statutory auditors

Forvis Mazars SA
Levallois-Perret on March 12, 2026

Juliette Decoux Guillemot
Associée

Charles Desvernois
Associé

PricewaterhouseCoopers Audit
Neuilly-sur-Seine on March 12, 2026

Jean-Christophe Georghiou
Associé

Séverine Scheer
Associée

5.7 Extract of the management report for the year ended December 31, 2025

Consolidated financial statements

Business and Statement of Income highlights

Main acquisitions of the period

Motivair

On February 28, 2025, Schneider Electric completed the transaction to acquire Motivair Corporation, a company specialized in liquid cooling and advanced thermal management solutions for high performance computing systems. Under the terms of the transaction, Schneider Electric has acquired an initial 75% controlling interest in the equity of Motivair for a consideration of EUR 847 million at acquisition date, fully paid in cash. Motivair is consolidated within the Energy Management reporting segment.

The Group expects to acquire the remaining 25% of non-controlling interests in 2028 through a put/call option. In 2028, the minority shareholders will have the right to sell to the Group their remaining 25% stake in Motivair. The Group also holds a right to acquire the remaining 25% of non-controlling interests in 2028 as well. The related debt has been recognized in "Non-current purchase commitments over non-controlling interests" for EUR 278 million at acquisition date.

The purchase accounting as per IFRS 3 is completed as of December 31, 2025. Motivair carrying value at acquisition date for net identifiable assets was EUR 59 million. The net adjustment of the opening balance sheet is EUR 298 million, resulting mainly from the booking of identifiable intangible assets (customer relationships and brand). The goodwill recognized amounts to EUR 769 million at acquisition date.

Schneider eStar

On May 6, 2024, a memorandum of understanding was signed between Schneider Electric and StarCharge, a major operator of charging service networks in China, for the creation of a joint venture to support the growth of the European prosumer market. The joint venture (called Schneider eStar) creation steps occurred during the first quarter of 2025. On April 1st 2025, Schneider Electric acquired 51.01% of Schneider eStar for a consideration of EUR 230 million, of which EUR 220 million paid in cash.

The purchase accounting as per IFRS 3 is completed as of December 31, 2025. Schneider eStar carrying value at acquisition date for net identifiable assets was EUR 16 million. The net adjustment of the opening balance sheet is EUR 111 million, resulting from the booking of an identifiable intangible asset. The partial goodwill method was used and a partial goodwill of EUR 165 million was recognized at acquisition date.

Schneider eStar started operating in April 2025 and is fully consolidated within the Energy Management reporting segment.

Transaction with Schneider Electric India Private Limited ("SEIPL") non-controlling interests

On July 29, 2025, Schneider Electric signed an agreement to acquire the remaining 35% non-controlling interests of SEIPL from Temasek to reach full ownership. The transaction closed on December 18, 2025.

Under the terms of the transaction, Schneider Electric acquired the remaining 35% of SEIPL for an all-cash consideration of EUR 5.5 billion.

This transaction was accounted for as a shareholder transaction. The difference between the consideration paid including transaction costs and the carrying amount of the non-controlling interests acquired, amounting to EUR 519 million as of December 31, 2025, was recognized directly in "Equity attributable to owners of the parent".

Follow-up on acquisitions and divestments transacted in 2024 with effect in 2025

Planon

On July 30, 2024, Schneider Electric signed an agreement to acquire an additional 55% stake in Planon for a consideration of EUR 525 million, fully paid in cash, increasing its ownership of Planon to a controlling stake of 80%. Since transaction closing date on October 28, 2024, Planon is consolidated within the Energy Management reporting segment.

The purchase accounting as per IFRS 3 is completed as of December 31, 2025. As of December 31, 2024, a preliminary goodwill of EUR 608 million was recognized. As of December 31, 2025, the goodwill was raised to EUR 644 million.

Exchange rate changes

Fluctuations in the euro exchange rate had a negative impact in 2025, decreasing consolidated revenue by EUR 1,555 million due mainly to the evolution observed in the US Dollar and in the Indian Rupee compared to the Euro and a negative impact decreasing adjusted EBITA by EUR 482 million.

Results of Operations

The following table sets forth our results of operations for 2025 and 2024:

(in millions of euros except for earnings per share)	**Full Year 2025**	Full Year 2024	% Variance
Revenue	**40,152**	**38,153**	**5.2%**
Cost of sales	(23,257)	(21,885)	6.3%
Gross profit	**16,895**	**16,268**	**3.9%**
% Gross profit	**42.1%**	**42.6%**	
Research and development	(1,365)	(1,308)	4.4%
Selling, general and administrative expenses	(8,010)	(7,877)	1.7%
Adjusted EBITA *	**7,520**	**7,083**	**6.2%**
% Adjusted EBITA	**18.7%**	**18.6%**	
Other operating income and expenses	(77)	(87)	(11.5)%
Restructuring costs	(287)	(141)	103.5%
EBITA **	**7,156**	**6,855**	**4.4%**
% EBITA	**17.8%**	**18.0%**	
Amortization and impairment of purchase accounting intangibles	(457)	(406)	12.6%
Operating income	**6,699**	**6,449**	**3.9%**
% Operating income	**16.7%**	**16.9%**	
Interest income	152	174	(12.6)%
Interest expense	(473)	(435)	8.7%
Finance costs, net	**(321)**	**(261)**	**23.0%**
Other financial income and expenses	(198)	(148)	33.8%
Net financial income/(loss)	**(519)**	**(409)**	**26.9%**
Profit from continuing operations before income tax	**6,180**	**6,040**	**2.3%**
Income tax expense	(1,455)	(1,398)	4.1%
Share of profit/(loss) of associates	14	17	(17.6)%
Impairment of investments in associates	(388)	(220)	76.4%
PROFIT FOR THE YEAR	**4,351**	**4,439**	**(2.0)%**
attributable to owners of the parent	*4,163*	*4,269*	*(2.5)%*
attributable to non-controlling interests	*188*	*170*	*10.6%*
Basic earnings (attributable to owners of the parent) per share (in euros per share)	7.41	7.61	(2.7)%
Diluted earnings (attributable to owners of the parent) per share (in euros per share)	7.33	7.53	(2.6)%

* Adjusted EBITA (Earnings Before Interest, Taxes, Amortization of Purchase Accounting Intangibles): Operating profit before amortization and impairment of purchase accounting intangible assets, before goodwill impairment, other operating income and expenses and restructuring costs.

** EBITA (Earnings Before Interest, Taxes and Amortization of Purchase Accounting Intangibles): Operating profit before amortization and impairment of purchase accounting intangible assets and before goodwill impairment.

Revenue

Consolidated revenue totaled EUR 40,152 million for the year ended December 31, 2025, up +8.9% organic and up +5.2% on a reported basis. Organic growth was led by strong sales of the Group's Systems offers, notably in the Data Center and Infrastructure end-markets. The Group also saw strong growth in Services linked to digital offers and trends of renovation and modernization. The Group's agnostic software assets continued their transition to a subscription revenue model, mechanically impacting organic growth as expected, while displaying good underlying evolution. There was positive contribution to sales growth from Products, with growth in sales of electrical distribution products across many end-markets and segments, while sales into the Residential market declined. The expected progressive demand recovery in Discrete automation continued to play out, reflected in sales growth in the second half of the year. Product sales growth was supported by both volume and price with pricing led by North America in response to tariffs and supported by Rest of the World in response to inflation, partly offset by deflation in China. FX impacts were -4.1% mainly driven by the weakening of the U.S. Dollar, Indian Rupee, and Chinese Yuan vs. the Euro. There was a net positive impact of +0.8% from acquisitions and disposals, primarily representing the acquisitions of Planon and Motivair partly offset by some small disposals.

Evolution of revenue by reporting segment

The following table sets forth our revenue by business segment for years ended December 31, 2025 and 2024:

(in millions of euros)	Energy Management	Industrial Automation	Total
Full Year 2025	**33,130**	**7,022**	**40,152**
Full Year 2024	**31,131**	**7,022**	**38,153**

Energy Management generated revenues of EUR 33,130 million, equivalent to 83% of the Group's revenues and was up +10.3% organic. The Group benefitted from continued market demand, particularly for Systems offers in the Data Center and Infrastructure end-markets, and despite continued softness in the Residential buildings market. North America grew +17% organic led by strong Systems and Services growth primarily in the Data Center end-market while Products growth was muted with declines in the Residential buildings market. Western Europe grew +2.5% organic with mixed performance across the five major economies of the region. France delivered good growth, with Spain up mid-single digit, while Italy grew slightly and Germany and the U.K. both declined. Across the region, the sales performance was impacted by bottlenecks such as power availability on Data Center projects and some softness in Residential buildings. Asia-Pacific grew +8.5% organic, led by double-digit growth in India reflecting the strength of the Group across end-markets and the continuing success of its multi-brand strategy in the country. China was up low-single digit with growth led by the Data Center end-market, while the Buildings end-market was weak. Australia was up double-digit, led by project execution in the Data Center end-market. Rest of the World was up +7.4% organic, led by double-digit growth in the Middle East & Africa driven by execution on Systems and supported by mid-single digit growth in South America.

Industrial Automation generated revenues of EUR 7,022 million, equivalent to 17% of the Group's revenues and was up +3.0% organic. The Group's agnostic industrial software offers from AVEVA delivered good growth in Annualized Recurring Revenue (ARR), up +12% as of December 31, 2025, with the ongoing transition to a subscription revenue model remaining on-track. The expected progressive demand recovery in Discrete automation continued to play out, reflected in sales growth in the second half of the year and resulting in low-single digit sales growth on a full-year basis. Sales into Process & Hybrid markets were slightly down, impacted by an environment of increased uncertainty and volatile commodity prices leading to delayed investment decisions at customers. North America was up +0.3% organic with growth in sales for Industrial Software at AVEVA and Discrete automation offset by declines in Process & Hybrid markets. Western Europe was up +2.3% organic, with Italy and Spain up mid-single digit while the U.K. and Germany were around flat benefitting respectively from Software and Discrete automation, while Process & Hybrid markets were weak. France declined overall due to weakness both in Discrete automation and Software. Asia-Pacific was up +2.6% organic with China up low-single digit, delivering positive sales growth into Discrete automation markets, but offset by weakness in Process & Hybrid. India was up mid-single digit with both Discrete automation and Process & Hybrid markets growing. The rest of the region was up low-single digit in aggregate. Rest of the World was up +8.3% organic, led by strong growth in the Process & Hybrid markets in the Middle East and South America, and for industrial Software at AVEVA, with sales growth into Discrete automation markets up in aggregate across the region.

Gross profit

Gross profit was up +7.6% organic with Gross margin down -40bps organic, to be at 42.1% in 2025. The Group delivered strong levels of industrial productivity and saw an acceleration in product pricing in the fourth quarter, however this was insufficient to fully offset the Gross margin headwinds from Mix, reflective of continued strong growth in Systems, and raw material cost inflation inclusive of tariffs.

Support Function costs: Research and development and selling, general and administrative expenses

Research and development expenses, net of capitalized development costs and excluding research and development costs booked in costs of sales, increased by 4.4% from EUR 1,308 million for 2024 to EUR 1,365 million for 2025. As a percentage of revenues, the net cost of research and development was stable at 3.4% from 2024 to 2025.

Total research and development expenditures, including capitalized development costs and development costs reported as cost of sales (see Note 5 to the Consolidated Financial Statements) increased by 5.3% from EUR 2,260 million for 2024 to EUR 2,380 million for 2025. As a percentage of revenues, total research and development expenses remained stable at 5.9% for 2025.

In 2025, the net effect of capitalized development costs and amortization of capitalized development costs amounted to EUR 133 million on operating income (EUR 126 million in 2024).

Selling, general and administrative expenses increased by 1.7% to EUR 8,010 million for 2025 (EUR 7,877 million for 2024). As a percentage of revenues, selling, general and administrative expenses decreased slightly to 19.9% for 2025 (20.6% for 2024).

Combined total support function costs, that is, research and development expenses together with selling, general and administrative costs, totaled EUR 9,375 million for 2025 compared to EUR 9,185 million for 2024, an increase of 2.1%. Support functions costs to sales ratio has decreased from 24.1% in 2024 to 23.3% in 2025.

Other operating income and expenses

For 2025, other operating income and expenses amounted to a net expense of EUR (77) million. The gains and losses on disposal of business for EUR 20 million are mainly due to the gain on disposal of several small businesses. The costs of acquisition and integration totaled EUR (49) million (EUR (96) million for 2024). “Others” amounted to EUR (53) million and mainly included some legal provisions.

Restructuring costs

For 2025, restructuring costs increased to EUR 287 million in 2025 compared to EUR 141 million in 2024, and are linked to the Group’s initiatives to decrease support function costs.

EBITA and Adjusted EBITA

EBITA is defined as earnings before interest, taxes and amortization of purchase accounting intangibles. EBITA comprises operating profit before amortization and impairment of purchase accounting intangible assets and before goodwill impairment. Adjusted EBITA is adjusted as EBITA before restructuring costs and before other operating income and expenses, which includes acquisition, integration and separation costs.

Adjusted EBITA amounted to EUR 7,520 million for 2025, compared to EUR 7,083 million for 2024, an organic increase of 12.3% and the Adjusted EBITA margin improved by +50bps organic to 18.7% as a consequence of good control over the Group’s discretionary costs despite the negative Gross Margin evolution. SFC costs decreased as a percentage of revenues by +80bps to 23.3%.

EBITA increased from EUR 6,855 million for 2024 to EUR 7,156 million in 2025. As a percentage of revenues, EBITA decreased at 17.8% in 2025 (18.0% for 2024).

Adjusted EBITA by business segment

The following table sets out adjusted EBITA by business segment:

Full Year 2025

(in millions of euros)	**Energy Management**	**Industrial Automation**	**Central functions & digital costs**	**Total**
Backlog	21,340	4,022	-	25,362
Revenue	33,130	7,022	-	40,152
Adjusted EBITA	7,235	994	(709)	7,520
including depreciation & amortization	*(914)*	*(281)*	-	*(1,195)*
Adjusted EBITA (%)	21.8%	14.2%		18.7%

On December 31, 2025, the total backlog to be executed in more than a year amounts to EUR 8,022 million.

Full Year 2024

(in millions of euros)	Energy Management	Industrial Automation	Central functions & digital costs	Total
Backlog	17,698	3,722	-	21,420
Revenue	31,131	7,022	-	38,153
Adjusted EBITA	6,865	1,041	(823)	7,083
including depreciation & amortization	*(845)*	*(287)*	-	*(1,132)*
Adjusted EBITA (%)	22.1%	14.8%		18.6%

On December 31, 2024, the total backlog to be executed in more than a year amounted to EUR 4,842 million.

Energy Management generated an adjusted EBITA of EUR 7,235 million, or 21.8% of revenues, around flat organically (down -30bps reported), where a decline in Gross Margin was driven by negative mix and raw material inflation more than offsetting strong industrial productivity. This was mitigated by an improvement in SFC/Sales ratio, with improved leverage on a strong volume contribution, particularly in Systems.

Industrial Automation generated an adjusted EBITA of EUR 994 million, or 14.2% of revenues, up c.+10bps organic (down -60bps reported), where an improvement in Gross Margin was driven by strong industrial productivity, positive mix from AVEVA and the recovery in Discrete automation more than offsetting the impact of raw material and other cost inflation. The SFC/Sales ratio in Industrial Automation deteriorated due to the lower volume contribution in the first half of the year.

Central Functions & Digital Costs in 2025 amounted to EUR 709 million (EUR 823 million in 2024), decreasing to 1.8% of Group revenues (from 2.2% of Group revenues last year).

Amortization and impairment of purchase accounting intangibles

The amortization and impairment of purchase accounting intangibles linked to acquisitions amounted to EUR 457 million in 2025 compared with EUR 406 million last year. The increase is mainly due to the amortization of newly acquired entities: Planon, Motivair and eStar.

Operating income (EBIT)

Operating income or EBIT (Earnings Before Interest and Taxes), increased from EUR 6,449 million for 2024 to 6,699 million for 2025, an increase of 3.9%.

Net financial income/loss

Net financial loss amounted to EUR 519 million for 2025, compared to EUR 409 million for 2024, mainly due to the increase in cost of debt (from EUR 261 million in 2024 to EUR 321 million in 2025). This is mainly driven by 2025 bonds refinanced at higher interest rates. In addition, there was a negative impact from foreign exchange fluctuations (from a gain of EUR 3 million in 2024 to a loss of EUR 47 million in 2025).

Income tax expense

The effective tax rate was 23.5% for 2025, and 23.1% for 2024. The corresponding income tax expense increased from EUR 1,398 million for 2024 to EUR 1,455 million for 2025.

Share of profit/(loss) of associates

The share of associates was a EUR 14 million profit for 2025, compared to EUR 17 million profit for 2024.

Impairment of investments in associates

Following updated investee-specific financial information and market-based inputs, the Group recognised a EUR (299) million impairment of its equity-accounted investment in Uplight, reducing its carrying amount to nil. The Group also recognised EUR (55) million of expected credit losses on convertible notes issued by the investee which are presented in "Non-current financial assets". These amounts, recorded in “Impairment of investments in associates”, are non-cash and reflect revised cash-flow expectations and credit risk parameters

Non-controlling interests

Non-controlling interests in net income for 2025 totaled EUR 188 million, compared to EUR 170 million for 2024. This represents the share in net income attributable to the non-controlling interests, mainly coming from the Group Chinese and Indian subsidiaries.

Profit for the year (attributable to owners of the parent)

Profit for the year attributable to the equity holders of the parent company amounted to EUR 4,163 million for 2025, compared to EUR 4,269 million profit for 2024.

Earnings per share

Basic Earnings per share amounted to EUR 7.41 per share for 2025 and EUR 7.61 per share for 2024.

Comments to the consolidated Cash-flow

The following table sets forth our cash-flow statement for 2025 and 2024:

(in millions of euros)	Note	**Full Year 2025**	Full Year 2024
Profit for the year		**4,351**	**4,439**
Share of (profit)/losses of associates	14	(14)	(17)
Impairment of investments in associates	14	388	220
Income and expenses with no effect on cash flow:			
Depreciation of property, plant and equipment	13	871	822
Amortization of intangible assets	12	781	716
Impairment losses on non-current assets		53	31
Increase/(decrease) in provisions	22	106	93
Losses/(gains) on disposals of business and assets		(25)	(115)
Income taxes	9	1,455	1,398
Other non-cash adjustments		200	200
Taxes paid, net		(1,418)	(1,479)
Net cash provided by operating activities		**6,748**	**6,308**
Decrease/(increase) in accounts receivable		(301)	(199)
Decrease/(increase) in inventories		(366)	(834)
(Decrease)/increase in accounts payable		307	439
Decrease/(increase) in other current assets and liabilities		(257)	(134)
Change in working capital requirement		**(617)**	**(728)**
TOTAL I - CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		**6,131**	**5,580**
Purchases of property, plant and equipment	13	(1,072)	(950)
Purchases of intangible assets	12	(471)	(469)
Proceeds from property, plant and equipment and intangible assets		47	55
Net cash used by investment in operating assets		**(1,496)**	**(1,364)**
Acquisitions and disposals of businesses, net of cash acquired & disposed	2	(1,158)	(452)
Other long-term investments		(9)	(91)
Increase in long-term pension assets	21	(54)	(80)
Sub-total		**(1,221)**	**(623)**
TOTAL II - CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		**(2,717)**	**(1,987)**
Issuance of bonds	23	4,864	3,466
Repayment of bonds	23	(1,800)	(1,384)
Sale/(purchase) of treasury shares		(341)	(322)
Increase/(decrease) in other financial debt and other debt		(510)	(1,338)
OCEANEs issuance and repayment (equity component)		109	(66)
Increase/(decrease) of share capital	20	271	252
Transaction with non-controlling interests	2	(5,535)	(183)
Dividends paid to Schneider Electric's shareholders	20	(2,191)	(1,963)
Dividends paid to non-controlling interests		(96)	(86)
TOTAL III - CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		**(5,229)**	**(1,624)**
TOTAL IV - NET FOREIGN EXCHANGE DIFFERENCE		**(410)**	**189**
TOTAL V - IMPACT OF RECLASSIFICATION OF ITEMS HELD FOR SALE		**-**	**-**
INCREASE/(DECREASE) IN NET CASH AND CASH EQUIVALENTS: I + II + III + IV + V		**(2,225)**	**2,158**
Net cash and cash equivalents, beginning of the year	19	6,812	4,654
Increase/(decrease) in cash and cash equivalents		(2,225)	2,158
NET CASH AND CASH EQUIVALENTS, END OF THE YEAR	**19**	**4,587**	**6,812**

The accompanying notes are an integral part of the consolidated financial statements.

Operating Activities

Net cash from operating activities before changes in working capital requirement reached EUR 6,748 million for 2025, increasing compared to EUR 6,308 million for 2024 mainly due to the strong growth in EBITDA in 2025. It represented 16.8% of revenues for 2025 (16.5% of revenues from 2024).

Change in working capital requirement consumed EUR 617 million in cash in 2025, compared to a consumption of cash of EUR 728 million in 2024. Trade working capital buildup impacted the cash flows from operating activities in 2025 by EUR (360) million (compared to EUR (594) million in 2024). DSO improved by 2 days compared to December 2024 due to strong cash collection, while DPO improved by 1 day. DIN improved by 3 days vs. December 2024 supported by structured efforts to reduce closing inventories to an appropriate level as part of the Group's focus on rigorous working capital management. Non-trade working capital impacted the cash flows from operating activities in 2025 by EUR (257) million (compared to EUR (134) million in 2024) with the year-on-year variance primarily due to a fine of EUR (207) million paid in 2025 in relation to a previously disclosed legal case in France, partly offset by lower bonus accruals.

In all, net cash from operating activities increased from EUR 5,580 million in 2024 to EUR 6,131 million in 2025.

Investing Activities

Net capital expenditure, which includes capitalized development projects, amounted to a cash out of EUR 1,496 million for 2025, an increase of EUR 132 million compared to the cash out of EUR 1,364 million for 2024. It represented 3.7% of sales in 2025 compared to 3.6% in 2024, with 2.5% relating to net tangible capex and 1.2% to intangible capex (mainly capitalized development costs), as the Group continues to invest in its global supply chain and focus on innovation.

Free cash-flow (cash from operating activities net of net capital expenditure) amounted to EUR 4,635 million in 2025 versus EUR 4,216 million in 2024.

Cash conversion rate (free cash-flow over net income attributable to the equity holders of the parent company on continuing operations) was 111% in 2025 versus 99% in 2024.

The acquisitions net of disposals represented a cash-out of EUR 1,158 million (net of acquired cash) for 2025, compared with a cash-out of EUR 452 million for 2024. Those amounts correspond mainly to the acquisitions and disposals described in Notes 2.1 and 2.2 of the Consolidated Financial Statements (Chapter 5).

Financing Activities

Net cash outflow from financing activities amounted to EUR 5,229 million during the year 2025, compared to cash outflow of EUR 1,624 million during the year 2024. In 2025, the amount primarily reflects the cash paid to acquire the non-controlling interests of SEIPL, as described in Note 2, together with the redemption of bonds totaling EUR 1,800 million and the repayment of the EUR 1,700 million term loan. These outflows were partly offset by issuances of bonds and commercial papers. By comparison, 2024 was marked by a lower amount of cash paid in relation to transactions with non-controlling interests, partly offset by a net repayment of commercial paper and lower net cash received from bond issuances and repayments.

The dividend paid by Schneider Electric was EUR 2,191 million in 2025, compared with EUR 1,963 million in 2024.

Technology

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Foundations

06. Parent company financial statements

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ALTIVAR PROCESSES DRIVES SYSTEMS & SERVICES

Altivar Process is Schneider Electric's advanced drive system, offering ready-to-use low voltage and medium voltage variable speed drives designed for high performance, customization, reliability, and reduced engineering time and costs across applications from 690V up to 13.8kV and 20MW.

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6.1 Balance Sheet

Assets

(in million of euros)	Note	Gross	Amort./Dep./Prov.	**12/31/2025 Net**	12/31/2024 Net
Property, plant and equipment	1				
Land		3	-	3	3
Other tangible fixed assets		1	-	1	1
Financial investments [1]					
Shares in subsidiaries and affiliates	2.1	5,377	(19)	5,358	5,358
Advances to subsidiaries and affiliates	2.2	8,001	-	8,001	2,529
Other investment securities	2.3	1,910	-	1,910	1,652
Other (Loans/Deposits and guarantees)	2.4	80	-	80	97
Total non-current assets (I)		**15,372**	**(19)**	**15,353**	**9,640**
Accounts receivable [2]					
Accounts receivable – trade	3	413	-	413	440
Other	3	365	-	365	242
Prepaid expenses		7	-	7	1
Marketable securities					
Treasury shares	4.1	252	-	252	249
Cash	4.2	10,613	-	10,613	12,164
Total current assets (II)		**11,650**	**-**	**11,650**	**13,096**
Issuance costs (III)	5.1	45	-	45	31
Issuance premium (IV)	5.2	39	-	39	42
Translation losses (V)		-	-	-	-
TOTAL ASSETS (I + II + III + IV + V)		**27,106**	**(19)**	**27,087**	**22,809**
[1] Including less than one year				24	-
[2] Including less than one year				785	683

The notes form an integral part of these parent company financial statements.

The cash consists of Group cash held with the central treasury entity, amounting to EUR 10,613 million as of December 31, 2025.

Equity and liabilities

(in million of euros)	Note	12/31/2025	12/31/2024
Share capital [of which €2,308 million paid up]	6.1	2,308	2,303
Additional paid-in capital	6.2	2,802	3,311
Reserves			
Legal reserve		243	243
Retained earnings	6.3	-	872
Net income for the financial year		2,944	545
Total equity (I)		**8,297**	**7,274**
Provisions for contingencies	7	252	249
Provisions for expenses	7	2	6
Total provisions for contingencies and expenses (II)		**254**	**255**
Convertible bonds	8	2,154	1,401
Bonds	8	14,155	11,703
Borrowings and debts with credit institutions	9	500	1,716
Other borrowings and financial liabilities [2]	10	1,363	113
Accounts payable – trade		34	84
Accrued taxes and payroll costs		308	244
Other liabilities		-	9
Deferred revenue		8	5
Total liabilities [1] (III)		**18,522**	**15,275**
Translation gains (IV)		14	5
TOTAL EQUITY AND LIABILITIES (I + II + III + IV)		**27,087**	**22,809**
[1] Including less than one year (excluding advances and deposits received on orders in progress)		3,176	4,107
[2] Including participatory loans		-	-

The notes form an integral part of these parent company financial statements.

6.2 Statement of income

(in million of euros)	Note	12/31/2025	12/31/2024
Operating revenues			
Other operating revenue	13	549	535
Total Operating revenues (I)		**549**	**535**
Operating expenses			
Purchase and external expenses [1]	14	106	113
Taxes other than on income		4	1
Wages		5	5
Social security contributions		8	5
Provision allocations		1	1
Other operating expenses		4	3
Total Operating expenses (II)		**128**	**128**
Operating profit/(loss) (I - II)		**421**	**407**
Financial income			
Dividend income [2]		2,502	2
Other securities and receivables in fixed assets [2]		82	-
Interest income [2]		366	583
Reversals of impairment provisions for long-term receivables and other		93	-
Total Financial income (III)		**3,043**	**585**
Financial expenses			
Depreciation, amortisation, impairment and provisions		107	7
Interest expense [3]		384	472
Net charges on disposals of marketable securities and cash instruments		80	-
Total Financial expenses (IV)		**571**	**479**
Net financial income/(loss) (III - IV)	**15**	**2,472**	**106**
Current result before tax (I - II + III - IV)		**2,893**	**513**
Non-recurring income (V)		-	145
Non-recurring expenses (VI)		-	188
Net non-recurring income/(loss) (V - VI)	**16**	**-**	**(43)**
Net income tax benefit (VII)	17	(51)	(75)
Total Incomes (I+III+V)		**3,592**	**1,265**
Total Expenses (II+IV+VI+VII)		**648**	**720**
NET INCOME/LOSS		**2,944**	**545**
[1] Including :			
- Furniture leasing fees		-	-
- Property leasing fees		-	-
[2] Including products relating to related entities		2,950	585
[3] Including interests relating to related entities		6	5

The notes form an integral part of these parent company financial statements.

6.3 Notes to the financial statements

(All amounts are in millions of euros unless otherwise indicated.)

6.3.1 Significant events during the year

Acquisition of the minority interests of Schneider Electric India Private Ltd (SEIPL)

- In 2025, the Group signed an agreement to acquire the remaining 35% non-controlling interests of Schneider Electric India Private Ltd (SEIPL) to reach full ownership for EUR 5,478 million. The acquisition was completed by Schneider Electric Industries SAS (SEI) through intra-group financing whose financing terms were implemented at the level of Schneider Electric SE (see below).

- To finance the transaction, Schneider Electric SE issued:
  - Two bond issuances, one of which comprises four tranches, totaling EUR 4,250 million with the following maturities:
    - EUR 1,000 million, maturity September 2037, fixed rate 3.624%;
    - EUR 750 million, maturity September 2029, fixed rate 2.625%;
    - EUR 1,000 million, maturity September 2027, 3-month Euribor variable rate + 0.25%;
    - EUR 750 million, maturity March 2032, fixed rate 3.000%;
    - EUR 750 million, maturity July 2030, fixed rate 2.750%.
  - A convertible bond (OCEANE) for EUR 750 million maturing in September 2033 at a 1.25% interest rate. The initial conversion and/or exchange ratio of the bonds is 311.98 shares per bond with a nominal value of EUR 100,000.00 which corresponds to EUR 320.54 per share.
  - An EUR 500 million drawdown on the bridge loan obtained from JP Morgan and BNP Paribas in connection with the acquisition.

- At the end of 2025, Schneider Electric Industries SAS acquired the remaining 35% non-controlling interests in the entity SEIPL, financed through a EUR 5,477 million loan issued by Schneider Electric SE.

Other events during the period

- In May 2025, the 2024 dividend was paid in the amount of EUR 2,191 million.
- During the year, Schneider Electric SE received a EUR 2,501 million dividend from Schneider Electric Industries SAS.
- The company redeemed four bonds that had reached maturity totaling EUR 1,800 million and repaid term loans for EUR 1,700 million.
- The outstanding amount of commercial paper increased from EUR 70 million to EUR 1,320 million.
- The company repurchased 1.5 million of its own shares for EUR 341 million.

6.3.2 Accounting principles

The financial statements for the financial year ended December 31, 2025 have been prepared in accordance with the French generally accepted accounting principles and with ANC regulation no. 2022-06.

Accounting principles for the preparation of the financial statements were applied, in accordance with the principle of prudence and based on the following fundamental assumptions:
- going concern,
- consistency of accounting methods from one period to the next,
- accrual basis.

Assets and liabilities are measured according to the historical cost convention.

Only significant information is disclosed.

Change of method

ANC Regulation No. 2022-06, approved on December 30, 2023, amended the General Chart of Accounts and applied as of January 1, 2025.

In particular, it changed the definition of non-recurring income, eliminated the expense transfer technique and modified the financial statement models.

The financial statements for the year ended December 31, 2025 have been drawn up and presented in accordance with the provisions of this regulation.

The financial statements for the year ended December 31, 2024 have not been restated retrospectively for the new rules. However, reclassifications and groupings have been carried out in the comparative column “12/31/2024” between lines of the balance sheet or statement of income to comply with the new format for financial statements.

1. Impact of the change in accounting policies on the main items in fiscal year 2025

a. Impacts of the new definition of non-recurring income on fiscal year 2025

As of January 1, 2025, in accordance with Article 513-5 of the General Chart of Accounts, non-recurring income includes:
- income and expenses directly related to a major and unusual event which would not have been recognized in the absence of this event;
- accounting entries exclusively of fiscal origin, such as special depreciation;
- changes in accounting method recognized in profit or loss, where their treatment in equity is excluded due to tax provisions;
- corrections of errors, except those relating to entries initially charged directly to equity.

This change results in the classification as net income from ordinary activities, of transactions that were recognized by type as non-recurring income before the application of the new regulation.

The main impacts are detailed below.

- Performance share plans

As of December 31, 2025, income and expenses from reinvoicing and allocations to and reversals of provisions for impairment of treasury shares, related to performance share plans, are recognized in net financial income/(loss). Expenses are shown in “Net expenses on disposals of marketable securities and cash instruments” for EUR 80 million and reinvoicing income is shown in “Financial income from other marketable securities and non-current asset receivables” for EUR 82 million. Provisions for impairment of treasury shares are shown in “Depreciation, amortization, impairment and provisions” for EUR 95 million and reversals are shown in “Reversals of impairment and provisions” for EUR 93 million.

As of December 31, 2024, income and expenses from reinvoicing and allocations to and reversals of provisions for impairment of treasury shares, related to performance share plans, were recognized in non-recurring income. Expenses were shown in “Other non-recurring expenses” for EUR 77 million and reinvoicing income was shown in “Reinvoicing performance share” for EUR 46 million. Provisions for impairment of treasury shares were shown in “Provisions, depreciation and amortization” for EUR 68 million and reversals were shown in “Provision reversals and expense transfers” for EUR 99 million.

b. Impacts of elimination of the expense transfer technique on fiscal year 2025

No expense transfers were recorded in 2024.

2. Presentation of the comparative column (fiscal year 2024)

Reclassifications and groupings have been carried out in the comparative column “12/31/2024” between lines of the balance sheet or statement of income to comply with the new format for financial statements.

In the comparative column:
- provisions, which were presented on a single line, are broken down into provisions for contingencies and provisions for charges;
- the line “Prepaid expenses” is moved up between the “Accounts receivable” and “Marketable securities” headings;
- non-recurring income and expenses are grouped on the two lines “Non-recurring income” and “Non-recurring expenses.”

Non-current assets

Non-current assets of all types are stated at their acquisition or transfer cost.

Acquisition costs include purchase price, including import duties and non-refundable taxes, as well as any expenses directly attributable to the preparation of the asset for use (registration fees, employee expenses related to establishment and preparation, installation and set-up costs, testing, etc.).

The company uses the component approach. The analysis and investigations carried out by the company and the Schneider Electric Group made it possible to ensure that the current split of non-current assets was in line with this principle: components with distinct useful lives are accounted for separately, according to their own depreciation plan.

Property, plant and equipment

Property, plant and equipment mainly consist of undeveloped land and works of art, and are therefore not depreciated.

Financial investments

Shares in subsidiaries and affiliates are recorded at acquisition cost, plus directly attributable costs (including acquisition costs related to these transactions).

Provisions for impairment may be made if the book value is higher than the value in use estimated at the end of the financial year. This estimate is determined mainly by reference to the net book value of the investment and the dividend discount method.

Treasury shares

Treasury shares are assessed by category (investment securities, marketable securities), according to the FIFO “first-in, first-out” method.

The accounting classification of treasury shares depends on the purpose for which they are held:
- treasury shares are classified as marketable securities (under the "Treasury shares" line) if they are explicitly or implicitly allocated to cover performance share distribution plans or if they are purchased to regulate the share price of the Group.
- treasury shares are classified as financial investments if they are not explicitly allocated to cover a share distribution plan or if they are purchased for use within the framework of a liquidity contract by an investment services provider, or for their subsequent cancellation as part of a capital reduction.

The accounting of an impairment or provision over treasury shares depends on the purpose for which they are held:
- when treasury shares are explicitly or implicitly allocated to cover performance share distribution plans, a provision for risks and charges is recognized;
- in other cases, it is necessary to book an impairment if the average stock market price of the month before the reporting date is lower than the weighted average cost.

Accounts receivable and debts

Accounts receivable and debts are valued at their face value (historical cost). Accounts receivable are, where applicable, depreciated by means of a provision to take account of the risk of non-recovery.

At the end of the period, accounts receivable and debts in foreign currencies are revalued at the rate at the end of the period and this revaluation is recognized in the balance sheet as a translation gain or loss.

The foreign exchange risk borne by the company is managed centrally at the level of Boissière Finance SNC.

The Schneider Electric Group organizes a foreign exchange risk hedging policy ("Fair Value Natural Hedge," hereinafter "FVNH") aimed at comprehensively managing the monetary assets and liabilities in foreign currencies recorded on the balance sheets of the subsidiaries.

The monetary assets and liabilities included in the company's FVNH position (customer invoices, supplier invoices, banks, current accounts) are consolidated and balanced on a daily basis through spot foreign exchange transactions carried out in current accounts with Boissière Finance SNC.

Provisions for depreciation of bad debts are recorded when it becomes probable that the debt will not be collected, and it is possible to reasonably estimate the amount of the loss. The identification of doubtful debts as well as the amount of the corresponding provisions are based on the historical experience of definitive losses on debts and the analysis by age of the specific accounts as well as the related credit risks. When it becomes certain that a bad debt will not be recovered, it, as well as its provision, is canceled on the statement of income.

Other operating revenue

Royalties from the Schneider Electric brand have been recognized in this item of the statement of income.

Net non-recurring income/(loss)

Income and expenses for the year are classified in the statement of income so as to differentiate between net income from ordinary activities and non-recurring income. Non-recurring income consists of:

- income and expenses directly related to a major and unusual event which would not have been recognized in the absence of this event;
- accounting entries exclusively of fiscal origin, as defined and provided for in the regulations of the Autorité des normes comptables (French accounting standards authority), such as special depreciation;
- changes in accounting method recognized in profit or loss, where their treatment in equity is excluded due to tax provisions;
- corrections of errors, except those relating to entries initially charged directly to equity.

Pension obligations

The present value of termination benefits is determined using the projected unit credit method. Supplementary pension obligations are funded for the supplementary pension benefits provided by the company on the basis of the contractual terms of top-hat agreements, granting a level of benefits exceeding the general schemes. The company applies the corridor method to actuarial gains and losses arising from changes in estimates. Under this method, the portion of net cumulative actuarial gains and losses exceeding 10% of the projected benefit obligation is amortized over 10 years.

Currency risk

When necessary, a contingency provision is put in place for unrealized exchange losses. However, when there are unrealized exchange gains and losses on back-to-back transactions in the same currency and with the same maturity, the amount of the provision is then limited to the net loss.

Bonds

Issuance costs are amortized over the life of the bonds and are booked under "Issuance costs".

Issuance premiums are booked under "Issuance premium" on the asset side or "Deferred revenue" on the liabilities side when they are negative, and amortized over the duration of the bonds.

In the case of convertible bonds (OCEANE), at conversion, the bond will be reclassified as equity for its nominal conversion amount.

To make the financial statements easier to read, interest accrued but not due on bonds has been reclassified with the principal to which it is attached. The balance as of 12/31/2024 has been restated accordingly to allow comparability of the two fiscal years.

6.3.3 Notes

Note 1 Property, plant and equipment

(in million of euros)	12/31/2024	Increase	Decrease	**12/31/2025**
Land	3	-	-	3
Other tangible fixed assets	1	-	-	1
Net total	**4**	**-**	**-**	**4**

Property, plant and equipment mainly consist of undeveloped land and works of art, and are therefore not depreciated.

Note 2 Financial investments

Gross value

(in million of euros)	Note	12/31/2024	Increase	Decrease	**12/31/2025**
Shares in subsidiaries and affiliates	2.1	5,377	-	-	5,377
Advances to subsidiaries and affiliates	2.2	2,529	5,477	(5)	8,001
Other investment securities	2.3	1,652	353	(95)	1,910
Other (Loans/Deposits and guarantees)		97	-	(17)	80
Total		**9,655**	**5,830**	**(117)**	**15,368**

Impairment

(in million of euros)	Note	Impairment losses at the beginning of the financial year	Increase: Allowances for the financial year	Decrease: reversal of the financial year	Impairment losses at the end of the financial year
Shares in subsidiaries and affiliates	2.1	19	-	-	19
TOTAL		**19**	**-**	**-**	**19**

Net value

Total		**9,636**	**5,830**	**(117)**	**15,349**

Impairment of shares in subsidiaries and affiliates relates to Schneider Electric Japan Holding for EUR 15 million and Muller SAS for EUR 4 million.

2.1 – Shares in subsidiaries and affiliates

The investments at December 31, 2025 were as follows:

(in million of euros)	Net amount
Schneider Electric Industries SAS	5,344
Schneider Electric Japan Holding	6
Muller SAS	8
TOTAL	**5,358**

Table of subsidiaries and affiliates

(in million of euros)	Equity	Share interest held (%)	Carrying amount: Gross value	Carrying amount: Net value	Loans and advances provided by the company and still outstanding	Amount of guarantees given by the company	2025 revenues (ex VAT)	2025 Profit or (Loss)	Dividends received by the company during financial year 2025
I. Detailed information on subsidiaries (+50% share interest held by the company)									
1. Detailed information for each subsidiary [1]									
Schneider Electric Industries SAS 35, rue Joseph-Monier 92500 Rueil-Malmaison	10,152	100	5,344	5,344	8,001	-	4,302	1,884	2,501
2. General information for subsidiaries not detailed in 1.	8	99.84	12	8	-	-	-	-	-
A. Total subsidiaries	**10,160**		**5,356**	**5,352**	**8,001**	**-**	**4,302**	**1,884**	**2,501**
II. Detailed information on affiliates (10 to 50% share interest held by the company)									
1. Detailed information for each affiliate [1]									
2. General information for affiliates not detailed in 1.									
B. Total affiliates									
C. Total subsidiaries and affiliates (A + B)	**10,160**		**5,356**	**5,352**	**8,001**	**-**	**4,302**	**1,884**	**2,501**

[1] The carrying amount of which exceeds 1% of the share capital of the company subject to the publication requirement.

2.2 – Advances to subsidiaries and affiliates

As of December 31, 2025, this item consists of three loans granted to Schneider Electric Industries SAS (SEI SAS):

- A EUR 2,500 million loan due in 2029 and accrued interest totaling EUR 19 million.
- Two loans totaling EUR 5,477 million due in December 2031 and accrued interest totaling EUR 5 million.

2.3 – Other investment securities

(in million of euros)	12/31/2024	Increase	Decrease	**12/31/2025**
Treasury shares	1,652	353	(95)	1,910
Total	**1,652**	**353**	**(95)**	**1,910**

Other investment securities include treasury shares if they are not explicitly or implicitly earmarked to cover share plans, or if they are purchased for use under a liquidity contract with an investment services provider, or for subsequent cancellation as part of a capital reduction. Otherwise, they are classified as marketable securities, under the "Treasury shares" line.

In accordance with the authorization granted to the Board of Directors by the Annual General Meeting of May 7, 2025, the company bought back 1,503,680 of its treasury shares for a total of EUR 341 million.

In line with previous years, the Group decided to fund the performance shares for plans 42bis, 42ter, 42quater, 43, 44, 44bis, 45bis, 45ter, 46, 47, 47bis and 47ter with Schneider Electric treasury shares; 1,138,075 shares for a total amount of EUR 95 million have been classified as marketable securities and 174,332 shares for EUR 12 million were reclassified from marketable securities to “Other investment securities” following the departure of the beneficiaries.

(in million of euros)

	Financial investments - Other investment securities				
	At the beginning of the financial year	Movements during the financial year			**At the end of the financial year**
		Acquisition	Disposal	Reclassification	
Number of shares	11,049,154	1,503,680	(127)	(963,740)	11,588,967
Gross value	1,652	341	-	(83)	1,910
Impairment	-	-	-	-	-
Net value	**1,652**	**341**	**-**	**(83)**	**1,910**

2.4 – Other financial investments

Other financial investments consist of security in the amount of EUR 80 million related to the pending proceedings, as detailed in note 20 “Contingencies.”

Note 3 Accounts receivable

(in million of euros)	12/31/2024	**12/31/2025**
Trade receivables	440	413
Other receivables	242	365
TOTAL	**682**	**778**

Trade accounts receivable mainly include the reinvoicing of the bonus share plans to Schneider Electric Industries SAS and reinvoicing related to brand royalties.

At December 31, 2025, the “Other accounts receivable” were mainly composed of tax accounts receivable for EUR 291 million.

Note 4 Marketable securities

4.1 – Treasury shares

Treasury shares are classified as marketable securities under the "Treasury shares" line if they are explicitly or implicitly allocated to cover performance share distribution plans or if they are purchased to regulate the share price of the Group. Otherwise, they are classified as "Other investment securities".

In line with previous years, the Group decided to fund the performance shares for plans 42bis, 42ter, 42quater, 43, 44, 44bis, 45bis, 45ter, 46, 47, 47bis and 47ter with Schneider Electric treasury shares; 1,138,075 shares for a total amount of EUR 95 million have been classified as marketable securities and 174,332 shares for EUR 12 million were reclassified from marketable securities to “Other investment securities” following the departure of the beneficiaries.

The company has distributed 1.3 million shares for a total amount of EUR 80 million in connection with performance share plans, which have been re-invoiced to the concerned Group entities.

(in million of euros)

	Marketable securities - Treasury shares				
	At the beginning of the financial year	Movements during the financial year			**At the end of the financial year**
		Acquisition	Disposal	Reclassification	
Number of shares	3,609,779	-	(1,263,918)	963,740	3,309,601
Gross value	249	-	(80)	83	252
Impairment	-	-	-	-	-
Net value	**249**	**-**	**(80)**	**83**	**252**

4.2 – Cash

Cash consists of interest-bearing advances by Schneider Electric SE to the Group cash pool (Boissière Finance) that are immediately recoverable on demand.

Note 5 Prepayment and other assets

5.1 – Issuance costs

The table below summarizes all bond issuance costs:

(in million of euros)	12/31/2024	Increase	Decrease	**12/31/2025**
Issuance costs	31	21	(7)	45

5.2 – Issuance premiums

(in million of euros)	12/31/2024	Increase	Decrease	**12/31/2025**
Issuance premium	42	5	(8)	39

Note 6 Equity

(in million of euros)	Share capital	Additional paid-in capital	Reserves and retained earnings	Net income for the financial year	Total
DECEMBER 31, 2024 BEFORE ALLOCATION OF NET INCOME FOR THE YEAR	**2,303**	**3,311**	**1,115**	**545**	**7,274**
Change in share capital	6	265	-	-	271
Allocation of net income	-	-	545	(545)	-
2024 dividend	-	(774)	(1,417)	-	(2,191)
2025 net income	-	-	-	2,944	2,944
DECEMBER 31, 2025 BEFORE ALLOCATION OF NET INCOME FOR THE YEAR	**2,308**	**2,802**	**243**	**2,944**	**8,297**

6.1 – Capital

Share capital

The company's share capital at December 31, 2025 amounted to EUR 2,308,490,048 composed of 577,122,512 shares with a par value of EUR 4, all fully paid up.

Changes in share capital

The increase in share capital of EUR 5,963,344 recorded over the year corresponds to the issue of shares reserved for Group employees under shareholding or employee savings programs (i.e. 1,490,836 shares distributed in France and abroad at a subscription price of EUR 182.86).

Treasury shares

At the reporting date, the total number of treasury shares held, and not allocated to performance share distribution plans, was 11,588,485 for a total net value of EUR 1,910,308,952.

6.2 – Additional paid-in capital

Additional paid-in capital decreased by EUR 509 million over the financial year as a result of the following movements:

(i) Distribution of a dividend deducted from additional paid-in capital for EUR 774 million;

(ii) Additional paid-in capital of EUR 265 million associated with the capital increase in the context of WESOP (including incurred expenses charged to additional paid-in capital) as a result of the difference between the subscription price and the nominal price.

6.3 – Allocation of prior year net income

Pursuant to the 3rd resolution of the Combined General Meeting of May 7, 2025, the 2024 net income for the financial year of EUR 545 million was allocated to retained earnings. In addition, EUR 2,191 million were distributed in the form of dividends.

Note 7 Provisions for contingencies and expenses

(in million of euros)	12/31/2024	Increase	Decrease		12/31/2025
			Used	Not used	
Provisions for contingencies					
Provision on treasury shares distribution	249	95	(92)	-	252
Provisions for expenses					
Other	6	1	-	(5)	2
TOTAL	**255**	**96**	**(92)**	**(5)**	**254**

Management is confident that overall, the balance sheet provisions for disputes of which it is currently aware and in which the company is involved, should be sufficient to ensure that these disputes do not have a material impact on its financial position or income.

A provision for risk of EUR 252 million was booked to cover the Group's decision to fund bonus share plans with existing shares.

Note 8 Bonds

Schneider Electric SE has issued bonds during previous financial years mainly as part of its Euro Medium-Term Notes (EMTN) program, for which bonds are traded on the Paris stock exchange. Issues that matured during the fiscal year and those that had not matured at the end of fiscal year 2025 are presented in the table below:

(in million of euros)	Emission date	12/31/2025	12/31/2024	Interest rate	Maturity
Schneider Electric SE 2026	06/2024	94	94	Euribor 3M + 0.80%	07/25/2026
Schneider Electric SE 2026	06/2024	29	29	Euribor 3M + 0.80%	07/25/2026
Schneider Electric SE 2025	03/11/2015	-	750	0.875% fixed	03/11/2025
Schneider Electric SE 2025	04/06/2023	-	750	3.375% fixed	04/06/2025
Schneider Electric SE 2025	10/13/2015	-	200	1.841% fixed	10/13/2025
Schneider Electric SE 2025	12/15/2015	-	100	1.841% fixed	12/15/2025
Schneider Electric SE 2026	12/13/2017	750	750	0.875% fixed	12/13/2026
Schneider Electric SE 2027	04/09/2020	500	500	1% fixed	04/09/2027
Schneider Electric SE 2027	06/21/2018	750	750	1.375% fixed	06/21/2027
Schneider Electric SE 2027	09/02/2025	1,000	-	Euribor 3M + 0.25%	09/02/2027
Schneider Electric SE 2027	11/09/2022	500	500	3.25% fixed	11/09/2027
Schneider Electric SE 2028	01/15/2019	500	500	1.5% fixed	01/15/2028
Schneider Electric SE 2028	05/29/2019	250	250	1.5% fixed	01/15/2028
Schneider Electric SE 2028	06/12/2023	500	500	3.25% fixed	06/12/2028
Schneider Electric SE 2029	03/11/2020	800	800	0.25% fixed	03/11/2029
Schneider Electric SE 2029	09/02/2025	750	-	2.625% fixed	09/02/2029
Schneider Electric SE 2029	01/13/2023	600	600	3.125% fixed	10/13/2029
Schneider Electric SE 2030	12/04/2025	750	-	2.75% fixed	07/04/2030
Schneider Electric SE 2030	09/03/2024	750	750	3.00% fixed	09/03/2030
Schneider Electric SE 2031	01/10/2024	600	600	3.00% fixed	01/10/2031
Schneider Electric SE 2032	09/02/2025	750	-	3% fixed	03/02/2032
Schneider Electric SE 2032	11/09/2022	600	600	3.5% fixed	11/09/2032
Schneider Electric SE 2033	06/12/2023	500	500	3.5% fixed	06/12/2033
Schneider Electric SE 2034	01/13/2023	600	600	3.375% fixed	04/13/2034
Schneider Electric SE 2035	01/10/2024	700	700	3.250% fixed	10/10/2035
Schneider Electric SE 2036	09/03/2024	750	750	3.375% fixed	09/03/2036
Schneider Electric SE 2037	09/02/2025	1,000	-	3.624% fixed	09/02/2037
TOTAL nominal		**14,023**	**11,573**		
Accrued interests		132	130		
TOTAL		**14,155**	**11,703**		

The issuance premiums and issuance costs are amortized on a straight-line basis.

Convertible bonds (OCEANE)

(in million of euros)	**12/31/2025**	12/31/2024	Interest rate	Maturity
Schneider Electric SE 2030	650	650	1.97% fixed	11/27/2030
Schneider Electric SE 2031	750	750	1.63% fixed	06/28/2031
Schneider Electric SE 2033	750	-	1.25% fixed	09/23/2033
TOTAL nominal	**2 150**	**1,400**		
Accrued interests	4	1		
TOTAL	**2 154**	**1,401**		

OCEANE convertible bond maturing in 2030
In November 2023, Schneider Electric SE carried out an OCEANE issue for a nominal value of EUR 650 million at a rate of 1.97%, maturing in November 2030. The initial conversion and/or exchange ratio of the bonds was 426.66 shares per bond with a nominal value of EUR 100,000.00 which corresponds to EUR 234.38 per share. This was adjusted to 440.95 shares per bond in May 2025.

OCEANE convertible bond maturing in 2031
Concurrently with the repurchase of the OCEANE due 2026, on June 25, 2024, Schneider Electric SE issued bonds convertible into new shares and/or exchangeable for existing shares (OCEANEs) for EUR 750 million at a rate of 1.625%, maturing in June 2031. The initial conversion and/or exchange ratio of the bonds was 321.48 shares per bond with a nominal value of EUR 100,000.00 which corresponds to EUR 311.07 per share. This was adjusted to 323.51 shares per bond in May 2025.

OCEANE convertible bond maturing in 2033

In September 2025, Schneider Electric SE carried out an OCEANE issue for a nominal value of EUR 750 million at a rate of 1.25%, maturing in September 2033. The initial conversion and/or exchange ratio of the bonds is 311.98 shares per bond with a nominal value of EUR 100,000.00 which corresponds to EUR 320.54 per share.

Note 9 Borrowings and debt with credit institutions

As of December 31, 2025, borrowings and debt with credit institutions include a EUR 500 million drawdown on the bridge loan set up in connection with the acquisition of minority interests in SEIPL.

The amount drawn was EUR 500 million at Euribor plus a margin of 0.275%.

Note 10 Borrowings and other financial liabilities

(in million of euros)	12/31/2024	Increase	Decrease	**12/31/2025**
Commercial paper	70	1,250	-	1,320
Debts related to investments	43	-	-	43
TOTAL	**113**	**1,250**	**-**	**1,363**

In 2024, the Group conducted pre-financing operations through bond issues, which resulted in the low use of commercial paper. In 2025, as pre-financing was fully utilized, the commercial paper program was used more extensively.

Debts related to investments correspond to an intercompany loan of EUR 42 million with the Luxembourgish entity, Industrielle de Réassurance S.A.

Liabilities secured by collateral

Schneider Electric SE has no liabilities secured by collateral.

Note 11 Maturities of receivables and payables

Maturities of receivables at end of year

(in million of euros)	**Total**	Due within 1 year	Due beyond 1 year
Non-current assets			
Advances to subsidiaries and affiliates	8,001	24	7,977
Current assets			
Accounts receivable – trade	413	413	-
Other receivables	365	365	-
Marketable securities	252	97	155
Prepaid expenses	7	7	-
TOTAL	**9,038**	**906**	**8,132**

Invoices received and issued during the period have not been subject to late payment.

Maturities of debt at end of year

(in million of euros)	**Total**	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Convertible bonds	2 154	4	650	1 500
Bonds	14,155	1,005	7,650	5,500
Borrowings and debts with credit institutions	500	500	-	-
Other borrowings and financial liabilities	1,363	1,321	42	-
Accounts payable – trade	34	34	-	-
Accrued taxes and payroll costs	308	308	-	-
Deferred revenue	8	4	-	4
TOTAL	**18,522**	**3,176**	**8,342**	**7,004**

Note 12 Related-party transactions (minimum 10% stake)

In fiscal year 2025, there were no transactions with related parties outside normal market conditions.

Note 13 Other operating revenue

The majority of this item relates to brand royalties billed to Group companies in the amount of EUR 552 million. Invoicing is carried out on the basis of a percentage of the turnover of each company, under the Schneider Electric brand name or under associated brands.

Note 14 Other purchases and external expenses

This item mainly includes expenses inherent in the management of the Schneider Electric brand.

Note 15 Net financial income/(loss)

(in million of euros)	**12/31/2025**	12/31/2024
Dividends	2,502	2
Net interest income (expense)	(18)	111
Re-invoicing of performance shares	82	-
Financial expenses on performance share plans	(80)	-
Allowance of provisions for impairment of treasury shares	(95)	-
Reversals of provisions for impairment of treasury shares	93	-
Other	(12)	(7)
NET FINANCIAL INCOME/(LOSS)	**2,472**	**106**

At December 31, 2025, dividends received amounted to EUR 2.5 billion composed largely of dividends paid by Schneider Electric Industries SAS. The latter did not pay any dividends in 2024.

Due to the new accounting regulation, income and expenses related to performance share plans are presented in net financial income/(loss) for 2025. They were presented in non-recurring income previously (see Change of method note in 6.3.2).

Note 16 Net non-recurring income/(loss)

(in million of euros)	**12/31/2025**	12/31/2024
Provisions net of reversals	-	31
Other non-recurring income/(expense)	-	(74)
NET NON-RECURRING INCOME/(LOSS)	**-**	**(43)**

Due to the new accounting regulation, no non-recurring income was recorded for fiscal year 2025 (see Change of method note in 6.3.2).

Note 17 Net income tax benefit

The "Net income tax benefit" line item in the statement of income mainly consists of the Group tax relief recorded by the tax group headed by Schneider Electric SE. For fiscal year 2025, net income from tax integration amounted to EUR 71 million.

Schneider Electric SE is the parent company of the tax group comprising all French subsidiaries that are over 95%-owned. Tax loss carry forwards available to the company in this capacity totaled EUR 1,560 million at December 31, 2025.

(in million of euros)	Amount
Tax credits	
Research tax credit	32
Other tax credits	48
TOTAL	**80**

Note 18 Pension benefit commitment

The company had made commitments toward its executives, active managers and retirees. In 2015, the company closed the top-hat executive pension plans. Since the end of 2015, there have been no more active beneficiaries. The company has outsourced to AXA France VIE its commitments to the retired beneficiaries of top-hat executive pension plans.

Note 19 Off-balance sheet commitments

19.1 – Partnership obligations

The share of liabilities of "SC" non-trading companies attributable to Schneider Electric SE as partner is not material. The share of liabilities of "SNC" flow-through entities attributable to Schneider Electric SE as partner is not material.

19.2 – Guarantees given and received

Information on off-balance sheet transactions - Commitments given

(in million of euros)

Nature of the transaction	Amount of the risks and benefits expected from the transaction	Guarantees provided
Parent company guarantee	24	Performance guarantee (contracts)
Parent company guarantee	2,027	Other guarantees (pension fund and tax administration)

Information on off-balance sheet transactions - Commitments received

(in million of euros)

Nature of the transaction	Amount of the risks and benefits expected from the transaction	Guarantees received
Credit lines	3,525	Undrawn credit lines with banking institutions

19.3 – Financial instruments

Schneider Electric Group hedging transactions, exchange guarantees, and the establishment of financial instruments are carried out by the manager of the Group cash pool, Boissiere Finance, a wholly owned subsidiary of Schneider Electric Industries SAS, which in turn is wholly owned by Schneider Electric SE.

On December 31, 2025, Schneider Electric SE held interest rate swaps for a total of EUR 1,550 million as a derivative instrument to partially hedge its exposure to interest rates.

Note 20 Contingencies

As previously disclosed, investigations were conducted in September 2018 by the French judicial authority and French Competition Authority (Autorité de la concurrence) at Schneider Electric's head office and other premises concerning the sale of electrical products through commercial distribution activities in France.

- After 6 years of procedure, the French Competition Authority issued on October 29, 2024, a decision to sanction several companies concerning the electrical distribution activities in France, including several Schneider Electric Group companies for a EUR 207 million penalty considering that the pricing autonomy of some distributors in the French market had been limited by Schneider Electric, in breach of competition rules. This fine was paid in April 2025 by Schneider Electric France. Schneider Electric strongly disagrees with the conclusion of the French Competition Authority and has appealed the decision in front of the Paris Appeal Court.
- Concurrently on October 7, 2022, Schneider Electric was indicted by an investigating judge who required Schneider Electric to provide a bank guarantee of EUR 20 million (which validity has now expired) and a cash guarantee of EUR 80 million. Schneider Electric officially contested the indictment decision and raised numerous arguments in law and fact. Procedure is ongoing.

Schneider Electric rejects any allegation that its distribution practices are not compliant with competition rules. Schneider Electric commercial policy is designed to comply with all regulations. Schneider Electric has always cooperated with the authorities and intends to continue to do so.

Note 21 Other information

21.1 – Workforce

The average number of employees over the financial year is four.

Breakdown of staff by category

Category	Average number of employees during the financial year
Managers and engineers	4
TOTAL	**4**

21.2 – Compensation for the administration and management bodies

In 2025, Schneider Electric SE granted EUR 2.6 million in attendance fees to the members of its Board of directors.

The aggregate amount of direct and indirect compensation accounted by the French and foreign affiliates of Schneider Electric SE, for all executive officers of Schneider Electric as of December 31 and for the salaried members of the Board of Directors, is detailed below.

Gross compensation, including benefits in kind, allocated in 2025 by Group companies to the chairman, totaled EUR 1.0 million.

Gross compensation, including benefits in kind, allocated by Group companies in 2025 to the Corporate Officer, amounted to EUR 2.7 million, including EUR 1.1 million in variable compensation.

Gross compensation, including benefits in kind, allocated by Group companies in 2025 to the members of Group Senior Management other than the Corporate Officer, amounted to EUR 39.9 million, including EUR 9.1 million in variable compensation allocated in the 2025 fiscal year.

During the last three financial years, 491,089 Performance shares have been allocated to key management personnel (Chairman, Corporate officer and Other Members of Group Senior Management). In 2025, Performance shares were allocated under the 2025 Long-term incentive plans 46, 47 and 47ter.

21.3 – Performance share plans

Schneider Electric SE grants performance shares to senior executives and certain employees of the Group.

Rules governing the performance shares plans are as follows:
- the granting of performance shares is generally subject to service conditions and the achievement of performance criteria,
- the vesting period is three years,
- the lock-up period is zero or one year.

Performance criteria are the following:
- Total Shareholder Return (TSR) evolution against CAC 40 (until 2024) or STOXX Europe 50 (since 2025),
- Total Shareholder Return (TSR) evolution against a panel of peer companies,
- Adjusted Earnings per Share (EPS) improvement rate,
- Schneider Sustainability External and Relative Index (“SSERI”) (until 2023),
- Carbon Emissions Reduction Targets (since 2024).

The main characteristics of these plans were as follows at December 31, 2025:

	LTIP 2022	LTIP 2023	LTIP 2024	LTIP 2025	
Plan n°	40 & 41 41bis 41ter	42 42bis & 43 42ter 42quater	44 & 45 45bis 44bis & 45ter	46 & 47 47bis 47ter	
Date of Annual Shareholders' Meeting	Apr. 25, 2019 May 5, 2022 May 5, 2022	May 5, 2022 May 5, 2022 May 5, 2022 May 5, 2022	May 5, 2022 May 5, 2022 May 5, 2022	May 5, 2022 May 5, 2022 May 5, 2022	
Date of the grant by the Board	Mar. 24, 2022 July 27, 2022 Oct. 26, 2022	Mar. 28, 2023 May 4, 2023 July 26, 2023 Oct. 25, 2023	Mar. 26, 2024 July 30, 2024 Nov 7, 2024	Mar. 26, 2025 July 30, 2025 Oct. 29, 2025	
Vesting date	Mar. 24, 2025 July 27, 2025 Oct. 26, 2025	Mar. 28, 2026 May 4, 2026 July 26, 2026 Oct. 25, 2026	Mar. 26, 2027 July 30, 2027 Nov. 7, 2027	Mar. 26, 2028 July 30, 2028 Oct. 29, 2028	
End of holding period	Mar. 24, 2026 for Plan 40	May 4, 2027 for Plan 43	Mar. 26, 2028 for Plan 44 Nov. 7, 2028 for Plan 44bis	Mar. 26, 2029 for Plan 46	
Number of performance shares					**TOTAL**
Outstanding as of Dec. 31, 2024	**1,285,989**	**1,427,022**	**1,037,676**	**-**	**3,750,687**
Granted in 2025	-	-	-	1,142,735	1,142,735
Delivered in 2025	(1,261,754)	(1,29)	(865)	(141)	(1,264,059)
Canceled in 2025	(24,235)	(89,310)	(66,547)	(30,217)	(210,309)
OUTSTANDING AS OF DEC. 31 2025	**-**	**1,336,413**	**970,264**	**1,112,377**	**3,419,054**

Schneider Electric SE did not create any shares in 2025 for performance share plans but distributed treasury shares.

21.4 – Consolidated financial statements

Schneider Electric SE is the parent company of the Group and accordingly publishes the consolidated financial statements of the Schneider Electric Group.

21.5 – Subsequent events

None

6.4 Statutory auditors' report on the annual financial statements

For the year ended December 31, 2025

To the annual general meeting of Schneider Electric S.E.

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of Schneider Electric S.E. for the year ended December 31, 2025, as attached to this report.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2025 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit and Risks Committee.

Basis for Opinion

Audit Framework
We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

Independence
We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from January 1st 2025 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Emphasis of matter
Without qualifying the opinion expressed above, we draw your attention to the section "*Change of method*" of the note 6.3.2 *"Accounting principles"* in the notes to the financial statements, which sets out the impact of the change in accounting methods relating to the first-time application of ANC Regulation No. 2022-06.

Justification of Assessments – Key Audit Matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Measurement of investments in subsidiaries and affiliates and related loans and advances
"Financial investments" section of the note 6.3.2 "Accounting principles" and note 2 "Financial investments" to the financial statements.

Description of risk	At December 31, 2025, shares in subsidiaries and affiliates and related loans and advances recorded in the Company's balance sheet amounted to 5,358 million of euros and 8,001 million of euros respectively. As described in the "Financial investments" section of the note 6.3.2 "Accounting principles" of the notes to the financial statements, shares in subsidiaries and affiliates are recorded at their acquisition cost and written down when their estimated value in use at the reporting date is less than their carrying amount. The estimated value in use of shares in subsidiaries and affiliates is determined primarily by reference to the accounting net assets of the investments and the dividend discount method. The profitability of the investments and the outlook for the economic environment are also taken into account. Due to the judgment required from management in making these estimates, particularly when they are based on forward-looking information, we considered that the valuation of shares in subsidiaries and affiliates, and by extension the related loans and advances, is a key audit matter.
How our audit addressed this risk	We examined the methodology employed by the Company to estimate the value in use of shares in subsidiaries and affiliates. Our audit work consisted in: • comparing the share in accounting net assets used to determine the value in use of shares in subsidiaries and affiliates with the financial statements of those subsidiaries and affiliates that have been audited or subject to analytical procedures; • assessing, when values in use have been determined on the basis of forecasts, the appropriateness of the valuation method on which the estimation is based; • assessing the main assumptions used in estimating values in use, in particular the long-term growth rate and the discount rate, with the help of our valuation experts, where appropriate; • verifying the arithmetical accuracy of the value in use calculations used by your Company. We also assessed the recoverability of the related receivables in light of the impairment tests performed on the shares in subsidiaries and affiliates.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to Shareholders
We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to Shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-6 of the French Commercial Code (code de commerce).

Report on corporate governance
We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code (code de commerce).

Concerning the information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code (code de commerce) relating to remunerations and benefits received by or allocated to the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlled companies which are included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L.22-10-11 of the French Commercial Code (code de commerce), we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Format of presentation of the financial statements intended to be included in the annual financial report
We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors
We were appointed Statutory Auditors of Schneider Electric S.E. by the Annual General Meetings held on May 6, 2004 for Forvis Mazars SA and on May 5, 2022 for PricewaterhouseCoopers Audit.

At December 31, 2025, Forvis Mazars SA was in the twenty-second consecutive year of their engagement and PricewaterhouseCoopers in their fourth year.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit and Risks Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.821-55 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit and Risks Committee

We submit a report to the Audit and Risks Committee, which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Risks Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit and Risks Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.821-27 to L.821-34 of the French Commercial Code (code de commerce) and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit and Risks Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

The statutory auditors

Forvis Mazars SA
Levallois-Perret, March 12, 2026

Juliette Decoux-Guillemot
Associée

Charles Desvernois
Associé

PricewaterhouseCoopers Audit
Neuilly-sur-Seine, March 12, 2026

Jean-Christophe Georghiou
Associé

Séverine Scheer
Associée

6.5 List of securities held at December 31, 2025

(in million of euros)

Number of securities	Company	Carrying amount
A. MAJOR INVESTMENTS		
(Carrying amounts over EUR 5 million)		
58,018,657	Schneider Electric Industries SAS	5,344
2,497	Muller SAS	8
11,588,967	Schneider Electric SE treasury shares	1,910
		7,262
B. OTHER INVESTMENTS		
(Carrying amounts under EUR 5 million)		-
C. INVESTMENTS IN REAL ESTATE COMPANIES		-
D. INVESTMENTS IN FOREIGN COMPANIES		6
Total		**7,268**
MARKETABLE SECURITIES		
3,309,601	Schneider Electric SE treasury shares	252
TOTAL		**7,520**

6.6 The company's net financial income/(loss) over the last 5 years

Nature of the indications	2025	2024	2023	2022	2021
FINANCIAL POSITION AT DECEMBER 31					
Share capital (in million of euros)	2,308	2,303	2,291	2,284	2,276
Number of shares in issue	577,122,512	575,631,676	572,835,884	571,092,921	569,033,442
Number of convertible bonds in issue	21,500	14,000	3,701,523	3,695,023	3,683,972
Maximum number of shares to be created:					
- through conversion of bonds	-	-	-	-	-
- through exercise of rights	-	-	-	-	-
RESULTS OF OPERATIONS					
(in million of euros)					
Sales (ex. VAT)	-	-	-	-	-
Investment revenue, interest income and other revenue	2,502	2	2,002	1,501	1,500
Earnings before tax, depreciation, amortization and provisions	2,907	447	2,556	1,690	1,393
Income tax	(51)	(75)	43	19	52
Earnings after tax, depreciation, amortization and provisions	2,944	545	2,560	1,744	1,498
Dividends paid [1] excluding tax credit and withholdings	2,424[2]	545	1,963	1,744	1,498
RESULTS OF OPERATIONS PER SHARE					
(in euros)					
Earnings before depreciation, amortization and provisions	5.13	0.91	4.42	2.99	2.54
Earnings after tax, depreciation, amortization and provisions	5.10	0.95	4.48	3.05	2.63
Net dividend per share	4.20[2]	3.90	3.50	3.15	2.90
EMPLOYEES					
Average number of employees during the financial year	4	4	4	3	1
Total payroll for the financial year (in million of euros)	5	6	14	1	1
Total of employee benefits paid over the financial year (Social security, other benefits, etc.) (in million of euros)	8	5	1	1	1

(1) For 2025, estimate based on existing shares at December 31, 2025, including treasury shares.
(2) Pending approval by the Annual Shareholders' Meeting of 2026.

6.7 Extract from the management report for the year ended December 31, 2025

In 2025, Schneider Electric SE reported an operating profit of EUR 421 million compared with a profit of EUR 407 million the previous year.

Interest income net of interest expense amounted to EUR (18) million versus EUR 111 million the previous year.

Income from ordinary activities before tax stood at EUR 2,893 million in 2025 compared with an income of EUR 513 million in 2024. The variance is mainly explained by the dividend income of EUR 2,501 million from Schneider Electric Industries SAS that was paid in 2025, partially offset by a EUR 92 million increase in financial expenses, a EUR 43 million negative variation in financial income (excluding dividend) and a EUR 15 million increase in Schneider Electric brand royalties.

The net income stood at EUR 2,944 million in 2025 compared with EUR 545 million in 2024. Net equity amounted to EUR 8,297 million at December 31, 2025 compared with EUR 7,274 million at the previous year-end, after taking into account 2025 profit and dividend payments of EUR 2,191 million.

Trust

INTO

Transparency

SPACELOGIC KNX

SpaceLogic KNX delivers a seamless home and building automation experience by unifying lighting, shutters, HVAC, and energy optimization into one platform. It enhances comfort and efficiency, reduces costs, and integrates with Schneider Electric solutions for a future-ready ecosystem.

07. Information on the Company and its capital

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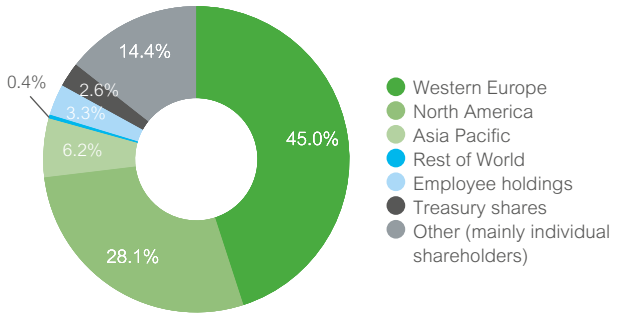
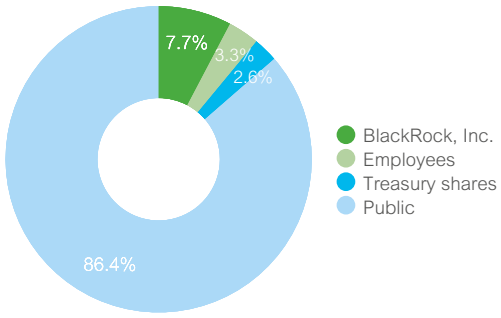
7.1 Shareholding

7.1.1 Ownership structure

Major shareholders at December 31, 2025[1]





(1) Charts list ownership stakes to the best of the Company's knowledge.

Three-year summary of changes in capital[1]

At December 31, 2025, the share capital of Schneider Electric was EUR 2,308,490,048, divided into 577,122,512 common shares, to which 603,755,105 theoretical voting rights are attached. The following table presents, to the best of the Company's knowledge, changes in the distribution of the Company's share capital and voting rights over the last three years.

	Dec. 31, 2025				Dec. 31, 2024		Dec. 31, 2023	
	Capital %	Number of shares	Voting rights %[3]	Number of voting rights[3]	Capital %	Voting rights %[3]	Capital %	Voting rights %[3]
BlackRock, Inc.	**7.7**	**44,658,583**	**7.6**	**44,658,583**	8.0	7.9	7.8	7.6
Sun Life Financial, Inc.	**–**	**–**	**–**	**–**	–	–	5.7	5.6
Employees[2]	**3.3**	**19,101,843**	**5.9**	**34,744,836**	3.2	5.8	3.7	6.4
Treasury shares	**2.6**	**14,899,626**	**–**	**–**	2.5	–	2.5	–
Public	**86.4**	**498,462,460**	**86.5**	**509,452,060**	86.3	86.3	80.3	80.4
TOTAL	**100.0**	**577,122,512**	**100.0**	**588,855,479**	**100.0**	**100.0**	**100.0**	**100.0**

(1) Table lists ownership stakes that have breached the 5% ownership voting rights threshold in the previous three years, to the best of the Company's knowledge.
(2) The total number of shares held by employees include:
– 7,266,500 shares held by the FCPE Schneider Actionnariat (France), corresponding to 1.3% of capital and 2.4% of voting rights,
– 5,872,285 shares held by the FCPE Schneider Actionnariat Mondial (International), corresponding to 1.0% of capital and 1.9% of voting rights, and
– 5,963,058 shares held directly by employees, corresponding to 1.0% of capital and 1.6% of voting rights.
(3) Number or percentage of voting rights excluding shares deprived of voting rights.

Disclosure thresholds

To the best of the Company's knowledge, no shareholder other than BlackRock Inc., listed above, holds, either directly or indirectly, more than 5% of Schneider Electric's capital or voting rights.

Changes in holdings (for stake equal to or greater than 5%)

To the best of the Company's knowledge, no additional shareholders made changes in their holdings during 2025 that crosses the 5% threshold for either capital or voting rights.

Control of the Company

At December 31, 2025, to the best of its knowledge, the Company was not controlled and has not been subject to any agreement binding on one or more shareholders or any other individual or legal entity, acting alone or in concert, concerning the direct or indirect holding of its capital or its control, or for which the implementation thereof might subsequently involve a change in the Company's control.

Shareholder pacts or agreements involving Schneider Electric shares

The Company has no knowledge of shareholder pacts or agreements, nor of shareholders acting in concert with regard to the shares comprising its share capital.

7.1.2 Employee shareholding

7.1.2.1 Profit-sharing plans

Most of the Group's French companies have profit-sharing and other profit-based incentive plans. The amounts paid by the Group's French entities over the last five years were:

(in millions of euros)	**2025**	2024	2023	2022	2021
Profit-based incentive plans and profit-sharing plans	**65.8**	83.3	53.0	61.7	65.8

In 2025, 58% of the total from incentives and profit-sharing was invested in the Schneider Electric shareholder fund and 12% was received by employees in cash.

7.1.2.2 The Schneider Electric employee shareholding

The Worldwide Employee Share Ownership Plan (WESOP) is one of the Group's recurring key annual reward programs, offering employees across the world an opportunity to become owners of the Company, at preferred conditions.

Through the WESOP, Schneider Electric shares Company value creation with employees, thus aligning both Company and employees' interests. In countries where regulations permit, Schneider Electric offers its employees the opportunity to invest during share capital increases reserved for its employees.

On December 31, 2025, Group employees held a total of 19.1 million Schneider Electric SE shares either directly, through the corporate mutual funds (*Fonds Commun de Placement d'Entreprise, FCPE*), or through Performance Share plans, representing 3.3% of the share capital and 5.9% of the voting rights, considering double voting rights.

Voting rights attached to shares held by corporate mutual funds are exercised by the supervisory boards of these corporate mutual funds.

The Group's employee shareholders are spread across over 50 countries, as follows: 19% in France, 16% in India, 13% in China, 10% in the United States, and 42% elsewhere. Approximately 60% of all employees are shareholders of the Group.

7.2 Capital

7.2.1 Share capital and voting rights

At December 31, 2025, the share capital amounted to EUR 2,308,490,048 divided into 577,122,512 shares with a par value of EUR 4 fully paid up. 603,755,105 voting rights were attached to the 577,122,512 issued shares as at December 31, 2025.

7.2.2 Potential capital

At December 31, 2025, the potential capital consisted of:

- 1,250,045 Performance Shares, part of which remains subject to the achievement of performance conditions (plans 42*bis*, 42*ter*, 42*quater*, 43, 44, 44*bis*, 45*bis*, 45*ter*, 46, 47, 47*bis*, and 47*ter*, delivery of which, either in existing shares or shares to be issued, has not yet been determined by the Board). If all Performance Shares were vested, this would lead to the issuance of 1,250,045 shares. Schneider Electric SE capital would be composed of 578,372,557 ordinary shares, *i.e.* a 0.22% increase of the number of shares as of December 31, 2025; and
- 21,500 OCEANEs (out of which 6,500 OCEANEs issued in November 2023, 7,500 issued in June 2024, and 7,500 issued in September 2025). If all OCEANEs were exercised, this would lead to the issuance of 7,632,308 shares (out of which 2,866,166 shares[1] under the OCEANEs issued in 2023, 2,426,314 shares[2] under the OCEANEs issued in 2024, and 2,339,828 shares[3] under the OCEANEs issued in 2025). Schneider Electric SE capital would be composed of 584,754,820 ordinary shares, *i.e.* a 1.32% increase of the number of shares as of December 31, 2025.

(1) As a result of the dividend distribution of EUR 3.90 per share on May 15, 2025, the conversion and/or exchange ratio has been adjusted and increased from 433.0606 to 440.9487 shares per OCEANE.
(2) The initial conversion and/or exchange ratio was set at 321.4756 shares per OCEANE subject to standard adjustments including dividend protection. As the result of the dividend distribution of EUR 3.90 per share on May 15, 2025, the conversion and/or exchange ratio has been adjusted and increased from 321.4756 to 323.5086 shares per OCEANE.
(3) The initial conversion and/or exchange ratio was set at 311.9771 shares per OCEANE subject to standard adjustments including dividend protection.

7.2.3 Authorizations to issue and cancel shares

7.2.3.1 Table summarizing the outstanding delegations relating to share capital increases and decreases granted by the Annual Shareholders' Meeting

	Maximum par value of authorized capital increases (in euros)	Number of shares	Authorization date/ authorization expiration date	Use of the resolution (number of shares whose issuance has been authorized)	Amount available (in number of shares)
Issues with preferential subscription rights					
Issuance of ordinary shares or other securities giving access to share capital of the Company **(17th resolution of the AGM of May 7, 2025)**	800 million[1]	200,000,000	May 7, 2025/ Jul. 7, 2027	None	197,660,172[7]
Capitalizing additional paid-in capital, reserves, earnings, or other **(24th resolution of the AGM of May 7, 2025)**	800 million[1]	200,000,000	May 7, 2025/ Jul. 7, 2027	None	197,660,172[7]
Issues without preferential subscription rights					
Issuance, in cash or in compensation, of listed securities, shares, or other securities giving access immediately or in the future to the capital **(18th resolution of the AGM of May 7, 2025)**	224 million[1][2]	56,000,000	May 7, 2025/ Jul. 7, 2027	None	53,660,172[3][7]
Issuance of shares and other securities through an offer referred to in Article L. 411-2 1° of the French Monetary and Financial Code **(19th resolution of the AGM of May 7, 2025)**	224 million[1]	56,000,000	May 7, 2025/ Jul. 7, 2027	2,339,828[7]	53,660,172[3][7]
Issuance of shares and other securities as consideration for unlisted securities **(21st resolution of the AGM of May 7, 2025)**	224 million[1][2]	56,000,000	May 7, 2025/ Jul. 7, 2027	None	53,660,172[3][7]

	Maximum par value of authorized capital increases (in euros)	Number of shares	Authorization date/ authorization expiration date	Use of the resolution (number of shares whose issuance has been authorized)	Amount available (in number of shares)
Issuance of shares and other securities reserved for a category of persons **(22nd resolution of the AGM of May 7, 2025)**	224 million[1][2]	56,000,000	May 7, 2025/ Nov. 7, 2026	None	53,660,172[3][7]
Issuance of shares and other securities reserved for a named person **(23rd resolution of the AGM of May 7, 2025)**	224 million[1][2]	56,000,000	May 7, 2025/ Nov. 7, 2026	None	53,660,172[3][7]
Overall limits on issuance made under the above resolutions	**800 million[1]**	**200,000,000**	**May 7, 2025/ Jul. 7, 2027**	**2,339,828**	**197,660,172[3][7]**
Employee share issues					
Company Savings Plan **(26th resolution of the AGM of May 7, 2025)**	46 million[6]	11,500,000	May 7, 2025/ Jul. 7, 2027	None	7,800,000[3]
Share issues to promote share ownership among employees in foreign companies of the Group **(27th resolution of the AGM of May 7, 2025)**	24 million[4][6]	6,000,000	May 7, 2025/ Nov. 7, 2026	None	2,300,000[3]
Free shares or Performance Share **(25th resolution of the AGM of May 7, 2025)**	46 million[6]	11,500,000	May 7, 2025/ May 7, 2028	57,083	11,442,917[5]

	Maximum amount of the authorized cancellation (in euros)	Number of shares	Authorization date /authorization expiration date	Amount available (in number of shares)
Reduction in capital through cancellation of shares				
Cancellation of own shares **(28th resolution of the AGM of May 7, 2025)**	224 million per 24-month period	56,000,000	May 7, 2025/ May 7, 2027	56,000,000

(1) The overall ceiling for issues is capped at EUR 800 million in aggregate.
(2) All issuances made without preference right (18th, 19th, 21st, 22nd, and 23rd resolutions) are globally limited to EUR 224 million.
(3) Using the authorization of the 19th resolution of the Annual General Meeting (AGM) held on May 23, 2024, and the delegation of the Board of Directors granted on December 17, 2024, 373,898 shares were issued in 2025 for French employees participating in a company savings plan. At its meeting of December 4, 2025, the Board of Directors authorized capital increases within a limit of 3.7 million shares, *i.e.* 0.64% of the capital.
(4) Issuances of shares reserved for employees in non-French subsidiaries will be deducted from the ceiling for capital increases reserved for employees participating in a company savings plan.
(5) At the Board of Directors' meeting of July 30 and October 29, 2025, 33,568 and 23,515 shares were respectively granted under the 2025 Long-term incentive plan.
(6) On the date of the 2025 Annual Shareholders' Meeting, the share capital was EUR 2,302 million.
(7) At its meeting of September 8, 9, 10, and 11, 2025, the Board of Directors decided to use the powers granted to it by the General Meeting of May 7, 2025, in its 19th resolution and grant full powers to the Chief Executive Officer to carry out the issuance of the OCEANEs within certain limits. On September 16, 2025, the Chief Executive Officer decided the issuance by the Company of 7,500 OCEANEs, in the context of an offering referred to in Article L. 411-2, 1° of the French Monetary and Financial Code to qualified investors in France and outside France without the shareholders' preferential subscription right, each OCEANE giving right to conversion or exchange into new and/or existing shares of the Company (excluding any adjustments to preserve the rights of holders of OCEANEs).

7.2.3.2 Use of authorizations granted by the Annual Shareholders' Meeting: issuance of OCEANEs

7.2.3.2.1 Additional report by the Board of Directors of October 29, 2025 – Issue of bonds convertible and/or exchangeable for new and/or existing shares (OCEANEs)

Madam, Sir,

We present to you the additional report referred to in Articles L. 225-129-5 and R. 225-116 of the French Commercial Code on the use by the Board of Directors of the authorization granted to it under the nineteenth resolution of the combined general meeting of shareholders of May 7, 2025.

1. Legal framework of the issuance of the OCEANEs

Combined general meeting of shareholders of May 7, 2025

The Shareholders' Meeting of Schneider Electric SE (the "**Company**") held on May 7, 2025 (the "**Shareholders' Meeting**") has, pursuant to its nineteenth resolution and acting in accordance with the quorum and majority requirements for extraordinary shareholders' meetings, in accordance with the provisions of the French Commercial Code, in particular in Articles L. 225-129, L. 225-129-2 to L. 225-129-6, L. 225-135, L. 225-136, L. 228-91 to L. 228-93, L. 22-10-49, L. 22-10-52, and L. 411-2 1° of the French Monetary and Financial Code, delegated to the Board of Directors, with the power to subdelegate, in compliance with applicable laws and regulations, the authority to decide through an offer referred to in Article L. 411-2 1° of the French Monetary and Financial Code, on one or more occasions, in the proportion and at the times it deems appropriate, in France and/or abroad, in euros or in any other currency or unit of account set by reference to several currencies, the capital increase without the shareholders' preferential subscription right, through the issue of ordinary shares and/or securities, governed by Articles L. 228-91 *et seq.* of the French Commercial Code granting access by any means, immediately and/or in the future, to ordinary shares of the Company or of a company in which it directly or indirectly owns more than half of the share capital, it being specified that (a) the subscription of shares and other securities may be performed either in cash or by offsetting debts, and (b) the shares to be issued will grant the same rights as the existing shares; it being specified that the issuance of any shares or securities giving access to preferred shares is excluded. The Shareholders' Meeting set the validity period of this delegation at 26 months granted within a maximum nominal amount of capital increase of EUR 224 million being deducted from the capital increase ceiling of EUR 224 million provided for in the eighteenth resolution and from the capital increase ceiling of EUR 800 million provided for in the seventeenth resolution of said Shareholders' Meeting.

Board of Directors of September 8, 9, 10 and 11, 2025

It is reminded that, at its meeting of September 8, 9, 10 and 11, 2025, the Board of Directors, informed that, as of these dates, the authorization referred to in the nineteenth resolution adopted by the Shareholders' Meeting held on May 7, 2025 has not been used, decided:

- to use the powers granted to it by the Shareholders' Meeting in its nineteenth resolution referred to above, and the principle of an issuance, by the Company, in one or more transactions, either in euros or in any other currency, of securities giving access to the share capital, represented by OCEANEs, in the context of a public offering referred to in Article L. 411-2, 1° of the French Monetary and Financial Code to qualified investors in France and outside France (as the case may be, except in the United States, Canada, Japan, and/or Australia), without the shareholders' preferential subscription right;
- that (i) the total nominal amount of such issuance(s) of OCEANEs may not exceed EUR 1 billion and (ii) the corresponding capital increase(s) resulting from the potential conversion of the OCEANEs into new ordinary shares may not exceed a maximum total nominal amount of EUR 25 million (excluding any adjustments to preserve the rights of holders of OCEANEs);
- to subdelegate until May 7, 2026 to the Chief Executive Officer all powers to carry out the issuance of OCEANEs and to set its conditions.

Decision by the Chief Executive Officer of September 16, 2025

The Chief Executive Officer, using this subdelegation, decided on September 16, 2025 to issue 7,500 OCEANEs with a nominal value of EUR 100,000 and a per-unit issue price of EUR 100,000.

2. Terms and conditions of the issue of the OCEANEs

In pursuance of the above-mentioned Board's decision, OCEANEs have been issued under the main terms and conditions as follows:

Date of announcement and launching of the issue	September 16, 2025
Nominal amount of the issue	EUR 750,000,000
Nature of the bonds	Bonds convertible and/or exchangeable into new and/or existing shares (OCEANEs)
Number and nominal value per unit	7,500 OCEANEs with a nominal value of EUR 100,000
Interest rate	Rate of 1.250% per annum, payable semi-annually in arrears on March 23 and September 23 of each year (or on the following business day if this date is not a business day), and for the first time on March 23, 2026
Initial conversion/exchange premium	The Company's reference share price on the regulated market of Euronext in Paris is at EUR 233.75 on September 15, 2025. The conversion premium amounts to 37.5% above the Company's reference share price. It was set at the end of a procedure known as "book building" and in consideration of the coupon fixed at 1.25% and the market practices observed for the recent issuances of convertible bond. It corresponds to a compound annual growth rate composed of the share price of 4.06% over the maturity duration of the bond, *i.e.* 8 years
Settlement-delivery	September 23, 2025
Maturity	September 23, 2033
Conditions for redemption	Redemption at nominal value, *i.e.* EUR 100,000
Conditions for early redemption	Early full redemption possible at par plus any accrued interest at the Company's option at any time from October 14, 2031 (inclusive), subject to a prior notice of at least 30 (but not more than 60) calendar days, if the arithmetic average, calculated over a period of 10 consecutive trading days chosen by the Company from among the 20 consecutive trading days preceding the day of the publication of the early redemption notice, of the daily products on each of such 10 consecutive trading days of the volume weighted average price of the Company's shares on Euronext Paris and the applicable conversion/exchange ratio on each such trading day, exceeds 150% of the nominal value of each bond
Right to convert or exchange	Bondholders are granted the right to convert or exchange the bonds into new and/or existing shares of the Company
Exercise of the right to convert or exchange	From November 2, 2025 up to the 7th business day (inclusive) preceding the maturity date or, as the case may be, the relevant early redemption date
Initial conversion/exchange ratio	311.9771 shares of the Company per bond (including anti-dilution and dividend protections)
Framework of placement	Placement to qualified investors only (within the meaning of Regulation (EU) 2017/1129 in France and outside of France (excluding, in particular, the United States, Australia, Japan, Canada, or South Africa)

3. Impact of the issue of the OCEANEs and the exercise of the conversion or exchange right on existing holders of Company shares and securities granting access to Company share capital

Impact of the issue on the Company equity per share for shareholders and holders of securities granting access to Company share capital

The table below, provided for information purposes only, shows the impact that the issue of new ordinary shares would have on equity per share if the conversion or exchange right was exercised for all bonds, assuming that the Company opted to grant only new ordinary shares.

This impact was calculated based on the following:

(i) Equity as reported in an interim financial situation as of June 30, 2025, established under the responsibility of the Board of Directors;

(ii) Number of shares making up the share capital of the Company as of June 30, 2025, *i.e.* 575,631,676 shares on a non-diluted basis; and

(iii) An assumption of a conversion/exchange ratio of 311.9771 Company shares per bond.

	Before issue	After issue
Company equity	EUR 5,290,330,506.05	EUR 6,040,330,506.05
Number of shares on a non-diluted basis	575,631,676	577,971,504
Number of shares on a diluted basis*	582,036,560	584,376,388
Company equity per share on a non-diluted basis	EUR 9.19	EUR 10.45
Company equity per share on a diluted basis*	EUR 9.09	EUR 10.34

* In the event that all Performance Shares not yet qualified are delivered from shares to be issued (*i.e.* as of June 30, 2025: 1,112,404 new shares to be issued) and if the conversion or exchange right is exercised for all bonds issued in November 2023 and June 2024, assuming that the Company opted to grant only new ordinary shares (*i.e.* as of June 30, 2025: 5,292,480 shares).

Impact of the issue on the shareholders' situation and holders of securities granting access to Company share capital

The table below, provided for information purposes only, shows the impact of the issue of new ordinary shares on the ownership interest of a shareholder holding 1% of the Company's share capital as of June 30, 2025 if the conversion or exchange right was exercised for all bonds, assuming that the Company opted to grant only new ordinary shares.

This impact was calculated based on the following:

(i) Number of shares making up the share capital of the Company as of June 30, 2025, *i.e.* 575,631,676 shares on a non-diluted basis; and

(ii) An assumption of a conversion/exchange ratio of 311.9771 Company shares per bond.

Shareholder's ownership interest	Before issue	After issue
Non-diluted basis	1%	0.995951655%
Diluted basis*	0.988995736%	0.995996025%

* In the event that all Performance Shares not yet qualified are delivered from shares to be issued (*i.e.* as of June 30, 2025: 1,112,404 new shares to be issued) and if the conversion or exchange right is exercised for all bonds issued in November 2023 and June 2024, assuming that the Company opted to grant only new ordinary shares (*i.e.* as of June 30, 2025: 5,292,480 shares).

Theoretical impact of the issue on the current market value of the Schneider Electric SE share

The theoretical impact of the issuance on the current market value of the Schneider Electric share is 0.40%.

This theoretical impact was calculated based on the following:

(i) Number of shares making up the share capital of the Company as of June 30, 2025, *i.e.* 575,631,676 shares on a non-diluted basis;

(ii) A price of EUR 219.6434 per Schneider Electric SE share, corresponding to the average of the opening Schneider Electric SE share prices over the 20 trading days preceding the date on which the issue was launched (September 16, 2025); and

(iii) The issue of 7,500 bonds with a par value of EUR 100,000 per bond, which could potentially be converted into an aggregate 2,339,828 ordinary Schneider Electric SE shares (at a ratio of 311.9771 ordinary shares to 1 bond).

Average value of the twenty trading sessions preceding the issue	EUR 219.6434
Number of shares making up the share capital as of June 30, 2025	575,631,676 shares
Theoretical market capitalization before the issuance of OCEANEs calculated on the basis of the average value of the twenty trading sessions preceding the issue	EUR 126,433,698,464.34
Potential number of shares to be issued in case of exercise of the right to convert or exchange the bonds into shares of the Company	2,339,828 shares
Number of shares making up the share capital after conversion or exchange of all the OCEANEs into Company shares	577,971,504 shares
Theoretical share price after conversion or exchange of all the OCEANEs into Company shares	EUR 218.75
Theoretical impact of the issuance on the current market value of the Company share	**0.40%**

7.2.3.2.2 Statutory Auditors' additional report on the issue of bonds convertible into and/or exchangeable for new and/or existing shares (OCEANEs) with cancellation of pre-emptive subscription rights

Meetings of the Board of Directors on September 8, 9, 10, and 11, 2025, and October 29, 2025, and decisions of the Chief Executive Officer on September 16, 2025, by subdelegation of the Board of Directors

To the shareholders of Schneider Electric SE,

In our capacity as Statutory Auditors of your Company (the "Company") and in accordance with the requirements of article R. 225-116 of the French Commercial Code (Code de commerce), and further to our report of March 24, 2025, we hereby report to you on the issue, with the cancellation of pre-emptive subscription rights, through an offer referred to in Paragraph II of Article L. 411-2-1° of the French Monetary and Financial Code, of (i) ordinary shares of the Company, (ii) securities governed by articles L. 228-91 et seq. of the French Commercial Code which are equity securities of the Company, giving access to other equity securities of the Company and/or giving entitlement to the allotment of debt securities of the Company and/or (iii) debt securities governed or not by articles L. 228-91 et seq. of the French Commercial Code, giving or likely to give access to equity securities to be issued by the Company, and which may also give access to existing equity securities and/or debt securities of the Company, and/or (iv) securities which are equity securities of the Company giving access to existing equity securities or to equity securities to be issued by, and/or to debt securities of, companies in which the Company holds directly or indirectly, at the time of issue, more than half of the share capital, and/or (v) debt securities governed or not by articles L.228-91 et seq. of the French Commercial Code, giving access or likely to give access to equity securities to be issued by companies in which the Company directly or indirectly holds, at the time of issue, more than half of the share capital, such securities also being able, where applicable, to give access to existing equity securities and/or debt securities of said companies, as authorized by the Extraordinary Shareholders' Meeting of May 7, 2025, pursuant to its 19th resolution.

This Extraordinary Shareholders' Meeting delegated to the Board of Directors, with the option of sub-delegation under the conditions laid down by law, the authority to decide on such issuance within a period of 26 months and up to a maximum nominal amount of capital increase of €224 million being deducted from the capital increase ceiling of €224 million provided for in the 18th resolution and to the capital increase ceiling of €800 million provided for in the seventeenth resolution of the said Extraordinary Shareholders' Meeting.

Using this authorization, the Board of Directors decided at its meeting of September 8, 9, 10 and 11, 2025, to approve the principle of an issuance of securities giving access to the Company's capital, represented by bonds convertible into or exchangeable for new or existing shares in the Company (« OCEANEs »), in the context of a public offering referred to in Article L. 411-2, 1° of the French Monetary and Financial Code to qualified investors in France and outside France (as the case may be, except in the United States of America, Canada, Japan and/or Australia), without shareholders' preferential subscription rights. The Board of Directors has decided that (i) the total nominal amount of such issuance of OCEANEs may not exceed €1,000 million and (ii) the maximum total nominal amount of the corresponding capital increase(s) resulting from the potential conversion of the OCEANEs into new ordinary shares may not exceed €25 million (excluding any adjustments to preserve the rights of OCEANE holders).

The Board of Directors sub-delegated to the Chief Executive Officer, for a period until May 7, 2026 from the date of the meeting, all powers to decide the issuance of OCEANEs and to set its conditions.

Using this sub-delegation, the Chief Executive Officer decided on September 16, 2025 to issue 7,500 OCEANEs bonds with a nominal value of 100,000 euros at a unit price of €100,000.

At its meeting on October 29, 2025, the Board of Directors placed on record the completion of this issuance.

It is the responsibility of the Board of Directors to prepare an additional report in accordance with Articles R. 225-115 *et seq*. as well as the article R. 22-10-31 of the French Commercial Code. Our role is to report on the fairness of the financial statements information, on the cancellation of pre-emptive subscription rights and on certain other disclosures relating to the issue, contained in this report.

We performed the procedures that we deemed necessary in accordance with the professional guidance issued by the French national auditing body (Compagnie Nationale des Commissaires aux Comptes) for this type of engagement. These procedures mainly consisted in verifying:

- the fairness of the financial information taken from the interim financial statements as at June 30, 2025, prepared under the responsibility of the Board of Directors. Our procedures in respect of this interim financial position consisted in interviewing the members of management responsible for accounting and financial matters, verifying that it has been prepared in accordance with the same accounting principles and the same valuation and presentation methods as those used to prepare the latest annual financial statements, and performing analytical procedures;
- the compliance of the terms and conditions of the issue with the delegation of authority granted by the Extraordinary Shareholders' Meeting;
- the information provided in the Board of Directors' additional report on the choice of constituent elements used to determine the issue price and on its final amount.

We have no matter to report as to:

- the fairness of the financial information taken from the interim financial statements and included in the Board of Directors' additional report;
- the compliance of the terms and conditions of the issue with the delegation of authority granted by the combined Shareholders' Meeting of May 7, 2025 and the information provided to shareholders;
- the choice of constituent elements used to determine the issue price of equity securities and its final amount;
- the presentation of the impact of the issue on the situation of the holders of shares and securities carrying rights to share, as expressed in relation to shareholders' equity and on the Company's share price;
- the proposed cancellation of pre-emptive subscription rights, upon which you have voted.

Courbevoie and Neuilly-sur-Seine, October 29, 2025

Statutory Auditors

Forvis Mazars SA
Juliette Decoux-Guillemot
Charles Desvernois

PricewaterhouseCoopers Audit
Jean-Christophe Georghiou
Séverine Scheer

7.2.4 Three-year summary of changes in capital

The following table shows changes in Schneider Electric SE's share capital and additional paid-in capital since December 31, 2022, through capital increases/decreases:

	Number of shares issued or canceled	Cumulative number of shares	Total amount of the capital (in euros)
Capital as of Dec. 31, 2022[1]		571,092,921	2,284,371,684
Employee share issue	1,742,963		
Performance Shares issued	–		
Capital as of Dec. 31, 2023[2]		572,835,884	2,291,343,536
Share issue following the conversion of OCEANEs	1,386,097		
Employee share issue	1,409,695		
Performance Shares issued	–		
Capital as of Dec. 31, 2024[3]		575,631,676	2,302,526,704
Employee share issue	1,490,836		
Performance Shares issued	–		
CAPITAL AS OF DEC. 31, 2025[4]		**577,122,512**	**2,308,490,048**

(1) Increase in share capital (EUR 8.2 million) and in additional paid-in capital (EUR 204.5 million).
(2) Increase in share capital (EUR 7 million) and in additional paid-in capital (EUR 212 million).
(3) Increase in share capital (EUR 11.2 million) and in additional paid-in capital (EUR 483 million).
(4) Increase in share capital (EUR 6 million) and decrease in additional paid-in capital (EUR 508.8 million).

7.2.5 Share buybacks

7.2.5.1 Current authorization to buy back shares

The Annual Shareholders' Meeting of May 23, 2024 authorized the Company to buy back shares. This authorization was renewed by the Annual Shareholders' Meeting of May 7 2025.

In 2025, a total of EUR 341,149,900 in share buyback corresponding to 1,503,680 shares bought back by the Company had been completed pursuant to the authorizations granted.

These buybacks are part of a policy to neutralize the dilution resulting from capital increases reserved for employees or from Long-Term Incentive Plans. All the shares acquired by the Company as part of the share buyback program are held to cover Long-Term Incentive Plans.

7.2.5.2 Share buyback authorization to be submitted to the Annual Shareholders' Meeting of May 7, 2026

Details of this share buyback program are as follows:

Number of shares and percentage of share capital held directly and indirectly by Schneider Electric SE*	• Own shares: 14,898,568 shares, *i.e.* 2.58% of share capital • Treasury shares: 1,058 shares • Total: 14,899,626 shares, *i.e.* 2.58% of share capital
Overview of purposes for which shares have been held*	• For all own shares* held: coverage of long-term inventive plans for employees or Corporate Officers
Share buyback program objectives	• Allotment to employees or Corporate Officers as a long-term compensation tool • Delivery as a result of the exercise of rights attached to securities giving access to the Company's capital • Cancellation • Delivery in connection with external growth operations • Disposal in the course of a share management agreement
Maximum number of shares that may be acquired	• 10% of the issued share capital at any moment: – On the basis of the issued share capital*: 57,712,251 Schneider Electric SE shares with a nominal value of EUR 4 – Taking into account treasury stock and own shares*: 42,812,625 shares or 7.42%
Maximum purchase price and maximum aggregate amount of share purchases	• The maximum purchase price is set at EUR 350 per share, *i.e.* EUR 20,199,287,850
Duration of the buyback program	• 18 months maximum, expiring on November 6, 2027
Transactions carried out pursuant to the program authorized by the Annual Shareholders' Meeting 2025 between May 8, 2025, and February 25, 2026	• Number of shares acquired: 1,090,304 • Average purchase price: EUR 233.35 • Number of shares transferred: 86,325 • Average transfer price: EUR 62.85

* As of January 31, 2026.

7.2.6 Pledge

Pledges on Schneider Electric SE shares

326,377 shares are pledged.

Pledges on subsidiaries' shares

Schneider Electric SE has not pledged any shares in significant subsidiaries.

7.3 General information on the Company

As a European Company *(Societas Europaea)* with a Board of Directors (since June 18, 2014), domiciled in France, Schneider Electric SE is governed by European Council Regulation (EC) No. 2157/2001 of October 8, 2001, governing the status of European Companies ("SE Regulation"). Issues not covered by the SE Regulation are governed by the provisions of the French Commercial Code *(Code de commerce)* applicable to limited-liability companies *(société anonyme)*, as well as by their Articles of Association. The provisions of the French Commercial Code regarding the management and governance of limited-liability companies are applicable to the European Company.

As of December 31, 2025, the Company's share capital was EUR 2,308,490,048. Its head office is located at 35, rue Joseph Monier, 92500 Rueil-Malmaison, France.

Schneider Electric SE is registered with the commercial court registry of Nanterre under No. 542 048 574, APE code (principal activity code) 64.20Z, Legal Entity Identifier (LEI) 969500A1YF1XUYYXS284.

The Company was incorporated in 1871. It is due to expire on July 1, 2031. It was first called Spie Batignolles, then changed its name to Schneider SA when it merged with Schneider SA in 1995, and then to Schneider Electric SA in May 1999, before becoming Schneider Electric SE in 2014.

As stated in Article 2 of its Articles of Association, the Company has the following corporate purpose, directly or indirectly, in any form, in France and in all other countries:

(i) the design, development, and sale of products, equipment, and solutions related to the metering, management, and use of energy in all its forms and delivering reliability, efficiency, and productivity, in particular through engaging in, whether by creating, acquiring, or otherwise, all activities related to:
- electrical equipment manufacturing, electrical distribution, and secured power supply,
- building control, automation, and safety,
- industrial control and automation, including software,
- management of all types of data centers, networks, equipment, and other infrastructure;

(ii) the acquisition, purchase, sale, and use of any intellectual and/or industrial property rights relative to these industries; and

(iii) involvement, in any way, in any enterprise, company, or consortium, whatever the type, undertaking activities related to the Company's business or such as to encourage its industry and commerce, and, more generally, all industrial, commercial, and financial, asset and real estate operations related directly or indirectly in any way to the above objective.

The Company may enter into any transactions that fall within the scope of its objectives either alone for its own account or on behalf of third parties, either by having an interest in, or by the purchase, subscription, contribution, or exchange of company shares, partnership shares and the purchase of any company, irrespective of type, in pursuance of a similar or related purpose, or that promote its expansion or development.

7.4 Shareholders' rights and obligations

7.4.1 Annual Shareholders' Meetings (Article 19 of the Articles of Association)

Annual Shareholders' Meetings are called and run in accordance with the conditions prescribed by law.

The meetings are held at the head office or any other address provided in the call to meeting. The Board may decide, when each meeting is called, to organize the public transmission of all or part of the meeting by video conference and/or using teletransmission techniques.

All shareholders may attend meetings, in person or by proxy, after providing proof of identity and share ownership in accordance with applicable laws and regulations.

When the decision is made to call an Annual Shareholders' Meeting, the Board of Directors may also decide to allow shareholders to participate or vote at Annual Shareholders' Meetings using video conferencing facilities and/or any other telecommunication medium allowed under applicable legislation.

Remote voting procedures are governed by the applicable laws and regulations. In particular, shareholders may send proxy and mail ballot forms before Annual Shareholders' Meetings either in paper form or, if approved by the Board of Directors and stated in the meeting announcement and/or notice, electronically.

When the decision is made to call an Annual Shareholders' Meeting, the Board of Directors may authorize shareholders to fill out and sign these forms electronically through a secure site set up by the Annual Shareholders' Meeting organizer using a process that complies with applicable laws and regulations (Paragraph 2 of Article 1367 of the French Civil Code) and consisting of a username and password.

Meetings shall be chaired by the Chairman of the Board of Directors or in his absence by the Vice-Chairman, or in his absence by a member of the Board of Directors specially appointed for that purpose by the Board of Directors. In the event that no chairman has been selected, the Annual Shareholders' Meeting elects its chairman.

The two shareholders present who hold the largest number of votes and who accept shall act as scrutineers. The Board appoints a secretary, who is not required to be a shareholder.

As required by law, a register of attendance is kept.

Copies or extracts of the meeting's minutes are certified either by the Chairman or Vice-Chairman of the Board of Directors, or the Annual Shareholders' Meeting's secretary.

7.4.2 Voting rights

7.4.2.1 Double voting rights (Article 20 of the Articles of Association)

Voting rights attached to shares are proportionate to the equity in the capital they represent, assuming that they all have the same nominal value. Each capital share or dividend share confers the right to one vote except where compulsory legal provisions limit the number of votes a shareholder may have. Notwithstanding the foregoing, double voting rights are attributed to fully paid-up shares registered in the name of the same holder for at least two years prior to the end of the calendar year preceding that in which the Annual Shareholders' Meeting takes place, subject to compliance with the provisions of the law. In the case of a bonus share issue paid up by capitalizing reserves, earnings, or additional issue premiums, each bonus share allotted in respect of shares carrying double voting rights will also have double voting rights.

The shares are stripped of their double voting rights if they are converted into bearer shares or transferred, except in the case of the transfer from one registered holder to another as part of an inheritance or family gift.

Double voting rights may also be stripped by a decision of the Extraordinary Annual Shareholders' Meeting after ratification by a Special Shareholders' Meeting of beneficiaries benefiting from double voting rights.

The minimum holding period to qualify for double voting rights was reduced from four to two years by decision of the Ordinary and Extraordinary Shareholders' Meeting of June 27, 1995.

7.4.2.2 Ceiling on voting rights (Article 20 of the Articles of Association)

At the Annual Shareholders' Meeting, no shareholder may exercise, either in person or through a proxy, by virtue of single voting rights conferred by the shares they hold directly and indirectly and by virtue of the proxy votes entrusted to them, more than 10% of the total number of the voting rights conferred by shares in the Company. However, if a shareholder also holds double voting rights directly or indirectly and/or as proxy, the limit set may be exceeded taking into consideration only the resulting additional voting rights, without the total voting rights thereby held exceeding 15% of the total number of the voting rights conferred by the shares in the Company.

To apply these provisions:

- The total number of voting rights allowed are calculated as of the date of the Annual Shareholders' Meeting and announced to the shareholders at the beginning of such Annual Shareholders' Meeting;
- The number of voting rights held directly and indirectly are understood to include those conferred by shares held personally by a shareholder, those conferred by shares held by a legal entity controlled by a shareholder as defined by Article L. 233-3 of the French Commercial Code, and those shares that are assimilated to the shares owned, as defined by the provisions of Articles L. 233-7 *et seq.* of the Code; and
- Shareholders' proxies returned to the Company that do not appoint a representative are subject to the above ceilings. However, these ceilings do not apply to the meeting chairman voting on behalf of such proxies.

The above ceilings will no longer apply, without it being necessary to put the matter to the vote again by the Extraordinary Shareholders' Meeting, if any individual or legal entity, acting alone or jointly with one or other individuals or legal entities, acquires or increases its stake to at least two-thirds of the Company's capital through a public tender offer for all the Company's shares. The Board of Directors takes note of this nullity and undertakes the formalities necessary to amend the Articles of Association. The ceiling on voting rights was approved by the Ordinary and Extraordinary Shareholders' Meetings of June 27, 1995.

In accordance with Article L. 225-96, paragraph 1 of the French Commercial Code, any amendment to the Articles of Association must be approved by the Extraordinary Shareholders' Meeting, by a majority of at least two-thirds of the voting rights represented by shareholders in attendance or participating by proxy.

7.4.3 Allocation of income (Article 22 of the Articles of Association)

Net income for the year less any losses brought forward from prior years is appropriated in the following order:

- 5% to the legal reserve (this appropriation is no longer required once the legal reserve represents one-tenth of the capital, provided that further appropriations are made in the case of a capital increase);
- To discretionary reserves, if appropriate, and to retained earnings; and
- To the payment of the balance in the form of a dividend.

The Shareholders' Meeting may decide to offer shareholders the opportunity to receive the dividend in cash or in the form of new shares. Dividends not claimed within five years from the date of payment are forfeited and paid to the government, in accordance with the law.

7.4.4 Holding of shares (Article 7 paragraph 1 of the Articles of Association)

Shareholders may elect to hold their shares in registered or bearer form. To establish proof of ownership, the shares must be recorded in the shareholder's account in accordance with the procedures and conditions defined by current legislation and regulations.

7.4.5 Disclosure thresholds (Article 7 paragraph 2 of the Articles of Association)

The Articles of Association stipulate that any individual or legal entity that owns or controls (as these terms are defined in Article L. 233-9 of the French Commercial Code) directly or indirectly, shares or voting rights representing at least 1% of the total number of shares or voting rights outstanding, or a multiple thereof, is required to disclose the total number of shares, voting rights, and share equivalents held directly, indirectly, or in concert to the Company by registered letter with return receipt requested, within five trading days of the disclosure threshold being crossed. In addition, effective November 1, 2009, the shareholder must notify the Company, in the disclosure letter, of the number of existing shares it is entitled to acquire by virtue of agreements or financial instruments referred to in point b) of the third paragraph of Article L. 233-7 of the French Commercial Code and of the number of existing shares covered by any agreement or financial instrument referred to in point c) of said paragraph. Shareholders are also required to notify the Company if the number of shares or voting rights held falls below one of the thresholds defined above. In the case of failure to comply with these disclosure obligations, the shares in excess of the disclosure threshold will be stripped of voting rights at the request of one or several shareholders owning at least 2.5% of the share capital, subject to compliance with the relevant provisions of the law. These provisions are from the Ordinary and Extraordinary Shareholders' Meetings of June 27, 1995, May 5, 2000, and April 23, 2009.

7.4.6 Identifiable holders of bearer shares (Article 7 paragraph 3 of the Articles of Association)

The Company may at any time request Euroclear to identify holders of bearer securities conferring immediate or future voting rights. This provision was adopted by the Ordinary and Extraordinary Shareholders' Meetings of June 30, 1988 and May 5, 2000.

7.4.7 Disposal of shares (Article 8 of the Articles of Association)

Shares in the Company are freely negotiable and transferable.

7.4.8 Publication of information of Article L. 22-10-11 of the French Commercial Code

Items that could have an impact in the event of a public tender offer include:

- Agreements calling for payments to the Corporate Officers (see **section 4.2.3.1** of this Universal Registration Document) or to employees if they resign or are terminated without real cause or if their employment ends due to a public tender offer;
- Certain financing arrangements with conditional provisions of anticipated reimbursement or cancellation in the event of change of control. Under these provisions, the debt holders may request for repayment or cancellation if a shareholder or shareholders acting together hold more than 50% of the Company's shares. As of December 31, 2025, back-up facilities with this type of condition amounted to EUR 3.5 billion, fully undrawn. It also applied to the bridge loan set up for the funding of the acquisition of the remaining minority interests of Schneider Electric India Private Limited which amounts to EUR 0.5 billion as of December 31, 2025, fully drawn. Bonds include such a change of control event if the change of control triggers a down grading of the Company's rating. As of December 31, 2025, EUR 15.75 billion of bonds were subject to this type of condition; and
- Statutory restrictions in the Articles of Association on the exercise of voting rights (see **section 7.4.2** of this Universal Registration Document) relating to the non-application of the ceiling on voting rights when a public tender offer is successfully completed.

7.5 Stock market data

In France, Schneider Electric is listed on Euronext Paris (Compartment A), where it is traded on a per-share basis under ISIN code: FR0000121972. Schneider Electric SE shares are included on the CAC 40 index established by Euronext.

18-month trading data in Paris

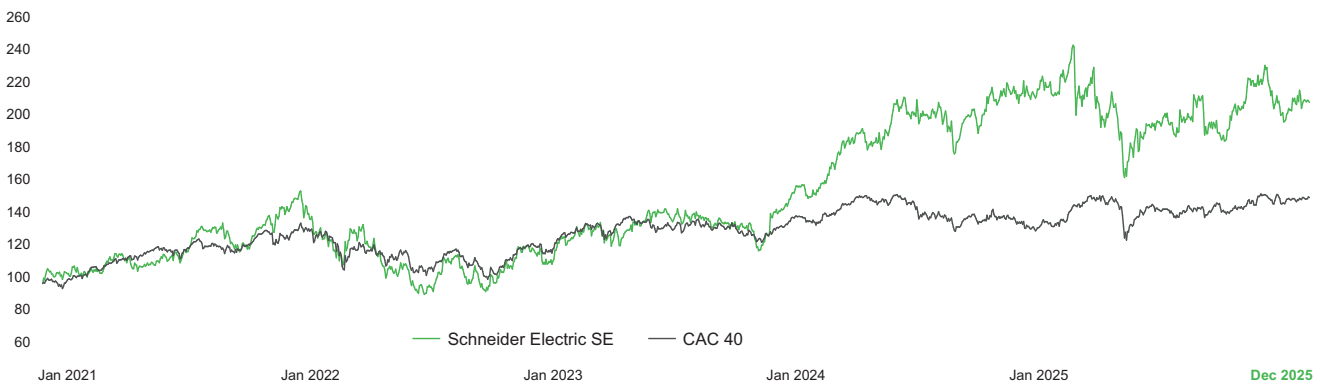
Year	Month	Number of securities traded (in thousands of shares)	Value (in millions of euros)	High[1]	Low[1]	Number of trading sessions
2024	August	15,563	3,345	231.05	190.00	22
	September	13,944	3,220	247.55	214.30	21
	October	14,370	3,451	249.00	231.40	23
	November	17,227	4,145	249.15	231.75	21
	December	14,655	3,582	253.80	236.30	20
2025	January	21,587	5,369	273.00	226.70	22
	February	24,111	5,842	267.80	229.55	20
	March	28,323	6,421	242.30	210.15	21
	April	30,180	6,058	220.15	171.50	20
	May	19,552	4,270	229.15	209.95	21
	June	19,782	4,379	230.70	211.35	21
	July	19,319	4,465	244.90	220.65	23
	August	18,018	3,907	226.15	208.80	21
	September	21,023	4,795	239.65	208.90	22
	October	17,290	4,309	259.60	236.55	23
	November	17,920	4,148	246.95	220.40	20
	December	15,186	3,578	244.90	226.85	21
	Total 2025	**252,291**	**57,541**	**273.00**	**171.50**	**255**
2026	January	17,682	4,163	247.30	223.75	21

(1) Data corresponds to trading volumes on NYSE Euronext.

Five-year trading summary

	2025	2024	2023	2022	2021
Average daily trading volume on the Paris stock exchanges (NYSE Euronext):					
• number of shares *(in thousands)*	**989.38**	728.47	810.99	1,001.51	890.06
• in millions of euros	**225.65**	160.90	126.82	135.05	123.40
High and low share prices *(in euros)*					
• high	**273.00**	253.80	182.94	178.78	173.78
• low	**171.50**	171.10	131.72	110.02	119.10
Year-end closing price *(in euros)*	**234.90**	240.90	181.78	130.72	172.46
Yield *(%)*	**1.79**	1.62	1.93	2.41	1.68

The Schneider Electric SE share performance vs. the CAC 40 index (rebased) over five years



MONEP

Schneider Electric SE shares have been traded on the MONEP market since December 20, 1996.

Ordinary bonds

The information is disclosed in note 8 (page 571 and 572) of **section 6.3 Notes to the financial statements**.

7.6 Investor relations

7.6.1 Person responsible for financial information

Hilary Maxson
Chief Financial Officer
35, rue Joseph Monier – CS 30323
92506 Rueil-Malmaison Cedex (France)
Tel: +33 (0)1 41 29 71 34

7.6.2 Contacts

Any information or document may be requested from:
Nathan Fast – Head of Investor Relations

For institutional investors and financial analysts:
Email: SEInvestorRelations@se.com or *via* the contact form available on the corporate website at **www.se.com**

For individual investors:
Tel: +33 (0) 805 651 650
Via the contact form available on the corporate website at **www.se.com**

7.6.3 Shareholders' Advisory Committee

The Committee is the voice of Schneider Electric's individual shareholders. The Committee consists of eight to ten independent volunteers appointed by Schneider Electric.

The Shareholders' Advisory Committee meets three to four times a year to discuss various topics with a strong emphasis on the Company's strategy towards individual shareholders (enhancing communication material and defining dedicated events). The Committee also plays a role in the Annual Shareholders' Meeting as one of its members opens the Q&A session with the Chief Executive Officer.

7.6.4 Publicly available documents and regulated information

The Company provides its shareholders with newsletters upon request, and videos and presentations are available in a dedicated section on the corporate website at **www.se.com**.

The Articles of Association, minutes of Annual Shareholders' Meetings, statutory auditors' reports, and other legal documents concerning the Company are available for consultation at the Company's head office (office of the Secretary to the Board of Directors) located at 35, rue Joseph Monier, 92500 Rueil-Malmaison, France.

The Articles of Association, press releases, regulated information within the meaning of the *Autorité des Marchés Financiers* (AMF), registration and universal registration documents, sustainable development reports, notice of the Shareholders' Meeting, and other documents are also available on the Company's website at **www.se.com**.

Dialogue

08. Annual Shareholders' Meeting

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INTO

QO & HOMELINE GFCI

The HF-Rated GFCI circuit breaker is purpose built for modern homes. Designed to work reliably with today's air conditioners, EV chargers, and pool pumps, reducing callbacks and improving installation efficiency.

Decisions

8.1 Explanatory statements & draft resolutions submitted to the Annual Shareholders' Meeting

This section presents the draft resolutions that will be submitted to the Annual Shareholders' Meeting of the Company that will be convened on May 7, 2026, and the report of the Board of Directors (explanatory statements for those resolutions). The Board of Directors' report and the draft resolutions are those approved by the Board of Directors in its meetings of February 25 and March 23, 2026. They may be subject to further amendments in the final Notice of Meeting to be published in the BALO official journal, where necessary, in order to take into account subsequent decisions of the Board of Directors.

Agenda

ORDINARY SHAREHOLDERS' MEETING:

Resolution 1

Approval of statutory financial statements for the 2025 fiscal year

Resolution 2

Approval of consolidated financial statements for the 2025 fiscal year

Resolution 3

Appropriation of profit for the fiscal year and setting the dividend

Resolution 4

Approval of regulated agreements governed by Article L. 225-38 *et seq*. of the French Commercial Code

Resolution 5

Approval of the information on the Directors' and the Corporate Officers' compensation paid or granted for the fiscal year ending December 31, 2025 mentioned in Article L. 22-10-9 of the French Commercial Code

Resolution 6

Approval of the components of the total compensation and benefits of all types paid during the 2025 fiscal year or awarded in respect of the said fiscal year to Mr. Olivier Blum in his capacity as Chief Executive Officer

Resolution 7

Approval of the components of the total compensation and benefits of all types paid during the 2025 fiscal year or awarded in respect of the said fiscal year to Mr. Jean-Pascal Tricoire in his capacity as Chairman of the Board of Directors

Resolution 8

Approval of the compensation policy for the Chief Executive Officer

Resolution 9

Approval of the compensation policy for the Chairman of the Board of Directors

Resolution 10

Determination of the total annual compensation of the Directors

Resolution 11

Approval of the Directors' compensation policy

Resolution 12

Renewal of the term of office of Mr. Anders Runevad

Resolution 13

Appointment of Mrs. Ellyn Shook as a Director

Resolution 14

Appointment of Mr. François Jackow as a Director

Resolution 15

Opinion on the Company's climate strategy

Resolution 16

Authorization granted to the Board of Directors to buy back Company shares

EXTRAORDINARY SHAREHOLDERS' MEETING:

Resolution 17

Delegation of authority to the Board of Directors to increase the capital by issuing ordinary shares or securities giving access to share capital of the Company without shareholders' preferential subscription right reserved for a category of persons

Resolution 18

Delegation of authority to the Board of Directors to increase the capital by issuing ordinary shares or securities giving access to share capital of the Company without shareholders' preferential subscription right reserved for one or more named persons

Resolution 19

Delegation of authority to the Board of Directors to undertake capital increases reserved for participants in a company savings plan without shareholders' preferential subscription right

Resolution 20

Delegation of authority to the Board of Directors to undertake capital increases reserved for employees of certain non-French subsidiaries of the Group, directly or *via* entities acting to offer those employees benefits comparable to those offered to participants in a company savings plan without shareholders' preferential subscription right

Resolution 21

Amendment to Article 19 of the Company's Articles of Association to comply with the regulatory provisions

Resolution 22

Powers for formalities

8.1.1 Ordinary Shareholders' Meeting

1st to 3rd resolutions: Approval of annual financial statements and setting the dividend

Explanatory statement

Under the **1st and 2nd resolutions**, shareholders are invited to approve:

- the statutory financial statements of Schneider Electric SE for the year 2025 which show a profit of EUR 2,944 million; and
- the consolidated financial statements for the year 2025 which show a net income (Group share) of EUR 4,163 million.

The activity and the results for the 2025 fiscal year are presented in the 2025 Universal Registration Document as well as in the Notice of meeting available on the Company's website.

Under the **3rd resolution**, we recommend a distribution of a dividend of EUR 4.20 per share, representing a distribution rate of 49% of the Group's Adjusted Net Income and an estimated total distribution of EUR 2,361,340,564.80(1). No distribution will be paid on treasury shares held by the Company on the payment date. This dividend would be paid out of the distributable earnings amounting to EUR 2,944,031,326.28. The proposed dividend is an integral part of Schneider Electric's policy to reward shareholders over the long term. It represents an increase of 8% compared to last year.

The distribution will be paid according to the following schedule:

- Dividend ex-date: May 11, 2026
- Record date: May 12, 2026
- Dividend payment date: May 13, 2026

From a tax perspective, it is specified that the dividend of EUR 4.20 per share is subject to the following tax regime:

- Tax treatment of dividends paid to beneficiaries who are French tax residents
  For individual beneficiaries who are tax residents in France, the dividend is subject upon payment to a social security tax of 18.6% and, in principle, to a mandatory non-definitive levy of 12.8%. These taxes are levied at source and are computed on the gross amount of the dividend. For its taxation in 2026, this dividend will fully be eligible for the 40% tax rebate referred to in Article 158.3.2° of the French Tax Code where an express, global, and irrevocable election is made for taxation of its income from movable capital under the progressive scale of personal income tax. Where this option is not made, the dividend will be taxed at a final flat-rate income of 12.8% and will not be eligible for this 40% rebate. In both cases, the levy of 12.8% borne at the time of the payment of the dividend is deducted from the individual income tax due.
- Tax treatment of dividends paid to non-resident beneficiaries
  Dividends distributed from company profits to non-resident beneficiaries are subject to the following withholding taxes:
  – 12.8% for natural persons,
  – 25% for legal entities.
  These withholding taxes may, however, be reduced or eliminated by international provisions, and in particular double taxation treaties which may exist between France and the country whose tax laws apply to the effective beneficiary of the dividend.
  The beneficiary of the dividend is invited to check with his tax advisor (i) whether such a double taxation treaty exists, (ii) the terms of this treaty and (iii) if the tax rate provided for in said treaty is lower than the rate applicable by default, the procedure for obtaining a refund of the overpayment and/or a tax credit.

For any additional clarification regarding the applicable tax regime, shareholders are invited to contact their usual advisors.

Text of the first resolution
(Approval of statutory financial statements for the 2025 fiscal year)

The Annual Shareholders' Meeting, having satisfied the quorum and majority requirements for ordinary meetings, having heard the Board of Directors' report and the statutory auditors' report, approves the statutory financial statements for the 2025 fiscal year as presented, as well as the transactions reflected in these statements or summarized in these reports showing a net profit of EUR 2,944,031,326.28.

In addition, pursuant to Article 223 quater of the French Tax Code (Code général des impôts), the Shareholders' Meeting approves the value of expenses and charges non-deductible from taxable result liable to corporate income tax and amounting to EUR 10,528 as well as the theoretical tax borne as a result of these charges amounting to EUR 2,719.

Text of the second resolution
(Approval of consolidated financial statements for the 2025 fiscal year)

The Annual Shareholders' Meeting, having satisfied the quorum and majority requirements for ordinary meetings, having heard the Board of Directors' report and the statutory auditors' report, approves the consolidated financial statements for the 2025 fiscal year as presented, as well as the transactions reflected in these statements or summarized in these reports.

(1) This amount is calculated based on the number of shares ranking for dividends at December 31, 2025 and could therefore change if this number varies between January 1, 2026 and the payment date.

Text of the third resolution
(Appropriation of profit for the fiscal year and setting the dividend)

The Annual Shareholders' Meeting, having satisfied the quorum and majority requirements for ordinary meetings, notices that the Company's fiscal year ending December 31, 2025 closed with a net profit of EUR 2,944,031,326.28 and, considering the zero retained earnings, that the distributable earnings amounted to EUR 2,944,031,326.28.

Upon proposal of the Board of Directors, the Annual Shareholders' Meeting decides:

- *the distribution to the shareholders of a dividend of EUR 4.20 per share, i.e., EUR 2,361,340,564.80(1) on the basis of the number of shares ranking for dividends at December 31, 2025, paid from the distributable earnings; and*
- *the allocation of the balance of the distributable earnings after distribution to the retained earnings.*

The ex-dividend date will be May 11, 2026 and the dividend will be payable from May 13, 2026. If, at the time of payment of the dividend, the number of treasury shares held by the Company has changed compared to that held on December 31, 2025, the fraction of the dividend relating to this variation will either increase or reduce retained earnings.

For individual beneficiaries who are tax residents in France, this dividend is subject upon payment to a social security tax of 18.6% and, in principle, to a mandatory non-definitive levy of 12.8%. These taxes are levied at source and are computed on the gross amount of the dividend. For its taxation in 2026, this dividend will fully be eligible for the 40% tax rebate referred to in Article 158.3.2° of the French Tax Code where an express, global, and irrevocable election is made for taxation of its income from movable capital under the progressive scale of personal income tax. Where this option is not made, the dividend will be taxed at a final flat-rate income of 12.8% and will not be eligible for this 40% rebate. In both cases, the levy of 12.8% borne at the time of the payment of the dividend is deducted from the individual income tax due.

Dividends/coupons/distributions paid by Schneider Electric SE for the three most recent fiscal years are as follows:

	2022	2023	2024
Dividend paid per share *(in euros)*	3.15	3.50	3.90

4th resolution: Regulated agreements

Explanatory statement

In the **4th resolution**, you are invited to take due note of the absence of any new regulated agreement concluded during the fiscal year ending December 31, 2025.

Text of the fourth resolution
(Approval of regulated agreements governed by Article L. 225-38 et seq. of the French Commercial Code)

The Annual Shareholders' Meeting, having satisfied the quorum and majority requirements for ordinary meetings, and having considered the statutory auditors' special report on related party agreements referred to in Article L. 225-38 of the French Commercial Code, approves this report in all its provisions and notes that no new agreement has been concluded during the fiscal year ending December 31, 2025.

5th to 7th resolutions: Approval of the information on the Directors' and the Corporate Officers' compensation paid or granted for 2025 (Say on pay *ex-post*)

Explanatory statement

Under the **5th resolution**, in pursuance of Article L. 22-10-34 I of the French Commercial Code, you are invited to approve the information listed in Article L. 22-10-9 of the French Commercial Code relating to the compensation of Directors and the Corporate Officers that are presented to you in the corporate governance report referred to in Article L. 225-37 of the French Commercial Code. You will find all this information set out in detail in **section 4.2.2** of Chapter 4 of the 2025 Universal Registration Document and in section 4.2 of the Notice of meeting.

Under the **6th resolution**, in pursuance of Article L. 22-10-34 II of the French Commercial Code, you are asked to approve fixed, variable, and exceptional components of the total compensation and benefits of all types paid during the last fiscal year or awarded in respect of the said year, to the Chief Executive Officer, Mr. Olivier Blum. They have been paid or awarded in accordance with the compensation policy approved by the Annual Shareholders' Meeting of May 7, 2025. These components are detailed in **section 4.2.2.2.1** of Chapter 4 of the 2025 Universal Registration Document and in section 4.2.1 of the Notice of meeting.

Under the **7th resolution**, in pursuance of Article L. 22-10-34 II of the French Commercial Code, you are asked to approve fixed, variable, and exceptional components of the total compensation and benefits of all types paid during the last fiscal year or awarded in respect of the said year, to the Chairman of the Board of Directors, Mr. Jean-Pascal Tricoire. They have been paid or awarded in accordance with the compensation policy approved by the Annual Shareholders' Meeting of May 7, 2025. These components are detailed in **section 4.2.2.2.2** of Chapter 4 of the 2025 Universal Registration Document and in section 4.2.2 of the Notice of meeting.

(1) This amount is calculated based on the number of shares ranking for dividends at December 31, 2025 and could therefore change if this number varies between January 1, 2026 and the payment date.

Text of the fifth resolution
(Approval of the information on the Directors' and the Corporate Officers' compensation paid or granted for the fiscal year ending December 31, 2025 mentioned in Article L. 22-10-9 of the French Commercial Code)

The Annual Shareholders' Meeting, having satisfied the quorum and majority requirements for ordinary meetings and reviewed the corporate governance report referred to in Article L. 225-37 of the French Commercial Code, approves, in pursuance of Article L. 22-10-34 I of the said Code, the information mentioned in Article L. 22-10-9 I of the French Commercial Code as stated in the 2025 Universal Registration Document, Chapter 4, section 4.2.2.

Text of the sixth resolution
(Approval of the components of the total compensation and benefits of all types paid during the 2025 fiscal year or awarded in respect of the said fiscal year to Mr. Olivier Blum in his capacity as Chief Executive Officer)

The Annual Shareholders' Meeting, having satisfied the quorum and majority requirements for ordinary meetings and reviewed the corporate governance report referred to in Article L. 225-37 of the French Commercial Code, approves, in pursuance of Article L. 22-10-34 II of the said Code, the fixed, variable, and exceptional components of the total compensation and benefits of all types paid during the 2025 fiscal year or awarded in respect of the 2025 fiscal year to the Chief Executive Officer, Mr. Olivier Blum, as stated in the 2025 Universal Registration Document, Chapter 4, section 4.2.2.2.1.

Text of the seventh resolution
(Approval of the components of the total compensation and benefits of all types paid during the 2025 fiscal year or awarded in respect of the said fiscal year to Mr. Jean-Pascal Tricoire in his capacity as Chairman of the Board of Directors)

The Annual Shareholders' Meeting, having satisfied the quorum and majority requirements for ordinary meetings and reviewed the corporate governance report referred to in Article L. 225-37 of the French Commercial Code, approves, in pursuance of Article L. 22-10-34 II of the said Code, the fixed, variable, and exceptional components of the total compensation and benefits of all types paid during the 2025 fiscal year or awarded in respect of the 2025 fiscal year to the Chairman of the Board of Directors, Mr. Jean-Pascal Tricoire, as stated in the 2025 Universal Registration Document, Chapter 4, section 4.2.2.2.2.

8th to 11th resolutions: Approval of the 2026 compensation policy applicable to the Corporate Officers and the Directors (Say on pay *ex-ante*) and determination of the total annual compensation of the members of the Board of Directors

Explanatory statement

Under the **8th and 9th resolutions**, in pursuance of Article L. 22-10-8 II of the French Commercial Code, shareholders are invited to approve the compensation policy for the Corporate Officers, *i.e.* the Chief Executive Officer and the Chairman of the Board of Directors. These policies as well as the manner in which they serve the corporate interest, support the Company strategy, and contribute to the sustainability of the Company are presented in **section 4.2.3.1** of Chapter 4 of the 2025 Universal Registration Document and in section 4.3.1 of the Notice of meeting. Shareholders are called to approve separately:

- the compensation policy for the Chief Executive Officer as presented in detail in **section 4.2.3.1.2** of Chapter 4 of the 2025 Universal Registration Document and in section 4.3.1.1 of the Notice of meeting. This policy would apply to Mr. Olivier Blum (**8th resolution**); and
- the compensation policy for the Chairman of the Board of Directors as presented in detail in **section 4.2.3.1.3** of Chapter 4 of the 2025 Universal Registration Document and in section 4.3.1.2 of the Notice of meeting. This policy would apply to Mr. Jean-Pascal Tricoire (**9th resolution**).

Under the **10th and 11th resolutions**, we ask you:

- in accordance with Article L. 225-45 of the French Commercial Code, to increase the maximum of the total compensation that may be awarded to members of the Board of Directors annually to €3,200,000, in view of the increase in the number of members of the Board of Directors and that of Committee meetings (**10th resolution**);
- in accordance with Article L. 22-10-8 II of the French Commercial Code, to approve the compensation policy of the Directors which means, firstly, the maximum amount that is proposed to be allocated to the Board members annually and, secondly, the allocation rules of this amount as presented in detail in **section 4.2.3.2** of Chapter 4 of the 2025 Universal Registration Document and in section 4.3.2 of the Notice of meeting (**11th resolution**).

Text of the eighth resolution
(Approval of the compensation policy for the Chief Executive Officer)

The Annual Shareholders' Meeting, having satisfied the quorum and majority requirements for ordinary meetings and reviewed the corporate governance report referred to in Article L. 225-37 of the French Commercial Code, approves, in pursuance of Article L. 22-10-8 II of the said Code, the compensation policy of the Chief Executive Officer as stated in the 2025 Universal Registration Document, Chapter 4 section 4.2.3.1.2.

Text of the ninth resolution
(Approval of the compensation policy for the Chairman of the Board of Directors)

The Annual Shareholders' Meeting, having satisfied the quorum and majority requirements for ordinary meetings and reviewed the corporate governance report referred to in Article L. 225-37 of the French Commercial Code, approves, in pursuance of Article L. 22-10-8 II of the said Code, the compensation policy of the Chairman of the Board of Directors as stated in the 2025 Universal Registration Document, Chapter 4, section 4.2.3.1.3.

Text of the tenth resolution
(Determination of the total annual compensation of the Directors)

The Annual Shareholders' Meeting, having satisfied the quorum and majority requirements for ordinary meetings, having heard the Board of Directors' report, decides to set, as from fiscal year 2026, the maximum amount of the annual fixed sum provided for in Article L. 225-45 of the French Commercial Code to be allocated to the Directors as compensation for their activity, at €3,200,000.

Text of the eleventh resolution
(Approval of the Directors' compensation policy)

The Annual Shareholders' Meeting, having satisfied the quorum and majority requirements for ordinary meetings and reviewed the corporate governance report referred to in Article L. 225-37 of the French Commercial Code, approves, in pursuance of Article L. 22-10-8 II of the said Code, the compensation policy of the Directors as stated in the 2025 Universal Registration Document, Chapter 4, section 4.2.3.2.

12th to 14th resolutions: Renewal of the mandate of Mr. Anders Runevad and appointment of Mrs. Ellyn Shook and Mr. François Jackow

Explanatory statement

As of March 27, 2026, the Board of Directors is composed of 15 members, including 11 who are deemed independent within the meaning of the AFEP-MEDEF Corporate Governance Code, two Directors representing the employees, and one Director representing the employee shareholders.

Each year, the Board of Directors conducts a review to ensure that there is an appropriate balance in its composition and that of its committees. In particular, the Board seeks to ensure gender balance and broad diversity in terms of skills, experience, nationality, and age, as described in its diversity policy (see **section 4.1.1.4** of Chapter 4 of the 2025 Universal Registration Document). The Board investigates and evaluates not only potential candidates, but also whether existing Directors should seek reappointment based on their individual performance assessment and contribution. The Board seeks above all to ensure that its composition is consistent with the strategic needs of the Company and reflects the values that are essential to its proper functioning: independence of mind, richness of perspective, competence, availability, and complementarity of experience and people.

Mrs. Linda Knoll and Mrs. Nive Bhagat, members of the Board of Directors for respectively 12 and 4 years, have decided not to seek the renewal of their terms of office which expire at the closing of the 2026 Shareholders' Meeting. The Board of Directors expressed its gratitude to Mrs. Linda Knoll's and Mrs. Nive Bhagat's dedication to the Board of Directors' work and to their devoted commitment.

As part of the Board's continuous review of its composition, the Board of Directors asked the Governance, Nominations & Sustainability Committee to make a recommendation on the renewal of Mr. Anders Runevad, as well as search for complementary profiles in line with the skill set highlighted by its Board skills matrix and the challenges of the Company (see **section 4.1.1.4** of Chapter 4 of the 2025 Universal Registration Document describing the director recruitment process).

In that respect, the Committee has analyzed Mr. Anders Runevad's situation with regards to his contribution and performance, his time commitment and availability to fulfill his duties, as well as his added value to the work of the Board.

Mr. Anders Runevad brings to the Board the benefit of his experience as the former CEO of Vestas Wind Systems A/S and a strong profile on sustainability matters. He holds two other positions in listed companies (Chairman of the Board of directors of Vestas Wind Systems A/S and Peab AB), and his attendance rate at the meetings of the Board and the committees in which he participates in 2025 is respectively 100% and 94%. Upon the recommendation of the Governance, Nominations & Sustainability Committee, the Board proposes to you the renewal of his mandate for a four-year term.

The Governance, Nominations & Sustainability Committee also identified the skills that would be useful to diversify and strengthen the Board composition and hired an external recruitment firm (Heidrick & Struggles) to search for suitable candidates, identified as being:

- a female candidate in order to strengthen the Board gender ratio, an executive with experience as a chair or a long tenure as a member of a board committee overseeing compensation, or having been a business leader as well as Chief Human Resource Officer/Chief People Officer, with a technology or industry background and international exposure;
- a Chief Executive Officer or a former Chief Executive Officer, with a technology, industry or strategic consulting background, and an international exposure, European national and French speaker in order to reinforce the connection to the French ecosystem.

Among these candidates, the Governance, Nominations & Sustainability Committee preselected a shortlist and the members of the Committee interviewed them. Following these interviews, the Committee recommended two candidates to the Board of Directors, Mrs. Ellyn Shook, who joined the Board on October 15, 2025 as an observer, with the intent to propose her appointment as a Board member to the 2026 Annual Shareholders' Meeting, and Mr. François Jackow.

Mrs. Ellyn Shook, a US citizen based in Florida, has served as the Chief Leadership and Human Resources Officer for Accenture from 2014 to 2024. She is also a Board member at Baldwin Group and SanDisk where she chairs both Compensation Committees. Mrs. Ellyn Shook will bring to the Board her global human resources expertise, leadership and talent management practices, as well as her experience as a Board member. She will qualify as an independent Director with regard to all the criteria set by Article 10.5 of the AFEP-MEDEF Corporate Governance Code and joined the Human Capital & Remunerations Committee.

Mr. François Jackow, a French citizen based in France, is currently Chief Executive Officer of Air Liquide, a position he has held since 2022, and is a member of its Board of Directors. Mr. François Jackow will bring to the Board his expertise in technology and industry as well as his knowledge of international markets. He will qualify as an independent Director with regard to all the criteria set by Article 10.5 of the AFEP-MEDEF Corporate Governance Code and join the Human Capital & Remunerations Committee.

Acting upon recommendation of the Governance, Nominations & Sustainability Committee, the Board of Directors proposes to shareholders:

- in the **12th resolution**, to renew the term of office of Mr. Anders Runevad for a four (4)-year term;
- in the **13th resolution**, to appoint Mrs. Ellyn Shook as a Director for a four (4)-year term; and
- in the **14th resolution**, to appoint Mr. François Jackow as a Director for a four (4)-year term.

Should these resolutions be approved, the Board of Directors would consist of 15 members (including one Director representing the employee shareholders and two Directors representing the employees), with an independence rate of 92% and 46% of women (excluding the two Directors representing the employees), and 73% being of non-French nationality.

Mr. Anders Runevad's and Mrs. Ellyn Shook's biographies are provided in **section 4.1.1.2** of Chapter 4 of the 2025 Universal Registration Document and section 2.1.3 of the Notice of meeting. Mr. François Jackow's biography is provided below.

François Jackow

Chief Executive Officer of L'Air Liquide S.A.

Age: 56 years
Nationality: French
Business address: Air Liquide, 75, quai d'Orsay, 75321 Paris Cedex 07

100 Schneider Electric SE shares

Skills

- Public company management
- Corporate finance
- International markets
- Industry knowledge
- Digital & software
- Environment/Climate
- Social

Experience and qualifications

François Jackow is currently Chief Executive Officer of Air Liquide. He joined Air Liquide group in 1993. François Jackow worked initially in the United States and the Netherlands where he successively held responsibilities in sales, marketing, and engineering & construction. In 2002, he was appointed Vice-President of Innovation, overseeing Research & Development and Advanced Technologies for Air Liquide group. In 2007, he became President and Chief Executive Officer of Air Liquide Japan, based in Tokyo, before becoming Vice-President of the Large Industries World Business Line in 2011. François Jackow joined the Executive Committee of Air Liquide in 2014 as Group Vice-President of Strategy overseeing the development of the strategic plan. In 2019, he was appointed Executive Vice President, overseeing Europe Industries, Europe Healthcare and Africa / Middle East / India operations. Over time, the Innovation & Technologies and Digital & IT departments have been added to his remit, along with the Customer Development department, which he created in 2014, and also the Healthcare World Business Line. François Jackow was appointed the Group's Chief Executive Officer on June 1, 2022. François Jackow holds degrees in science and management, having studied both in France and the United States. An alumni of the École Normale Supérieure Paris, he also holds a Master's Degree in chemistry from Harvard University in the United States and an MBA from the Collège des Ingénieurs.

Term of office

Candidate for appointment as a Director: May 2026

Current external appointments

Other directorships at listed companies:
Director of **L'Air Liquide S.A.** (France).

Other directorships:
Director of American Air Liquide Holdings (USA), The Hydrogen Company (France), Air Liquide Foundation (France); Co-Chair of The Hydrogen Council; Member of the Management committee of Atelier de Constructions Mécaniques de la Marne (ACMM) (France).

Previous directorships

Previous directorships held in the past five years:
Executive Vice-President of **L'Air Liquide S.A.** (France), Chairman of the Board of Directors of and Director of Air Liquide Santé International (France).

Text of the twelfth resolution
(Renewal of the term of office of Mr. Anders Runevad)

The Annual Shareholders' Meeting, having satisfied the quorum and majority requirements for ordinary meetings, having heard the Board of Directors' report, takes note that the term of office of Mr. Anders Runevad as a Director expires at the closing of this Shareholders' Meeting and decides to renew it for a four (4)-year term expiring at the closing of the Annual Shareholders' Meeting to be held in 2030 to approve the financial statements for the 2029 fiscal year.

Text of the thirteenth resolution
(Appointment of Mrs. Ellyn Shook as a Director)

The Annual Shareholders' Meeting, having satisfied the quorum and majority requirements for ordinary meetings, having heard the Board of Directors' report, decides to appoint Mrs. Ellyn Shook as a Director for a four (4)-year term expiring at the closing of the Annual Shareholders' Meeting to be held in 2030 to approve the financial statements for the 2029 fiscal year.

Text of the fourteenth resolution
(Appointment of Mr. François Jackow as a Director)

The Annual Shareholders' Meeting, having satisfied the quorum and majority requirements for ordinary meetings, having heard the Board of Directors' report, decides to appoint Mr. François Jackow as a Director for a four (4)-year term expiring at the closing of the Annual Shareholders' Meeting to be held in 2030 to approve the financial statements for the 2029 fiscal year.

15th resolution: Opinion on the Company climate strategy

Explanatory statement

Under the **15th resolution**, the Board wishes to consult the Shareholders' Meeting on Schneider Electric's climate strategy as described in the 2025 Universal Registration Document, Chapter 2, **section 2.2**, and summarized in section 3 of the Notice of meeting.

The sustainability strategy including climate is overseen by the Board of Directors with the assistance of the Governance, Nominations & Sustainability Committee. Schneider Electric was one of the first companies to address this topic at the Board level with the creation of the Human Resources & CSR Committee in 2014. Schneider Electric further addressed the topic by deciding that the annual variable compensation of both the Chief Executive Officer and approximately 80,000 employees (who benefit from a variable compensation), includes environmental, social, and governance (ESG) criteria, through the Schneider Sustainability Impact (SSI) which includes initiatives aimed at reducing greenhouse gas emissions. The Long-term incentive plan is also correlated with climate targets (for more detail on compensation, please refer to **section 4.2** of Chapter 4 of the 2025 Universal Registration Document).

In addition to the Board of Directors and the Governance, Nominations & Sustainability Committee, several other governance bodies are involved in the process of designing and continuously monitoring the SSI program, which includes a sustainability risks and opportunities assessment (including climate) and leads to the design of concrete transformation initiatives to align the Company on the challenges identified:

- The Executive Committee has a Function Committee which meets quarterly. It follows progress of the sustainability strategy.
- The Sustainability department coordinates the overall sustainability strategy of the Group and the rollout of action plans.
- Several committees involving Group Executive Vice-Presidents and Senior Vice-Presidents are dedicated to overseeing the implementation of the Group's decarbonization roadmap, focusing on the supply chain, low-carbon product design, and the decarbonization of Schneider Electric's operational emissions.

Upon a recommendation from the Governance, Nominations & Sustainability Committee, the Board decided to offer the shareholders for the second time, three years after the first consultation, an opportunity to express their views on the progress made on the implementation of the Schneider Electric's strategy and the strategy itself. It corresponds to the launch of the new cycle of the Schneider Sustainability Impact, the current plan having ended in 2025.

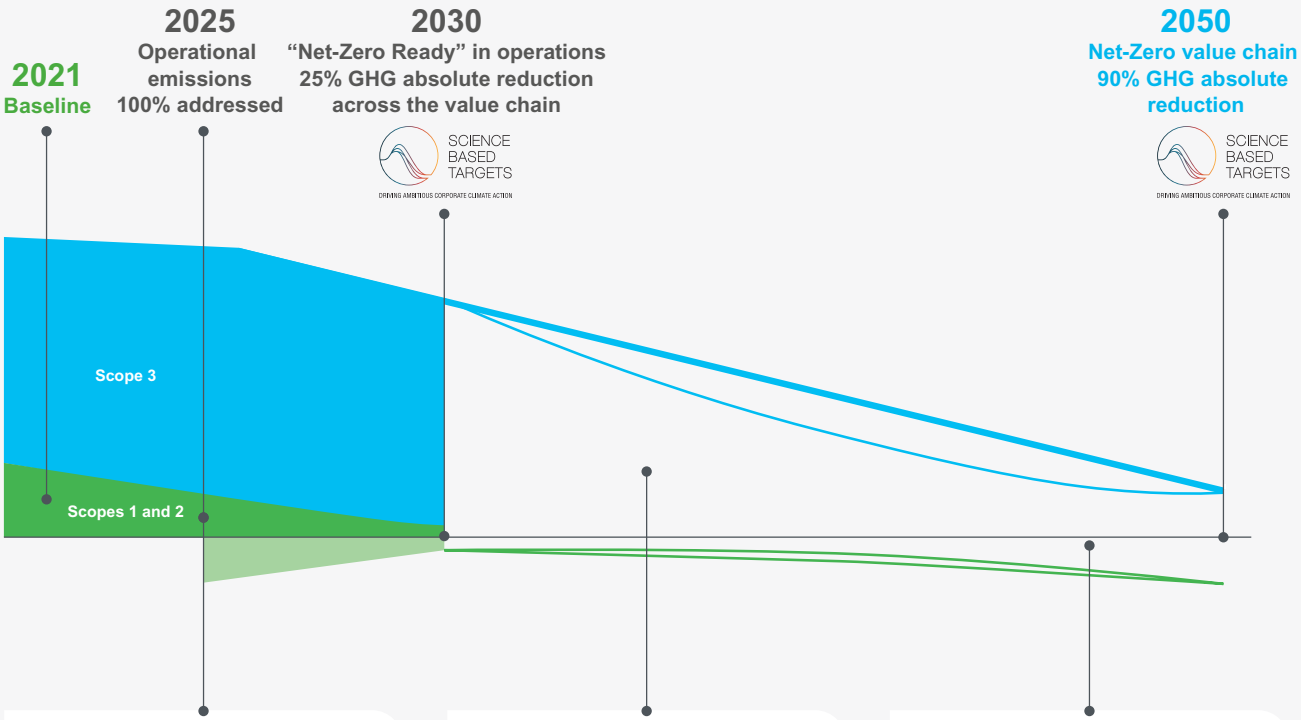
- **Scientifically validated climate roadmap**

Schneider Electric, as an Impact Company, wants to be both a sustainability enabler, supporting partners and customers with its decarbonization and digital solutions and services, and a sustainability practitioner committed to becoming Net-Zero across its end-to-end value chain. Schneider Electric considers itself part of an end-to-end ecosystem and reviews its progress along three dimensions: first aligning the Group and its supply chain with a 1.5°C climate trajectory by 2050 (temperature alignment defined as per SBTi Corporate Net-Zero Standard); second helping customers to do the same through Schneider Electric's offers; and third helping Schneider Electric communities accelerate climate action. As a result, the Group's climate strategy addresses all of its stakeholders and shows that performance and purpose go hand in hand.

Explanatory statement continued

Main milestones of the Net-Zero commitment

In line with the ambition to contribute to limiting climate change, Schneider Electric is committed to reach the targets described below as validated by the Science Based Targets initiative.



Scopes 1 and 2
Decarbonizing our operations with:

- Energy conservation measures
- Electrification
- Sourcing of renewable power

Scope 3
Decarbonizing our value chain by:

- Engaging and supporting suppliers to decarbonize
- Eco-designing safe, efficient and high-quality products with lower lifecycle CO_2 footprint
- Sourcing of low-carbon materials
- Influencing for global decarbonization
- Innovating with AirSeT medium-voltage equipment (SF_6-free)

Carbon credits
Progressively address residual emissions with high-quality carbon credits

- As of 2025, address ongoing emissions by contributing to carbon avoidance and removal
- By 2030, achieve "Net-Zero ready" by neutralizing all residual operational emissions (Scopes 1 and 2)
- By 2050, achieve Net-Zero by neutralizing all residual emissions with removals

Scope 1 and 2 emissions | Scope 3 emissions | Carbon avoidance and removal

For more information on these levers, please refer to **section 2.2.2.1.4** of Chapter 2 of the 2025 Universal Registration Document on actions related to climate change mitigation adaptation, and energy.

Explanatory statement continued

Concrete actions and investment plans to reach those targets are described in **section 2.2** of Chapter 2 of the 2025 Universal Registration Document.

- **Consultation process**

Investors' consultation on Schneider Electric's climate strategy is part of the continuous and strong shareholder engagement conducted each year. The goal is that shareholders express their views on the Group's climate transition plan to be able to take into consideration their feedback.

However, shareholders are not asked to take responsibility for Schneider Electric's climate strategy, which remains the exclusive responsibility of the Board of Directors and Chief Executive Officer. Therefore, in order to comply with the respective specific powers of each of the corporate bodies, the nature of this resolution is purely consultative, and this vote will not be binding.

The Board invites shareholders to support this strategy, which will influence every aspect of the Group's actions over the long term. A widespread approval of Schneider Electric's climate strategy will comfort the Company in its leading and ambitious corporate social responsibility (CSR) roadmap and is essential to bolster the Company's efforts to further accelerate its decarbonization journey in a transparent way.

The Board will take into account the level of support received on this resolution and continue engaging with its shareholders. Should the level of dissent reach 50% or more, the Board will seek information on the reasons for which some investors may not have supported the proposed resolution to be able to propose a revised climate strategy.

- **Transparency**

As the transparency of the implementation of the Climate strategy is decisive in maintaining a relationship of trust between the Company and the various stakeholders, all the actions carried out and the associated key indicators are detailed annually in the Sustainability statements (CSRD) audited by the statutory auditors responsible for certifying sustainability information and included in the Universal Registration Document. In addition, the key indicators are part of the Schneider Sustainability Impact, from which results are shared transparently quarterly in the financial and non-financial communication of the Company. The Company also details the risks and opportunities linked to climate change as well as the associated governance, in accordance with all the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Text of the fifteenth resolution
(Opinion on the Company's climate strategy)

The Annual Shareholders' Meeting, having satisfied the quorum and majority requirement for ordinary meetings, having heard the Company's climate strategy as described in the 2025 Universal Registration Document, Chapter 2, section 2.2, issues a favorable opinion on this climate strategy.

16th resolution: Share buybacks

Explanatory statement

As the pre-existing authorization comes to its term in November 2026, it is hereby proposed, in the **16th resolution** submitted to the Annual Shareholders' Meeting, to reconduct, for a new eighteen (18)-month period starting after the present Annual Shareholders' Meeting, the authorization given to the Board of Directors to purchase the Company's shares as part of a share buyback program pursuant to the provisions of Article L. 22-10-62 of the French Commercial Code and European Regulation (EU) no. 596/2014 of April 16, 2014 on market abuse.

In 2025, a total of EUR 341,149,900 in share buyback corresponding to 1,503,680 shares bought back by the Company had been completed pursuant to the authorizations granted.

All of the 14,898,568 treasury shares held on December 31, 2025 (representing 2.58% of the share capital) are allocated to cover Long-term incentive plans for employees or Corporate Officers.

During the Capital Markets Day for investors and financial analysts held on December 11, 2025, as part of a strong commitment to shareholder returns, the Company announced the plan to undertake a share buyback program of EUR 2.5 billion to EUR 3.5 billion through 2030.

The authorization that you would give to the Board would allow to proceed to purchase shares for the purposes, amongst others, of:
- their allotment to employees or Corporate Officers as a long-term compensation tool;
- their delivery as a result of the exercise of rights attached to securities giving access to the Company's capital;
- their cancellation;
- their delivery in connection with external growth operations; and
- their disposal in the course of a share management agreement.

Shares bought back may be canceled under the authorization adopted by the Annual Shareholders' Meeting of May 7, 2025 (28th resolution).

16th resolution: Share buybacks

The number of shares thus purchased, and the number of shares held may not exceed 10% of the share capital at any time (for reference purposes, based on the issued capital on December 31, 2025: 57,712,251 shares). The maximum purchase price of the shares would be set at EUR 350, and the total amount allocated to the share repurchase program would not exceed EUR 20.2 billion. As for previous years, the resolution prevents that the authorization be used during a public offering on the Company's shares.

Further information on the Company's share buyback programs can be found in **section 7.2.5** of Chapter 7 of the 2025 Universal Registration Document.

Text of the sixteenth resolution
(Authorization granted to the Board of Directors to buy back Company shares)

The Annual Shareholders' Meeting, having satisfied the quorum and majority requirements for ordinary meetings, having heard the Board of Directors' report, hereby authorizes the Board of Directors, pursuant to the provisions of Article L. 22-10-62 of the French Commercial Code, Regulation (EU) no. 596/2014 of April 16, 2014 on market abuse, and its delegated regulations, and the French Financial Market Authority's General rules, to buy back or arrange for the buyback of the Company's shares for the purpose of:

- *the allotment or transfer of shares to employees or Corporate Officers of the Company, and/or of current or future related companies, for the purposes of implementing any stock option or Performance Share plan, or any other grant, allocation, or disposal to employees and Corporate Officers of the Company;*
- *the delivery of shares as a result of the exercise of rights attached to securities giving access to the Company's capital by redemption, conversion, exchange, presentation of a warrant, or by any other means;*
- *the cancellation by way of share capital decrease of all or part of these repurchased shares;*
- *the delivery of shares (for exchange, payment, or otherwise) in connection with external growth operations (up to a limit of 5% of the share capital);*
- *their provision for the purposes of a share management agreement entered into with an investment services provider in order notably to maintain a liquid market; or*
- *the implementation of any market practice which would be allowed by the French Financial Market Authority (Autorité des Marchés Financiers).*

This authorization also allows the Company to trade in its shares for any other purposes authorized or that may be authorized by law or regulation. In such a case, the Company would inform its shareholders through a public release.

Shares acquired may also be canceled, subject to compliance with the provisions of Articles L. 225-204 and L. 225-205 of the French Commercial Code and in accordance with the 28th resolution of the Annual Shareholders' Meeting of May 7, 2025.

The number of shares that may be purchased shall be subject to following limits:

(i) *the number of shares that the Company may purchase during the term of the buyback program should not exceed 10% of the Company's share capital at any time (i.e. for information purposes, 57,712,251 shares, on the basis of the share capital as of December 31, 2025), it being specified that the number of shares acquired in view of their retention and their future delivery for the purpose of an external growth operation cannot exceed 5% of the Company's share capital; and*

(ii) *the number of shares that the Company can hold at any time may not exceed 10% of the Company's share capital.*

The maximum share purchase price is set at EUR 350 per share (excluding acquisition costs) without exceeding the maximum price set by applicable laws and regulations. The total amount allocated to the share repurchase program will not exceed EUR 20.2 billion (excluding acquisition costs).

The purchase, exchange, disposal, or transfer of shares can be decided by the Board of Directors on one or more occasions, at any time except during takeover bid involving the Company's shares, and by any means, provided that laws and regulations in force are complied with, on or off the stock market, over the counter, in whole or in part in blocks of shares, by takeover bid in cash or in shares, by using options or derivatives, either directly or indirectly through the intermediation of an investment services provider, or in any other way.

The Annual Shareholders' Meeting grants authority to the Board of Directors, which may further delegate as permitted by law, to adjust the price set forth above in the event of transactions on the Company's share capital, and in particular an increase in capital through the capitalization of reserves, the allocation of free shares, a stock split or reverse stock split, the distribution of reserves or any other assets, impairment of share capital or any other transaction involving share capital or shareholders' equity, to take into account the impact of these transactions on the stock value.

The Annual Shareholders' Meeting gives full powers to the Board of Directors with powers to subdelegate under the conditions set out by law, to use this authorization, in particular to give any and all orders, enter into any and all agreements, allocate or reallocate the shares acquired to the objectives pursued under the applicable legal and regulatory conditions, set the terms and conditions under which the rights of holders of securities giving access to the share capital or other rights giving access to the share capital will be preserved, if applicable, in accordance with legal and regulatory provisions and, if applicable, contractual provisions providing for other cases of adjustment, prepare all documents and press releases, carry out any and all formalities and make all appropriate declarations to the authorities, and in general take all necessary measures.

This authorization supersedes, for the unused portion, the authorization given to the Board of Directors by the Shareholders' Meeting of May 7, 2025 in its 16th resolution and is granted for an eighteen (18)-month period as from this Annual Shareholders' Meeting.

8.1.2 Extraordinary Shareholders' Meeting

17th and 18th resolutions: Delegations of authority to the Board of Directors to increase the share capital without shareholders' preferential subscription rights

Explanatory statement

You are requested to approve the **17th** and **18th resolutions** to give to the Board of Directors authority to increase the share capital, immediately or in the future, without preferential subscription rights, through the issuance of shares and/or equity-linked securities, for a limited period.

These resolutions involve financial delegations that will give the Board of Directors the authority to select, at any moment and from among a broad range of securities providing access to the share capital, the transaction most suited to Schneider Electric's needs and growth, based on market characteristics at the time.

The **17th resolution** concerns the issuance of shares and/or securities giving immediate or deferred access to the Company's capital, reserved for a category of persons. The minimum issue price corresponds to the price that was applicable, as a matter of principle, to capital increases without shareholders' preferential subscription right without specifying beneficiaries prior to the entry into force of Law No. 2024-537 of June 13, 2024, aimed at increasing financing for businesses and enhancing France's attractiveness; it being however specified that it refers to a period of three trading sessions preceding the setting of the issue price (whereas the former Article R.22-10-32 of the French Commercial Code referred to the three most recent trading sessions preceding the start of the public offering). We propose, as do most market participants listed on Euronext Paris, to voluntarily reinstate the former minimum price rule (adjusted as indicated above, in accordance with widespread practice). The **18th resolution** concerns the issuance of shares and/or securities giving immediate or deferred access to the Company's capital, reserved for a named person. For both resolutions:

- the maximum nominal amount of the capital increases that may be carried shall not exceed EUR 224 million, *i.e.* 56 million shares representing 9.70% of the capital as of December 31, 2025, and would be charged against the overall ceilings set by the Annual Shareholders' Meeting of May 7, 2025;
- a maximum discount of 10% could be applied to the reference price of the shares issued under these delegations determined on the basis of the stock market price;
- the Board of Directors may not use this delegation from the date of filing of a takeover bid for the shares of the Company by a third party and for the duration of the bid period;
- the authorization would be valid for (18) months.

Text of the seventeenth resolution

(Delegation of authority to the Board of Directors to increase the capital by issuing ordinary shares or securities giving access to share capital of the Company without shareholders' preferential subscription right reserved for a category of persons)

The Annual Shareholders' Meeting, having satisfied the quorum and majority requirements for extraordinary shareholders' meetings, having heard the Board of Directors' report and the statutory auditors' special report, and in accordance with the provisions of Articles L. 225-129 et seq., L. 225-129-2, L. 225-135, L. 225-138, L. 228-91, and L. 22-10-49 et seq. of the French Commercial Code:

1. *delegates to the Board of Directors the authority, with the power to subdelegate, in compliance with applicable laws and regulations, to decide one or several capital increases through the issue, in the proportions and at the times it deems appropriate, in France and/or abroad, either in euros or in any other currency or unit of account set by reference to several currencies, of (i) ordinary shares of the Company, (ii) securities governed by Article L. 228-91 et seq. of the French Commercial Code, which are equity securities of the Company, giving access to other equity securities of the Company and/or giving the right to the allocation of debt securities of the Company, and/or (iii) debt securities governed or not by Article L. 228-91 et seq. of the French Commercial Code, giving access or likely to give access to equity securities to be issued by the Company, which securities may, where applicable, also give access to existing equity securities and/or debt securities of the Company, and/or (iv) securities which are equity securities of the Company giving access to existing equity securities or securities to be issued by, and/or to debt securities of companies in which the Company holds directly or indirectly, at the time of issue, more than half of the share capital, and/or (v) securities representing debt securities governed or not by Article L. 228-91 et seq. of the French Commercial Code, giving access or likely to give access to equity securities to be issued by companies in which the Company holds directly or indirectly, at the time of issue, more than half of the share capital, and which may also give access to existing equity securities and/or debt securities of said companies; it is specified that (i) the subscription of shares and other securities may be carried out either in cash or by offsetting debts, and (ii) the shares to be issued shall confer the same rights as the existing shares; it being specified that the issue of any shares or securities giving access to preference shares is excluded;*
2. *decides to cancel the shareholders' preferential subscription rights to the Company's shares and/or other equity-linked securities to be issued pursuant to this resolution, and to offer such shares or securities to the category of beneficiaries meeting the following features: all credit institutions authorized to provide the investment services mentioned in paragraphs 3, 6-1 and 7 of Article L. 321-1 of the French Monetary and Financial Code and accordingly authorized to carry out proprietary trading, underwriting, and placement activities in the equity securities of companies listed on the Euronext regulated market in Paris; it being specified that the Board of Directors will draw up the list of beneficiaries within this category, that it may, where appropriate, choose a single service provider and that the beneficiary(ies) will not be entitled to retain the new shares or securities following completion of the issue;*

3. *decides that:*
   a. *the issue price of the ordinary shares under this authorization shall be at least equal to the volume-weighted average of the average prices of the Company's shares on the regulated market of Euronext in Paris during a period of three (3) consecutive trading days preceding the setting of the issue price less a maximum discount of 10% after correction, if any, to take into account the difference in the date of entitlement to dividend of the shares,*
   b. *the issue price of the equity-linked securities will be such that the cash amount received immediately by the Company plus any cash amount to be received subsequently by the Company will, for each ordinary share issued as a consequence of the issuance of such securities, be not less than the minimum issue price defined in the previous paragraph;*
4. *decides that the nominal amount of the capital increases which may be undertaken immediately and/or in the future on the basis of this resolution may not exceed EUR 224 million representing on an indicative basis 9.70% of the capital as of December 31, 2025, it being specified that:*
   a. *this amount would be increased by the nominal amount of the capital increase resulting from the issuance of shares to be carried out as the case may be, in accordance with legal and regulatory provisions, and, where applicable, relevant contractual provisions providing for other adjustments, in order to preserve the rights of holders of securities giving access to the share capital,*
   b. *the maximum aggregate nominal amount of capital increases that may be undertaken immediately or in the future on the basis of this resolution and the 18th resolution of this Annual Shareholders' Meeting, and the 17th, 18th, 19th, 20th, 21st and 24th resolutions of the Annual Shareholders' Meeting of May 7, 2025 is set at EUR 800 million, and*
   c. *the maximum aggregate nominal amount of capital increases that may be undertaken immediately and/or in the future on the basis of this resolution and the 18th resolution of this Annual Shareholders' Meeting, the 18th, 19th and 21st resolutions of the Annual Shareholders' Meeting of May 7, 2025 is set at EUR 224 million;*
5. *decides that the maximum nominal amount of issuances of debt equity-linked securities which could be carried out pursuant to this delegation, shall not exceed a nominal amount of EUR 7 billion (or the equivalent in any other currency or monetary unit), it being specified that the maximum aggregate nominal amount of debt equity-linked securities that may be issued on the basis of this resolution and the 18th resolution of this Annual Shareholders' Meeting, and the 17th, 18th, 19th, 20th and 21st resolutions of the Annual Shareholders' Meeting of May 7, 2025 is set at EUR 7 billion;*
6. *decides that, in the event that the beneficiary(ies) defined in the second paragraph above have not subscribed to the entire capital increase within the time limit, the increase in capital shall be carried out only up to the amount of the shares subscribed, the unsubscribed shares being able to be offered again to the said beneficiary(ies) in the context of a subsequent issue;*
7. *decides that the Board of Directors shall have all powers, with the power to subdelegate under the conditions provided by law, to implement this delegation, in order and in particular to:*
   a. *set the conditions of the capital increase(s) and/or of the issuance(s) of shares or securities,*
   b. *determine the number of shares and/or securities to be issued, their issuance price as well as the amount of the premium that may be requested upon issuance, if any,*
   c. *decide on the list of beneficiaries within the category of persons defined in the second paragraph above and the number of shares and/or securities to be allocated to each of them,*
   d. *determine the dates and conditions of the issuance, the nature and form of the securities to be issued, which could be subordinated or unsubordinated securities and may or not have a specific maturity date, and in particular, for issuances of debt equity-linked securities, their interest rate, their maturity, their fixed or variable redemption price, with or without premium, and the redemption methods,*
   e. *decide how shares and/or securities are to be paid for,*
   f. *set, if necessary, the terms of the exercise of the rights attached to the shares or securities issued or to be issued and, in particular, set the date, even if retroactive, from which the new shares to be issued would bear dividend rights, as well as all other conditions and specifics of implementing the issuance(s),*
   g. *set the terms and conditions under which the Company would have the right to purchase or exchange, at any time or during fixed periods, securities issued or to be issued immediately or in the future,*
   h. *provide an option to suspend the exercise of rights attached to such securities,*
   i. *establish, if required, the conditions for preserving the rights of holders of equity-linked securities with future rights to shares of the Company, in accordance with applicable laws and regulations, and, where applicable, relevant contractual provisions,*
   j. *offset the costs, fees, and expenses of the capital increase(s) against the amount of the premium related thereto, and, where applicable, deduct from this amount the amounts required to bring the legal reserve to one-tenth of the new share capital after each capital increase, and*
   k. *generally, enter into any agreement, in particular to ensure the successful completion of the contemplated issuance(s), take all measures and carry out all formalities necessary for the financial servicing of the securities issued pursuant to this delegation as well as the exercise of rights attached thereto, to acknowledge the completion of each capital increase and modify the Articles of Association accordingly;*
8. *decides that the Board of Directors may not use this delegation from the filing of a takeover bid by a third party and for the duration of the offer period.*

This delegation of authority (i) supersedes, for the portion not yet used, any previous delegation having the same purpose and (ii) is granted for a period of eighteen (18) months as from this Shareholders' Meeting.

Text of the eighteenth resolution

(Delegation of authority to the Board of Directors to increase the capital by issuing ordinary shares or securities giving access to share capital of the Company without shareholders' preferential subscription right reserved for one or more named persons)

The Annual Shareholders' Meeting, having satisfied the quorum and majority requirements for extraordinary shareholders' meetings, having heard the Board of Directors' report and the statutory auditors' special report, and in accordance with the provisions of Articles L. 225-129 et seq., L. 225-129-2, L. 225-135, L. 225-138, L. 228-91, and L. 22-10-52-1 et seq. of the French Commercial Code:

1. *delegates to the Board of Directors the authority, with the power to subdelegate, in compliance with applicable laws and regulations, to decide one or several capital increases through the issue, in the proportions and at the times it deems appropriate, in France and/or abroad, either in euros or in any other currency or unit of account set by reference to several currencies, of (i) ordinary shares of the Company, (ii) securities governed by Article L. 228-91 et seq. of the French Commercial Code, which are equity securities of the Company, giving access to other equity securities of the Company and/or giving the right to the allocation of debt securities of the Company, and/or (iii) debt securities governed or not by Article L. 228-91 et seq. of the French Commercial Code, giving access or likely to give access to equity securities to be issued by the Company, which securities may, where applicable, also give access to existing equity securities and/or debt securities of the Company, and/or (iv) securities which are equity securities of the Company giving access to existing equity securities or securities to be issued by, and/or to debt securities of companies in which the Company holds directly or indirectly, at the time of issue, more than half of the share capital, and/or (v) securities representing debt securities governed or not by Article L. 228-91 et seq. of the French Commercial Code, giving access or likely to give access to equity securities to be issued by companies in which the Company holds directly or indirectly, at the time of issue, more than half of the share capital, and which may also give access to existing equity securities and/or debt securities of said companies; it is specified that (i) the subscription of shares and other securities may be carried out either in cash or by offsetting debts, and (ii) the shares to be issued shall confer the same rights as the existing shares; it being specified that the issue of any shares or securities giving access to preference shares is excluded;*
2. *decides to cancel the shareholders' preferential subscription rights to the Company's shares and/or other equity-linked securities to be issued pursuant to this resolution, and to offer such shares or securities to one or more persons designated by name, it being specified that the Board of Directors will have full powers to designate the person or persons for whom the issue is reserved;*
3. *decides that, in accordance with the provisions of Articles L. 22-10-52-1 and R. 22-10-32 of the French Commercial Code:*
   a. *the issue price of the ordinary shares issued under this authorization will be set by the Board of Directors in accordance with the regulatory provisions applicable on the date this authorization is used (currently, at least equal to the closing trading price of the Company's shares on Euronext Paris on the last trading day preceding the decision by the Board of Directors, reduced by a maximum discount of 10%),*
   b. *the issue price of the equity-linked securities will be such that the cash amount received immediately by the Company plus any cash amount to be received subsequently by the Company will, for each ordinary share issued as a consequence of the issuance of such securities, be in accordance with the price set in the previous paragraph;*
4. *decides that the nominal amount of the capital increases which may be undertaken immediately and/or in the future on the basis of this resolution may not exceed EUR 224 million representing on an indicative basis 9.70% of the capital as of December 31, 2025, it being specified that:*
   a. *this amount would be increased by the nominal amount of the capital increase resulting from the issuance of shares to be carried out as the case may be, in accordance with legal and regulatory provisions, and, where applicable, relevant contractual provisions providing for other adjustments, in order to preserve the rights of holders of securities giving access to the share capital,*
   b. *the maximum aggregate nominal amount of capital increases that may be undertaken immediately or in the future on the basis of this resolution and the 17th resolution of this Annual Shareholders' Meeting, and the 17th, 18th, 19th, 20th, 21st, and 24th resolutions of the Annual Shareholders' Meeting of May 7, 2025 is set at EUR 800 million, and*
   c. *the maximum aggregate nominal amount of capital increases that may be undertaken immediately and/or in the future on the basis of this resolution and the 17th resolution of this Annual Shareholders' Meeting, and the 18th, 19th and 21st resolutions of the Annual Shareholders' Meeting of May 7, 2025 is set at EUR 224 million;*
5. *decides that the maximum nominal amount of issuances of debt equity-linked securities which could be carried out pursuant to this delegation, shall not exceed a nominal amount of EUR 7 billion (or the equivalent in any other currency or monetary unit), it being specified that the maximum aggregate nominal amount of debt equity-linked securities that may be issued on the basis of this resolution and the 17th resolution of this Annual Shareholders' Meeting, and the 17th, 18th, 19th, 20th and 21st, resolutions of the Annual Shareholders' Meeting of May 7, 2025 is set at EUR 7 billion;*
6. *decides that, in the event that the designated person(s) referred to in the second paragraph above have not subscribed to the entire capital increase within the time limit, the increase in capital shall be carried out only up to the amount of the shares subscribed, the unsubscribed shares being able to be offered again to the said person(s) in the context of a subsequent issue;*
7. *decides that the Board of Directors shall have all powers, with the power to subdelegate under the conditions provided by law, to implement this delegation, in order and in particular to:*
   a. *set the conditions of the capital increase(s) and/or of the issuance(s) of shares or securities,*
   b. *determine the number of shares and/or securities to be issued, their issuance price as well as the amount of the premium that may be requested upon issuance, if any,*
   c. *designate the person or persons for whom the issue is reserved and the number of shares and/or securities to be allocated to each of them,*

d. *determine the dates and conditions of the issuance, the nature and form of the securities to be issued, which could be subordinated or unsubordinated securities and may or not have a specific maturity date, and in particular, for issuances of debt equity-linked securities, their interest rate, their maturity, their fixed or variable redemption price, with or without premium, and the redemption methods,*

e. *decide how shares and/or securities are to be paid for,*

f. *set, if necessary, the terms of the exercise of the rights attached to the shares or securities issued or to be issued and, in particular, set the date, even if retroactive, from which the new shares to be issued would bear dividend rights, as well as all other conditions and specifics of implementing the issuance,*

g. *set the terms and conditions under which the Company would have the right to purchase or exchange, at any time or during fixed periods, securities issued or to be issued immediately or in the future,*

h. *provide an option to suspend the exercise of rights attached to such securities,*

i. *establish, if required, the conditions for preserving the rights of holders of equity-linked securities with future rights to shares of the Company, in accordance with applicable laws and regulations, and, where applicable, relevant contractual provisions,*

j. *offset the costs, fees, and expenses of the capital increase(s) against the amount of the premium related thereto, and, where applicable, deduct from this amount the amounts required to bring the legal reserve to one-tenth of the new share capital after each capital increase, and*

k. *generally, enter into any agreement, in particular to ensure the successful completion of the contemplated issuance(s), take all measures and carry out all formalities necessary for the financial servicing of the securities issued pursuant to this delegation as well as the exercise of rights attached thereto, to acknowledge the completion of each capital increase and modify the Articles of Association accordingly;*

8. *decides that the Board of Directors may not use this delegation from the filing of a takeover bid by a third party and for the duration of the offer period.*

This delegation of authority (i) supersedes, for the portion not yet used, any previous delegation having the same purpose and (ii) is granted for a period of eighteen (18) months as from this Shareholders' Meeting.

19th and 20th resolutions: Capital increases reserved for employees

Explanatory statement

Schneider Electric is convinced of the importance of developing the Company's employee shareholder base in order to align employee interests with those of shareholders and also stabilize the Company's share capital. The Board of Directors wishes to continue making the Company's share capital accessible to a large number of employees, in particular through employee share ownership plans (WESOP). As of December 31, 2025, employees held 3.3% of the capital either directly or through the corporate mutual funds (FCPEs).

The Company carried out capital increases reserved for Group employees in 2025 (WESOP 2025) proposed in 47 countries representing 88% of the Group's employees. These transactions are presented in **section 7.1.2.2** of Chapter 7 of the 2025 Universal Registration Document.

As part of its policy offer to Group employees on an annual basis, the Board decided that there will be a new employee share ownership plan implemented in 2026. As part of the 26th and 27th resolutions of the Annual Shareholders' Meeting of May 7, 2025, the Board of Directors, at its meeting of December 4, 2025, decided to renew the annual employee shareholder plan in 2026, within a limit of 3.7 million shares (approximately 0.64% of the capital). This plan does not include a leveraged offer. The shares are offered with a discount of 15% on the share price to all subscribers and a maximum employer contribution approximately EUR 1,400 per subscriber.

To allow for the implementation of a new global employee share ownership plan in 2027, you are requested to approve:

- the **19th resolution** which will grant the Board of Directors the authority to carry out capital increases reserved for employees participating in a company savings plan within the limit of 2% of the Company's capital, with the provision that the maximum discount at which the shares could be offered is set at 30% (it will be valid for a period of twenty-six (26) months; the authority in force as voted by the Annual Shareholders' Meeting of May 7, 2025 in its 26th resolution shall cease to be effective as from November 4, 2026(1)); and
- the **20th resolution** which will grant the Board of Directors the authority to carry out capital increases reserved for employees and Corporate Officers of non-French Group companies or to entities acting on their behalf; this authorization will not exceed 1% of the capital and will be deducted from the ceiling of 2% of the capital set for the issuance of shares to employees who are members of a company savings plan (this authorization will be valid for a period of eighteen (18) months and may only be used on or after November 4, 2026(2)).

Text of the nineteenth resolution
(Delegation of authority to the Board of Directors to undertake capital increases reserved for participants in a company savings plan without shareholders' preferential subscription right)

The Annual Shareholders' Meeting, having satisfied the quorum and majority requirements for extraordinary shareholders' meetings, having heard the Board of Directors' report and the statutory auditors' special report, and in accordance with the provisions of Articles L. 3332-1 et seq. of the French Labor Code and Articles L. 225-129 to L. 225-129-6, L. 22-10-49, L. 225-138-1, and L. 228-91 et seq. of the French Commercial Code:

(1) The maximum amount of subscription applicable to the employee share ownership operations carried out before November 4, 2026 will be the ceiling applicable to the 26th resolution of the Annual Shareholders' Meeting of May 7, 2025.
(2) The maximum amount of subscription applicable to the employee share ownership operations carried out before November 4, 2026 will be the ceiling applicable to the 27th resolution of the Annual Shareholders' Meeting of May 7, 2025.

1. *delegates to the Board of Directors the authority, with the power to subdelegate, for a period of twenty-six (26) months from the date of this Annual Shareholders' Meeting, to undertake a capital increase on one or more occasions at its discretion by issuing ordinary shares or securities providing access through any means, immediately and/or in the future, to ordinary shares of the Company, under the terms and conditions set forth in Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labor Code, reserved for participants in a company savings plan and French or non-French companies affiliated with the Company in a maximum nominal amount of 2% of the share capital on the date of this Shareholders' Meeting, with the possibility to issue shares against cash or by capitalizing reserves, profits, or premium in case of grants of free shares or of securities granting access to share capital on account for the discount and/or the matching contribution, it being specified that this authorization may be used only from and after November 4, 2026;*
2. *set the maximum discount to be offered in connection with the company savings plan at 30% of an average of the trading price of the Company's shares on Euronext Paris during the twenty (20) trading sessions preceding the date of the decision of the Board of Directors or of its authorized representative setting the date to begin taking subscriptions, it being specified that the Board of Directors may reduce the aforementioned discount within applicable legal and regulatory requirements, or not to grant one, in particular so as to take into account the laws and regulations applicable in countries where such offering may be implemented;*
3. *authorizes the Board of Directors, in application of Article L. 3332-21 of the French Labor Code, to make grants of free ordinary shares or other securities granting immediate or differed access to ordinary share capital under all or part of the discount and/or, as the case may be, for the matching contribution, provided that the value of the benefit resulting from this grant on account for the discount and/or the matching contribution, shall not exceed the limits imposed by applicable law and regulations;*
4. *decides to waive, in favor of the above-mentioned beneficiaries, the shareholders' preferential subscription rights with respect to the shares or equity-linked securities that are the subject of this delegation which entails waiver of the shareholders' preferential subscription right to shares to which securities that may be issued under this resolution would give right;*
5. *decides that the Board of Directors shall have full powers to use this delegation, with the power to subdelegate as permitted by law, within the limits and subject to the conditions specified above in order to, and in particular:*
   a. *set in accordance with applicable laws and regulations the scope of companies whose above mentioned beneficiaries may subscribe to the shares or equity-linked securities issued hereby and benefit, as the case may be, from shares or equity-linked securities,*
   b. *decide that the subscriptions may be made directly or through Company mutual funds (fonds commun de placement d'entreprise) or other structures or entities as permitted by applicable laws and regulations,*
   c. *determine the conditions, in particular those relating to seniority, which shall have to be met by the beneficiaries of the capital increases,*
   d. *set the opening and closing dates of the subscription periods,*
   e. *set the amounts of the issuances to be undertaken pursuant to this authorization and determine, in particular, the issuance prices, dates, time-periods, terms, and conditions for the subscription, payment, settlement, and dividend rights of the securities (which may be retroactive) as well as the other terms and conditions of the issuances, in accordance with applicable laws and regulations,*
   f. *when granting free shares or equity-linked securities, set the number of shares or equity-linked securities to be issued, the number to be granted to each beneficiary, and determine the dates, time periods, terms, and conditions of granting such shares or equity-linked securities in accordance with applicable laws and regulations and, in particular, choose either to fully or partially substitute the granting of such shares or equity-linked securities for the discount to the reference price provided for above, or to allocate the value of such shares, or equity-linked securities to the total amount of the employer contribution, or to combine these two possibilities,*
   g. *acknowledge the completion of capital increases in the amount of the shares that are subscribed (after possible reduction in the event of over-subscription), and*
   h. *as the case may be, allocate the expenses of capital increases to the amount of premiums related thereto and deduct from this amount the sums necessary to increase the legal reserve to one-tenth of the new share capital resulting from such capital increases, enter into any agreements, carry out directly or indirectly through an agent all transactions and terms, including any formalities following the capital increases and subsequent modifications to the Company's Articles of Association, generally, enter into any agreement in order to successfully complete the contemplated issuances, take all measures and decisions and carry out all formalities necessary for the completion of the issuance, listing, and financial servicing of the securities issued pursuant to this authorization as well as the exercise of rights attached thereto or subsequent to the completed capital increases.*

This delegation (i) cancels, effective November 4, 2026, the authorization given by the Annual Shareholders' Meeting of May 7, 2025 in its 26th resolution, for its amounts unused by the Board of Directors and (ii) is granted for a period of twenty-six (26) months as from this Shareholders' Meeting.

Text of the twentieth resolution

(Delegation of authority to the Board of Directors to undertake capital increases reserved for employees of certain non-French subsidiaries of the Group, directly or via entities acting to offer those employees benefits comparable to those offered to participants in a company savings plan without shareholders' preferential subscription right)

The Annual Shareholders' Meeting, having satisfied the quorum and majority requirements for extraordinary shareholders' meetings, having heard the Board of Directors' report and the statutory auditors' special report, and in accordance with the provisions of Articles L. 225-129 to L. 225-129-6, L. 22-10-49, L. 225-138, and L. 228-91 et seq. of the French Commercial Code:

1. *delegates to the Board of Directors, with the power to subdelegate, in compliance with applicable laws and regulations, the necessary powers to decide one or several capital increases through the issue, in the proportions and at the times it deems appropriate up to a maximum of 1% of the share capital on the date of this Shareholders' Meeting, by issuing ordinary shares or securities providing access through any means, immediately and/or in the future, to ordinary shares of the Company, such issue to be reserved for persons meeting the characteristics of the class defined below; it being specified that (i) such limit shall be charged against the limits set forth in the 19th resolution of this Annual Shareholders' Meeting, and (ii) this delegation may be used only from and after November 4, 2026;*

2. *decides to waive the shareholders' preferential right to subscribe for shares or other securities granting access to the share capital pursuant to this resolution and to reserve the right to subscribe to one and/or another class of beneficiaries or recipients having the following characteristics: (i) employees and officers of companies of Schneider Electric Group affiliated with the Company under the terms and conditions set forth in Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labor Code and the head office of which is located outside France; and/or (ii) Collective Investment Undertaking or other entities, with or without legal personality, of employee shareholders invested in equity securities of the Company, the unit holders or shareholders of which consist of persons described in (i) of this paragraph; and/or (iii) any banking institution or affiliate or subsidiary of such institution acting at the Company's request for purposes of implementing and giving effect to a shareholder incentive or investment or savings plan for the benefit of the persons described in (i) of this paragraph, to the extent that subscription of the person authorized in accordance with this resolution would make it possible for employees of subsidiaries located outside France to benefit from and take advantage of forms of shareholder incentive or investment or savings plans equivalent in terms of economic benefit to those from which the other employees of the Group benefit;*
3. *takes note that this authorization shall constitute automatically and by law an express waiver by the shareholders, in favor of the holders of securities granting access to Company capital, of their preferential right to subscribe for ordinary shares of the Company which such securities carry the right to acquire;*
4. *decides that the amount payable to the Company for all shares issued, or to be issued, and pursuant to this resolution shall be set by the Board of Directors on the basis of the trading price of the Company's shares on Euronext Paris; the issue conditions shall be determined at the discretion of the Board of Directors on the basis of either (i) the first or last quoted trading price of the Company's shares at the trading session on the date of the decision by the Board of Directors or the authorized representative thereof setting the issue conditions, or (ii) of an average of the quoted prices for the Company's shares during the twenty (20) trading sessions preceding the date of the decision by the Board of Directors or the authorized representative thereof setting the issue conditions under this resolution or setting the issue price under the 19th resolution of this Annual Shareholders' Meeting; the Board of Directors may set the issue price by applying a maximum discount of 30% of the trading price of the Company's shares determined in accordance with either of the two methods set forth in clauses (i) and (ii) of this paragraph; the percentage of such discount applied to the trading price of the Company's shares shall be determined by the Board of Directors taking into consideration, among other things, legal, tax, and regulatory provisions of foreign law applicable, as the case may be, to the persons benefiting from the issue;*
5. *decides that the Board of Directors may provide for the allocation, to the beneficiaries indicated in point 2 above, free of charge or at an additional discount, of shares to be issued or already issued, by way of a matching and/or a discount, provided that the taking into account of their pecuniary countervalue, evaluated at the subscription price, does not have the effect of exceeding the ceiling provided for in this resolution;*
6. *hereby resolves that the Board of Directors shall have full authority, under the terms and conditions provided by law and within the limits set forth hereinabove, to implement and give effect to this authorization and determine the list of the beneficiaries and recipients within the classes described in this resolution and the number of securities to be offered to each thereof, provided that the Board of Directors may decide that the capital increase shall be completed for the amounts subscribed, on the condition that a minimum of 75% of the shares or other offered securities providing access to capital have been subscribed, as well as, among other things:*
   - *to determine the characteristics of the securities to be issued, to decide on the issue price, dates, time periods, terms and conditions of subscribing, payment, delivery and effectiveness of the shares and equity securities, the lock-up, and early release period, within applicable limits of the law and regulations,*
   - *to record and determine the capital increase, to undertake the issuance of the shares and other securities providing access to the share capital of the Company, and to amend the Articles of Association accordingly, and*
   - *as a general rule, to enter into any agreement, in particular to ensure the due and proper completion of the contemplated issuances, take all steps and complete any required formalities in connection with the issue, the listing and financial servicing of the securities issued under and this authorization, as well as the exercise of the rights attaching thereto, and, more generally, to do whatever may be necessary.*

This delegation (i) cancels, effective November 4, 2026, the authorization given by the Annual Shareholders' Meeting of May 7, 2025 in its 27th resolution, for its amounts unused by the Board of Directors and (ii) is granted for a period of eighteen (18) months as from this Shareholders' Meeting.

21st resolution: Amendment to Article 19 of the Company's Articles of Association to comply with the regulatory provisions

Explanatory statement

Under the **21st resolution**, you are invited to approve the amendment to Article 19 of the Company's Articles of Association in order to bring it into line with the provisions of Decree No. 2026-094 of February 13, 2026 relating to the modernization of how certain companies communicate with their shareholders and extending the date of registration of securities in the shareholder's name to justify the right to participate in the shareholders' meeting (registration date or record date) from two to five days. On this occasion, Article 19 is being completely revised in order to simplify its wording by referring, as far as possible, to legislative and regulatory provisions.

Text of the twenty-first resolution
(Amendment to Article 19 of the Company's Articles of Association to comply with the regulatory provisions)

The Annual Shareholders' Meeting, having satisfied the quorum and majority requirements for extraordinary shareholders' meetings, having heard the Board of Directors' report, decides to amend Article 19 of the Company's Articles of Association as follows:

"*Article 19*

General Shareholders Meetings are called and run in conformity with the conditions prescribed by law and regulations.

Meetings are held at the Company's registered office or at any other place specified in the notice of meeting.

All shareholders may attend a General Shareholders Meeting, in person or by proxy, after providing proof of identity and share ownership in accordance with applicable laws and regulations.

Shareholders may also participate and vote at General Shareholders Meetings by any means of telecommunication authorized by the legislative and regulatory provisions in force under the conditions set out therein.

Remote voting procedures, including electronic voting before the Meeting, is carried out according to the conditions and procedures set out by legislative and regulatory provisions.

Meetings shall be chaired by the Chairman of the Board of Directors or in his absence by the Vice-Chairman, or in his absence by a member of the Board of Directors specially appointed for that purpose by the Board of Directors. If no such member is appointed by the Board of Directors, the Meeting shall elect its own Chairman.

The two shareholders present who hold the largest number of votes and who accept shall act as scrutineers.

The Board appoints a secretary to the Meeting, who is not required to be a shareholder.

As required by law, a register of attendance is kept.

Copies or extracts of the minutes of the Meeting may validly be signed by the Chairman of the Board of Directors, the Vice-Chairman of the Board of Directors, or by the Secretary to the Meeting."

22nd resolution: Power for formalities

Explanatory statement

Finally, under the **22nd resolution**, we request that you grant us the powers necessary to carry out the formalities.

Text of the twenty-second resolution *(Powers for formalities)*

The Annual Shareholders' Meeting confers full powers upon the bearer of a copy or excerpts of the minutes confirming these resolutions for the purposes of carrying out all legal and administrative formalities.

8.2 Statutory auditors' special reports

8.2.1 Statutory auditors' report on the issuance of shares and various securities without preferential subscription rights (17th resolution)

Shareholders' meeting as of May 7, 2026 – resolution n°17

To the Shareholders of the company Schneider Electric SE,

In our capacity as statutory auditors of your company and in compliance with articles L. 228-92 and L. 225-135 of the French Commercial Code (Code de commerce), we hereby report on the proposed authorizations allowing your Board of Directors to decide on whether to proceed with the issue, in one or more tranches, without preferential subscription rights of (i) ordinary shares in the Company, (ii) securities governed by articles L. 228-91 et seq. of the French Commercial Code (Code de commerce) which are equity securities of the Company, giving access to other equity securities of the Company and/or entitling holders to the allotment of debt securities of the Company and/or, (iii) debt securities, whether or not governed by articles L. 228-91 et seq. of the French Commercial Code (Code de commerce), giving or likely to give access to equity securities to be issued by the Company, which securities may, where applicable, also give access to existing equity securities and/or debt securities of the Company, and/or (iv) securities which are equity securities of the Company giving access to existing equity securities or securities to be issued by, and/or to debt securities of companies in which the Company directly or indirectly holds more than half of the share capital at the time of issue, and/or (v) debt securities governed or not by Articles L. 228-91 et seq. of the French Commercial Code (Code de commerce), giving or likely to give access to equity securities to be issued by companies in which the Company holds directly or indirectly, at the time of issue, more than half of the share capital, such securities also being able, where applicable, to give access to existing equity securities and/or debt securities of said companies, operations upon which you are called to vote.

This issue will be reserved for categories of beneficiaries meeting the following characteristics:

Any credit institution authorized to provide the investment services referred to in paragraphs 3, 6-1 and 7 of Article L. 321-1 of the French Monetary and Financial Code (Code monétaire et financier) and, as a result, authorized to carry out activities of proprietary trading, underwriting and placement of equity securities of companies listed on the regulated market of Euronext Paris; it being specified that your Board of Directors shall determine the list of beneficiaries within this category, that it may, where applicable, appoint a single service provider, and that the beneficiary(ies) shall not retain the newly issued shares or marketable securities following completion of the issue.

The overall nominal amount of the increases in capital may not exceed M€ 224, it being specified that this ceiling shall be applied against the overall ceilings set by the General Meeting of May 7, 2025.

The overall nominal amount of debt securities issues of your Company may not exceed Bn€ 7, it being specified that this ceiling shall be deducted from the overall ceiling of €7 billion set by the seventeenth (17th) resolution of the General Meeting of May 7, 2025.

Based on its report, your Board of Directors proposes that you delegate, as from the date of this General Meeting, with the right of subdelegation, for a period of 18 months, the authority to decide on the issue of marketable securities and to waive the shareholders' preferential subscription rights thereto. Where applicable, the Board of Directors shall determine the final terms and conditions of such transactions.

It is the responsibility of the Board of Directors to prepare a report in accordance with articles R. 225-113 et seq. of the French Commercial Code (Code de commerce). Our role is to report on the fairness of the financial information taken from the accounts, on the proposed cancellation of preferential subscription rights and on other information relating to these operations provided in this report.

We have performed those procedures which we considered necessary to comply with the professional guidance issued by the French national auditing body (Compagnie Nationale des Commissaires aux Comptes) for this type of engagement. These procedures consisted in verifying the information provided in the Board of Directors' report relating to this operation and the methods used to determine the issue price of the equity securities to be issued.

Subject to the subsequent examination of the terms and conditions of the issues that may be decided, we have no observations to make regarding the methods for determining the issue price of the equity securities to be issued as described in the report of the Board of Directors.

The final conditions in which the issue would be performed have not yet been determined, we cannot report on these conditions and, consequently, on the proposed cancellation of preferential subscription rights.

In accordance with article R. 225-116 of the French Commercial Code (Code de commerce), we will issue a supplementary report, if necessary, when your Board of Directors has exercised these authorizations in case of the issue of marketable securities that are equity securities giving access to other equity securities or giving entitlement to the allotment of debt securities, in case of the issue of marketable securities giving access to equity securities to be issued and in case of the issue of shares with cancellation of preferential subscription rights.

The Statutory Auditors

Forvis Mazars SA
Levallois-Perret on March 24, 2026

Juliette Decoux-Guillemot
Associée

Charles Desvernois
Associé

PricewaterhouseCoopers Audit
Neuilly-sur-Seine on March 24, 2026

Jean-Christophe Georghiou
Associé

Séverine Scheer
Associée

8.2.2 Statutory auditors' report on the issuance of shares and various securities without preferential subscription rights (18th resolution)

Shareholders' meeting as of May 7, 2026 – resolution n°18

To the Shareholders of the company Schneider Electric SE,

In our capacity as statutory auditors of your company and in compliance with articles L. 228-92 and L. 225-135 of the French Commercial Code (Code de commerce), we hereby report on the proposed authorizations allowing your Board of Directors to decide on whether to proceed with the issue, in one or more tranches, without preferential subscription rights, of (i) ordinary shares in the Company, (ii) securities governed by articles L. 228-91 et seq. of the French Commercial Code (Code de commerce) that are equity securities of the Company, giving access to other equity securities of the Company and/or entitling holders to the allotment of debt securities of the Company and/or (iii) debt securities governed or not by articles L. 228-91 et seq. of the French Commercial Code (Code de commerce) , giving or likely to give access to equity securities to be issued by the Company, which securities may, where applicable, also give access to existing equity securities and/or debt securities of the Company, and/or (iv) securities which are equity securities of the Company giving access to existing equity securities or securities to be issued by, and/or to debt securities of companies in which your Company directly or indirectly holds more than half of the share capital at the time of issue, and/or (v) debt securities governed or not by Articles L. 228-91 et seq. of the French Commercial Code (Code de commerce), giving access or likely to give access to equity securities to be issued by companies in which your Company holds directly or indirectly, at the time of issue, more than half of the share capital, these securities may, where applicable, also give access to existing equity securities and/or debt securities of the said companies, operations upon which you are called to vote.

This issue will be reserved for one or more specifically designated person(s), it being specified that your Board of Directors shall have full powers to designate the person(s) for whose benefit the issue is reserved, in accordance with Article L. 22-10-52-1 of the French Commercial Code (Code de commerce), within a limit of 30% of the share capital per year.

The overall nominal amount of the increases in capital may not exceed M€ 224, it being specified that this ceiling shall be applied against the overall ceilings set by the General Meeting of May 7, 2025.

The overall nominal amount of debt securities issues of your Company may not exceed Bn€ 7, it being specified that this ceiling shall be deducted from the overall ceiling of €7 billion set by the seventeenth (17th) resolution of the General Meeting of May 7, 2025.

Based on its report, your Board of Directors proposes that you delegate, as from the date of this General Meeting, with the right of subdelegation, for a period of 18 months, the authority to decide on the issue of marketable securities and to waive the shareholders' preferential subscription rights thereto. Where applicable, the Board of Directors shall determine the final terms and conditions of such transaction.

It is the responsibility of the Board of Directors to prepare a report in accordance with articles R. 225-113 et seq. of the French Commercial Code (Code de commerce). Our role is to report on the fairness of the financial information taken from the accounts, on the proposed cancellation of preferential subscription rights and on other information relating to these operations provided in this report.

We have performed those procedures which we considered necessary to comply with the professional guidance issued by the French national auditing body (Compagnie Nationale des Commissaires aux Comptes) for this type of engagement. These procedures consisted in verifying the information provided in the Board of Directors' report relating to this operation and the methods used to determine the issue price of the equity securities to be issued.

Subject to the subsequent examination of the terms and conditions of the issues that may be decided, we have no observations to make regarding the methods for determining the issue price of the equity securities to be issued as described in the report of the Board of Directors.

Moreover, as the final conditions in which the issue would be performed have not yet been determined, we cannot report on these conditions and, consequently, on the proposed cancellation of preferential subscription rights.

In accordance with article R. 225-116 of the French Commercial Code (Code de commerce), we will issue a supplementary report, if necessary, when your Board of Directors has exercised these authorizations in case of the issue of marketable securities that are equity securities giving access to other equity securities or giving entitlement to the allotment of debt securities, in case of the issue of marketable securities giving access to equity securities to be issued and in case of the issue of shares with cancellation of preferential subscription rights.

The Statutory Auditors

Forvis Mazars SA
Levallois-Perret on March 24, 2026

Juliette Decoux-Guillemot
Associée

Charles Desvernois
Associé

PricewaterhouseCoopers Audit
Neuilly-sur-Seine on March 24, 2026

Jean-Christophe Georghiou
Associé

Séverine Scheer
Associée

8.2.3 Statutory auditors' report on the issuance of shares or securities giving access to capital reserved for members of a company savings plan

Shareholders' meeting as of May 7, 2026 – resolution n°19

To the Shareholders of the company Schneider Electric SE,

In our capacity as statutory auditors of your company and in compliance with Articles L. 228-92 and L. 225-135 et seq. of the French Commercial Code (Code de commerce), we hereby report on the proposal to authorize your board of directors to decide whether to proceed with an issue of shares or securities giving access to the share capital of your company with cancellation of preferential subscription rights, reserved for participants in a company savings plan of the company and of the French or non-French companies affiliated with it, in accordance with article L. 225-180 of the French Commercial Code (Code de commerce) and the article L. 3344-1 of the French Labor code (Code du travail), an operation upon which you are called to vote.

The maximum nominal amount of the increase in capital that may result from this issue is 2% of the share capital on the date of this shareholders' meeting.

This operation is submitted for your approval in accordance with articles L. 225-129-6 of the French Commercial code (Code de commerce) and L. 3332-18 et seq. of the French Labor code (Code du travail).

Your board of directors proposes that, on the basis of its report, it be authorized, with the right of sub-delegation, for a period of 26 months, to decide on whether to proceed with issues and proposes to cancel your preferential subscription rights to the shares and securities to be issued. If applicable, it shall determine the final conditions of these issues.

Your Board of Directors specifies that this delegation may be used only as from November 4, 2026 and shall, as from that date, supersede the authorization granted by the General Meeting of May 7, 2025 in its twentysixth (26th) resolution, for its amounts unused by the board of directors.

It is the responsibility of the board of directors to prepare a report in accordance with articles R. 225-113 et seq. of the French Commercial code (Code de commerce). Our role is to report on the fairness of the financial information taken from the accounts, on the proposed cancellation of preferential subscription rights, and on other information relating to these issues provided in this report.

We have performed those procedures which we considered necessary to comply with the professional guidance issued by the French national auditing body (Compagnie Nationale des Commissaires aux Comptes) for this type of engagement. These procedures consisted in verifying the information provided in the board of director's report relating to this operation and the methods used to determine the issue price of the equity securities to be issued.

Subject to a subsequent examination of the conditions for the issues that would be decided, we have no matters to report as to the methods used to determine the issue price of the equity securities to be issued provided in the board of director's report.

As the final conditions for the issues have not yet been determined, we cannot report on these conditions and, consequently, on the proposed cancellation of preferential subscription rights.

In accordance with article R. 225-116 of the French Commercial Code (Code de commerce), we will issue a supplementary report, if necessary, when your board of directors has exercised this authorization, in the event of the issue of shares or securities giving access to other equity securities and of the issue of securities giving access to equity securities to be issued.

The Statutory Auditors

Forvis Mazars SA
Levallois-Perret on March 24, 2026

Juliette Decoux-Guillemot
Associée

Charles Desvernois
Associé

PricewaterhouseCoopers Audit
Neuilly-sur-Seine on March 24, 2026

Jean-Christophe Georghiou
Associé

Séverine Scheer
Associée

8.2.4 Statutory auditors' report on the issuance of shares or securities reserved for a category of beneficiaries

Shareholders' meeting as of May 7, 2026 – resolution n°20

To the Shareholders of the company Schneider Electric SE,

In our capacity as Statutory auditors of your company and in compliance with articles L. 228-92 and L. 225-135 et seq. of the French Commercial Code (Code de commerce), we hereby report on the proposal to delegate to the Board of Directors the competence to decide on the issue of ordinary shares or securities giving access to the share capital of your company, with cancellation of preferential subscription right, an operation upon which you are called to vote.

This resolution is reserved to the following classes of beneficiaries:

(i) employees and officers of companies of Schneider Electric Group affiliated with the company under the terms and conditions set forth in Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labour Code (Code du travail) and the head office of which is located outside France;

(ii) and/or OPC mutual investment funds or other entities, with or without legal personality, of employee shareholders invested in equity securities of the company, the unit holders or shareholders of which consist of persons described in (i) of this paragraph;

(iii) and/or any banking institution or affiliate or subsidiary of such institution acting at the company's request for purposes of implementing and giving effect to a shareholder incentive or investment or savings plan for the benefit of the persons described in (i) of this paragraph, to the extent that subscription of the person authorized in accordance with this resolution would make it possible for employees of subsidiaries located outside France to benefit from and take advantage of forms of shareholder incentive or investment or savings plans equivalent in terms of economic benefit to those from which the other employees of the group benefit.

The maximum nominal amount of the increases in capital that may result from this issue is 1% of the share capital on the date of this annual shareholders' meeting, it being specified that this amount shall be deducted from the overall ceiling set out in the 20th resolution of 2% of the share capital on the date of this annual shareholders' meeting.

Your board of directors proposes that, on the basis of its report, it be authorized, with the right of sub-delegation, for a period of eighteen months from the date of this Shareholders' meeting, to decide on whether to proceed with increases in capital and to cancel your preferential subscription rights to securities to be issued. If applicable, it shall determine the final conditions of this operation.

Your Board of Directors specifies that this delegation may be used only as from November 4, 2026 and shall, as from that date, supersede the authorization granted by the General Meeting of May 7, 2025 in its twentyseventh (27th) resolution, for its amounts unused by the board of directors.

It is the responsibility of the board of directors to prepare a report in accordance with articles R. 225-113 et seq. of the French Commercial code (Code de commerce). Our role is to report on the fairness of the financial information taken from the accounts, on the proposed cancellation of preferential subscription rights, and on other information relating to the share issue provided in this report.

We have performed those procedures which we considered necessary to comply with the professional guidance issued by the French national auditing body (Compagnie Nationale des Commissaires aux Comptes) for this type of engagement. These procedures consisted in verifying the information provided in the board of director's report relating to this operation and the methods used to determine the issue price of the equity securities to be issued.

Subject to a subsequent examination of the conditions for the issues that would be decided, we have no matters to report as to the methods used to determine the issue price of the equity securities to be issued provided in the board of director's report.

As the final conditions for the issues have not yet been determined, we cannot report on these conditions and, consequently, on the proposed cancellation of preferential subscription rights.

In accordance with article R. 225-116 of the French Commercial Code (Code de commerce), we will issue a supplementary report, if necessary, when your board of directors has exercised this authorization, in the event of the issue of ordinary shares with cancellation of preferential subscription right or securities giving access to other equity securities and of the issue of securities giving access to equity securities to be issued.

The Statutory Auditors

Forvis Mazars SA
Levallois-Perret on March 24, 2026

Juliette Decoux-Guillemot
Associée

Charles Desvernois
Associé

PricewaterhouseCoopers Audit
Neuilly-sur-Seine on March 24, 2026

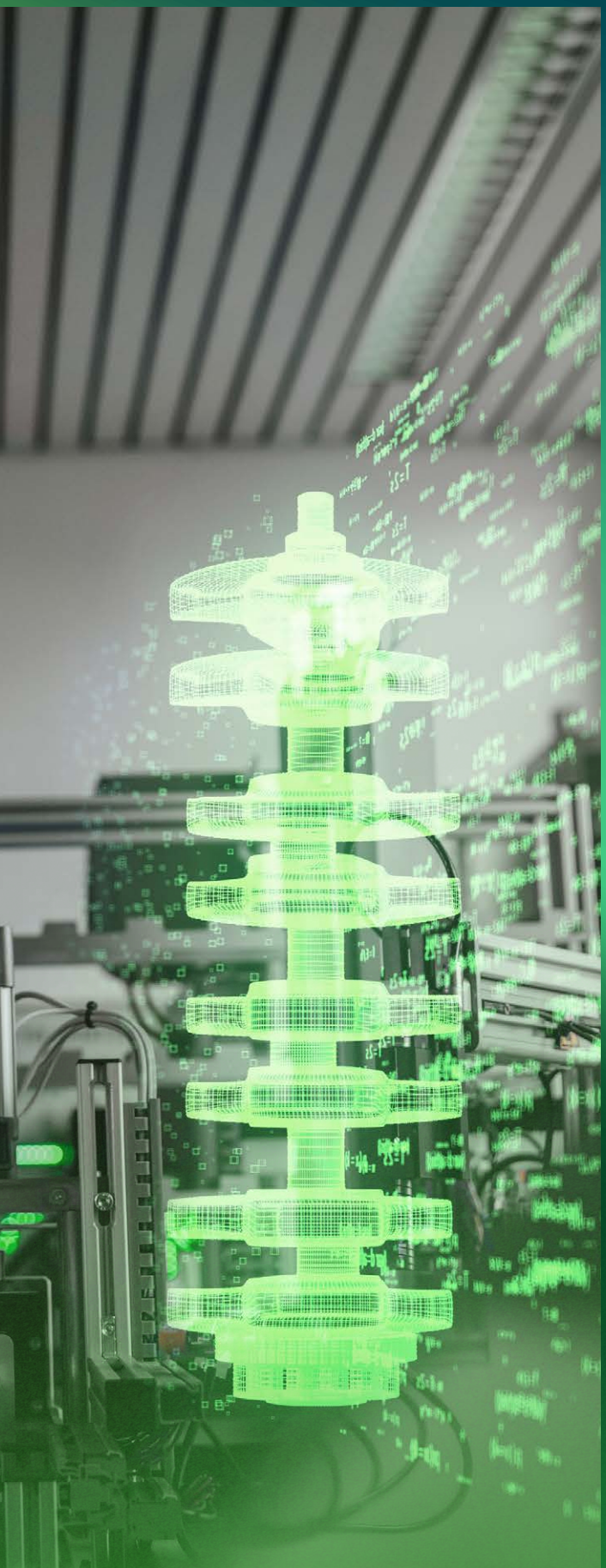
Jean-Christophe Georghiou
Associé

Séverine Scheer
Associée

Integrity

INTO

Accountability



09. Persons responsible for the Universal Registration Document and audit of the financial statements

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HARMONY RELAYS

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Persons responsible for the Universal Registration Document

Statement

I declare that the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I declare, to the best of my knowledge, that the annual accounts and consolidated accounts are drawn up in accordance with the applicable body of accounting standards and give a faithful and honest picture of the assets and liabilities, the financial situation and the profits or losses of the issuer and of all the companies included in the consolidation, and that the report on the management of the Group contained in this Universal Registration Document presents a faithful picture of the evolution and results of the company and the financial situation of the issuer and of all the companies included in the consolidation, as well as a description of the main risks and uncertainties they face and that it has been prepared in accordance with the applicable sustainability reporting standards.

March 27, 2026

Chief Executive Officer of Schneider Electric SE

Olivier Blum

Pursuant to Article 19 of Regulation (EU) 2017/1129 of the European Parliament and of the Council, the following information is incorporated by reference in the present Universal Registration Document:

- the consolidated financial statements and corresponding auditors' reports provided in Chapter 5 of the Universal Registration Document for the year ended December 31, 2023, registered with the AMF under number D.24-0201 on March 28, 2024;
- the consolidated financial statements and corresponding auditors' reports provided in Chapter 5 of the Universal Registration Document for the year ended December 31, 2024, registered with the AMF under number D.25-0154 on March 26, 2025;
- the parent company financial statements and corresponding auditors' reports provided in Chapter 6 of the Universal Registration Document for the year ended December 31, 2023, registered with the AMF under number D.24-0201 on March 28, 2024;
- the parent company financial statements and corresponding auditors' reports provided in Chapter 6 of the Universal Registration Document for the year ended December 31, 2024, registered with the AMF under number D.25-0154 on March 26, 2025;
- the management report provided in the Universal Registration Document for the year ended December 31, 2023, registered with the AMF under number D.24-0201 on March 28, 2024;
- the management report provided in the Universal Registration Document for the year ended December 31, 2024, registered with the AMF under number D.25-0154 on March 26, 2025;
- Passages not incorporated in these documents are either irrelevant for the investor or covered in another section of the Universal Registration Document.

Persons responsible for the audit of the financial statements

	Date appointed	Appointment expires
Statutory auditors		
PricewaterhouseCoopers Audit – 63 rue de Villiers – 92200 Neuilly-sur-Seine		
Represented by Séverine Scheer and Jean-Christophe Georghiou	2022	2028
Forvis Mazars Tour Exaltis – 45 rue Kléber - 92300 Levallois-Perret		
Represented by Juliette Decoux-Guillemot and Charles Desvernois	2004	2028

PricewaterhouseCoopers Audit and Forvis Mazars are members of the Auditors' Regional Company of "Versailles et du Centre".

Universal Registration Document cross-reference table

To facilitate the reading of the Annual Report, filed as Universal Registration Document, the following table allows the identification of the main headings required by Regulation (EU) 2017/1129 of the European Parliament and of the Council.

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1.2	Declaration by the persons responsible	Chapter 9	628
1.3	Statement of experts and declaration of interest	N/A	N/A
1.4	Certification on information provided by third parties	N/A	N/A
1.5	Declaration of deposit to the competent authority	Inside front cover	N/A
2.	**STATUTORY AUDITORS**		
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4.3	Issuer's incorporation date and length of life	Chapter 7, section 7.3	596
4.4	Domicile, legal form, applicable legislation, country of incorporation, registered office's address, and telephone number	Chapter 7, section 7.3	596
5.	**BUSINESS OVERVIEW**		
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5.2	Principal markets	Integrated Report	12–15
5.3	Exceptional events	N/A	N/A
5.4	Strategy and objectives	Integrated Report Chapter 1, section 1.1 Chapter 1, section 1.4	4–11 50 57–63
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6.	**ORGANIZATIONAL STRUCTURE**		
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8.3	Information on borrowing conditions and financing structure	Chapter 5, section 5.5 Chapter 6, section 6.3	530–540 571–572
8.4	Restrictions on use of capital resources that have materially affected, or could materially affect, directly or indirectly, the operations	Chapter 3, section 3.2	379–380
8.5	Expected sources of financing	Integrated Report	18, 25
9.	**REGULATORY ENVIRONMENT**	**N/A**	**N/A**
10.	**TREND INFORMATION**		
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10.2	Known trends, uncertainties, demands, commitments, or events that might have a material effect on prospects for the current fiscal year	Integrated Report	25
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18.3.3	Financial data contained in the Universal Registration Document and not extracted from the issuer's audited financial statement	N/A	N/A
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Annual Financial Report cross-reference table

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Cross-reference table referring to the elements of the Management Report

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Glossary

Adjusted EBITA (Earnings Before Interest, Taxes, Amortization of Purchase Accounting Intangibles). Adjusted EBITA corresponds to the operating income before amortization and impairment of purchase accounting intangible assets, before goodwill impairment, other operating income and expenses, and restructuring costs.

AFEP-MEDEF Code Corporate Governance Code of listed corporations developed by the French Association of Private Enterprises – *Association française des entreprises privées* (AFEP), and the Movement of the Enterprises of France – *Mouvement des entreprises de France* (MEDEF).

AGM Annual General Meeting. The annual meeting of Schneider Electric shareholders. The next meeting will be held on May 7, 2026.

AI Artificial Intelligence.

AMF French Financial Market Authority – *Autorité des Marchés Financiers*.

CapEx Capital Expenditure: company expenditure on major, long-term assets such as buildings, machinery, and vehicles.

Circular Certified Schneider Electric label to give products a second life (unsold or obsolete stock, commercial returns).

CSR Corporate Social Responsibility.

CSRD Corporate Sustainability Reporting Directive.

Data Cube is Schneider Electric's open, scalable data foundation for Energy and Industrial Intelligence. Built on 3 dimensions: end-to-end data integration from edge to cloud, lifecycle intelligence via digital twins, and Schneider's deep domain knowledge through Energy Foundational Models and ontologies. It transforms siloed, complex data into contextualized and actionable intelligence across data centers, buildings, industry, and infrastructure.

Digital Twin A near-real-time digital image of a physical object or process that helps optimise business performance.

Digital Flywheel Schneider Electric's model, which combines Connectable Products, Edge Control, Digital Software & Services, and Field Services, to generate recurring revenue and maximize value over the full duration of the customer offering.

EcoDesign Way™ Schneider Electric embraces circular principles all along the lifecycle of products and offers. The keystone of circularity is EcoDesign Way™, a process that is applied to the development of all new products.

EcoStruxure™ EcoStruxure™ is Schneider Electric's IoT-enabled, plug-and-play, open, interoperable architecture and platform, used in homes, buildings, data centers, infrastructure, and industries. EcoStruxure™ enables enhanced safety, reliability, efficiency, sustainability, and connectivity with "Innovation at Every Level" from connected products to edge control, and apps, analytics, & services.

EHS Environment, Health, and Safety.

Energy transition The energy transition replacing fossil fuels with low-carbon energy sources.

Energy Technology (Energy Tech) refers to the convergence of electrification, automation, and digital intelligence that unlocks the full value of energy by simplifying complexity and enabling smarter, more efficient operations across every industry, business, and home.

EPS Earnings Per Share.

ESG Environment, Social, and Governance.

ESRS European Sustainability Reporting Standards.

GHG Green House Gas.

Green Premium™ Our Green Premium™ label was created to provide our customers with more sustainable products and transparency with environmental information. In 2024, the label evolved into Schneider Electric's Environmental Data Program.

IEC International Electrotechnical Commission.

Impact revenues Schneider Impact revenues are offers that bring energy, climate, or resource efficiency to customers while not generating any significant harmful impact to the environment.

IPCC Intergovernmental Panel on Climate Change.

IRO Impacts, Risks, and Opportunities.

KPI Key Performance Indicator.

Living wage Schneider Electric believes earning a living wage is a basic human right and a key element to decent work. Schneider Electric is committed to paying all employees at or above the living wage to meet their families' basic needs. By basic needs, the Group considers food, housing, sanitation, education, healthcare, plus discretionary income for a given local standard of living.

LTIP Long Term Incentive Plan.

Microgrid Local, self-contained electrical network which allows to generate electricity on-site and use it when needed.

Multi-hub Four hubs now serve the Group's different markets (Europe, North America, India, and China). Each hub has its own capabilities, while operating and contributing together toward the same Group objectives.

Net-Zero As per the SBTi's "Corporate Net Zero Standard", it means reducing emissions at a pace that is in line with the latest climate science and balancing any remaining essential residual emissions through carbon removal credits (rather than any type of carbon credits, including avoidance credits).

OEM Original Equipment Manufacturer.

OpEx Operational Expenditure: costs which are incurred through a company's day-to-day business operations (like salaries, rent, energy costs etc.).

R&D Research & Development.

REACH Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals.

Glossary

RoHS Restriction of Hazardous Substances.

SaaS Software as a Service.

SBTi Science Based Targets initiative.

SCADA Supervisory control and data acquisition.

SDG United Nations' Sustainable Development Goals.

SF_6 Sulfur hexafluoride; one of most potent greenhouse gases. Schneider Electric launched SF_6-free green and digital MV switchgear with GM AirSeT™ in 2020.

SSE Schneider Sustainability Essentials (SSE) 2021–2025 was created to maintain a high level of commitment and transparency in the actions taken by the Group. This tool brings balance between the innovative transformation plans of the Schneider Sustainability Impact (SSI) and the need to keep progressing on other long-lasting programs.

SSERI Schneider Sustainability External & Relative Index; measures the long-term sustainability performance of the Group in terms of relative performance, through a combination of external indices (including DJSI World, Euronext Sustainalytics, Ecovadis, and CDP Climate Change).

SSI Schneider Sustainability Impact (SSI) is Schneider Electric's strategic sustainability roadmap, which translates into a set of highly transformative and innovative programs. Progress on these five-year programs is monitored and published quarterly, as well as audited annually.

STIP Short Term Incentive Plan.

Trust Charter The Trust Charter acts as the Group's Code of Conduct, demonstrating its commitment to ethics, safety, sustainability, quality, and cybersecurity.

TZCP The Zero Carbon Project: Actions to reduce the greenhouse gas emissions from Schneider Electric's suppliers. The ambition of TZCP is to collaborate with 1,000 suppliers and reduce their operational greenhouse gas (GHG) emissions by 50% by 2025 (SSI #3).

UPS Uninterruptable Power Supply.

Vigilance Plan: mandatory framework requiring large companies to identify, prevent, and mitigate serious human rights, environmental, and safety risks linked to their operations, subsidiaries, and business partners. It formalizes due-diligence processes, risk mapping, monitoring measures, and stakeholder engagement.

VOC Volatile Organic Compounds – Organic substance which can be vaporized by small changes in temperature or pressure. VOCs are a category of air pollutant mainly from industrial processes and automobiles. Schneider Electric does everything to reduce them as much as possible.

VolunteerIn Schneider Electric's VolunteerIn programme was created in 2012 to organize volunteer missions benefiting the Schneider Electric Foundation's partners. Wherever the Company is based, VolunteerIn empowers people to be actors and ambassadors of societal commitments in the fields of education, access to energy, and the fight against energy poverty.

WEEE Waste Electrical and Electronic Equipment.

WESOP Worldwide Employee Share Ownership Plan.

Financial Calendar

Investor Relations

May 7, 2026 Annual Shareholders' Meeting

Financial Releases

February 26, 2026 2025 Annual Results
April 30, 2026 Q1 2026 Revenues
July 30, 2026 2026 Half Year Results
October 29, 2026 Q3 2026 Revenues

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