VIGILANCE PLAN 2024

6th Edition

June 2025

Life Is On | Schneider Electric

Vigilance Plan – 2024

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1 Introduction

1.1 Schneider Electric's mission and impact ambition

Driven by the purpose to create IMPACT, Schneider Electric is empowering all to make the most of our energy and resources, bridging progress and sustainability for all. At Schneider Electric, we call this LIFE IS ON. **Our mission** is to be the trusted partner in Sustainability and Efficiency.

We are a global industrial technology leader bringing world-leading expertise in electrification, automation, and digitalization to smart industries, resilient infrastructure, future-proof data centers, intelligent buildings, and intuitive homes. Anchored by our deep domain expertise, we provide integrated end-to-end lifecycle AI-enabled Industrial IoT solutions with connected products, automation, software and services, delivering digital twins to enable profitable growth for our customers.

We believe access to energy and digital is a basic human right. Our generation is facing a tectonic shift in energy transition and industrial revolution catalyzed by a more electric world. Electricity is the most efficient and best vector for decarbonization; combined with circular economy approach solutions, we will achieve climate-positive impact as part of the United Nations Sustainable Development Goals.

We are one integrated company. We are the most local of global companies. Our multi-hub approach is a key element to offer improved resiliency, agility and proximity to our customers and suppliers.

We are an impact company. For over 20 years, sustainability has been at the core of Schneider Electric's transformation journey. We are now a corporate leader in sustainability and a critical partner to our customers, suppliers, investors, NGOs, and other stakeholders who are using our services and products to accelerate their own energy efficiency and sustainability transition.

To deliver sustainability impact, we must combine solid profitability with leading practices on all environmental, social, and governance (ESG) dimensions. At the same time, this positive impact supports the long-term resilience of the company as we attract new customers,investors, and talents.

Our sustainability and business impact converge to act for a climate-positive and socially equitable world while delivering solutions to our customers. We bring everyone along in our ecosystem, from our employees to supply chain partners, and customers to local communities and institutions.

Schneider Electric topped the list of World's Most Sustainable Companies by TIME magazine and Statista.

Named World's Most Sustainable Corporation by Corporate Knights', and only company to have ever ranked 1st twice

In top 1% among 100,000+ companies, achieving outstanding performance ratings

1.2 2025 Sustainability commitments

With less than 5 years left to reach the 17 United Nations Sustainable Development Goals (SDGs), Schneider Electric has accelerated this journey and is making new commitments to drive meaningful impact within the framework of its business activity. The six long term commitments that SE has made include:

Act for a climate-positive world

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

Be efficient with resources

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

Live up to our principles of trust

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

Create equal opportunities

by ensuring all employees are uniquely valued 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 its progress against sustainability goals with a unique transformation dashboard today called Schneider Sustainability Impact (SSI).

The SSI is the translation of our six long-term commitments into a selection of 11 transformative and innovative programs executing our 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 our stakeholders together with financial results.

At the end of the year, 76,000 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.

1.3 Schneider Sustainability Impact 2021–2025

The Schneider Sustainability Impact (SSI) is a scorecard demonstrating that rapid and disruptive changes for a more sustainable world are possible across diverse, complex topics. SE is committed to taking urgent action to co-create a brighter future aligned with the United Nations SDGs and measuring its impact with transparency.

Schneider Sustainability Impact

6 Long-term commitments aligned to UN SCGs	11+1 targets for 2021-2025	Baseline[1]	2024 Progress[2]	2025 Ambition
Climate	1. Grow Schneider Impact revenues[3]	2019: 70%	74%	80%
	2. Help our customers save and avoid millions of tonnes of CO_2 emissions	2020: 263M	679M	800M
	3. Reduce CO_2 emissions from top 1,000 suppliers' operations	2020: 0%	40%	50%
Resources	4. Increase green material content in our products	2020: 7%	38%	50%
	5. Primary and secondary packaging free from single-use plastic, using recycled cardboard	2020: 13%	78%	100%
Trust	6. Strategic suppliers who provide decent work to their employees	2022: 1%	63%	100%
	7. Level of confidence of our employees to report unethical conduct	2021: 81%	83%	91%
Equal	8. Increase gender diversity in:			
	hiring (50%)	2020: 41%	42%	50%
	front-line management (40%)	2020: 23%	30%	40%
	and leadership teams (30%)	2020: 24%	31%	30%
	9. Provide access to green electricity to 50M people	2020: 30M	53.4M	50M
Generations	10. Double hiring opportunities for interns, apprentices and fresh graduates	2019: 4,939	x1.59	x2.00
	11. Train people in energy management	2020: 281,737	824,404	1M
Local	+1. Country and Zone Presidents with local commitments that impact their communities	2020: 0%	100%	100%

(1) The baseline year is indicated in front of each SSI baseline performance.
(2) Each year, Schneider Electric obtains a "limited" level of assurance on methodology and progress from an independent third party verifier for all the SSI and SSE indicators (except SSI #+1 and SSE #12 in 2023), in accordance with ISAE 3000 assurance standard (see Independent verifier's report on page 302). In addition, SSI #8, SSE #3, SSE #5 and SSE #14 received a "reasonable" assurance level in 2023. Please refer to page 266 for the methodological presentation of each indicator. The 2023 performance is also discussed in more details in each section of this report.
(3) Per Schneider Electric definition and methodology. For the reporting requirements under the European Taxonomy Regulation, please refer to pages 277 to 293.

7.55/10

(vs. 6.13/10 in 2023 and outperforming 7.40/10 target for the year)

This dashboard includes climate and social performance indicators, relevant to both internal or external stakeholders. Most of the indicators contribute to the group's vigilance, particularly SSIs #2, #3, #4, #5 and #6.

To complement the Schneider Sustainability Impact, a sub-dashboard called Schneider Sustainability Essentials (SSE) has been created by the group, bringing together other programs contributing to the group's vigilance, such as the Supplier Vigilance Plan (SSE#17) or the Social Excellence program (SSE#12).

The SSE reflects continuous improvement actions taken by the group. 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 externally assured each year, except for SSE #12 which is still under development.

Annual Report reference for more details: "2.1.1.2.2 Schneider Sustainability Impact: a unique transformation tool", p. 72

1.4 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 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 International Labor 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: Our code of conduct

The Trust Charter sections outline clear Do's 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.

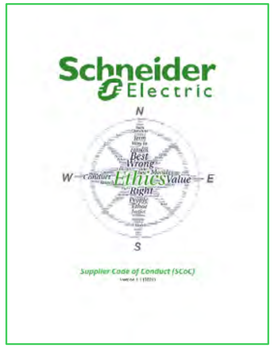
The Trust Charter is publicly available on www.se.com.

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.

The Human Rights Policy is publicly available on www.se.com.

Supplier Code of Conduct



The Supplier Code of Conduct covers 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.

The Supplier Code of Conduct is available publicly on www.se.com.

1.5 Key public and internal policies

Key policies of Schneider Electric

Policies			
Risk categories	*Sub-risk categories (if any)*	**Public**	**Internal**
Human Rights	Decent work	• Anti harassment • Human rights	• Flexibility at work • Global benefits • Family leave • Migrant workers guidelines • Inclusion
	Health & safety	• Health & safety • Human rights	
Environment	Pollution and specific substances Waste and circularity Energy, CO_2 and GHG	• Environmental Sustainability Policy	
Business Ethics	Ethical business conduct	• Anti-corruption policy • Competition Law Policy	• Conflict of interest • Export control • Philanthropy Policy • Business agent
	Alert system, protection and non-retaliation	• Whistleblowing Policy	• Case management and investigation
Offer Safety		• Quality	
Data Privacy & Cybersecurity		• Data Privacy	• Data Charter • Cybersecurity for products and system • ~30 other specific policies
Suppliers		• Supplier Guidebook • Supplier Code of Conduct	

1.6 Schneider Electric’s Vigilance Plan

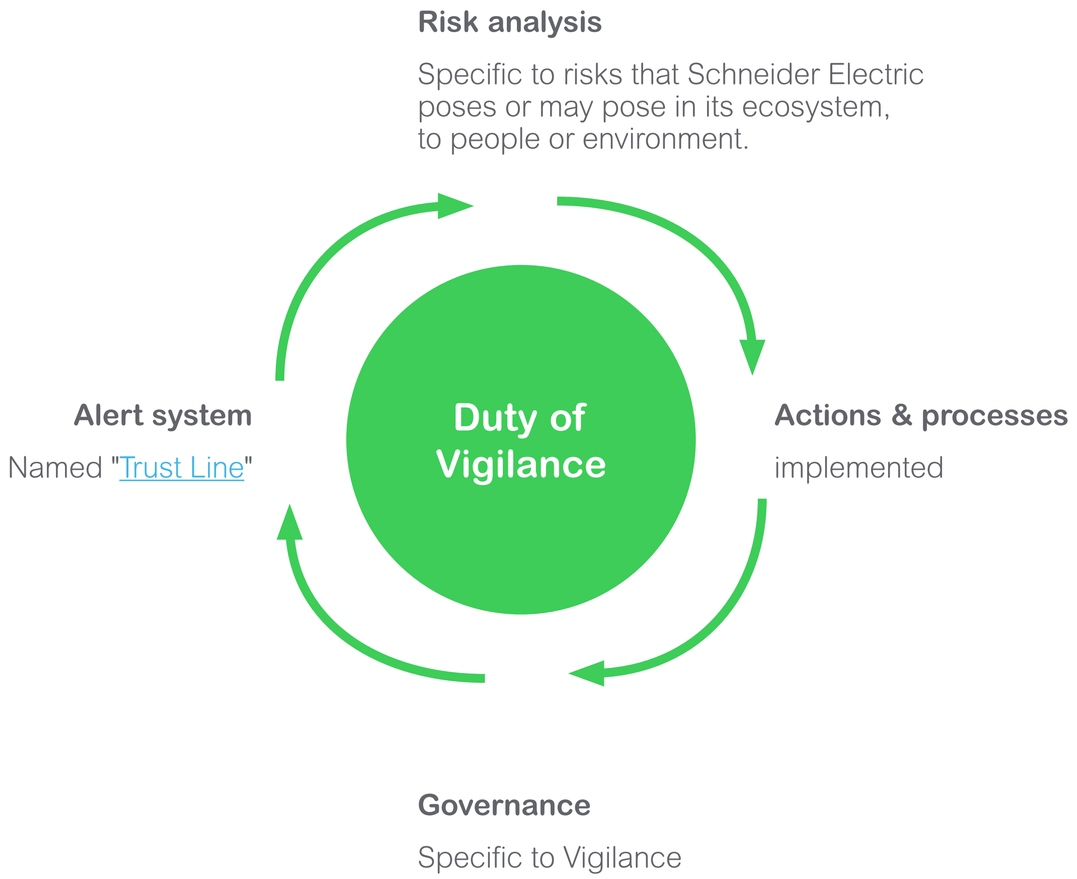
Our vigilance process

In 2017, Schneider Electric started the implementation of a vigilance plan covering its business activities as well as those of its suppliers and subcontractors. This was done to prevent negative impacts on people or the planet within its value chain. Since then, this vigilance plan has been continuously reinforced, aiming to push further toward an end-to-end, risk-based mitigation plan

Schneider Electric aims to be an ethical company.

Our values shape the way we do business with our many customers, partners, suppliers, and communities around the world. They inform the way we protect and foster human rights and guide our desire to make a positive impact on the planet and the environment. The Group’s vigilance plan reflects this ambition. It also complies with the provisions of the 2017 French law on Corporate duty of vigilance and has been adapted to comply with the Norwegian Duty of Vigilance Law and the German Law of 2023 as well.

The aim of the vigilance plan you are currently reading is to explain the business context of Schneider Electric, describe the governance system that is supporting the Duty of Vigilance, and review the main salient risks and actions to help mitigate or prevent these risks. This document’s aim is to remain compact and synthetic, therefore does not include fully detailed reviews of the subjects mentioned. Readers who may want additional specific information may refer to our annual report (Available on our website: https://www.se.com/ww/en/about-us/investor-relations/regulatory-information/annual-reports.jsp) or contact us directly.

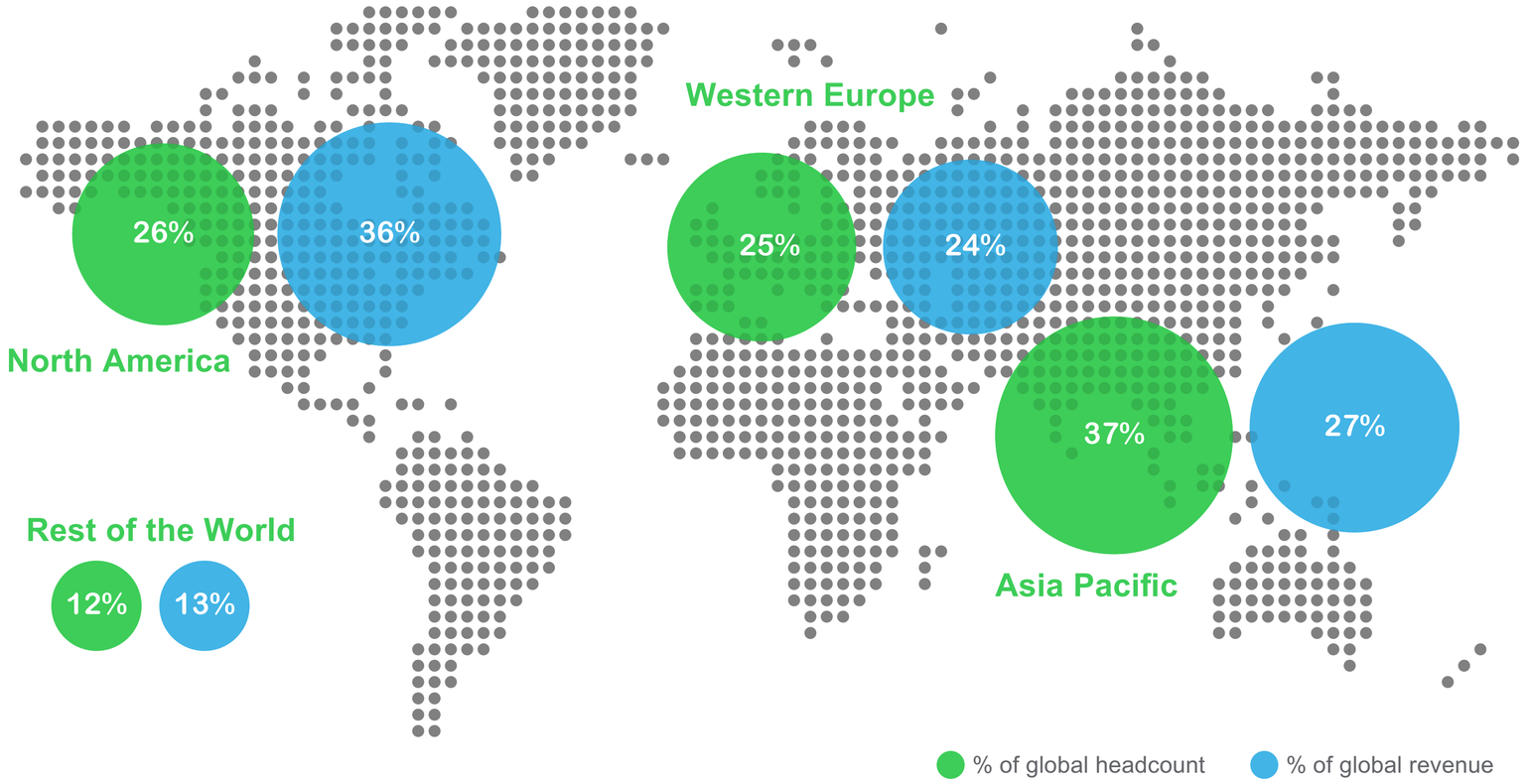


2 Scope and business models

2.1 Global footprint

Worldwide presence in major markets

Schneider Electric is present in more than a hundred countries globally and serves customers in four End Markets: Buildings including Homes & Residential, Industries, Data Centers, Infrastructures. We deliver our range of products, solutions, and software to customers either directly, or via intermediaries (our channel partners). Our manufacturing and supply chain setup relies on a large base of suppliers located across the world.



177,000+

Employees[1] worldwide

38.2 bn€

Revenue in 2024

5.6%

Revenue dedicated to R&D

(1) The total average workforce includes non-employee interim workers.

2.2 Go-to-market

Access to final customer leverages several access channels

Suppliers:

Our suppliers can be providers of raw materials to be transformed in its factories, or providers of components and sub-assemblies that are put together in Schneider Electric factories.

Schneider Electric:

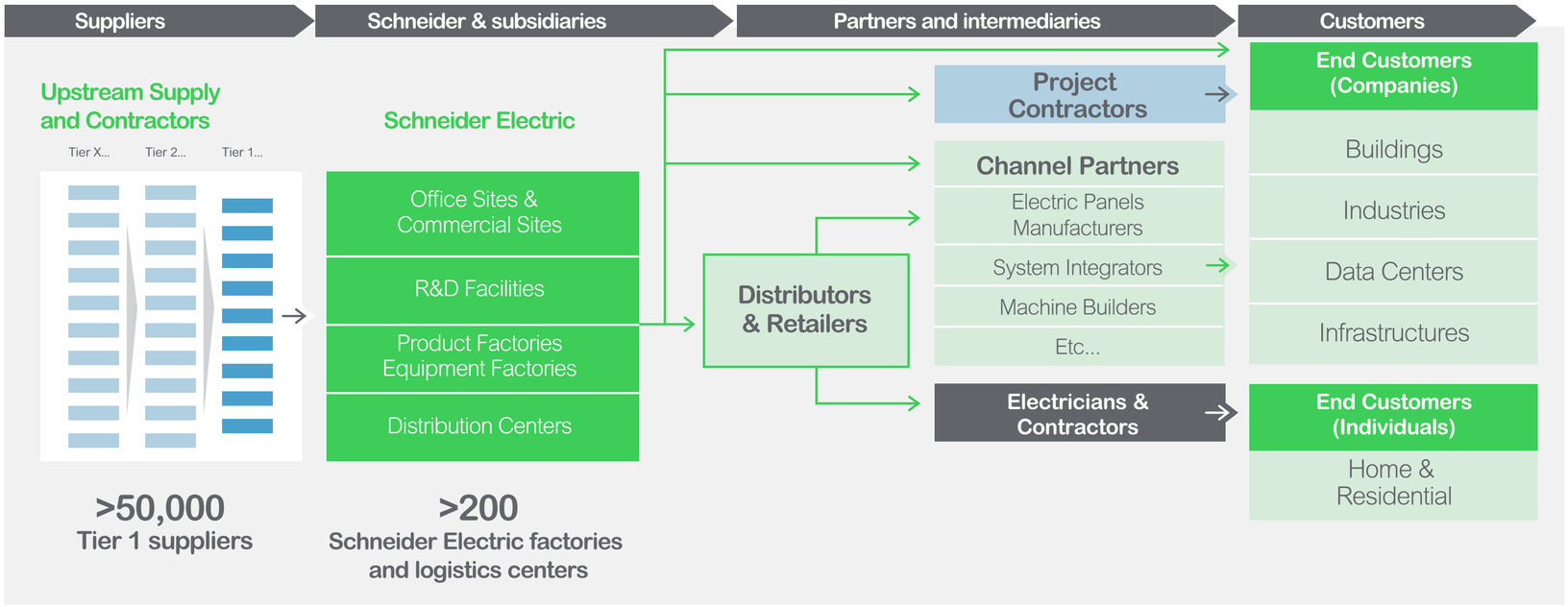
- Office and commercial sites: Host our administrative and commercial functions.
- R&D facilities: Host products development teams that receive a specific level of security as they are often the place for electricity-related experimenting activities.
- Manufacturing: Our facilities are mostly one of the following:
  - Product factories: Specialized by offer types, focused on product ranges.
  - Equipment factories: Assemble systems designed to the specifications of our customers' needs.
  - Distribution centers: Concentrate flows from product factories, and dispatch to local Schneider Electric delivery centers, or to customers.

Partners and intermediaries:

Schneider Electric relies on several sales delivery models to get our solutions to our customers. These models can be grouped into two main types:

- The transactional model delivers standard products or simple systems. Here, the delivery path usually goes through channel partners, who add their specific value (technical expertise, logistics, or support) before the product reaches a final customer.
- The project model delivers a complete solution to the final customer. This model may involve specific subcontractors, who handle a part of the project, and post-delivery services and maintenance.

From raw materials to end customers: Schneiders' value chain



2.3 Scope of Vigilance

A global approach to vigilance across our business ecosystem

Being vigilant where it matters

As per the requirements of Vigilance laws, Schneider Electric is deploying the process of vigilance in its own operations and its fully owned subsidiaries. For joint ventures and acquisitions, vigilance is also deployed, with a progressive approach based on the maturity and readiness of the entity.

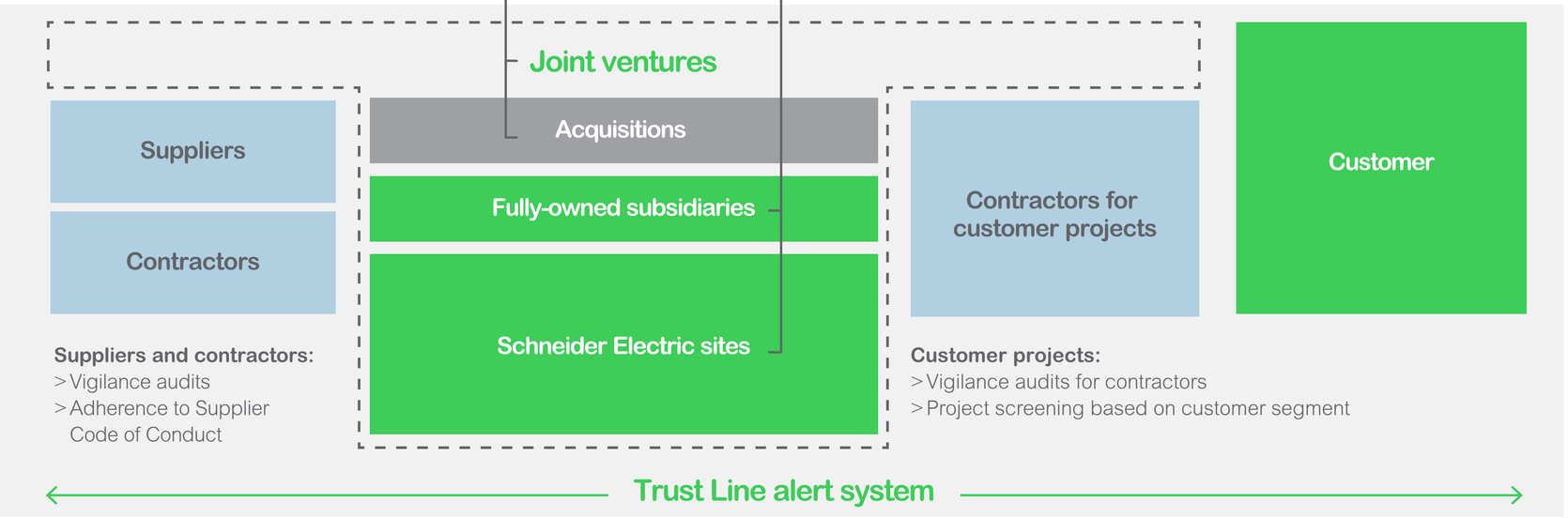
Tier 1 suppliers and contractors are integrated in a global, consolidated data-base enabling all Tier 1 suppliers to be integrated in the same supplier vigilance process.

New acquisitions and Joint Ventures:

Progressive deployment of Duty of Vigilance and implementation of Schneider policies based on maturity and starting point of entity.

Schneider Electric and fully owned subsidiaries:

Full deployment of Duty Vigilance and adherence to Schneider Electric policies.



3 Governance and Stakeholders

3.1 Global Governance

Governance principles
Schneider Electric has set up a dedicated governance to supervise the Vigilance plan, with robust instances involving every level of the company, from the Board of Directors to Executive and Experts Committees.

- **Duty of Vigilance Steering Committee:** This Committee is responsible for overseeing the implementation of the Vigilance plan. It is chaired by one Executive Vice President, member of the Executive Committee (see next page).
- **Board of Directors:** The Board, composed of 17 directors, defines the functions, missions, and resources of five study committees. Several topics addressed in the vigilance plan are included in the work of the following instances: Digital Committee (cybersecurity), Audit & Risks Committee (Ethics & Compliance program and cybersecurity), Human Capital & Remunerations committee and Governance, Nominations & Sustainability Committee (HR topics and our sustainability approach).
- **Executive Committee:** The executive committee is composed of 17 members involved in the definitions of policies and the implementation of actions, some of which are directly or indirectly related to functions committee.
- **Stakeholders Committee:** The Committee is composed of 9 external members, its mission is to oversee the delivery of long and short-term commitments undertaken by Schneider Electric in accordance with its purpose and sustainability strategy.
- **Network & Experts Committees:** Schneider has established several committees, bringing together experts and members of the Executive Committee. These committees define the strategy and implementation plans in their respective field of expertise.

[1] List is non-exhaustive

3.2 Duty of Vigilance Steering Committee

Governance principles

The Steering Committee was created in 2017 and since has been meeting twice per year.

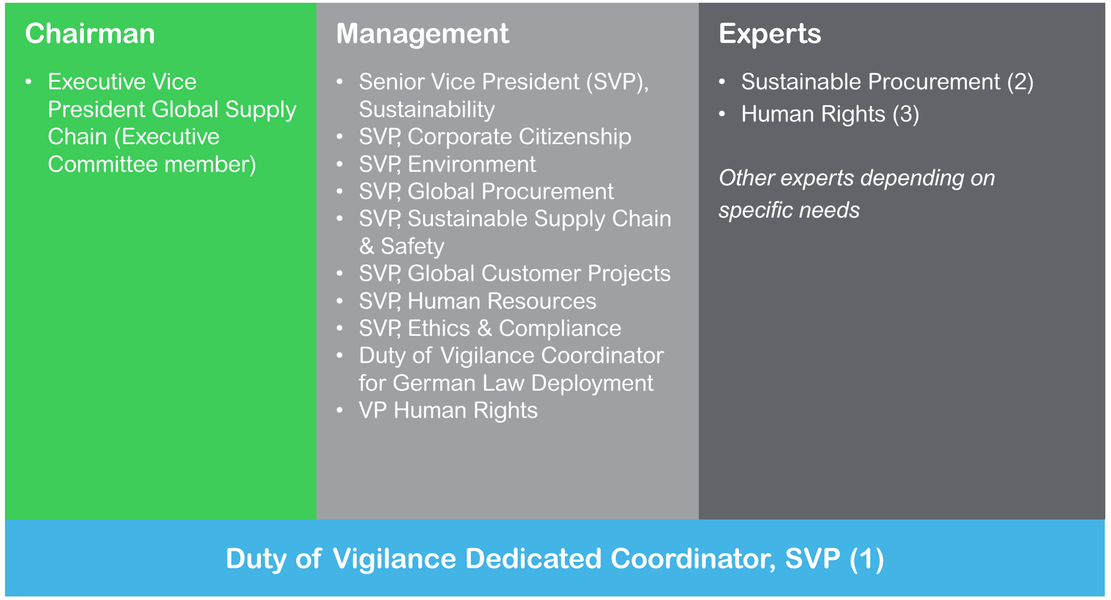
The role of the Committee is to:

- Review of the risk matrix once per year and define key priorities
- Allocate resources according to priorities and oversee the implementation of actions
- Assess results from key mitigation and prevention actions

Committee structure

The Vigilance plan is coordinated by one dedicated resource, in charge of involving the different teams and experts and executing actions prioritized in the workplan.

The Steering Committee meets twice a year under normal circumstances. Overall, since the creation of this instance, 19 committee meetings have been held (five in 2017, and two each year from 2018 to 2024 included). The Committee's objective is to define strategic orientations and prioritize initiatives and resources allocated to their implementation. This Committee also reviews actions in progress and defines decisions related to the next steps.



19
Committees held since 2017

1
Executive Committee member chairing the Duty of Vigilance Committee

8
Senior Vice-Presidents representing the main functions

3.3 Relationship with stakeholders and results

European Work Council

In 2022, Schneider Electric started to expand the involvement of stakeholders in the vigilance process. For that purpose, Schneider Electric has conducted four workshops with the European Work Council (EWC) to present its vigilance plan. As a result of these sessions, we received feedback from the EWC and considered their recommendations to improve the plan. A list of six actions has been identified, which have been presented to the Steering Committee in 2023 and integrated into the Duty of Vigilance work plan. These actions are related to the following domains: 1. Communication 2. Governance 3. Suppliers' vigilance 4. Risk mapping by country 5. Alert system 6. Specific subjects. New round of workshop will be implemented in H1 2025.

Schneider Electric also works with different external, local and international organizations and associations (300+ worldwide) on economic, social, and environmental issues to foster sustainability. The table below outlines the main channels of engagements with stakeholders (the table is not exhaustive).

Organization	Description	Key actions with Schneider
Human Rights		
WageIndicator Foundation	WageIndicator has grown to be a worldwide organization that collects, analyses and shares information on living wage.	In 2024, Schneider Electric advanced its living wage approach by entering a three-year partnership with WageIndicator Foundation to implement living wage in its value chain.
Ressources Humaines Sans Frontières (RHSF)	RHSF is an NGO working on preventing the risks of child labor, forced labor, and indecent labor in supply chains.	Schneider Electric takes part in the action-research project "Lab 8.7" that gathers pioneer companies to implement concrete tools to identify forced labour and child labour situations.
Environment		
SBTi	Schneider Electric is a signatory of the Business Ambition for 1.5°C Initiative (1.5°C Science Based Target initiative)	The group's 2030 targets (Net-zero CO_2 emissions on scope 1 and 2, and -35% on scope 3) have been validated with the 1.5°C scenario (Science Based Target initiative)
Energy Transition Commission	The ETC is a global coalition of leaders from across the energy landscape committed to a Net-zero world by 2050 and focused solutions to fight climate change.	Schneider Electric contributed to activities such as report creation, social media amplification, steering the agenda through its participation in the different instances of the organization on electrification, energy productivity and resilient supply chains topics.
Business ethics		
Transparency International	Transparency International is a global organization fighting corruption, promoting transparency and accountability.	Schneider Electric is a member of Transparency International France, to help stop corruption and promote transparency, responsibility, and integrity across all sectors.
Cybersecurity		
Information Technology Industry (ITI) Council	ITI Council is a trusted leader of innovation policies to drive sustainable, ethical, and equitable growth for all.	In 2024, Schneider won the ITI International Advocacy Award in 2024, leading efforts to drive globally interoperability among cyber policies and regulations.

3.4 Alert system

Speak Up
Whistleblowers who want to report potential violations of laws and regulations, and/or of the group's Trust Charter and group policies, can use all reporting channels available including our Trust Line, regardless whether they are employees, contractors, or external stakeholders (suppliers, subcontractors, customers, business agents, etc.)

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. All alerts received are treated by a structured process led by Group Compliance.

The processes of investigation is composed of the following steps: Report, assess, investigate, remediate and follow-up

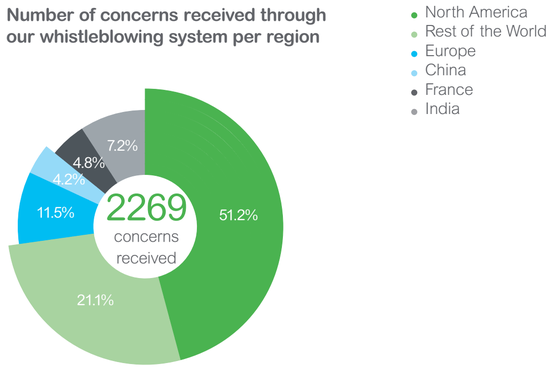
The Trust Line is available online globally at the following link, 24/7, in 27 languages, and protects the anonymity of the whistleblower (unless forbidden by local laws).

https://www.se.com/ww/en/about-us/sustainability/responsibility-ethics/trustline/

In 2024, 2269 alerts were received through our internal reporting mechanisms. Amongst these 2269 alerts received, 17% were confirmed after investigation. The majority of confirmed alerts were concerning the topics of discrimination, harassment or sexual harassment (52%).

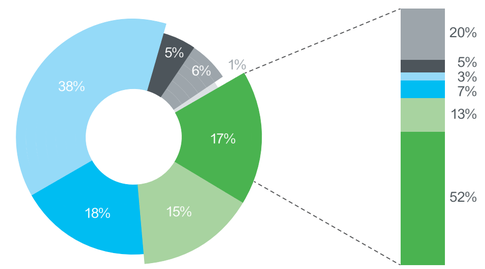
To measure the effectiveness of the Trust Line, Schneider Electric included a KPI in its Schneider Sustainability Impact (SSI #7) and added a question to its annual employee engagement survey, OneVoice: "I can report an instance of unethical conduct without fear". In 2024, 83% of employees surveyed answered "yes" which constitutes an improvement of +1 point over a two-year period.

Number of concerns received through our whistleblowing system per region



Status of concerns received* through our whistleblowing system

Distribution of confirmed alerts by type of issue



- Valid alerts confirmed after investigation
- Valid alerts not confirmed after investigation
- Valid alerts under investigation
- Not valid alert
- Ongoing assessment
- Inconclusive & insufficient information
- No confirmed outcome yet

- Discrimination, Harassment, Sexual harassment
- Fraud
- Conflict of interest
- Bribery & Corruption
- Health & Safety
- Other

*as of January 1st, 2024

2,269

Concerns received through the Trust Line

17%

Of alerts were confirmed after investigation

83%

Of employees declare they can report an instance of unethical conduct without fear

Annual Report reference for more details: Section "Whistleblowing Policy and grievance mechanisms", p. 105

4 Risk Mapping

4.1 Risk Mapping Methodology

Global 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 to its environment and ecosystem. It is based on:

- Interviews with internal experts (17 interviews done in 2024)
- 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 Center (BHRC), 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 surveys, etc.
- 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.)

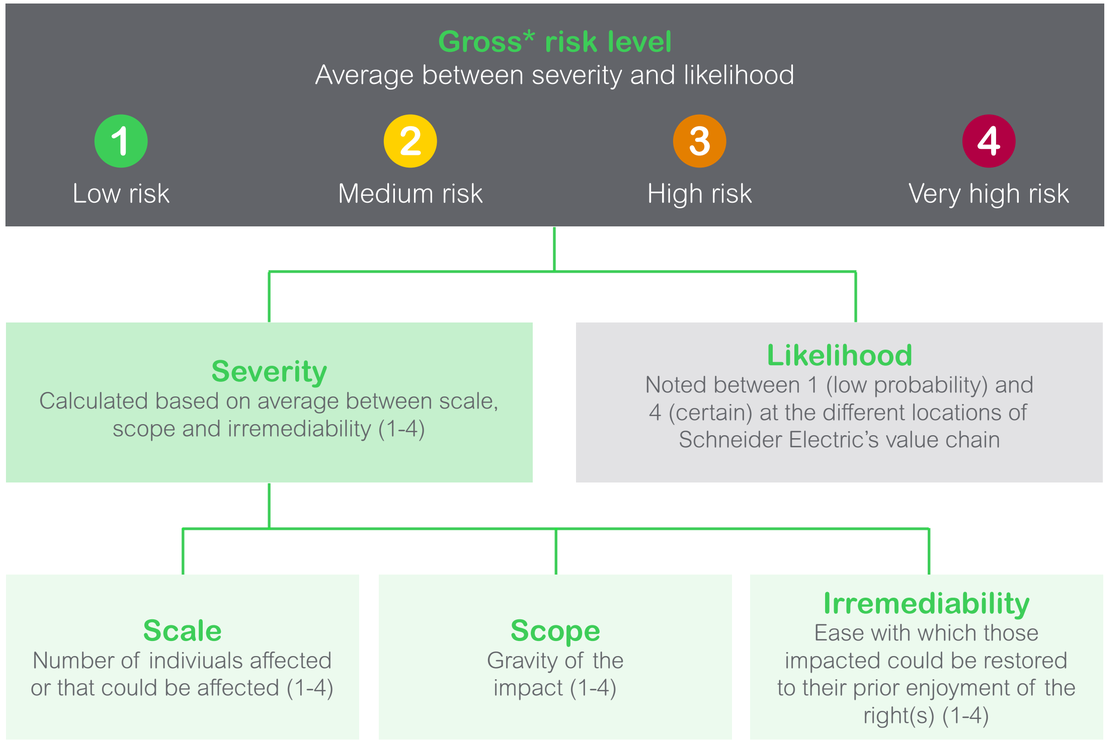
The risk matrix is reviewed every year. Its scope covers Schneider Electric and its subsidiaries, joint ventures, suppliers, and subcontractors.

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 improved, leading to slight modifications in the ratings of certain scores, although these risks have not fundamentally changed compared to the previous year.

Risk evaluation and scale

Risks displayed in the matrix are evaluated using the below scoring methodology



*before effect of mitigation measures

4.2 Schneider Electric 2024 vigilance risk matrix

In this 2024 risk assessment, no ‘very high-risk’ levels were identified.

Risk categories

For better clarity, this matrix presents a simplified version of the internal matrix, which covers 67 risk types, grouped into the 4 risk categories depicted here: Human Rights, Environment, Business Ethics, Offer Safety and Cybersecurity

- 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 project sites
Human rights	**Decent workplace**	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Health and safety	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●		
Environment	**Pollution and specific substances management**	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Waste, water, and circularity	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●		
	Energy CO_2 and GHG	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●		
Business ethics	**Ethical business conduct**	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Alert system, protection, and non-retaliation	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●		
Offer safety and cybersecurity	**Offer safety**			●	●	●	●		●		●	●	●	●		●		
	Cybersecurity and data privacy	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●		

Locations where risks occur

- Schneider Electric sites: By type of sites or functions
- Suppliers: By purchase category
- Contractors: Based on the place where contractor operates (on Schneider Electric site or on customers’ projects)
- Local communities: Communities located around Schneider Electric sites or communities located around customer project sites

This matrix presents a simplified version of the internal matrix, which covers 27 risk locations

4.3 Overview of main risks and their evolution

Category	Risk	Location	Evolution	Comments
Human rights	Forced Labor, Migrant Workers	Schneider Electric		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 respectively 32% and 19% 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. Although cases have not been identified during internal or tier 1 supplier audits, the group is committed to further investigate and better apprehend this risk.
		Suppliers		
		Contractors		
	Working Hours	Schneider Electric		This risk is rather well captured, both internally and at our suppliers and contractor's place of operations. Following COVID year, risk has been increasing in a rather regular way. However, the set of actions deployed to reduce its negative impacts has also been enlarged, especially within Schneider Electric's own operations.
		Suppliers		
		Contractors		
	Mental Health, Psycho-social Risk	Schneider Electric		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. Fighting all types of 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 will 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.
		Suppliers		
		Contractors		

4.3 Overview of main risks and their evolution

Category	Risk	Location	Evolution	Comments
Environment	Carbon emissions and climate	Schneider Electric		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 in Scopes 1, 2, and 3. Schneider Electric's total carbon emissions (56 million tons in 2024) are mostly originating from Scope 3, with 86% coming from downstream usage (emissions at customer's operations) and 14% 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 later in 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.
		Suppliers		
		Contractors		
	Pollution and water use from raw materials extraction or transformation	Suppliers		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 for suppliers operating far upstream is challenging and will take time. However, 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 is also progressing 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.
Human Rights, Environment	Population Displacements, Pollutions	Communities		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. As mentioned in the "pollution from raw materials" section, the extraction and processing phases of the metals used by Schneider Electric may have negative impacts on local communities

4.3 Overview of main risks and their evolution

Category	Risk	Location	Evolution	Comments
Ethical Business Conduct	Corruption, Export Control, Fair Competition	Schneider Electric Suppliers Contractors		Risks linked to Ethical Business Conduct are the subject of particular attention by the group. Schneider Electric is exposed to this type of risk due to several factors. First, its geographical presence in countries exposed to corruption. This is especially true when managing large and complex projects including subcontractors. Specific caution and stringent rules are applied, particularly when dealing with public authority or agents. Second, geopolitical tensions have significantly increased the number of sanctions and export control rules. Several actions were implemented to raise awareness and tighten control, both internally and with external commercial partners. Finally, Schneider Electric is aware that tensions on suppliers of certain raw materials may increase risks of unethical business conduct in the procurement chain. This risk is more difficult to apprehend, especially as the procurement of such materials is often not done by Schneider Electric but by suppliers. However, Schneider Electric is taking this subject seriously and is striving to develop better understanding and control across its supply chain.
Offer safety and Cyber-security	Data Privacy, Cybersecurity	Schneider Electric Suppliers Contractors		Schneider Electric's offers of products, solutions, services, and software allow customers to pilot their operations with efficiency and productivity, and to optimize their energy consumption, hence their carbon footprint. These offers are highly digital and often related to the core of the customer's process, for example a factory, a chemical plant, a power generation plant, or an office building. Therefore, any breach or event with quality or cybersecurity may have important consequences for our customers, from a material or safety and security perspective. For this reason, offer safety and cybersecurity are the top of Schneider's agenda, not only from a vigilance point of view, but also from a strategic point of view. As these topics are highly technical, we invite the reader to refer to the annual report (URD) dedicated sections, as well as the specialized cybersecurity reports available on Schneider Electric's website. Several events and attacks occurred in 2024 and confirmed the necessity to maintain a very proactive and strong posture that allows to protect our employees, customers, and stakeholders.

5 Actions & Impacts: Zoom on specific programs

5.1 Suppliers Vigilance Program

Upstream supply chain

Why it matters

The Company has deployed a supplier engagement framework to evaluate, analyze, remediate and prevent potential risks identified upstream. The level of risk in the supply chain may vary depending on environmental, social, and ethical contexts of countries in which suppliers are located. These country-related risks are one of the important factors in customizing risk profile of suppliers.

Tracking and mitigating risk

Schneider Electric conducts a risk evaluation of its entire supply base on an annual basis. This evaluation covers sustainability specific parameters such as type of industrial process and technology used by suppliers and their geographic location. This allows to factor in risks that may arise from a country's specific situation (social, political, etc.). Such parameters are compiled in an independent third-party database (RBA – Responsible Business Alliance, ex-EICC, of which Schneider Electric has been a member since January 2018).

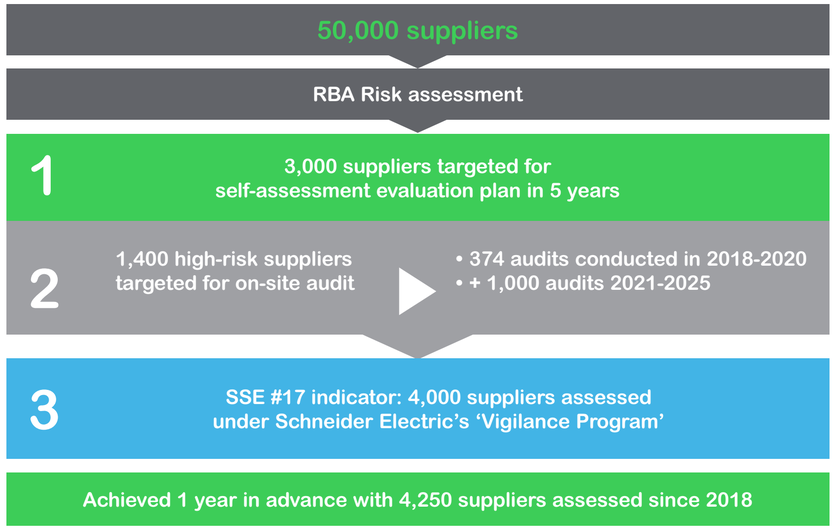
Schneider Electric's entire network of 50,000+ tier 1 suppliers is processed every year through this methodology. As a result of this process, a list of high-risk suppliers is identified and will serve as a base to build the annual on-site audit program.

Non-high-risk suppliers will not be subject to on-site audits but will fill a remote/self-assessment ESG questionnaire, and the answers will be evaluated by a team of specialists. Based on this analysis, the team may engage with some suppliers for clarifications and, if needed, may decide to perform on-site audits.

Suppliers Vigilance program has a multi-year objective

Our target is to audit 1,000 high risk suppliers on-site between 2021 and 2025, and to perform remote self-assessments for 3,000 medium-risk suppliers. This objective translates into an annual target of 200 on-site audits and 600 remote evaluations.

So far at the end of 2024, 4,050+ suppliers have been assessed, and the multi-year objective has been reached one year in advance. In 2024 alone, 240 on-site audits were performed, and 564 suppliers answered to the self-assessment questionnaire. Also, as part of the EU battery Regulation, 14 Batteries suppliers have been audited since 2018.



50,000+

Tier 1 suppliers in Schneider's supply chain

1,250

on-site audits of risky suppliers done since 2018

2,800

Remote self-assessment of suppliers done since 2021

330,000

Workers positively impacted by the Supplier Vigilance Program since 2018 (internal estimate)

Annual Report reference for more details: Section "2.2.3.2.5 Vigilance plan for suppliers and contractors", p. 240

5.1 Suppliers Vigilance Program

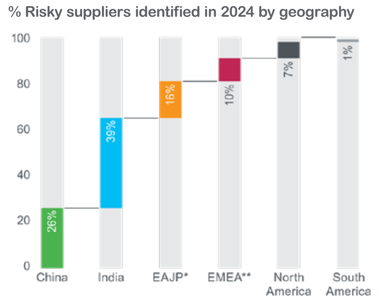
Upstream supply chain

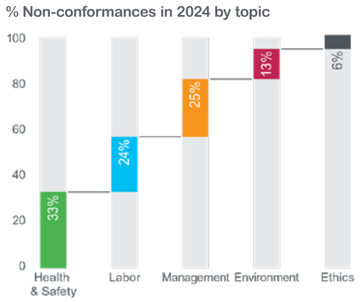
Methodology:

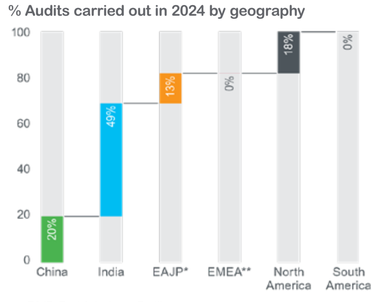
Schneider Electric follows the Responsible Business Alliance (RBA) audit methodology, which includes a review of worker rights, environment management, occupational health and safety, and company governance.

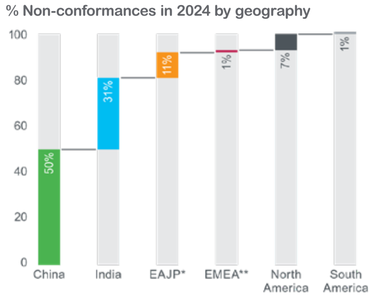
The high-risk suppliers of Schneider Electric are subjected to on-site audit, conducted by specialized auditors (and, in certain cases, performed by external third-party agencies). The audits span over 2-3 days and include facility walkthrough, review of management policies, worker interviews and examination of operational records to validate the conformances. At the end of the audit, an audit report is generated and shared with the supplier. In case of any non-conformance identified, the supplier needs to implement the corrective actions.

Schneider Electric adopts an active approach helping suppliers resolve any issue by sharing good practices and providing them with guidance and training. When corrective actions are implemented, our auditors will confirm the effectiveness of the actions either remotely or by on-site check. To ensure continuous monitoring and continuity of the controls, when the most serious non-conformances happened during first audit, the supplier is revisited for a check of the implementation 3 years after.









* EAJP: East Asia Japan Pacific
** EMEA: Europe Middle East Africa

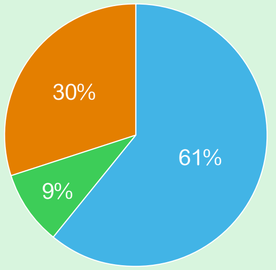
Extract: from supplier field audit reports:

"During plant visit, it was observed that appropriate personal protective equipments (PPE), necessary due to chemical usage, are not used. Some operators found wearing slippers on shop floors"

"Contract workers are not provided with paid leaves and maternity leave as per requirement."

"No smoke detection and alarm system available for entire production area."

209 top priority non-conformances in 2024



61%: Labor Standards
- Lack of respect of working time
- Lack of respect of resting days
- Lack of formalization of working contracts

30%: Health and Safety
- Weak emergency procedures
- Insufficient emergency trainings
- Insufficient fire alarm and protection systems

9%: Environment
- Insufficient waste management system
- Insufficient pollution prevention systems

This pattern in 2024 is similar to the one of previous years.

Annual Report reference for more details: Section "2.2.3.2.5 Vigilance plan for suppliers and contractors", p. 240

5.1 Suppliers Vigilance Program

Upstream supply chain

In 2024, amongst the 240 audits performed, 195 suppliers revealed non-conformances, including 49 with “top-priority” non-conformances. For the most serious non-conformances (“top priority”), each case is escalated to the Chief Procurement Officer for business decision. These escalations to the Chief Procurement Officer may lead to the end of the business relationship. In 2024, one business relationship with a supplier was decided to be stopped due to non-conformance to the Vigilance plan. In general, 2-4 business relations may be closed in a year (to be compared to the 200+ audits done every year).

At the end of 2024, Schneider Electric has closed 98% of all types of non-conformances from 2023 and 40% of all types of non-conformances from 2024.

Self-assessments

In 2021, a specific self-assessment questionnaire was developed, building on the experience of on-site audits performed during previous years. Core questions aim at checking whether suppliers are compliant on mandatory subjects of labor, human rights, environment, and health and safety. The two main goals of this assessment are to 1) help the supplier to reflect on its compliance to vigilance standards, and 2) for Schneider Electric to identify whether on-site audits may be.

Impact

In 2024, the 240 on-site audits performed have allowed Schneider Electric to identify 195 suppliers with 2,400+ non-conformances (including 209 “top priority” most serious cases), that were then given very specific attention during the supplier re-audit phase. The objective is to close 100% of all non-conformances identified, whatever their priority level.

From the beginning of the program in 2017 to the end of 2024, about 1,250 suppliers have been audited on-site, and 14,800+ non-conformances were raised, and subsequently remediated. Overall, we estimate that the resolution of these non-conformances has contributed to improve the working conditions for almost 330,000 employees.

In 2024...

240

on-site supplier audits were performed

2,400+

non-conformances were identified

209

were « top priority » non-conformances

Annual Report reference for more details: Section “2.2.3.2.5 Vigilance plan for suppliers and contractors”, p. 240

5.2 Decent Work program for strategic suppliers

Upstream supply chain - strategic suppliers

Building on Vigilance

The Decent Work program encourages suppliers to go beyond regulatory compliance and normative business practices. The program is dedicated to human rights, takes inspiration from the work of the ILO and includes key tenets into its 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 requirements of SA8000 management standard.

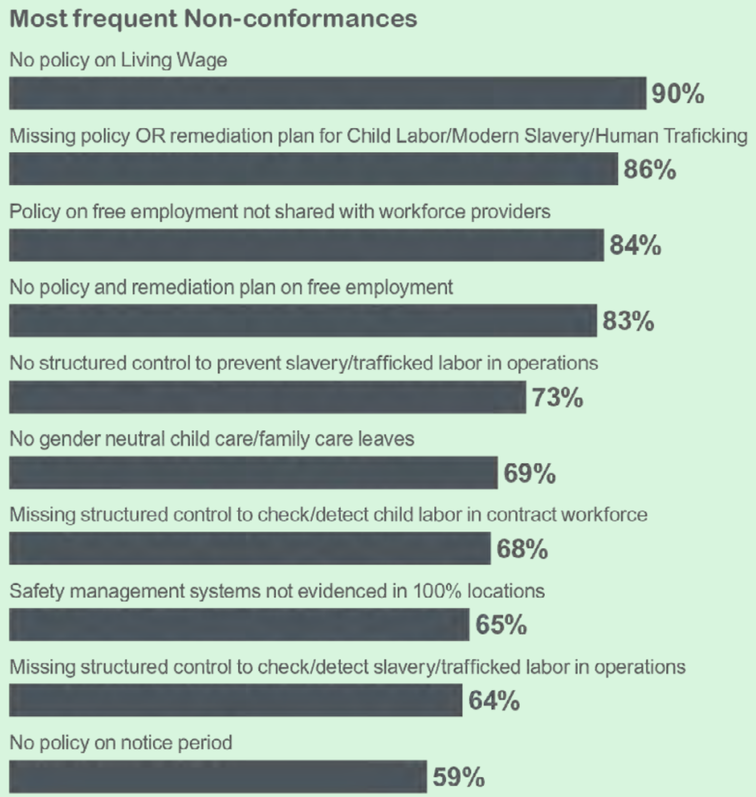
The scope of the program includes strategic suppliers across direct (production) and indirect (non-production) procurement, i.e. 800+ suppliers. The initiative adopts the approach of a development program, acknowledging that its criteria may be new for many suppliers who will need support with capacity building, and constant engagement throughout implementation.

The evaluation of supplier performance is carried out through an online questionnaire rolled out via SSP-SRM – Schneider Electric's supplier relationship portal. Suppliers respond to questions and upload evidence to support their responses. Responses are then evaluated by reviewers who come from within Schneider Electric as well as third-party agencies specialized in business and human rights. When responses do not meet the minimum requirements, feedback is given, and corrective actions need to be implemented by the suppliers in a timely manner.

After implementation, suppliers will re-submit the information along with the evidence for the reevaluation. Most frequent gaps identified during the year are listed in the following graph.

Level of engagement with suppliers is high, and includes training, capacity building, and communication to ensure they understand the actions required and implement them. On average for every supplier 4-6 rounds of capacity building, clarifications and coaching sessions are conducted.

Top 10 most frequent elements of improvement for strategic suppliers



Annual Report reference for more details see Section "2.2.3.2.7 Other action plan and targets on sustainable programs", p. 243

5.2 Decent Work program for strategic suppliers

The 10 pillars of « Decent Work » program

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 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, provide a much-needed safety net from economic shock, descent into poverty, and vulnerability. Companies should ensure that all employees have access to the 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 pre-requisite 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). Work environment should act as a leveler/equalizer and not augment the disparity.

5.3 « Towards Zero Carbon » Project

Upstream supply chain - top 1,000 suppliers

The Zero Carbon Project: Acting for CO_2 reduction: Explanation

Schneider Electric has developed a robust supply chain engagement, called The Zero Carbon Project where it works with its top 1,000 suppliers to reduce their operational GHG emissions by 50% by 2025. The ambition of The Zero Carbon Project is to collaborate with 1,000 suppliers and reduce their operational (Scopes 1 and 2) GHG emissions intensity by 50% by 2025 (SSI #3).

- The participating suppliers are required to quantify their operational carbon footprint (Scopes 1 and 2; Scope 3 is optional), make public commitments for their reduction targets, implement action to achieve reduction, and share the emissions reduction progress with Schneider Electric.
- The participating companies in the program are based in more than 50 countries, cover more than 65 procurement categories, and vary in terms of carbon maturity and size.
- To adapt to this diversity, the participating suppliers are allowed flexibility to customize their reduction plans by defining their own base year and baseline and adopting relevant reduction targets and time frames; During 2024, a range of tailored solutions were implemented to provide decarbonization implementation support to suppliers across different regions:
  - Local Actions: On-site implementation support via sustainable procurement experts to handhold suppliers and accelerate deployment of the emission reduction roadmap. 120 supplier site visits were conducted across China, India, East Asia, Europe, Mexico, and the US to Identify bottlenecks and provide remediation.
  - The local/regional focus included horizon scanning and market analysis to support suppliers in identifying specialized agencies for implementation support, wherever required and facilitating connections and introductory meetings with suppliers.

Local actions

- Renewable Energy Workshop: Workshops for customized deep dive with experts on renewable adoption by suppliers.
- “The Zero Carbon Project” (TZCP) Local Workshop: Country/province level supplier workshops to find tailored solutions for local implementation challenges faced by suppliers. There were 8 sessions organized in different countries reaching 170 different suppliers.
- Thematic webinars: 22 live webinars with experts on a range of decarbonization levers. These webinars reached out to 1,000 suppliers.
- Sustainable Supply Chain Finance solution, to ensure immediate payment to the suppliers who perform above certain threshold instead of regular payment duration, providing easy capital access (launched in selected country).
- Supply Chain Renewable Initiative to raise the awareness of suppliers on a host of renewable energy instruments and potentially create supplier cohorts to access renewable energy instruments.

100%

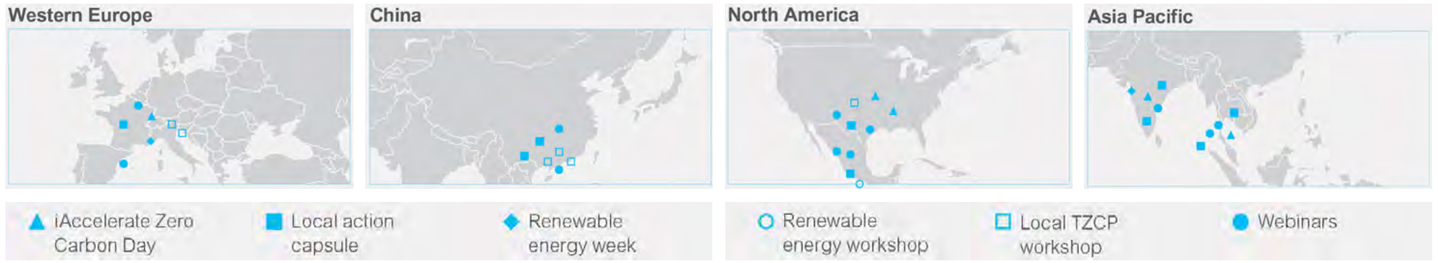
Top 1,000 suppliers
joined the TZCP

40%

CO_2 emissions reduction
for top 1,000 suppliers operations achieved since 2021 (Scope 1 & 2)

Annual Report reference for more details: Section “2.2.2.1.3 Climate change results and financial effect”, p. 140

TZCP Supplier Support Framework



5.4 Social Excellence Program

Upstream supply chain

Schneider Electric has initiated the development of a Social Excellence program, which aims to go beyond tier 1 suppliers and onboard them on the human rights journey.

Currently the Company is implementing a pilot program to assess how such program, focused on upstream, can be developed and deployed. While the program is still in exploratory stage, it will provide insights that will help in conceptualizing a full-fledged program (the actual date for full scale deployment will depend on
the findings of ongoing pilot, due for completion by end of 2025).

Towards this the company has identified a particular product and created 3 work streams to evaluate risk. These include:

- Traceability workstream: Includes connecting with suppliers and seeking details about their sub-suppliers to ensure transparency and accountability.
- Geographies workstream: Using the RBA risk evaluation tool, high-risk countries are identified, and suppliers located in those countries are engaged via worker voice tool to identify key impacting areas.
- Raw materials workstream: Focus on the critical minerals as identified by the International Energy Agency (IEA) and aims to engage supplier to increase the accountability in the upstream mining and processing stages.

During 2023, as part of the Geographies workstream, the company initiated the use of “Worker Voice” surveys with a pilot in Vietnam, and organized feedback sessions with suppliers involved in 2023.

The use of this tool will be expanded in coming years.

Geography workstream: 1st Workers Voice pilot

Objective:

- Identify countries displaying high level of Human Rights risk
- Identify Schneider suppliers in the country and reach their employees through a "Workers' Voice" to detect issues

Goal?

- Consistently **raise the commitment of Schneider and its suppliers to Human Rights**, through workers consultation
- **Leverage new tools to understand working conditions** on our suppliers' sites
- **Implement remediation actions** in coordination with suppliers

How?

- **Anonymous mobile-based surveys** sent to our suppliers' employees, alive 3 weeks
- No answer identified at company
- **22 questions** on working conditions
- **Partnering with Ulula**, expert of digital stakeholder engagement

Vietnam

16
Participating suppliers

1330
Respondent employees

5.5 Customer Projects

Upstream and downstream supply chain

Duty of Vigilance with project contractors

Products and solutions by Schneider Electric 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 involve several different parties, global or local. Therefore, relationships with contractors are specific to a contract, and not necessarily recurrent. In 2024, Schneider Electric worked with approximately 9,000 solution suppliers (with a total spend of approximately EUR 1.3 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 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 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, 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 220 solution suppliers categorized as "high risk".

Since 2018, around 110 of those suppliers have been audited, with 19 audits performed in 2024 leading to Schneider Electric raising 166 non-conformances. Out of these non-conformances, 23 were assessed as "top priority" for 7 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 and relations with local authorities 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.

220

Solution suppliers
rated « high risk »

110

On-site audits
On solution suppliers since 2018

19

On-site audits
In 2024, raising 23 « top priority » non-conformances

Annual Report reference for more details: Section "2.2.3.2.5 Vigilance plan for suppliers and contractors", p. 240

5.5 Customer Projects

Upstream and downstream supply chain

Customer projects process ESG assessment

To reinforce the integration of ESG parameters at an early stage of the project selection, the group introduced evolutions in its project decision-making process. From the moment a business opportunity is identified to the moment it becomes an official offer from Schneider Electric to the customer, a project goes through several selection milestones that ensure its technical, operational, legal, and financial feasibility. Crucial milestones have been added over the last years to reinforce compliance to the highest ethical, environmental, and human rights standards, following the 8 International Financial Corporation Standards (IFC).

These milestones include an early analysis to identify environmental and human rights risks that the project may create for the ecosystems and communities. This risk assessment can be reinforced by an expert third-party report whenever needed. Risks are prioritized and escalated throughout the selection process to ensure that any decision is consistent with ethical and human rights standards, and that any project execution plans for the adequate prevention and mitigation actions to be implemented.

Update 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 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 NGOs) 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 estimates that EACOP joint venture, local authorities, and local stakeholders are addressing the environmental and human rights concerns raised by certain 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.

5.6 Conflict Minerals

Upstream supply chain

Schneider Electric is committed to responsible sourcing. The group's Conflict Minerals Compliance program is developed based on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (CAHRA) and other international standards. Schneider Electric has also publicly released a statement on sourcing minerals from conflict-affected and high-risk areas, emphasizing responsible metal sourcing as part of its procurement practices. This statement is available publicly on www.se.com.

Mid-2020, Schneider Electric added cobalt to its scope, besides the 3TGs (Tin, Tantalum, Tungsten, Gold). Mica was added in 2021. Therefore, the conflict Minerals Compliance Program was complemented with the Extended Minerals Program. Indeed, Cobalt and Mica sales have been identified as potentially funding or supporting inhumane treatment, including human trafficking, slavery, forced labor, child labor, torture, and war crimes in known CAHRA.

To ensure supply chain integrity, the group has established processes to track minerals and assess associated risks. These efforts are supported by collaborations with expert third parties, such as the Responsible Minerals Initiative (RMI) and the London Bullion Market Association (LBMA).

Being a member of the RMI allows the group to obtain real-time data on identified raw materials smelters or refiners, including company names and general contact information. The RMI also shares information on smelters or refiners that successfully went through the Responsible Minerals Assurance Process and obtained a certification, meaning that they meet stringent due diligence, transparency and ethical standards in line with industries guidelines. This data is then analyzed by an external third-party partner, to determine how many identified smelters or refiners within the group's supply chain are considered medium or high risk.

The Conflict Minerals campaigning period starts in June and ends with issuing our Final Conflict Minerals Reporting Template (CMRT) in next March. At the end of 2024, more than 61% of relevant suppliers have replied. 90% of the identified smelters and refiners in Schneider Electric's supply chain were designated as compliant (low- or medium-risk) with a recognized third-party validation scheme or actively engaging in same approach.

For Cobalt and Mica, as part of the Extended Minerals Program at the end of 2024, with 41% data collected (that is relevant to 37% of the spend of selected suppliers), 93% of the identified smelters and refiners identified in the group's supply chain were designated as compliant with a recognized third-party validation scheme or actively engaging in same approach. Therefore, the group has no reason to believe that any Cobalt or Mica the group sourced, have directly or indirectly financed, or benefitted armed conflict in the covered countries, nor supported illegally operating or sanctioned entities.

In 2025, using the same process the group will start identifying smelters or refiners in its upstream supply chain for four new minerals: copper, natural graphite, lithium and nickel. The group will leverage the new "Extended Minerals Reporting Template" (EMRT) created by the RMI and will launch a campaign with its third-party partner. This new process will strengthen the group's due diligence on minerals identified for Due Diligence by the European Union Battery Regulation.

90%

Identified smelters and refiners certified for 3TGs (vs. 87% in 2020)

93%

Identified smelters and refiners certified for Cobalt & Mica (vs 100% in 2022 – first reporting year)

Annual Report reference for more details: Section "conflict minerals", p. 162

5.7 Continuous improvement based on ISO 26000

Upstream supply chain

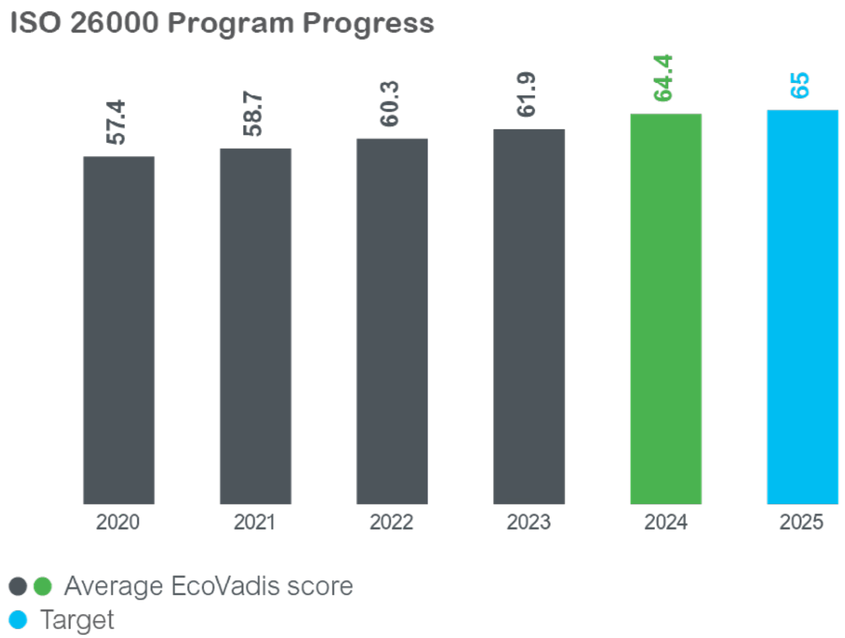
The key focus of Schneider Electric is to ensure that suppliers treat sustainability as a journey and continue to improve their sustainability performance via organizational maturity on an ongoing basis. This is achieved by mandating strategic suppliers to adhere to ISO 26000 guidelines and sharing performance results and Key Performance Indicator (KPI) as part of 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 on 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 and retake the evaluation. All strategic suppliers of Schneider Electric are mandated to participate in the ISO 26000 program. The 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 target to have the global average score of 65 points for all strategic suppliers by end of 2025. This target is split into annual targets.

Against the target for 63.5 points to be achieved by end of 2024, a score of 64.4 was achieved. As a summary, 1.6 points increase in 2022, same in 2023 and 2.5 points increase in 2024.



64.4 points

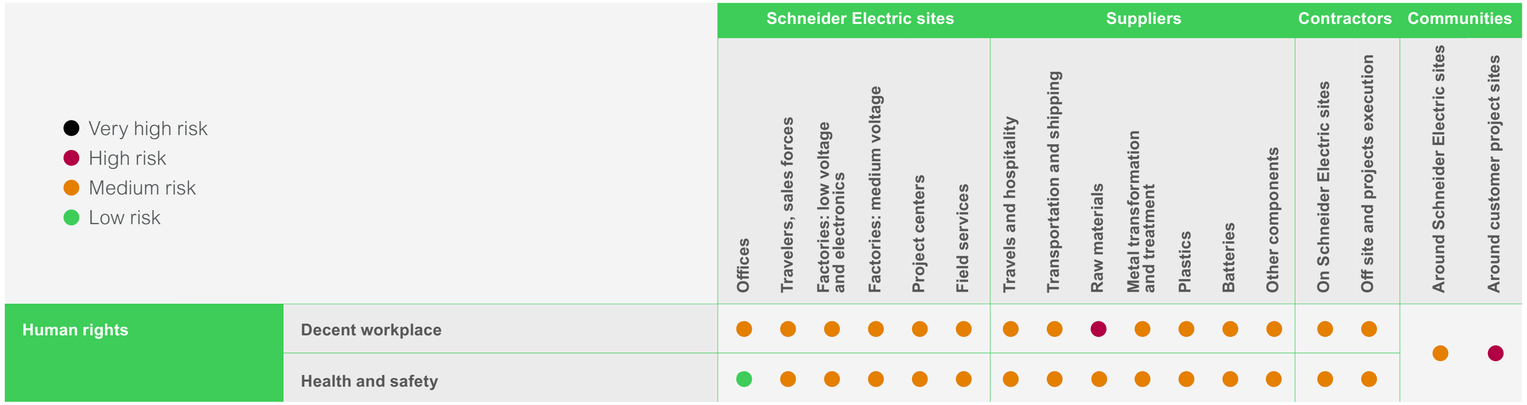
Average ISO 26000 score from strategic suppliers (vs. 57.4 points in 2020)

Annual Report reference for more details: Section “2.2.3.2.6 Continuous improvement based on the ISO 26000 standard”, p. 242

6 Actions & Impacts: Human Rights

Zoom on Human Rights impacts

Reminder from section 4.3: Main impacts:



Forced labor, migrant workers

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 respectively 32% and 19% 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.

Although cases have not been identified during internal or tier 1 supplier audits, the Group is committed to further investigate and better apprehend this risk.

Working hours

This risk is rather well captured, both internally and at our suppliers and contractor's place of operations. Following COVID year, risk has been increasing in a rather regular way. However, the set of actions deployed to reduce its negative impacts has also been enlarged, especially within Schneider Electric's own operations.

Mental health, Psycho-social risks

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. Fighting all types of 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 will 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.

6.1 Health & Safety at work

Relevant documents: Health & safety policy, Human Rights policy, supplier code of conduct

Upstream supply chain

Health & Safety with suppliers

Health and Safety (H&S) is a major topic verified during supplier vigilance audits. Based on the Responsible Business Alliance (RBA) audit framework, Schneider auditors perform a review of H&S procedures, then check their full implementation on site. Overall, H&S non-conformances represent 33% of all issues reported. Most prevalent breaches are fire-prevention measures, followed by poor protection of workers exposed to dangerous machines. Remediation includes the request to supplier to immediately comply with local laws and regulations at minimum. To further protect workers, Schneider also provides advice and trainings on how to enhance H&S procedures.

These non-conformances are considered closed when the supplier has provided evidence of successful implementation, if necessary, through a re-audit.

Health & Safety with project contractors

When Schneider Electric operates on the site of a customer to build equipment, subcontractors are hired for specific tasks such as civil-work, components installation and cabling. These tasks frequently involve manual work, heavy loads carrying, and working with electrical devices. When in charge of the site, Schneider Electric applies to all workers (including temporary one) the highest safety standards. This starts with information on safety procedures, trainings on how to behave to prevent accidents. These sessions are conducted by Schneider experts. Then during the execution of the project, on-site audits will be performed at regular intervals to ensure compliance, until the project is commissioned and delivered to the final customer.

Extract from supplier on-site audit reports:

"No smoke detection and alarm system available for entire production area." Subsequent to the audit, the supplier implemented a smoke & alarm system.

Schneider premises

Fundamentals of the Health and Safety action plan are based on H&S Policy which implements the safety strategy "S.A.F.E. First":

"S.A.F.E. First" has been developed as a personal reminder to pause and reflect on safety before beginning any task. (Self-check, Activity check, Facility check, Environment check).

This "S.A.F.E" strategy has been deployed to all employees.

Top five hazards are regularly reviewed to prevent serious accidents.

Five guiding principles, set the expected Health and Safety behaviors.

Four strategic priorities have been identified as strong levers to deliver the Schneider Electric Policy.

To ensure successful implementation of the Health and Safety strategy, Annual Environmental Health and Safety Assessments are performed in industrial and customer-facing sites worldwide. In 2024, an individual survey has been deployed to every employee to measure perception of risk and potential improvements.

The Health & Safety governance includes reports to executive level created by the Vice President Global Health and Safety, based on field safety reviews conducted by regional H&S Organization leaders. Reports include a review of indicators and metrics measured against targets, a review of key events and actions, and an update of the program deployment status.

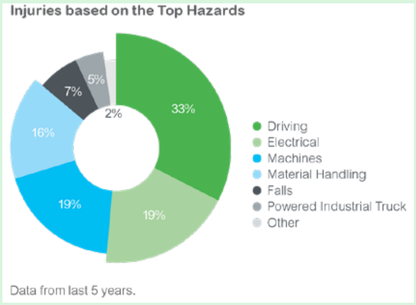
The 2024 plan covered specific programs focused on reducing cut accidents, machine safety, and Health and a systematic safety leadership training for frontline managers.

9.13 days(1)

Lost-Time Day Rate (LTDR)
(13.74 in 2020)

197

medical incidents translating to a MIR performance of 0.60(1) (0.58 in 2020) - SSE #14



Annual Report reference for more details: Section "2.2.3.1.3 Employee health and safety" p. 215 and "2.2.3.2 Sustainable relations in the value chain (ESRS S2)" p.236

(1) Per million hours worked

6.2 Living Wage

Relevant documents: Human Rights policy

Upstream supply chain

Decent Work Program

Living Wage commitment is one of the key focal areas of our Decent Work program with Schneider Electric's strategic suppliers. Adequate earnings and productive work is one of the 10 pillars of the program and includes the notion of living wage. At the end of 2024, the absence on living wage was the most frequent supplier non-conformance to the Decent Work requirements.

Advancing the Living Wage topic with our suppliers is a complex process that will take time. However, the Group is convinced of its importance. Inequality, due to the poor distribution of wealth, is indeed perceived as the most central risk of all by the World Economic Forum[1], playing a significant role in both triggering and being influenced by other risks. Low wages can, for example, push workers to accept indecent conditions or to make their children work. It is therefore essential to tackle the problem of insufficient wages. For this reason, in 2024, Schneider Electric has 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 suppliers to make better decisions toward the realization of living wages.

Schneider premises

Schneider Electric conducts an 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). Collaborating with Fair Wage Network since 2022 allowed 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 31st, 2025.

In 2024, 100% of Schneider employees are paid above the living wage in their country.

	2024	2023	2022	2021
Employees covered by living wage analysis	100%	100%	99%	99%
Schneider Electric employee paid above living wage	100%	100%	99.9%	99.9%

63%

of strategic suppliers conforming to the Decent Work Program, and starting a roadmap on Living Wage (21% in 2023 – First results) – SSI #6

100%

of Schneider employees are paid above a living wage

Annual Report reference for more details:
Section "2.2.3.1.2 Working conditions" p. 213

[1]. Risk Report 2025, World Economic Forum: https://www.weforum.org/publications/ global-risks-report-2025/

6.3 Non-discrimination

Relevant documents: Human Rights policy, anti harassment and anti discrimination policy

Upstream supply chain

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), and Businesses located in Historically Underutilized Business Zones (HUBZone).

Decent Work Program

Diversity, Equity and inclusion are ones of the key focal areas of our Decent Work program with Schneider Electric's strategic suppliers. Fair treatment in employment is one of the 10 key pillars of the program and include the notion of diversity, equity and inclusion. Among the suppliers most frequent gaps are the absence of a gender-neutral child-care / family care leave (69%), or missing criteria in the inclusion policy (46%).

In 2023, 21% of strategic suppliers were conforming to the Decent Work Program, it was 63% in 2024. This improvement shows better commitment of strategic suppliers on fighting against discrimination. For more information, please refer to section Decent Work.

Extract from supplier on-site audit reports:

"There is currently no policy/procedure to ban discrimination or harassment in hiring, employing, or terminating workers." Subsequent to the audit, the supplier implemented specific policy against harassment or discrimination

Schneider premises

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.

Gender diversity

The Group sets specific gender balance ambition in the scope of the SSI: 50% women in recruitment, 40% in front line management, 30% in leadership positions. The Group sets an objective to reduce gender pay gap below 1%.

Disability

Schneider Electric is committed to promoting and including people with disabilities throughout its operations worldwide. The Group established the Global Disability Inclusion and Accessibility Office, addressing needs of people with disabilities through a strategy of Inclusion and Care by Design.

LGBT+ inclusion

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.

Ethnicities & nationalities

Based on a global commitment made by Schneider Electric, regional specific actions are deployed for Ethnic and Nationality diversity. Ath the end of 2024, 91% of Country Presidents are either local or regional; 56% of employees are in new economies, 183 nationalities represented in our global workforce across 108 countries.

Gender pay gap

Schneider Electric has made a commitment to Pay Equity under SSE #18 to reduce the gender pay gap for both females and males. In 2024, and for the second year in a raw, the Company has maintained its 2025 ambition to reduce the pay gap for both women and men below 1%.

42%, 30%, 31%

Percentage of women in hiring, front-line management, leadership teams

(41% / 25% / 24% in 2020) - SSI #8

Male: -0.84% Female: 0.66%

Gender pay gap reduction

(In 2020: Male: 1.00% Female: -1.73%) - SSE #18

Annual Report reference for more details: Section "2.2.3.1.2 Working conditions" p. 213

6.4 Working hours

Relevant documents: Human Rights policy, Flexibility@work policy, supplier code of conduct, Working Time Tracking and reporting internal standard

Upstream supply chain

Decent Work Program

Decent working hours is one of the pillars of Decent Work program and as such, is included in the process review we have with strategic suppliers.

Supplier on-site audit program

Working hours is also a major topic verified during supplier vigilance audits under the "Labor" category. Based on the RBA audit framework, Schneider auditors perform a review of working hours procedures, then check their full implementation on site.

An analysis of the 209 "top-prioritiy" non-conformances raised in 2024 shows that the lack of respect of working time and resting days (time measurement systems are often insufficient) is regularly found. Working with these suppliers on remediation plans allows to close such non-conformances and provide workers with a safer work environment.

Extract from supplier on-site audit reports:

"Workers found to be working 22 days continuously. Process to ensure weekly rest is provided and prevent exceedance is not in place."

"Security guard working hours found to be exceeding 60 hours in a week." After the audit, the supplier amended an agreement for security agency for prohibiting of overtime.

Schneider premises

Flexibility@Work Policy

As part of this new Flexibility@Work Policy, countries can explore additional measures such as flexible working hours, flexible holidays, part-time work, and volunteering.

Mental Health

Schneider Electric implemented a mental health program which includes training, awareness and a specific campaign to prevent excessive working hours.

Working time standard

In 2024, Schneider Electric has published and deployed a Working time tracking and reporting process group standard defining a mandatory set of minimum standards for tracking and reporting working time. This group standard is applicable to all countries all business activities, all legal entities within the financial consolidation scope.

100%

Global Leave policy deployment at Schneider Electric (100% in 2020)

99%

Flexibility@Work policy deployment at Schneider Electric (99% in 2021)

Annual Report reference for more details: Section "2.2.3.1.2 Working conditions" p. 213

6.5 Forced labor and child labor

Relevant documents: Human Rights policy, Migrant Workers Guidelines

Upstream supply chain

Decent Work Program

Prevention of forced labor and child labor are ones of the key focal areas of our Decent Work program with Schneider Electric's strategic suppliers. Employment opportunities is one of the 10 pillars of the program and includes the notions of forced and child labor.

Among the most frequent non-conformances, Schneider Electric found: Missing policy or remediation plan for Child Labor/Modern Slavery/Human Trafficking (86%); Policy on free employment not shared with workforce providers (84%); No policy and remediation plan on free employment (83%); No structured control to prevent slavery/trafficked labor in operations (73%); Missing structured control to check/detect slavery/trafficked labor in operations (64%); Missing structured control to check/detect child labor in operations (48%).

Risk analysis for solution suppliers

To better capture risks occurring with subcontractors during customer project execution phase, Schneider Electric Human Rights team conducted in 2024 several analysis interviews that include forced labor dimension with customer project managers. Based on the results, one pilot in a specific country will be launched in 2025.

Supplier on-site audits as part of the Supplier Vigilance program

As part of our on-site tier 1 supplier audit program, forced labor and child labor are systematically checked during supplier audits. So far out of 240 audits done in 2024 and the years before, no case of child labor were identified. A few marginal cases of undocumented workers were identified and subsequently resolved. This low occurrence leads us to believe that the risk is low at our tier 1 supplier level. However, Schneider will increase efforts to better evaluate potential risks above tier 1 suppliers, all along the supply chain.

Extract from supplier on-site audit reports:

"Employees found to be working within the organization without any documentation. These employees do not have a contract or any employment benefits. Their salary is paid in cash and they do not exist on company records." After the audit, employees were onboarded onto company roles to ensure them a stable situation.

Schneider premises

Migrant Workers guidelines

Migrant workers are a population particularly exposed to forced labor risk. Compared to non-migrant workers, they are three times more at risk of forced labor. Therefore, in 2023, and to complement our Human Rights policy, the Group deployed the Migrant Workers Guidelines. These guidelines are guided by the "Dhaka principles for migration with dignity" and provide a frame to help Schneider Electric's operational 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, and how to resolve and prevent such situations.

6.6 Social dialogue

Relevant documents: Human Rights policy, supplier code of conduct

Upstream supply chain

Decent Work Program

Social dialogue is one of the key focal areas of our Decent Work program with Schneider Electric's strategic suppliers. Social dialogue and workplace relations is one of the 10 pillars of the program.

During the review with strategic suppliers, Schneider Electric found that the absence of a specific policy on collective bargaining was often occurring (42% of non-conformances to the Decent Work program).

As more strategic suppliers embark on our Decent Work program (63% in 2024), we expect this subject to progress positively.

Schneider premises

Social dialogue at Schneider

Social dialogue at Schneider Electric is managed at country level by Human Resources leaders with the employee representative bodies and/or unions, in compliance with local legislation.

Schneider joined the Global Deal initiative in 2017, which promotes social dialogue and sound industrial relations, as effective means for achieving decent work and inclusive growth.

Since 2021, social dialogue is included into 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.

European Work Council

The European Work Council (EWC) is the highest representation of Schneider Electric employees at European level. 36 members are part of this council (5 of them are part of SE's board of director) representing 43,500+ Schneider employees across 27 countries. The EWC council meets at least 1 time per year as a preliminary session and 4 times per year as for the EWC Core Council. The objective of this council is to proving social dialog at European level, considering the voice of Schneider Electric's employees in transnational projects, around the topics of business and organization changes, investments, environment, health and safety, work conditions etc.

91%

Of employees in European Economic Area are covered by collective bargaining agreements.

98%

Of employees in European Economic Area are represented by Employee Representatives locally.

Annual Report reference for more details:
Section "2.2.3.1.2 Working conditions" p. 212

6.7 Continuous employability

Relevant documents: Human Rights policy, supplier code of conduct

Schneider premises

Upskilling @Scale

Schneider Electric launched in 2024 its Upskilling @Scale learning strategy focused on developing the right skills, at the right time, with the right learning culture. This “Skills First” approach includes redesign of the global career and skill architecture as well as focused plans and programs for measured skill development in key domains. Business and functional academies are in place to partner with the business in identifying learning needs and spotting gaps in core and future skills for relevant employee populations.

They develop and promote learning and development opportunities to build both depth and breadth of skills and experiences based on the 3E model (education, exposure, and experience). The aim is to support Schneider Electric’s workforce to upskill and reskill with focus, speed, and scale through a mix of internal and external training and development offers that are relevant to each employee’s role, interests, and skill sets.

In 2024, the Group continued to provide a wide range of learning offers, ensuring that each employee embarks on a journey of continuous learning and growth. All Schneider Electric employees spent an average of 23 hours in learning in 2024 encompassing compliance and Company culture related mandatory training and skills training based on employees’ roles and development goals.

Digital upskilling program

The “Digital Upskilling” program aims at upskilling Schneider Electric’s workforce in critical digital skills for the Company’s digital strategy and employees’ sustainability of employment. It is supported by the: “Digital Upskilling for All Employees” enabling Digital Citizenship (SSE #22) which consists of four key elements:

- Digital Boost: a Digital Skills knowledge check for employees to get updated on key digital trends and discover individual strengths and development areas around six critical digital skills and mindset.
- Digital Skills and mindset dedicated learning path linked to the individual assessment result to facilitate further upskilling.
- A personalized dashboard for employees to monitor their progress.
- Digital Skills dashboard for HR and managers to visualize collective digital skill assessment results supporting data-driven actions to accelerate talent readiness.

A digital ecosystem to enable development opportunities for all

The Open Talent Market (OTM) platform empowers employees to drive their own careers by discovering opportunities for mentoring, new positions, and part-time projects, as well as potential career paths. Launched globally in 2020, the platform is available to all globally connected employees and leverages AI to match our internal supply of talent with the business demand of “gig” projects, positions, and mentorships through a transparent skill-centric digital and borderless approach.

The ambition is to increase fourfold the number of employee-driven development interactions in the OTM by 2025 (SSE #21). At the end of 2024, more than 95% of the employee base are in the OTM achieving more than 40,000 digital development opportunities since launching in 2019.

Schneider Electric also has an open learning ecosystem comprised of interconnected platforms at the center of which is MyLearningLink (MLL). This platform provides digital and classroom learning opportunities, accessible also on mobile devices for both mandatory training and personal choice learning based on employee roles and skill development goals.

11,544

Employees having an interaction on Open Talent Market (5,019 in 2020) - SSE #21

80%

Of employees received a digital upskilling program (41% in 2020) - SSE #22

22.5

Number of training hours per employee, in 2024 (24.5 in 2020)

Annual Report reference for more details: Section “2.2.3.1.5 Training and skills development” p. 227

6.8 Mental health

Relevant documents: Human Rights policy, supplier code of conduct, Flexibility@Work policy, Working Time Tracking and reporting internal standard

Schneider premises

Flexibility@work

Schneider Electric's Global Flexibility@Work Policy creates a global standard to work from home (WFH) two days a week for all eligible employees and one day for employees working in distribution centers and plants. The policy addresses hybrid work holistically, providing employees with mental health resources and training on best practices. The policy also reflects the broader shifts of a global, digital, and ever-changing environment and contributes to a more agile, inclusive, empowered, and trusting group culture.

As part of this new Flexibility@Work Policy, countries can explore additional measures such as flexible working hours, flexible holidays, part-time work, and volunteering. In addition, Schneider recognizes the importance of this two-way dialogue either directly with employees and/or with freely appointed employee representatives and bodies (such as Works Councils or employee forums) or organizations (like trade unions), as stated in its Global Human Rights Policy. This two-way dialogue is a key enabler to employees' engagement and the company's performance.

As part of Schneider Electric's annual employee engagement survey, 74% of employees feel that the organization actively looks after the well-being of its employees, and 81% of employees say that they have the flexibility to modify their work arrangements as needed. The group hosts events, webinars, communications, and more each October for Global Mental Health Day to support cultural awareness and understanding while celebrating the uniqueness of its employees.

Schneider Electric integrated mental health into its global well-being 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 2024, 84.6% of new hires completed "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.

74%

Of employees feel that the organization actively looks after the well being

84.6%

Of new hires completed an e-learning on mental health

99%

Flexibility@Work policy deployment (99% in 2020)

Annual Report reference for more details: Section "2.2.3.1.2 Working conditions" p. 206

6.9 Communities

Upstream supply chain

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.

People living around mines in Schneider Electric's upstream supply chain, including indigenous people

Schneider Electric's approach is to evaluate risks related to mines 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 + Cobalt and Mica)
- SSI #4 program (Aluminum, Steel, Plastics) with the ambition to increase green material content in our products to 50%.

For raw materials that are necessary for Schneider Electric's activities and are not yet covered by one of the programs mentioned before (such as copper), a specific study has been started to better understand the impact of these industries.

Schneider premises

In 2020, Schneider Electric conducted a vigilance risk assessment for Schneider Electric's 30 largest sites with a focus on impact on local communities. This analysis was made in 3 steps:

- Analysis of the potential impact that a Schneider Electric site may have on its surroundings
- Qualification of the natures of risk and their level, using public data available at the national level on topics such as ethical standards (National Corruption Index), individual development (Human Development Index)
- Combination of Schneider Electric's site impact level with the composite country risk index.

The overall result showed that the level of risk on local communities living around Schneider Electric sites was 'low' in most cases.

Downstream

People living around customer projects, in the extractive industries sector and power generation

Ongoing projects: As of end 2024, 30 customer projects have been reviewed. The analysis points to the following conclusions: A large majority of limited impact on nearby communities and a small number of project have [...]; 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 the several vendors, and does not handle relations with 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.

New projects: Due to the acceleration of infrastructure linked to the energy transition and the potential risks on local communities, the Group introduced evolutions in its project decision-making process (see section 5.7 Customer Projects).

7 Actions & Impacts: Environment

Zoom on environment impacts

Relevant documents: Environmental Sustainability Policy; Materials and Chemicals Directive; Global Environment and Health and Safety Directive on Hazardous Management (GEHSD001); Supplier Code of Conduct

Reminder from section 4.3: Main impacts:

- 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 project sites
Environment	Pollution and specific substances management	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●		
	Waste, water, and circularity	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Energy CO_2 and GHG	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●		

Carbon emissions and climate

CO_2 emissions and their consequence on climate warming are the highest risk for Schneider Electric. For several years now, Schneider Electric has been measuring its carbon footprint in Scopes 1, 2, and 3, and now has a detailed, more accurate view of this footprint. Schneider Electric's total carbon emissions (56 million tons in 2024) are mostly originating from Scope 3, with 86% coming from downstream usage (emissions at customer's operations) and 14% coming from upstream suppliers (raw materials and suppliers' operations), while the Company's own operations are very low in carbon emissions (<1%). As described later in 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 2025, as per Schneider Electric's public commitment.

Pollution and water use from raw materials extraction or transformation

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 for suppliers operating far upstream is challenging and will take time. However, 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 is also progressing 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 thermoplastics.

7.1 Fighting Climate Change (1/5)

7.1.1 Schneider Electric's Greenhouse Gas emissions

Relevant documents: Environmental Sustainability Policy

Upstream supply chain GHG emissions: 14%

- **12% of the upstream emissions result from the purchase of goods and services**: These are upstream emissions (i.e., cradle-to-gate) from production of products and services that the company is purchasing in the reporting year, with the exception of freight services that are accounted in a different Scope 3 category. These emissions are coming from very diverse sources, given the wide heterogeneity of the group's procurement portfolio: raw materials, electronic and electrical products, printed circuit board assembly, fabricated components, along with purchases that are not directly related to production (e.g., services such as insurance and banking services).
- **2% come from the upstream transportation and distribution, the business travelling, the employee commuting etc,.**

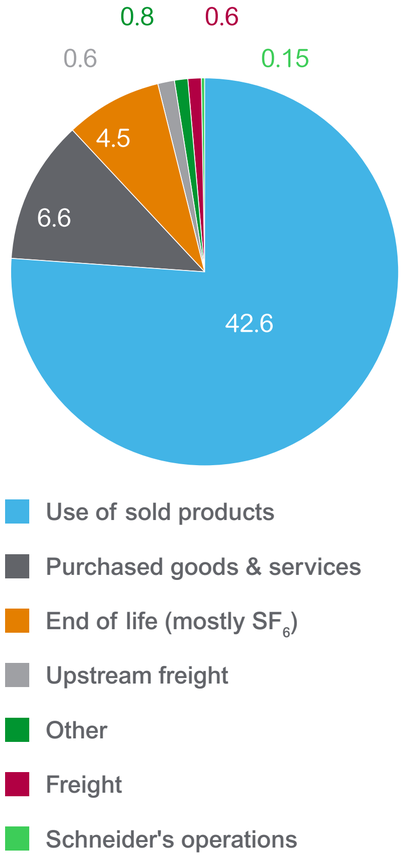
Schneider premises GHG emissions: <1%

- **Emissions from Scopes 1 & 2 are primarily from the use of electricity, gas, and fuel for the company fleet.**

Downstream GHG emissions: 85%

- **77% are due to the use phase of products**: These emissions correspond to the electricity consumption of Schneider Electric's products throughout their lifecycle, through heat dissipation (Joule Effect). This value is based on a lifecycle approach. It is not the volume of CO_2 emitted in the reporting year from the use of products sold and in use by customers. It is a forward-looking view and an estimate of emissions resulting from the use of products sold in the reporting year, during their full useful life. It is worth noting that the Group's products have long lifetime, which can be up to 30 years in calculations. The methodology is based on a lifecycle approach, leveraging the Product Environmental Profiles (PEPs) of our products.
- **8% are a result of end-of-life treatment of products, and particularly end-of life treatment of SF_6**. These emissions primarily reflect the SF_6 insulation gas used by Schneider in some medium voltage products sold in the reporting year, and that may be released at the end of products' life, a few decades after the reporting year. An assumption is made on the release in the atmosphere of SF_6 at product decommissioning, based on Schneider's research, considering that some SF_6 in equipment is being recycled, while the majority is not recycled.
- **The remaining emissions come from downstream transportation.**

Schneider Electric's Carbon Emissions ($MtCO_2$)



7.1 Fighting Climate Change (2/5)

Relevant documents: Environmental Sustainability Policy

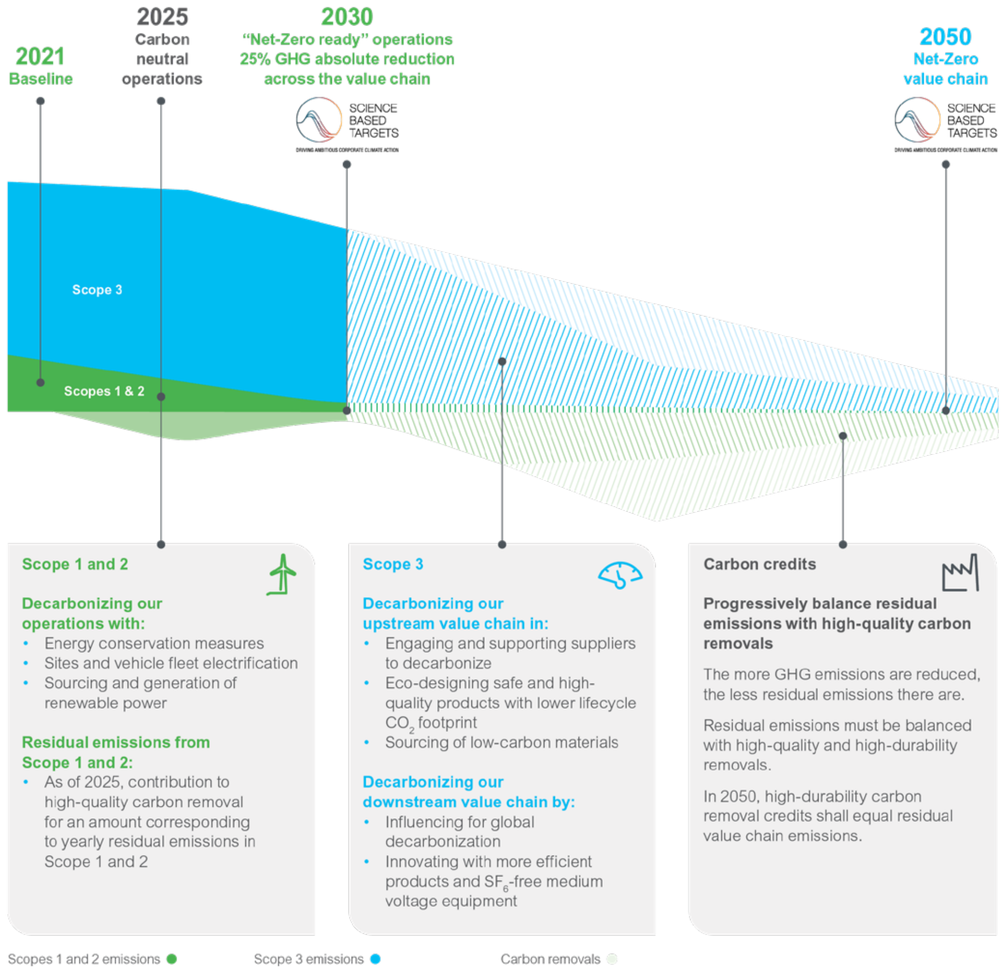
7.1.2 Schneider Electric's ambition to fight against climate change

Schneider Electric's Net-Zero commitment is defining ambitious targets to reduce the impact of the group's operations and overall value chain on climate change, and to remove 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. The greenhouse gas (GHG) reduction targets have been set in August 2022, when Schneider Electric was one of the first companies to have validation of targets by the Science-Based Target initiative (SBTi), in alignment with the "Corporate Net-Zero Standard" that the SBTi published in October 2021. The three milestones towards Schneider Electric's Net-Zero commitment are presented on a graph with the key decarbonization levers.

Group decarbonization pathway, all scopes

Unit = Million tons, CO_2	2021	2023	2024	Target 2030	Target 2050
	(SBTi)			(SBTi)	
Scope 1 & 2 (Schneider operations)	0.3	0.2	0.1	0.1	0.0
Scope 3 upstream (suppliers)	8.9	7.8	8.0	5.0	4.0
Scope 3 downstream (users)	59.8	49.1	47.7	46.6	2.9
Total carbon footprint	69.0	57.1	55.8	51.7	6.9
	vs. 2021	-17%			
		vs. 2023	-2%		
			vs. 2024	-7%	-88%
			vs. 2021	-25%	-90%

Annual Report reference for more details: Section "2.2.2.1 Leading on Decarbonization" p. 125

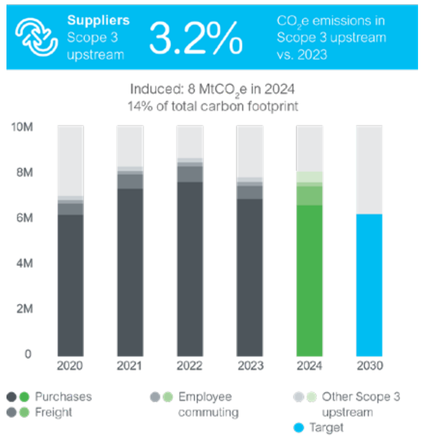


7.1 Fighting Climate Change (3/5)

Relevant documents: Environmental Sustainability Policy

Upstream supply chain

Decarbonizing the group's supply chain by 2050



The Zero-Carbon Project for suppliers (TZCP): Carbon emissions from Schneider Electric's procurement of goods and services (emissions from its suppliers up to the last tier) represented 6.8 million tons of CO_2e in 2023, which is 12% of its cradle-to-grave carbon footprint. The Zero Carbon Project, launched in April 2021, is the first step of a journey to reduce GHG emissions from Schneider's suppliers.

The ambition of The Zero Carbon Project is to collaborate with 1,000 suppliers and reduce their operational (Scopes 1 and 2) GHG emissions intensity by 50% by 2025. The fundamental actions that need to be implemented by suppliers, as part of this program include:

- Quantifying their GHG emissions (Scopes 1 and 2 mandatory, Scope 3 is optional for now);
- Establishing an ambitious emission reduction target, and
- Implementing an action plan to achieve that target.

As of 2024, more than 1,000 suppliers are participating in the program, achieving an overall operational emissions (Scopes 1 and 2) reduction of 40% since 2021 (27% in 2023).

Green materials: Schneider Electric is committed to increase the volume of green materials in products to 50% by 2025, for about 30% of its procurement volume, and is tracking quarterly progress as part of the Schneider Sustainability Impact program. While this program does not focus solely on CO_2, but also mitigates other environmental impacts such as resources, biodiversity, or toxicity, it will contribute to reducing the group's Scope 3 upstream emissions, in line with its Net-Zero commitment. To achieve this ambition, Schneider is actively participating with industry leaders in dedicated working groups to become a change agent of the low-carbon economy while enhancing the traceability of materials.

At the end of 2024, 38% of materials in scope were qualified as "Green".

CO_2 efficiency in transportation: The supply chain has been impacted by several disruptions since 2020, starting with COVID, then continuing with several components shortages in different industries, and more recently geopolitical factors. Adapting our transportation routes to these constraints to support our customers has resulting in difficulties to reach our productivity target. As a result, CO_2 efficiency in transportation is at the same level as in 2020.

100%

Top 1,000 suppliers joined TZCP

40%

CO_2 emissions reduction for top 1,000 suppliers achieved since 2021 (Scope 1 & 2)

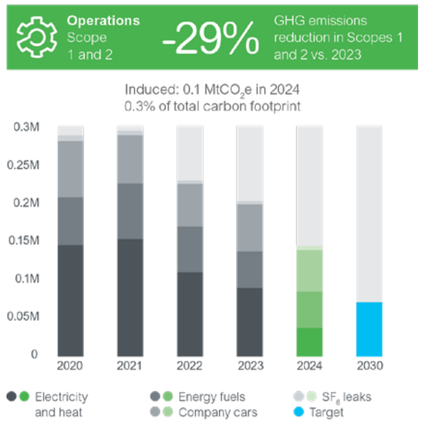
Annual Report reference for more details:
Section "2.2.2.1 Leading on Decarbonization" p. 125

7.1 Fighting Climate Change (4/5)

Relevant documents: Environmental Sustainability Policy

Schneider premises

Decarbonizing the Group's operations by 2030



To deliver its "Net-Zero ready" target on the emissions from Scopes 1 and 2 by 2030, the group's approach has four pillars

- Save: foster energy conservation and avoid SF_6 leakages.
- Electrify: switch from gas or car fuel to electricity.
- Decarbonize electricity: use renewable energy, either from on-site generation, or through external procurement of renewable power.
- Balance residual emissions with high-quality and high-durability carbon removal.

The group certifies all sites consuming over 5GWh with ISO 50001, helping to understand and reduce their energy footprint. As of end 2024, 126 Schneider Electric sites are ISO 50001 certified.

Global, regional, and site energy reporting is delivered with the EcoStruxure™ Resource Advisor software suite that provides a data visualization and analysis application that aggregates volumes of raw Energy data into actionable information. It provides a flexible and mobile energy solution enhanced by Schneider expert services.

EP100: Schneider Electric has been a member of Energy Productivity 100 (EP100), a Climate Group initiative, since 2017. The target is to double energy productivity by 2030 against the 2005 baseline (doubling economic output from every unit of energy consumed). In 2024, the group achieved 153% energy productivity compared to 2005.

RE100: Switch to 100% renewable electricity by 2030: Since 2017, Schneider Electric has accelerated renewable electricity sourcing and the installation of on-site solar panels, coupled with EcoStruxure™ metering and power architectures. In line with its commitment to source 100% of its electricity from renewables by 2030, the group has set an intermediary target of 90% renewable electricity by 2025. In 2024, 96% of electricity was sourced from renewables.

EV100: Shift 100% of the company fleet to electric vehicles: At the end of 2019, Schneider Electric committed to accelerate its efforts to cut CO_2 emissions from transport by switching to 100% electric cars by 2030. By 2025, Schneider Electric aims to switch one third of its corporate car fleet. At the end of 2024, 31% of the group's corporate car fleet was comprised of EVs. Additionally, several initiatives to foster alternative transportation options have been encouraged, with additional secure bike storage on sites, co-driving and shuttles connecting sites.

Zero-CO_2 sites: The ambition is to have 150 sites with zero carbon emissions by 2025. By the end of 2024, target was reached with 154 compliant sites.

Reduction of SF_6 emissions: Several actions have been implemented to reduce the leakage of SF_6 gas, a component used in medium voltage switchgears that has high dielectric characteristics and is also a significant GHG contributor. The group achieved a 0.08% leakage rate globally in 2024, exceeding the 0.11% target set for 2025.

126

ISO 50001 certified sites (vs 150 in 2020)

96%

Electricity sourced from renewables in 2024 (vs 80% in 2020) – SSE#3

154

Zero-CO_2 sites (vs 30 in 2020) – SSE#1

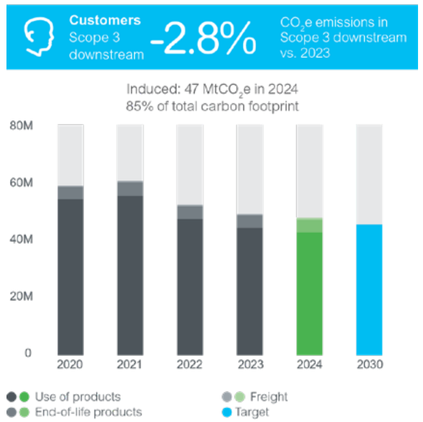
Annual Report reference for more details: Section "2.2.2.1 Leading on Decarbonization" p. 125

7.1 Fighting Climate Change (5/5)

Relevant documents: Environmental Sustainability Policy

Downstream supply chain

Decarbonizing the group's downstream emissions



Developing SF_6-free offers and SF_6 recovery services: SF_6 gas has excellent insulating properties and has therefore been widely used by electrical equipment manufacturers for building switchgears – especially medium voltage gear – for the past 30 years. In 2021, Schneider introduced a new range of switchgears where SF_6 gas is fully replaced by vacuum technology. The deployment of this offer is in progress, and several customer sites are now equipped with such equipment. To manage end-of-life for already existing SF_6 gears, Schneider has also developed a service offer of SF_6 recovery; available to customers directly, or through our partners. It guarantees the full recovery of the SF_6 gas from the old equipment, and its neutralization. Customers who use this service receive a green certificate.

Carbon price: As part of its carbon pledge, Schneider Electric is committed to take into consideration a carbon pricing of EUR 50 – 130/Ton (depending on time horizons) to inform the group's climate strategy. In line with the vision, an internal price on carbon is already used in several cases to include the cost of CO_2 externality in decision-making and strategy.

Enabling Customers to decarbonize with EcoStruxure™

Ambition to save and avoid 800 million tons of CO_2 emissions at the customers' end by 2025 through the implementation of EcoStruxure™ architecture and systems as solutions for our customers, as well as green products.

- **Energy efficiency**: Helping companies become more efficient and reduce their CO_2 emissions, for instance with variable speed drives or energy performance contracting.
- **Renewable power generation**: Power Purchasing Agreements (PPAs) or microgrids lead to the consumption of less carbon-intensive electricity.
- **Reduced GHG leakage**: SF_6-free equipment or SF_6 recovery services that allow reduced emissions.
- **Materials efficiency**: Circularity business models (e.g., refurbish) or lead battery recycling drive reduced emissions for manufacturing virgin materials.

Overall, from 2018 to 2024, Schneider Electric helped customers save and avoid 679 million tons of CO_2, over the full lifecycle of products sold during this period of time (126 million tons of CO_2 avoided in 2024).

Delivering access to energy products and solutions: Today, 25% of the world's population still has no or reduced access to energy, and only 17% of the total global energy consumption was renewable in 2017. Schneider Electric has committed to provide access to green electricity to 50 million people in underserved areas by 2025, achieving the ambition one year in advance with 53.4M at the end of 2024.

679

Million tons of CO_2 saved and avoided by our customers since 2018 - SSI#2

53.4

Million people with access to green electricity since 2009 - SSI#9

Annual Report reference for more details: Section "2.2.2.1 Leading on Decarbonization" p. 125

7.2 Pollution and substances

Relevant documents: Environmental Sustainability Policy; Materials and Chemicals Directive; Global Environment and Health and Safety Directive on Hazardous Management (GEHSD001); Supplier Code of Conduct

Upstream supply chain

Schneider Electric engages in a range of collaborative actions with its suppliers to substitute hazardous substances, ensure compliance with regulations and exceed industry standards:

- **The group's Supplier Code of Conduct sets clear to comply with all applicable laws and regulations**, including REACH and RoHS. Suppliers are also expected to adopt best practices for substance management, prioritize the use of green materials, and minimize environmental impact throughout their operations. Suppliers with strong environmental performance are prioritized in sourcing decisions.
- **Schneider Electric's Vigilance Plan 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.
- To go beyond the requirements of the European REACH and RoHS regulations, **the company has implemented a data collection process to gather information on hazardous substances from its suppliers** and a review process to guarantee its quality.
- **Schneider Electric actively participates in industry working groups and initiatives to address challenges related to substance management**. These collaborations focus on identifying alternative solutions for substances of concern, developing industry standards, and promoting best practices for responsible sourcing and production.

Schneider premises

Schneider Electric is transitioning to SF_6 –free medium voltage products and actively working to eliminate halogenated flame retardants from plastics (a specific action on PFBS was carried out with polycarbonate suppliers in 2024) and seeking alternative solutions to remove lead from metal alloys and electronics, even in the applications still exempted from RoHS regulation. As a member of the REACH consortium headed by CETIM, Schneider is also engaged in substances of very high concern substitution evaluation. This substitution process is ongoing In addressing the impacts of harmful materials. The company ensures that its transition away from hazardous substances not only meets regulatory requirements but also prioritizes the health and safety of its stakeholders.

Downstream

EU legislations such as the Waste of Electric and Electronic Equipment (WEEE) Directive, the Batteries and Battery Waste Directive and Regulation contain Extended Producer Responsibility (EPR) provisions, which obligate Schneider Electric to take measures ensuring products in scope do not end up in the landfill at their end-of-life. Schneider Electric is creating a compliance strategy to fulfill its EPR obligations as well as internal mechanisms that will adapt and evolve as requirements change. EPR also promotes the reuse of components, products, and packaging and the adaptation of design and production to increase circularity. End-of-life instructions on our Electric and Electronic Equipment (EEE) products provide guidelines to our customers on how to manage and dispose of them safely when they become WEEE.

88%

Schneider Electric's sites certified ISO 14001,monitoring discharges or pollutant emissions (NOx, Sox etc.) (263 sites vs 232 in 2020)

8.5

VOC*/Sales kg/m€
(vs 17.5 in 2020)

*Volatile Organic Compound emissions

Annual Report reference for more details:
Section "2.2.2.2 Pollution mitigation", p. 159 and "2.3.1.1.3 Pollution mitigation" p. 285

7.3 Circularity

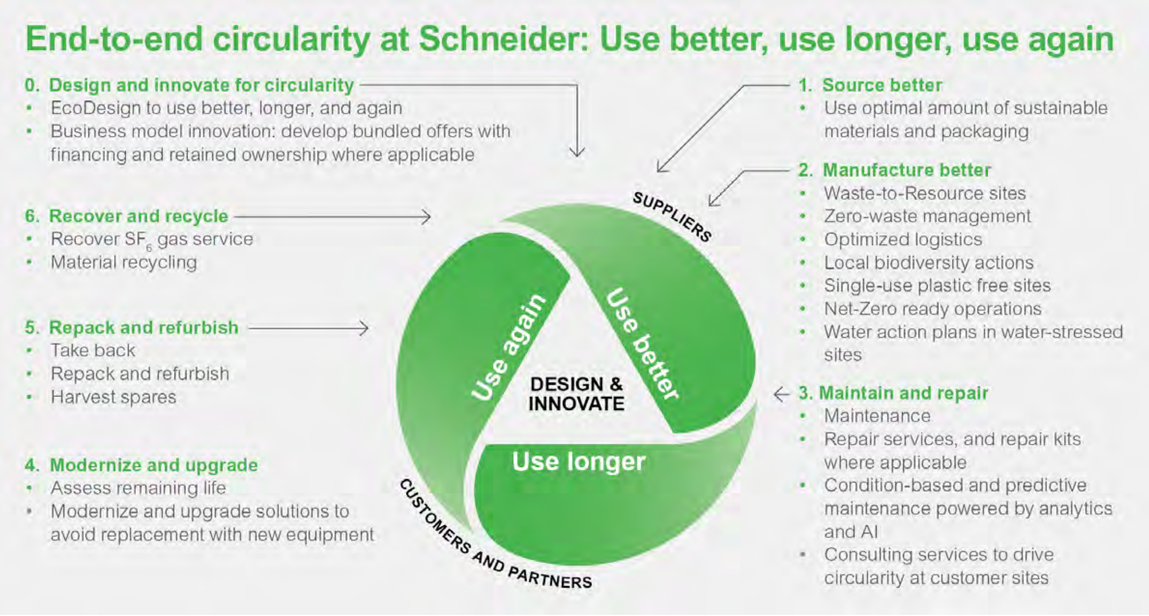
Relevant documents: Environmental Sustainability Policy

Upstream supply chain

Green Materials initiative: Schneider Electric has increased the green material content in its products to 38% by the end of the fourth quarter of 2024, up from 29% in 2023 and 18% in 2022. The ambition is to reach 50% by 2025 (SSI #4). This program covers a third of procurement's volume, including thermoplastics, steel, and aluminum.

Downstream

Circular economy efforts: Schneider Electric has avoided the consumption of 334,364 metric tonnes of primary resources through its take-back and end-of-use programs since 2017, with a target of 420,000 metric tonnes by 2025 (SSE #10).



Schneider premises

EcoDesign: 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. Schneider Electric has been able to build internal capabilities in EcoDesign through a tailor-made training pathway. In 2024 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.

Sustainable packaging: The company has made significant progress in its Sustainable Packaging program, with 78% of primary and secondary packaging now free from single-use plastics and using recycled cardboard, up from 45% in 2022 (SSI #5). The goal is to achieve 100% sustainable packaging by 2025.

Circular economy efforts: The company has also increased the number of Waste-to-Resource sites to 135, aiming for 200 by 2025 (SSE #9).

38%

Green Material content in our products (vs 7% in 2020) – SSI#4

78%

Primary and secondary packaging free from single-use plastic, using recycled cardboard (vs 13% in 2020) – SSI#5

135

Waste-to-Resource sites (vs 120 in 2020) – SSE#9

3.57

Waste generated per sales (tons/million€) (vs 4.98 in 2020)

Annual Report reference for more details: Sections "2.2.2.3 Resource use and circular economy (ESRS S5)" and "2.3.1.2 End-to-end Circularity"

7.4 Impact on biodiversity

Relevant documents: Environmental Sustainability Policy, Schneider Electric's Position on Protecting and Restoring Natural Forests

In 2021, Schneider Electric committed to "no net biodiversity loss" in its own operations by 2030. In May 2024, Schneider Electric updated its Biodiversity Pledge to act4nature, adding 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. **Schneider Electric's reiterated commitments to act4nature international**:

1. Quantify and regularly publish the assessment of the group's impacts on biodiversity.
2. Commit to reduce Schneider's impacts and align biodiversity objectives with science.
3. Develop solutions and technologies that contribute to the preservation of biodiversity.
4. Engage and transform the value chain.
5. Act locally, engaging employees and partners.

Upstream supply chain

In 2023, the second Biodiversity Footprint Assessment (BFA) which was run from an end-to-end perspective allowed to further identify and reiterate the **main levers of action to reduce its biodiversity footprint across its value chain**:

- **Reduce greenhouse gas (GHG) emissions in the group's own operations and in the supply chain**. Climate change is one of the major pressures on biodiversity globally and represents the group's main impact on biodiversity (over 70%). Therefore, Schneider's Net-Zero commitment will have a significant impact on reducing the group's pressure on biodiversity (please see section "Fighting Climate Change").
- **Reduce the "land use" due to the extraction of raw materials**. The main driver of land use is the extraction of wood and metals. Wood is mainly used for packaging purposes (cardboard, pallets, boxes); metals are the core of the group's products (silver, copper, steel, aluminum, etc.). Greater transparency and access to data on end-to-end supply chain is key to understanding how to minimize the group's impacts and dependencies on nature. Nevertheless, whether on climate or nature, data quality should not get in the way of necessary immediate action. Schneider made several commitments:
  - Source 100% deforestation-free wood by 2030.
  - Source 50% "green materials" in its products by 2025 (SSI #4).
  - 100% of sustainable primary and secondary packaging by 2025 (SSI #5).

Schneider premises

As for the upstream supply chain, main lever to reduce the group's biodiversity footprint is to reduce its GHG emission. The group engaged into several actions to reduce its Scope 1 and 2 emissions. Please see section "Fighting climate change"

Schneider Electric also committed as part of the Schneider Sustainability Impact (SSI) program to engaging employees and partners in deploying biodiversity conservation and restoration programs at 100% of its sites larger than 2,000 m². To meet this target, 300 sites must implement a Biodiversity program aimed at eliminating non-operational single-use plastics (e.g., cups and cutlery) and addressing local ecological risks through structured governance and stakeholder involvement. The program launched in 2021, focused on education and training in 2022, and action in 2023. As of 2024, 85% of Schneider Electric sites have implemented biodiversity programs, compared to 66% in 2022 for its SSE #8 commitments.

The program empowers employees to understand local environmental risks and act, resulting in initiatives like Monarch butterfly waystations in Mexico and the US, miniature forests in India and other countries, mangrove restoration in Vietnam and China etc.

85%

Sites deployed biodiversity conservation and restoration programs (vs 0% in 2020) – SSE#8

78%

Primary and secondary packaging are free from single-use plastic, using recycled cardboard(vs 13% in 2020) – SSI#5

Annual Report reference for more details: Section "2.3.1.1 Biodiversity" p. 282

7.5 Water

Relevant documents: Environmental Sustainability Policy

Schneider Electric regularly assesses water-related risks. 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 water use in facilities amounts for less than 1% of Schneider Electric's overall water footprint; 18% was allocated to raw materials and 81% to the use phase of its products.[1]

Schneider Electric's direct operations are not water intensive with industrial processes consisting of mainly manual and automatic assembly. However, without water the facilities cannot operate and as such, water remains a continued focus of the business with increased focus on sites located in the most water-stressed areas.

Upstream supply chain

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, expanding product life span to limit the consumption of raw materials, and thereby potential associated risks. The Company is also progressing well on its Schneider Sustainability Impact (SSI) #4 objective to use 50% green materials in its products by 2025, which focuses on steel, aluminum, plastics.

Schneider premises

Water Withdrawals

The group measures water withdrawals from various sources, including public network, groundwater, surface water, and other sources like rain and recycled water. Water is mainly used for cooling, sanitary purposes, and specific processes such as surface treatment and paint lines.

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 2024, the Company achieved a water withdrawal intensity of 48 cubic meters per million euros of revenue, a 55% reduction from the 2017 baseline.

Water discharge

Most of the water discharged by Schneider Electric is sanitary and canteen wastewater, sent to third parties for treatment without needing additional pre-treatment on site.

In cases where industrial processes like surface treatments are involved, on-site wastewater treatment is used to reduce pollutants, aligning with regulatory requirements. Increasingly, sites are adopting closed-loop systems to eliminate wastewater, minimize freshwater withdrawal, and recover valuable raw materials.

Water-stressed areas

Schneider Electric recognizes the critical importance of water for its operations and local communities, particularly in water-stressed areas. The group monitors water stress levels at all ISO 14001-certified sites, including factories, distribution centers, and large offices, using the World Resources Institute's Aqueduct Water Risk Atlas. Sites identified as "high" or "extremely high" are classified as water-stressed, regardless of the volume of water withdrawn.

Currently, 76 sites fall into this category, accounting for about 46% of total water withdrawals. Schneider Electric aims for 100% of its water-stressed sites to have a water conservation strategy and action plan by 2025 (SSE #11).

These plans involve conducting water use assessments to identify efficiency improvement opportunities, implementing best practices in metering, providing technical and general water training for employees, and analyzing water use in various processes. In 2024, the group had achieved 90% of its 2025 target, continuing to prioritize water conservation efforts.

90%

Sites in water–stressed areas with water conservation plans (vs 0% in 2020) - SSE#11

55%

Reduction of water intensity compared to 2017 baseline

Annual Report reference for more details: Section "2.3.1.1.2 Water withdrawal, discharge and stress" p. 284

1 Water footprint from the downstream mainly comes from the energy mix when products are being used

8 Business ethics

8.1 Elimination of bribery and corruption

Relevant documents: Anti-Corruption Policy, Philanthropy Policy, Gifts & Hospitality Policy, Business Agent Policy, Export Control Directive, Competition Law Cooperation Agreements & Partnerships Guidelines

To meet legal obligations specified by the 2016 French law (Sapin II), the Company launched a risk mapping exercise focusing on corruption in 2018. In 2024, this risk assessment was updated as part of the new Ethics & Compliance risk mapping. The group also established specific risk maps for newly acquired entities currently being integrated. Based on the Ethics & Compliance risk mapping results, Schneider Electric adopts a risk-based anti-corruption program.

Upstream and downstream value chain

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 to assess risks of anti-corruption and export control.

Business Agents: Schneider Electric has a policy on intermediaries, called "Business Agents". It aims to minimize their use as much as possible, except for specific exceptions.

Sponsoring and donations: To ensure legal and ethical operations in sponsorship activities and mitigate corruption and reputational risks, comprehensive risk screenings are conducted. 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.

Mergers and acquisitions: A specific process and guidelines were put in place to ensure full compliance of M&A operations with anti-corruption, export control regulations, and human rights risk. In 2024, they were updated to identify, manage, and mitigate those risks at the earliest possible stage.

Schneider premises

Awareness: In 2024, 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 2024 Annual Conflict of Interest Disclosure Campaign for targeted employees exposed to corruption risks. Schneider Electric organized a live event on December 9, 2024, to raise awareness about combating corruption. The event aimed to educate employees on preventing unethical conduct through real stories of how Schneider Electric prevented corruption in the past. 6,000 employees participated.

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 is mandatory for all targeted employees exposed to corruption risks (identified by the corruption risk mapping). In 2024, those e-learnings were rolled out to more than 64,000 employees, with a completion rate of 98.9%. Moreover, the year saw ad hoc anti-corruption learnings delivered to specific audiences in functions deemed to be priorities (e.g. Finance). A training session for the Board is organized yearly through the Audit & Risks Committee.

98.9%

« At-risk » functions employees trained on anti-corruption training (i.e. 64,000+ employees) (vs 94% in 2020)

Annual Report reference for more details:
Sections "2.2.4.1 Corruption practices" p. 256

9 Offer safety and cybersecurity

9.1 Offer safety

Schneider Electric's Quality strategy seeks to embed quality throughout each value stream from the earliest moments of design, through industrialization and launch, in production and supply chain, and in the field.

Upstream supply chain

Three major initiatives were launched with our supply base in 2023. First, the Supplier Qualification process was analyzed and updated for efficiency and robustness including the addition of Quality Fundamentals, software supplier qualifications, and counterfeit component programs. Second, the group is standardizing "Advanced Product Quality Planning" (APQP) process with external suppliers for new project offers. Third, in addition to new offers, the group launched a program to apply Production Part Approval Process (PPAP) to legacy critical parts and changes of suppliers.

Schneider premises

A **Quality Academy** was created with the mission to enable employees throughout the Company with learning and development. The group also launched Quality Fundamentals across the value stream and held hundreds of week-long Quality Improvement workshops wherein thousands of employees learned the Quality Fundamentals through hands-on kaizen-style implementation.

Quality in the design phase: The Group accelerated its commitment to safety, reliability, and robustness with the launch of a brand-new Design for Safety and Reliability Standard with new mandatory Quality Fundamentals for Design domain, to increase both safety, robustness, and reliability of new offers

Quality in industrialization and launch: The group recognizes the opportunity to integrate and strengthen existing industrialization procedures with "Advanced Product Quality Planning" (APQP) which seeks to introduce new products with outstanding quality. As APQP matures it will enable the group to bring together Design, Industrialization, Manufacturing, and Service teams to co-create solutions that are more reliable, robust, manufacturable, and serviceable, contributing to the sustainability goals of the group. Therefore, the group reinforced quality in industrialization by adding Quality Fundamentals, based on APQP from the Automotive Industry Action Group, for prototypes, pre-series, and launch.

Downstream

The group enhanced the efficiency of service and project execution by incorporating risk management and mitigation strategies throughout the entire process, from offer definition to maintenance. The group also integrated Quality Fundamentals for Projects and Services into daily activities to strengthen processes and establish standardization for proactive identification, prioritization, and mitigation of risks. By implementing this approach, we seek to improve safety, robustness, quality, and cost optimization, surpassing our customers' expectations while ensuring their safety. Additionally, this will help us establish consistent standards across the Company.

Relevant documents: Quality Policy

-80%

Reduction in product safety recalls in 2024 compared to 2020 (5 recalls vs 25 in 2020) - SSE#15

Annual Report reference for more details: Sections "2.2.3.4.1 Personal safety of consumers and end-users" p. 251

9.2 Data privacy

Relevant documents: Data Privacy Policy, Data Classification Policy, Privacy by Design Guidelines, Data masking Standard, Supplier Security Management Policy, Digital Certification Procedure, Binding Corporate Rules

Upstream supply chain

As part of the data protection program, a procurement process has been implemented, requiring the conclusion of Data Protection Addendum with suppliers processing personal information on behalf of Schneider Electric.

Downstream

To facilitate the exercise of their data protection rights by consumers, Schneider Electric is implementing a web form which will be available on the Group's website in each country online data privacy policy. The rollout happened at the end of 2024 and in the course of 2025. The management of these requests will be supported by a workflow management tool to ensure a streamline process.

Schneider premises

The Company regularly revisits and strengthens its data protection processes and measures. Several actions are ongoing, including:

- **Schneider Electric has been rolling out a data protection program** in Europe, the USA, China, India, and other key countries through its Data Golden Rules checklist and a Data Privacy Playbook which provides a governance model, data privacy awareness, the inventory of data processing activities, the provision of privacy notices, etc. A maturity assessment of each country is performed bi-annually to measure progress. A new version of the Data Privacy Playbook was released in 2024 and deployed in 2025.
- **Several training and awareness campaigns are conducted within Schneider Electric** each year to sensitize and educate its workforce on data protection and security risks and requirements. They are either general or tailored to a specific population in countries or functions (e.g., Marketing, CCC, HR). In 2024, Schneider Electric Essentials trainings, mandated to all employees, have addressed data protection and security requirements: “Data Fundamentals: Managing Data Risks” and “Cybersecurity for Schneider Electric 2024”. A new version of the general data privacy training has been developed in Q4 2024 and will be rolled out in 2025. A training for privacy advisors – a new role to advise in product development teams – has been designed in 2024, with a rollout plan to be defined in 2025. This training includes practical guidance on how to ensure data protection compliance in products and services (“privacy by design”).

9.3 Cybersecurity

Relevant documents: Supplier Security Principles, Security Principles for Non-Integrated Companies, Source Code Security Principles, Cyber Badge Principles, Vulnerability Management policy, Data Privacy policy

Upstream supply chain

Schneider Electric mandates that its suppliers meet high standards in cybersecurity and privacy, as per the Supplier Security Principles. 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.

Out of ~50,000 unique suppliers tiered, ~5,000 are monitored, according to their criticality and exposure. ~50% of critical risk profile suppliers went through C-level security discussions.

Schneider premises

To maintain and demonstrate this commitment on Cybersecurity strategy, Schneider Electric has established two reporting protocols: SSE #13 and SSE #16, which are shared with external auditors annually and publicly disclosed through the group's annual report:

- Cybersecurity training is part of the global mandatory Schneider Essentials program, assigned to all Schneider Electric employees through our global learning management system, with completion thoroughly tracked and regular reminders sent to ensure compliance, and reflecting our commitment to our 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 Schneider Electric's performance, the group is supporting the group's maturity journey on cybersecurity, from a performance, risk, and communication perspective.

Downstream

Secure practices for products and software

Schneider Electric is implementing several programs related to cybersecurity for its products and software, including:

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.

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.

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.

Top 25%

in external ratings for Cybersecurity performance (Top 25% in 2020) - SSE#16

99%

Of employees trained on cybersecurity and Ethics (90% in 2020) - SSE #13

100%

Of sites are monitored in real-time for physical and digital penetration.

Annual Report reference for more details: Sections "2.2.4.3 Cybersecurity" p. 267

10 Correspondence table

10. Correspondence table

			Vigilance plan 2024	Universal Registration Document 2024
Risk mapping and regular assessment procedures			• 4 Risk mapping (p. 20-25) • 5.1 Suppliers Vigilance Program (p. 27-28)	• 2.2.1.2.1 Assessment mechanisms: Vigilance plan and Enterprise Risk Management (p. 109-113) • 2.2.3.2.5 Vigilance Plan for suppliers and contractors (p. 240)
Actions to mitigate risks or prevent serious harm	Schneider Electric's sites	Human Rights	• 6 Human rights (p. 38-48)	• 2.2.3.1 Great people make Schneider Electric a great company (p.203) • 2.2.3.2.2 "Policy framework guiding sustainability in the value chain – Human Rights Policy" (p. 237)
		Environment	• Actions & Impacts: Environment (p. 49-59)	• 2.2.2 Environmental information (p. 125)
		Business Ethics	• 8 Business Ethics (p. 60-61)	• 2.2.1.1.3 "Trust with stakeholder" (p. 102) • 2.2.4.1 "Zero-tolerance for corruption" (p. 258)
		Offer Safety	• 9.1 Offer safety (p. 63)	• 2.2.3.4.1 Personal safety of consumers and end-users (p. 251)
		Cybersecurity & Data Privacy	• 9.2 Data Privacy (p. 64) • 9.3 Cybersecurity (p. 65)	• 2.2.3.4.1.2 Data Privacy (p. 251) • "2.2.4.3 Cybersecurity" (p. 267)
	Suppliers' sites		• 5 Actions & Impacts: Zoom on specific programs (p. 26-37)	• 2.2.3.2 Sustainable relations in the value chain (p. 236)
	Subcontractors		• 5.5 Customer Projects (p. 34)	• 2.2.3.2.5 "Vigilance Plan for suppliers and contractors" (p. 240)
	Communities	Around Schneider Electric sites	• 6.9 Communities (p. 48)	• 2.2.3.3 Ethical relations with affected communities (p. 246)
		Around customers' project sites	• 6.9 Communities (p. 48)	• 2.2.3.3 Ethical relations with affected communities (p. 246)
Alert system	Schneider Electric's employees		• 3.4 Alert system (p. 19)	• Whistleblowing Policy and grievance mechanisms (p. 105)
	External Stakeholders			
Follow-up process for measures implemented and evaluation of their effectiveness			• 3.1 Global Governance (p. 16) • 2.2 DoV Steering Committee (p. 17)	• Governance (p. 112)

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The Schneider Electric Vigilance Plan is a collective effort **coordinated by the Corporate Citizenship and Institutional Affairs Team**. Should you have any questions, comments or suggestions please contact us.

Ethics & Compliance: https://www.se.com/ww/en/about-us/sustainability/responsibility-ethics/
Sustainability: https://www.se.com/ww/en/about-us/sustainability/

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