

Schneider Electric Environmental Sustainability Policy

First publication : Oct 2024
Current publication : Dec 2025
Version : Version 2
Document type : Group Policy
Scope : All Schneider Electric

Policy Name

Schneider Electric Environmental Sustainability Policy (the "**Policy**")

Purpose

The objective of the Schneider Electric Environmental Sustainability Policy is to define Schneider Electric's Vision, Commitments, and the associated Guiding Principles and Rules for action.

1. The Environmental Sustainability Policy integrates two former policies (the Energy Policy and the Environmental Policy) to address in one framework the various dimensions of the environment as well as its interconnectedness.
2. This Policy encompasses the material Environmental Impact, Risks and Opportunities, including (but not limited to) those addressed in the European Sustainability Reporting Standards (ESRS) of the Corporate Sustainability Reporting Directive (CSRD) and in the EU Taxonomy of the European Union. Namely, these topics are:
 - a. Climate change mitigation, climate change adaptation and energy (ESRS E1)
 - b. Pollution prevention and control of air, water and soil, including the use and introduction on the market of substances of concern and substances of very high concern (ESRS E2)
 - c. Water protection and sustainable use (ESRS E3)
 - d. Biodiversity and ecosystems protection and restoration (ESRS E4)
 - e. Resources sustainable use and transition to a circular economy (ESRS E5)
3. The Policy frames our readiness and ambition to go beyond the regulatory requirement and achieve voluntary sustainability commitments and targets that we set for ourselves.
4. Our Environmental Sustainability Policy is to be disseminated across the Company for alignment in Environmental Sustainability throughout the entire organization and subsidiaries.

Audience

All employees

Confidentiality Status

Public

Local Adaptation Authorization

No local adaptation allowed, except using local language if required

Document Owner

Vanessa MILER-FELS, Senior Vice President SERE (Safety, Environment & Real Estate) and Sustainability

Document Reviewers

Steve Sacco, Vice President SERE (Safety, Environment & Real Estate) and Sustainability
 Aparna PRABHAKAR, Senior Vice President Strategy, Energy Management
 Prafull SHARMA, Senior Vice President Strategy, Industrial Automation
 Nicolas DESCABANNES, Vice President Global Real Estate

Document Approver

Esther FINIDORI, Chief Sustainability Officer

Our Vision

At Schneider Electric, we are **your global energy technology partner**. We electrify, automate and **digitalize** every industry, business and home **driving efficiency and sustainability for all**.

Our Environmental Ambition is to **operate sustainably within the planetary boundaries** and **reconcile beneficial economic growth** with the need for **ecosystem preservation** and **regeneration**. We recognize the **interconnectivities across climate and environment**, and commit to **minimize negative environmental impact, limit GHG emissions, fight climate change, prevent pollution, and reduce resource consumption**. We strive to foster **positive outcomes for ecosystems, nature and society** through our climate adaptation and nature strategy, focusing on **nature and biodiversity protection**, promoting **water stewardship**, strengthening **resilience** and **circularity**.

As our customers' digital partner for Sustainability and Efficiency, we lead by example, constantly looking to **reduce our energy consumption** and **greenhouse gas (GHG) emissions in absolute terms**, leveraging technological, process and behavioral transformations. We strive for **resilience**, adapting our operations, supply chain and investments to **mitigate risks from climate change and nature depletion**.

We believe the **transition to a circular economy** presents the greatest opportunity to actively decrease of consumption's pressures and therefore contribute to safeguarding **biodiversity** and **natural resources** while combatting climate change. We lead **systems transformation** by adopting **end-to-end circularity**, identifying ways to keep resources in circulation for as long as possible, **from design and production to end-of-life treatment**.

With the **increasing expectations** related to Environment Impact from customers, investors, public authorities, and the civil society, **environmental commitments and performance are critical to business performance**. **Collaboration** internally and with all external stakeholders in our ecosystem is key to achieving our environmental ambitions and deliver business performance.

Our Commitments, Guiding Principles, and Rules

1. GOVERNANCE AND DECISION-MAKING: WE EMBED ENERGY AND ENVIRONMENT IN FUNCTIONS AND PROCESSES, WITH CLEAR RULES AND DATA- DRIVEN DECISION-MAKING

Company-wide targets are well disseminated, and governance is in place to ensure the right level of accountability on environmental transformation. We embed energy and environment in our governance and decision-making, setting clear rules and processes.

- **Embed** energy and environment **objectives** and **risks** based on latest **environmental data**, and leverage **opportunities for business**, where appropriate
- Determine and assign **targets** and **accountabilities** to relevant organizational entities
- Set up dedicated **cross-functional decision committees at leadership level**, covering the multi-dimensional and ambitious energy and environment commitments
- **Align policies** and **directives** with energy and environment commitments
- **Set rules about energy and environment**, inside **key decision-making processes**, including but not limited to:
 - o Mergers and acquisitions; investments and divestments (incl. big CAPEX projects)
 - o Allocation of resources and finance
 - o Product design and offer business model design
 - o Procurement and supply chain decisions
 - o Customer projects decisions / selection

2. OPERATIONS: WE MINIMIZE OUR RESOURCE DEPENDENCIES, REDUCE OUR NEGATIVE ENVIRONMENTAL IMPACT, AND STRENGTHEN RESILIENCE

The energy and environmental footprint of all sites and assets are to be mitigated to decorrelate growth of our activities. We aim to reduce energy consumption and GHG emissions in absolute terms by adopting Schneider Electric's own capabilities and showcase our solutions to customers and business partners.

- **Comply** with all legal requirements on energy and environment
- **Commit to reduce our energy and environmental footprint**, via the prevention and mitigation of environmental impacts (GHG emissions, energy, pollution of air, water and soil, substances of concern and of very high concern, water, biodiversity, resource use)
- **Avoid locked-in emissions**: we aim at phasing out fossil fuel dependencies for long-lived assets in new investment projects
- Carry out periodical **risk reviews** and **audits** to strengthen **risk management systems** and reduce environmental **risks**, as per definition in GED001 and internal audit directive
- Define and deploy environmental **best practices** in operations, offices, and properties; aligning our approach with major energy and energy efficiency programs
- Incorporate our products and **EcoStruxure** solutions **to raise energy and environmental performance** and **showcase** to our customers and partners

3. PARTNERS, CONTRACTORS AND SUPPLIERS: WE COLLABORATE ACROSS THE VALUE CHAIN FOR COLLECTIVE ENERGY AND ENVIRONMENTAL PERFORMANCE

We deploy our ambitions towards our business partners and collaborate with partners, contractors, and suppliers to develop and implement energy and environmental initiatives, and embark them onto the journey.

- **Engage** suppliers, contractors, partners and customers in our energy and environmental excellence journey by participating to global coalitions that advance environmental sustainability and adopting frameworks that promote responsible practices
- **Select** key partners, contractors, and suppliers compliant with energy and environment regulations; regularly assess environmental risks in our value chain and work to reduce these risks relying on relevant third-party certifications or ratings (incl. ISO, EcoVadis)
- **Collaborate** with our partners to **innovate** and develop circular business models and closed loop supply chains
- **Partner** across the industry to **send demand signals for environmentally sustainable materials, packaging, components** (e.g., recycled content, low CO2, biosourced) and for **energy efficient equipment and services** that impact energy performance
- **Promote** and **support ambitious energy and environment regulations**
- **Be open to external ideas and challenges**, act as active members of external organizations and team up with leading universities and scientists

4. CUSTOMERS AND PRODUCTS: WE DIFFERENTIATE VIA INNOVATIVE AND ENVIRONMENTALLY SUSTAINABLE OFFERS

Research & development activities, design of offers (products, systems, software, and services), business development and execution of engineering and projects activities are done with an environmental sustainability mindset.

- Develop **key technology and processes** that mitigate negative environmental impact and climate change, while creating positive environmental contributions to pivot into the green market and circular economy
- Deploy **principles of circularity, eco-design** and **life cycle** in R&D, design, business models, manufacturing to create offers that are energy efficient, have lower environmental impacts and contribute to reducing clients' environmental footprint
- Continue **improving Product Stewardship** via our Environmental Data Sheet
- Act as **role models** and **showcase** our expertise and **EcoStruxure** solutions in our facilities: digitization, electrification, and energy management solutions in our sites, during tours for customers and other stakeholders
- Create **immersive sustainability education** for clients on our digital platforms

5. PEOPLE AND CULTURE: WE SPREAD A CULTURE OF ENERGY AND ENVIRONMENTAL PERFORMANCE

We empower our People to be agents of change on environmental topics. We coordinate initiatives to onboard all employees, regardless of pre-existing skills and knowledge regarding energy and environment: from awareness initiatives to dedicated upskilling trainings, and creating expertise paths on environmental domains.

- Raise **awareness and engagement** of our employees in environmental sustainability
- **Collect and disseminate valuable environmental practices** among colleagues
- Create dedicated training modules for **upskilling employees** on environmental aspects
- Develop **internal expertise** career paths and recognize teams who deliver environmental performance and innovation

6. TARGETS AND PERFORMANCE: WE EMBED ENERGY AND ENVIRONMENT INTO HOW PERFORMANCE IS DEFINED AND MEASURED

We commit ambitious, clear, and quantified energy and environment targets, embed energy and environmental performance, and report progress transparently to all stakeholders. Our targets are translated to people's performance mechanisms.

- Define **ambitious, clear, and quantifiable energy and environment targets** and commit publicly with, when appropriate, short-, mid- and long-term milestones
- Participate actively in **energy and environmental disclosure, labels, and awards** at global, regional, and local levels, when appropriate
- Seek **annual independent assurance** of energy and environmental performance
- **Externally report energy and environmental performance** at least annually, and more frequently for the most material topics
- Commit to **continually improve energy and environmental performance and their management systems**, leveraging on benchmarks: internally (between comparable sites and processes), externally (with sustainability leaders and competitors)
- Embed **energy and environment annual targets in collective incentive plans**

7. COMMUNICATIONS AND GREENWASHING: WE COMMUNICATE RESPONSIBLY ABOUT THE ENVIRONMENT AND SUSTAINABILITY

We deliver transparent and robust data, reflect environmental impacts and benefits at all steps of the value chain, and enable clients to make fact-based environmental choices.

- Back environmental claims with **auditable data** and well-corroborated **studies and research**
- Provide **transparent digitized** information on **environmental impacts** of offers
- Educate employees on **responsible sustainability communication and environmental claims to avoid greenwashing**
- Leverage **whistleblowing tools** and **control systems** to avoid greenwashing and misrepresentation of environmental claims