Bridging progress and sustainability for all

2020 – 2021 Sustainability Report
Introduction
Climate
Resources
Trust
Equal
Generations
Local
Company Overview
Follow us on: @schneiderelec
A turning point for sustainability

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

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

Paving the way as the Most Sustainable Corporation

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

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

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

But our next step is our most ambitious yet. The 2021 – 2025 Schneider Sustainability Impact program introduces six long-term commitments set against the United Nations Sustainable Development Goals to accelerate us toward a more sustainable future. Taking a broader view on sustainability, our new goals will include empowering local teams to address solutions within their communities and harnessing the power of all generations.

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

Concrete actions for change

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

The capacity to create a better future, one that bridges sustainability and progress for all, exists today. And we remain committed to raising the bar for ourselves, our customers and partners, and the communities around us.

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

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

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

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

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

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

Doing our part to advance the U.N. SDGs
## Results as of Q4 2020

### Our megatrends and SDGs

<table>
<thead>
<tr>
<th>Our 21 goals, 2018 – 2020</th>
<th>Overall score out of 10</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CLIMATE</strong></td>
<td></td>
</tr>
<tr>
<td>1. Renewable electricity</td>
<td>3</td>
</tr>
<tr>
<td>2. CO₂ efficiency in transportation</td>
<td>80%</td>
</tr>
<tr>
<td>3. Million metric tons CO₂ saved on our customers’ end thanks to EcoStruxure™ offers</td>
<td>10%</td>
</tr>
<tr>
<td>4. Increase in turnover for our EcoStruxure Energy &amp; Sustainability Services</td>
<td>120</td>
</tr>
<tr>
<td><strong>CIRCULAR ECONOMY</strong></td>
<td></td>
</tr>
<tr>
<td>5. Sales under our new Green Premium™ program</td>
<td>75%</td>
</tr>
<tr>
<td>6. Sites labeled toward zero waste to landfill</td>
<td>200</td>
</tr>
<tr>
<td>7. Cardboard and pallets for transport packing from recycled or certified sources</td>
<td>100%</td>
</tr>
<tr>
<td>8. Metric tons of avoided primary resource consumption through ECOFIT™, recycling, and take-back programs</td>
<td>120,000</td>
</tr>
<tr>
<td><strong>HEALTH &amp; EQUITY</strong></td>
<td></td>
</tr>
<tr>
<td>9. Scored in our Employee Engagement Index</td>
<td>70%</td>
</tr>
<tr>
<td>10. Medical incidents per million hours worked</td>
<td>0.88</td>
</tr>
<tr>
<td>11. Employees have access to a comprehensive well-being at work program</td>
<td>90%</td>
</tr>
<tr>
<td>12. Employees are working in countries that have fully deployed our Family Leave policy</td>
<td>100%</td>
</tr>
<tr>
<td>13. Workers received 15 hours of learning in the year with 30% digital learning</td>
<td>100%</td>
</tr>
<tr>
<td>14. White-collar workers have individual development plans</td>
<td>90%</td>
</tr>
<tr>
<td>15. Employees are working in a country with commitment and process in place to achieve gender pay equity</td>
<td>95%</td>
</tr>
<tr>
<td><strong>ETHICS</strong></td>
<td></td>
</tr>
<tr>
<td>16. Increase in average score of ISO 26000 assessment for our strategic suppliers</td>
<td>+5.5 pts</td>
</tr>
<tr>
<td>17. Suppliers under Human Rights &amp; Environment vigilance received specific on-site assessment</td>
<td>350</td>
</tr>
<tr>
<td>18. Sales, procurement, and finance employees trained every year on anti-corruption</td>
<td>100%</td>
</tr>
<tr>
<td><strong>DEVELOPMENT</strong></td>
<td></td>
</tr>
<tr>
<td>19. Turnover of our Access to Energy program</td>
<td>x4</td>
</tr>
<tr>
<td>20. Underprivileged people trained in energy management</td>
<td>400,000</td>
</tr>
<tr>
<td>21. Volunteering days thanks to our VolunteerIn global platform</td>
<td>15,000</td>
</tr>
</tbody>
</table>

The arrow shows if the indicator has risen, stayed the same, or fallen compared to the previous quarter. The color shows if the indicator is above or below the objective of 5/10.
We act for a climate-positive world

by continuously investing in and developing innovative solutions that deliver immediate and lasting decarbonization in line with our carbon pledge.
An accelerated climate commitment

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

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

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

We’ll become carbon neutral in our operations by 2025.

We’re on track to meet our validated 1.5 °C science-based target by 2030.

We’ve assigned a bold carbon neutrality target to our end-to-end value chain: All our products will be carbon neutral by 2040.

We’re engaging with suppliers toward a net-zero supply chain by 2050.
EVERY DAY, we join our customers and partners on their own decarbonization journeys, delivering digital solutions that help them realize their ambitious efficiency and sustainability goals. STMicroelectronics, a global leader in semiconductor technology, enlisted our expertise to achieve carbon neutrality by 2027. In a three-pronged strategy, we’ll:

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

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

¹ Companies taking action, Science Based Targets, 2021
Transforming energy efficiency

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

- **EcoStruxure Energy & Sustainability Services** including climate change mitigation, supply chain decarbonization, environmental, social, and corporate governance reporting, and sustainability certification.

- **Strategic procurement programs** including traditional and renewable energy, distributed energy resources, microgrids, global Energy Attribute Certificates, and carbon offsets.

- **Enterprise efficiency consulting and performance contracting** to measure, manage, and reduce energy and resource consumption.

- **Enterprise-wide energy and sustainability data collection**, with integration into our AI-enabled EcoStruxure™ Resource Advisor software platform.
2020 highlights

- Recognized as one of the Most Sustainable Corporations in the World
- Ranked on the CDP's A-list for the 10th consecutive year
- Partnered with the Solar Impulse Foundation
- Joined the Climate Pledge Coalition
- Distinguished as the 2020 Clean Energy Trailblazer

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

We decarbonize from the inside out, while supporting our customers and communities with proven solutions. See how.
As we embark on the next phase of our SSI (2021 – 2025), our progress over the past few years is the foundation on which we build success. Here’s how we improved our climate goals.

**Impact #1: 80% renewable electricity**

<table>
<thead>
<tr>
<th>Year</th>
<th>Start 2018</th>
<th>Q4 2018</th>
<th>Q4 2019</th>
<th>Q4 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>0%</td>
<td>30%</td>
<td>50%</td>
<td>80%</td>
</tr>
</tbody>
</table>

**Impact #2: 10% CO₂ efficiency in transportation**

<table>
<thead>
<tr>
<th>Year</th>
<th>Q4 2018</th>
<th>Q4 2019</th>
<th>Q4 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>-1.8%</td>
<td>4.1%</td>
<td>8.4%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Q4 2018</th>
<th>Q4 2019</th>
<th>Q4 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>0</td>
<td>89M</td>
<td>134M</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Q4 2018</th>
<th>Q4 2019</th>
<th>Q4 2020</th>
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</thead>
<tbody>
<tr>
<td>2018</td>
<td>13.8%</td>
<td>17.6%</td>
<td>21.8%</td>
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Sustainability Report 2020 – 2021
We are efficient with resources
by behaving responsibly and making the most of digital technology to preserve our planet.
CIRCULARITY IS PART of our business model, and now, we're expanding our environmental commitments to integrate biodiversity — a call to action to combat the accelerating species loss and degradation of the natural world.

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

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

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

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

— Marc Abadie
CEO
CDC Biodiversité
Reducing the use of raw materials

Focusing on increasing, when possible, the share of recycled raw materials

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

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

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

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

To advance our goals, our action plan includes circular offers with minimal environmental harm by:
Our Green Premium products, services, and solutions are built with sustainability in mind. Offering superior energy efficiency, they help our customers leave a positive impact on the environment by reducing carbon emissions.

**Green Premium**

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

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

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

**ECOFIT**

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

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

157,000 metric tons of primary resource consumption avoided in 2020
How the world's leader in steel cut costs and CO₂ with EcoStruxure

ArcelorMittal sustainably modernized the electrical system in its Belval facility with the help of EcoStruxure for Metals.

Circular Certified

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

European Plastics Pact

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

The Circulairs Accelerator program

Schneider is partnering in the Circulairs Accelerator program with Accenture to develop circular solutions and connect with early to growth-stage entrepreneurs to boost the circular economy.
As we embark on the next phase of our SSI (2021 – 2025), our progress over the past few years is the foundation on which we build success. Here's how we've improved our goals:

**Circular economy goals**

**Impact #5: 75% of sales under our Green Premium program**
- **Q4 2018:** 45.7%
- **Q4 2019:** 55.2%
- **Q4 2020:** 76.7%

**Impact #6: 200 sites labeled toward zero waste to landfill**
- **Q4 2018:** 178
- **Q4 2019:** 193
- **Q4 2020:** 206

**Impact #7: 100% cardboard and pallets for transport packing from recycled or certified sources**
- **Q4 2018:** 62%
- **Q4 2019:** 96%
- **Q4 2020:** 99%

**Impact #8: 120M metric tons of avoided primary resource consumption through ECOFIT, recycling, and take-back programs**
- **Q4 2018:** 43.572M
- **Q4 2019:** 97.439M
- **Q4 2020:** 157.588M
We live up to our principles of trust by upholding ourselves and all around us to high social, governance, and ethical standards.
Trust and sustainability grow together

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

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

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

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

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

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

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

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

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

— Jean-Pascal Tricoire
Chairman and CEO
Schneider Electric

Life Is On | Schneider Electric
Sustainability requires decent work

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

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

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

"Decent Work," International Labor Organization, 2021

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

— Timothy Erblich
CEO
Ethisphere Institute

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2020 highlights

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

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

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

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

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

93% of employees completed e-learning on our PoR.

237 PoR training sessions were organized at the local level.

Speak Up:

625 concerns received via Red Line and Green Line

512 concerns investigated

139 allegations confirmed

108 actions taken after investigation

We updated our duty of vigilance risk matrix to gain better visibility into potential human rights risks across our supply chain and partner ecosystem.
As we embark on the next phase of our SSI (2021 – 2025), our progress over the past few years is the foundation on which we build success. Here’s how we improved our

Ethics goals

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

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q4 2018</th>
<th>Q4 2019</th>
<th>Q4 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>START</td>
<td>1.8 pts</td>
<td>3.7 pts</td>
<td>6.3 pts</td>
</tr>
<tr>
<td>2020 GOAL</td>
<td>5.5 pts</td>
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Impact #17: 350 suppliers under Human Rights & Environment vigilance received specific on-site assessment

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<thead>
<tr>
<th>Quarter</th>
<th>Q4 2018</th>
<th>Q4 2019</th>
<th>Q4 2020</th>
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<tbody>
<tr>
<td>START</td>
<td>155</td>
<td>279</td>
<td>374</td>
</tr>
<tr>
<td>2020 GOAL</td>
<td>350</td>
<td></td>
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</table>

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

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q4 2018</th>
<th>Q4 2019</th>
<th>Q4 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>START</td>
<td>0%</td>
<td>94%</td>
<td>94%</td>
</tr>
<tr>
<td>2020 GOAL</td>
<td>100%</td>
<td></td>
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</table>
We create equal opportunities by ensuring all employees are uniquely valued and work in an inclusive environment to develop and contribute their best.
The social environment in which we operate has changed significantly since 2005, when we first began tracking our sustainable development progress.

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

Throughout this past year, the concept of equity has proven to be inseparable from true sustainability; without a sense of knowing what’s ethical and equitable, any pursuit of a sustainable future is wasted. As our society was forced to reckon with the realities of a global health crisis, we were also urged to examine how we, either consciously or unconsciously, treat our fellow human beings. From these distinct challenges, a common denominator emerges — we’re better when we work together.
WE TAKE OUR responsibility as a leading employer seriously. Our priority since the beginning of the COVID-19 pandemic has been to ensure all our employees stay healthy, feel safe, have access to well-being resources for themselves and their dependents, and know they’re valued. We reaffirmed and enhanced our existing global benefits for all employees throughout this crisis:

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

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

Inclusive healthcare coverage
We continue to ensure employees and their dependents have access to inclusive healthcare coverage, such as outpatient care, hospitalization, treatment for chronic conditions, maternity care, elder care, child services, adoption, and more.
Each year, Schneider employees are asked to provide anonymous feedback through our OneVoice survey. In the context of COVID-19, we added a set of questions regarding the pandemic. As a result of the survey, we implemented a new Global Flexibility@Work policy, offering eligible employees the option of working from home two days per week once local health guidelines allow for employees to return to offices.

- 100% of employees surveyed in June 2020
- 68% participation rate for the two-week survey period
- 40,985 people reached via kiosks for blue-collar workers, of which 26,480 were answered
- 3,729 managers received dedicated reports
- 50,000+ verbatim comments analyzed
In 2020, we launched a global career development platform called Open Talent Market (OTM). Available to all employees, OTM is an AI-driven program that matches internal talent to projects, jobs, and mentors throughout the Schneider organization. This program empowers employees to own their career journey while creating better transparency around job opportunities and facilitating diverse, global collaboration.

- 30,000+ employees joined
- 3,000+ mentorships initiated
- 1,400+ opportunities sourced
MUCH OF WHAT drives the OTM platform, and also motivates our wider success, is diversity. And to create a culture that embraces diversity requires an inclusive mindset. That’s why we develop and apply our policies, initiatives, and practices with a clear commitment to equity. Our commitment can be summarized as “equal pay for equal work.” Since 2015, we’ve implemented a Pay Equity Framework, which is a global methodology companies use to identify pay gaps within comparable groups of employees, close those gaps, and prevent them from occurring in the future. Embracing pay equity is one of just many levers we can use to address one of the biggest threats to society: discrimination.

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

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

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

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

— Michelle Silverthorn
Founder
Inclusion Nation
In 2020, Schneider Electric was

- Named one of the Fortune’s World’s Most Admired Companies for the 4th consecutive year (ranked third in the Electronics industry)
- Recognized for the 2nd year in a row by the Financial Times as a Diversity Leader
- Included in the Bloomberg Gender-Equality Index for the 4th year in a row
- Employee Resource Groups in more than 30 countries helped empower and advance women in leadership locally
- Distinguished by Forbes as one of the World’s Best Employers 2020

At Schneider Electric, we value differences and believe in equal opportunities for everyone, everywhere.
As we embark on the next phase of our SSI (2021 – 2025), our progress over the past few years is the foundation on which we build success. Here’s how we improved our Health & Equity goals:

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

<table>
<thead>
<tr>
<th>Q4 2019</th>
<th>Q4 2019</th>
<th>Q4 2020</th>
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<tbody>
<tr>
<td>64%</td>
<td>67%</td>
<td>69%</td>
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**Impact #10:** 0.88 medical incidents per million hours worked

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<tr>
<th>Q4 2018</th>
<th>Q4 2019</th>
<th>Q4 2020</th>
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<tbody>
<tr>
<td>1.15</td>
<td>.79</td>
<td>.58</td>
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**Impact #11:** 90% of employees have access to a comprehensive well-being at work program

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<tr>
<th>Q4 2018</th>
<th>Q4 2019</th>
<th>Q4 2020</th>
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<tbody>
<tr>
<td>20%</td>
<td>47%</td>
<td>90%</td>
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**Impact #12:** 100% of employees are working in countries that have fully deployed our Global Family Leave Policy

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<tr>
<th>Q4 2018</th>
<th>Q4 2019</th>
<th>Q4 2020</th>
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<tbody>
<tr>
<td>0</td>
<td>75%</td>
<td>99%</td>
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**Impact #13:** 95% of employees are working in a country with commitment and process in place to achieve gender pay equity

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<tr>
<th>Q4 2018</th>
<th>Q4 2019</th>
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<tbody>
<tr>
<td>89%</td>
<td>99.6%</td>
<td>99%</td>
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**Impact #19:** x4 turnover in our Access to Energy program

<table>
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<tr>
<th>Q4 2018</th>
<th>Q4 2019</th>
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<tbody>
<tr>
<td>1</td>
<td>x1.31</td>
<td>x1.64</td>
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</table>
We harness the power of all generations by fostering learning, upskilling, and development for each generation, paving the way for the next.
Today’s efforts build tomorrow’s leaders.

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

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

- Providing future sustainability champions with the skills and training required to build a greener world.
- Connecting with university students worldwide, providing opportunity, and challenging them to think bigger.
- Providing underprivileged people with energy management knowledge and skills, and supporting entrepreneurs.
INDONESIA WAS A major focus in 2020 as we worked to revitalize vocational schools and boost local talent development. We offered training to vocational teachers and students in energy management, building and industrial automation, construction, and renewables to meet the high demand for talent with digital and entrepreneurship skills.

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

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

— Gilles Vermot Desroches
Senior Vice President, Corporate Citizenship and Institutional Affairs
Schneider Electric
Through the European Union’s Women’s Entrepreneurship in Renewable Energy project, Schneider provided support and technical training in solar energy to 7,000 female entrepreneurs. The initiative is in partnership with Plan International in Mali, Senegal, and Niger.

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

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

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

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

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

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

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

My LearningLink

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

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

In 2020 there were:

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

Essential learning

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

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

Digital learning

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

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

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

- 28 new training centers opened
- 10,000+ youth trained in India
- 6,000+ households worldwide provided with energy

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

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

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

24,463 participants globally
2,943 students submitted bold ideas
172 participating countries

University partnerships
Schneider’s 2020 university partnership program was focused on becoming more digital. The past year also introduced the Global Virtual Student Experience to support a strong talent pipeline.
As we embark on the next phase of our SSI (2021 – 2025), our progress over the past few years is the foundation on which we build success. Here’s how we’ve improved our Development goals:

**Impact #13:** 100% of workers received at least 15 hours of learning, and 30% of workers’ learning hours are done digitally

<table>
<thead>
<tr>
<th></th>
<th>Q4 2018</th>
<th>Q4 2019</th>
<th>Q4 2020</th>
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<tbody>
<tr>
<td><strong>START 2018</strong></td>
<td>57%</td>
<td>62%</td>
<td>90%</td>
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<tr>
<td><strong>2020 GOAL</strong></td>
<td>100%</td>
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**Q4 2018**

**Q4 2019**

**Q4 2020**

**Impact #20:** 400,000 underprivileged people trained in energy management

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<th>Q4 2018</th>
<th>Q4 2019</th>
<th>Q4 2020</th>
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<tbody>
<tr>
<td><strong>START 2018</strong></td>
<td>148,145</td>
<td>246,268</td>
<td>281,737</td>
</tr>
<tr>
<td><strong>2020 GOAL</strong></td>
<td></td>
<td></td>
<td>400,000</td>
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**Q4 2018**

**Q4 2019**

**Q4 2020**

**Impact #14:** 90% of white-collar workers have individual development plans

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<th>Q4 2019</th>
<th>Q4 2020</th>
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<tbody>
<tr>
<td><strong>START 2018</strong></td>
<td>78%</td>
<td>79%</td>
<td>92%</td>
</tr>
<tr>
<td><strong>2020 GOAL</strong></td>
<td></td>
<td></td>
<td>90%</td>
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</table>

**Q4 2018**

**Q4 2019**

**Q4 2020**
We empower local communities by promoting local initiatives and enabling individuals and partners to make sustainability a reality for all.
Uplifting communities through inclusivity

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

This means empowering everyone, regardless of origin, gender, or socio-economic level, to secure a promising future.

The COVID-19 pandemic put the global need for reliable energy in the spotlight. It has underscored clean energy’s importance for effective health services and socio-economic recovery in all communities. That’s why we’re working harder than ever to advance local initiatives through sustainability efforts that empower all people. We aim to make life safer, healthier, and more comfortable while opening new doors for individuals and families worldwide.
For more than 20 years, the Schneider Electric Foundation, under the aegis of Fondation de France, has been deploying Schneider’s philanthropic activities to advance its sustainability commitments and the United Nations (U.N.) Sustainable Development Goals (SDGs). Its main missions are to provide young people the means to build solutions for a better future; help them find their place in society and acquire skills for development; and as of 2020, respond to COVID-19 and a post-COVID world.

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

**2020 Foundation achievements:**

- **20+** years in existence
- **130** completed projects
- **160** NGO partners
- **1,000** delegates in 80 countries
- **€20M** invested in local communities
- **7,000** employee volunteer hours for Habitat for Humanity
- **10,000** electricians financially supported via Schneider Electric India Foundation
Major Foundation initiatives

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

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

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

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

Supporting 1,600 nonprofits with financing and donations to date
Tomorrow Rising

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

**Response**
- Meeting the needs of low-income people
  - 74 projects validated in 67 countries
  - 1.5M+ beneficiaries
  - 10,000+ donors
  - €4.1M+ donated

**Recovery**
- Contributing to the urgent restart of the education system to prepare for the future
- Seven training centers opened from Q4 2020 to Q2 2021:
  - Brazil
  - Kenya
  - Lebanon
  - Malawi
  - Morocco
  - Nepal
  - Sri Lanka

**Resilience**
- Connecting employees and partners with opportunities to offer their time and skills
  - 4,773 volunteering days since April 2020
  - 1,000+ digital missions available across countries with a Schneider presence
#GivingTuesdayNow

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

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

Response:

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

Recovery:

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

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

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

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Start 2018</th>
<th>Q4 2018</th>
<th>Q4 2019</th>
<th>Q4 2020</th>
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</thead>
<tbody>
<tr>
<td>Q4 2018</td>
<td>5,691</td>
<td>5,691</td>
<td>11,421</td>
<td>18,469</td>
</tr>
<tr>
<td>Q4 2019</td>
<td>5,691</td>
<td>11,421</td>
<td>15,000</td>
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**2018 – 2020 Schneider Sustainability Impact**
Our purpose is to empower all to make the most of our energy and resources, bridging progress and sustainability for all.
Employees and revenue by geography

€25.2B in revenue
128,000 employees in 100+ countries
15.6% adjusted EBITA margin (+20 bps organic)

We believe that our focus on more connected and green products, more digital offerings, and more services — including sustainability services — will enable future growth.

— Hilary Maxson
Chief Financial Officer
Schneider Electric
Our executive committee

Jean-Pascal Tricoire
Chairman & Chief Executive Officer

Olivier Blum
Chief Strategy & Sustainability Officer

Annette Clayton
Executive Vice President, North America Operations

Hervé Courrel
Chief Governance Officer & Secretary General

Philippe Delorme
Executive Vice President, Energy Management

Barbara Frei
Executive Vice President, Europe Operations

Peter Herweck
Executive Vice President, Industrial Automation

Christel Heydemann
Executive Vice President, France Operations

Emmanuel Lagarrigue
Chief Innovation Officer

Charise Le
Chief Human Resources Officer

Chris Leong
Chief Marketing Officer

Hilary Maxson
Chief Financial Officer

Luc Rémond
Executive Vice President, International Operations

Mourad Tamoud
Executive Vice President, Global Supply Chain

Peter Weckesser
Chief Digital Officer

Yin Zheng
Executive Vice President, China Operations

Life Is On | Schneider Electric
Our key resources and relationships

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

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

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

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

**Partners and suppliers**
We empower our 650,000+-strong partner ecosystem to expand our coverage, and we arm our 3,800+ EcoXpert program partners to drive new digital business opportunities. We extend our sustainability excellence requirements to our suppliers representing €12 billion in procurement volume.

**Financial strength**
Our organic growth, consistent margin improvement, and disciplined capital allocation drives sustainable, positive free cash flows of €3.7 billion.
Our sustainable value for all stakeholders

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

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

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

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

Prioritizing ethical partnership with suppliers
• As responsible corporate citizens, we uphold the highest standards of ethical business conduct to strengthen collective trust, cultivate long-term viability, and comply with local regulations.
• 374 suppliers under Human Rights & Environment vigilance received specific on-site audits.
BECause Sustainability is a long-standing commitment for us, we know that it is not a stationary target. As that target changes, we refresh our approach and rethink our strategy, always seeking to push sustainability further — faster. In accelerating our sustainability goals, we aim to empower our customers and partners to do the same, to the benefit of all.

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

Our purpose is to empower all to make the most of our energy and resources.
Our six sustainability pillars

Act for a **climate-positive world**
by continuously investing in and developing innovative solutions that deliver immediate and lasting decarbonization in line with our carbon pledge.

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

Be efficient with **resources**
by behaving responsibly and making the most of digital technology to preserve our planet.

Harness the power of all **generations**
by fostering learning, upskilling, and development for each generation, paving the way for the next.

Live up to our principles of **trust**
by upholding ourselves and all around us to high social, governance, and ethical standards.

Empower **local** communities
by promoting local initiatives and enabling individuals and partners to make sustainability a reality for all.
About this report

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

Acknowledgements

Our customers, external stakeholders, and agencies / partners:
Marc Abadie at CDC Biodiversité; ArcelorMittal; Jean-Marc Chery at STMicroelectronics; Samia Cordelle at KIMSO; Timothy Erblich at Ethisphere Institute; Sanda Ojiambo at U.N. Global Compact; Michelle Silverthorn at Inclusion Nation. Thank you to all Schneider Electric teams who contributed to this report.