

Supplier Guide Book

Collaborate, perform, grow together



Message from our Chief Procurement Officer



DK Singh
CPO
Schneider Electric

Dear Supplier,

We are pleased to publish the Schneider Electric Supplier Guide Book. This document has been designed in order to provide you, in a simple way, an overall view of what it means to be a Supplier of Schneider Electric: what you need to know from us, how we intend to drive and animate our relationship with you in a mutually demanding and collaborative mindset, and our expectations and commitments in order to deliver mutual benefits and continued progress.

This Guide Book is a reference for our joint efforts towards excellence, best-in-class competitiveness, and should also enhance our collaboration.

Therefore, I count on your own commitment, as well as our alignment within Schneider Electric, to follow these principles for a continued cooperation, always inspired by Customer Satisfaction as our nr.1 priority.

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Schneider Electric in a nutshell

Schneider Electric is the global specialist in energy management and automation.

~ 25 billion euros

Yearly Sales

~ 5% of revenues

devoted to R&D

~ 144 000 people






in more than 100 countries

On 5 diversified end markets

We are a 'Tech' Company





With balanced geographies:

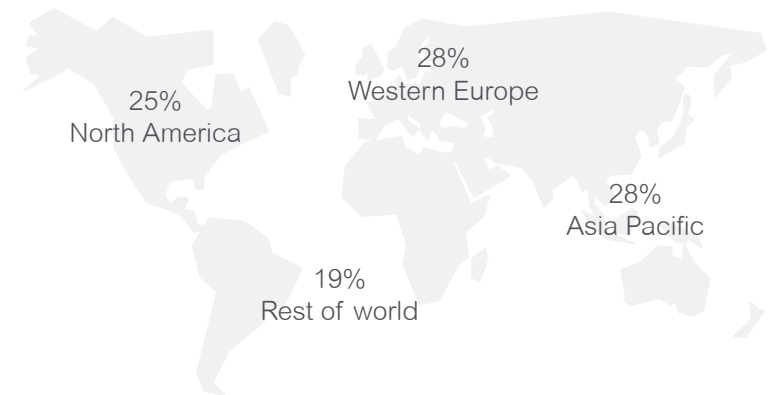
Accounting for 75% of the world's energy consumption:

-  Utilities & Infrastructure
-  Industry & Machines
-  Data centers & Networks
-  Non-residential Buildings
-  Residential Buildings

**We make energy safer, more reliable,
more efficient, more productive.**

The future is electric:

-  Residential Buildings
Confort & Security
Accurate control
-  Electric Vehicle
Carbon reduction
Healthy environment
-  Industry
Automation
Competitiveness
-  Data Centers
Reliability
Efficiency



Life Is On

Schneider
Electric

01

Supplier Code of Conduct



Schneider Electric and Supplier Code of Conduct

Schneider Electric has a track record and is recognized as a leader on Sustainable Development.

Our Suppliers have a key role to play and our most fundamental expectations are listed within a 'Code of Conduct' reference document.

We expect this Code of Conduct to be implemented by all our suppliers delivering goods or services to Schneider Electric, supported by an effective management system, applied and maintained to ensure compliance with this Code of Conduct, mitigate any risk of deviation and guarantee continuous improvement

Some of the topics covered by this Code of Conduct are shown here. The complete reference document shall be found [on our website](#).

Beyond and above these expectations, we encourage all our Suppliers to follow the guidelines of ISO26000. This is even a prerequisite for certain of our Suppliers.



Environment

- Compliance (REACH, RoHS)
- Natural resources
- Carbon footprint reduction
- ISO14000 & ISO26000



Human Rights

- No Child Labour
- Student rights
- Non-Discrimination
- Diversity promotion policy (gender, origin, education, handicap,...)



Fair & Ethical Business Practices

- Integrity & Transparency
- No corruption, extortion, bribery, embezzlement
- Formal Business commitments
- Conflicts of Interest prevention
- Gift & Amenities limitation policy, Conflict of Interest
- Intellectual Property
- Protection of Identity and Non-Retaliation



Labour Practices

- Fair and ethical workplace
- Freely chosen employment
- Compliance to Labour Regulations
- Working Conditions
- Health & Safety
- Freedom of Association



Sustainable Procurement

- Suppliers Management with inclusive guidelines and equal opportunities
- Conflict Minerals - free regulation
- Code of conduct communication to Suppliers and monitoring

02

Procurement & Supply Chain vision



Procurement & Supply Chain vision

Supply chain vision

- Customer satisfaction #1 priority
- Market-driven and tailored to customer behavior
- Competitive advantage in the market
- World class competencies and talents
- Dynamic improvement process
- Sustainability



Procurement vision

- Support business and Company needs
- Deliver on Schneider's and Tailored Supply Chain's expectations of Customer satisfaction, cost and cash.
- Deliver the most competitive and flexible supply base in the industry throughout the product life cycle.
- Develop world class procurement with our best talent and drive values of accountability, collaboration, and simplification.
- Contribute as a role model to a responsible & sustainable environment.



Strategic objectives

- To enhance Supplier total value proposition through collaboration, as part of world-class Supply Chain:
 - quality, service level, to meet or exceed Customers expectations,
 - competitive landed costs, driving high level of productivity,
 - optimized cash,
 - agile and secured Supply Chain,
 - sustainability through permanent improvement.
- To be a recognized Business partner:
 - supporting Schneider Electric's top-line growth and margin
 - with a simplified and digitized Procure-to-Pay system and process.

Procurement organization

addressing a geographically balanced spend representing 50% of Schneider Electric sales revenue.

Regions

- Perform operational procurement operations and indirect procurement for all sites in the region
- Manage Regional suppliers

Businesses

- Support Offer Creation Process needs
- Lead Finished Goods procurement

Support functions

- Lead procurement transformation through global and transversal projects
- Drive procurement excellence through process capabilities building

Markets

- Design and implement strategies for direct and indirect categories, supporting businesses and regions needs
- Manage Global suppliers



[Procurement missions](#)

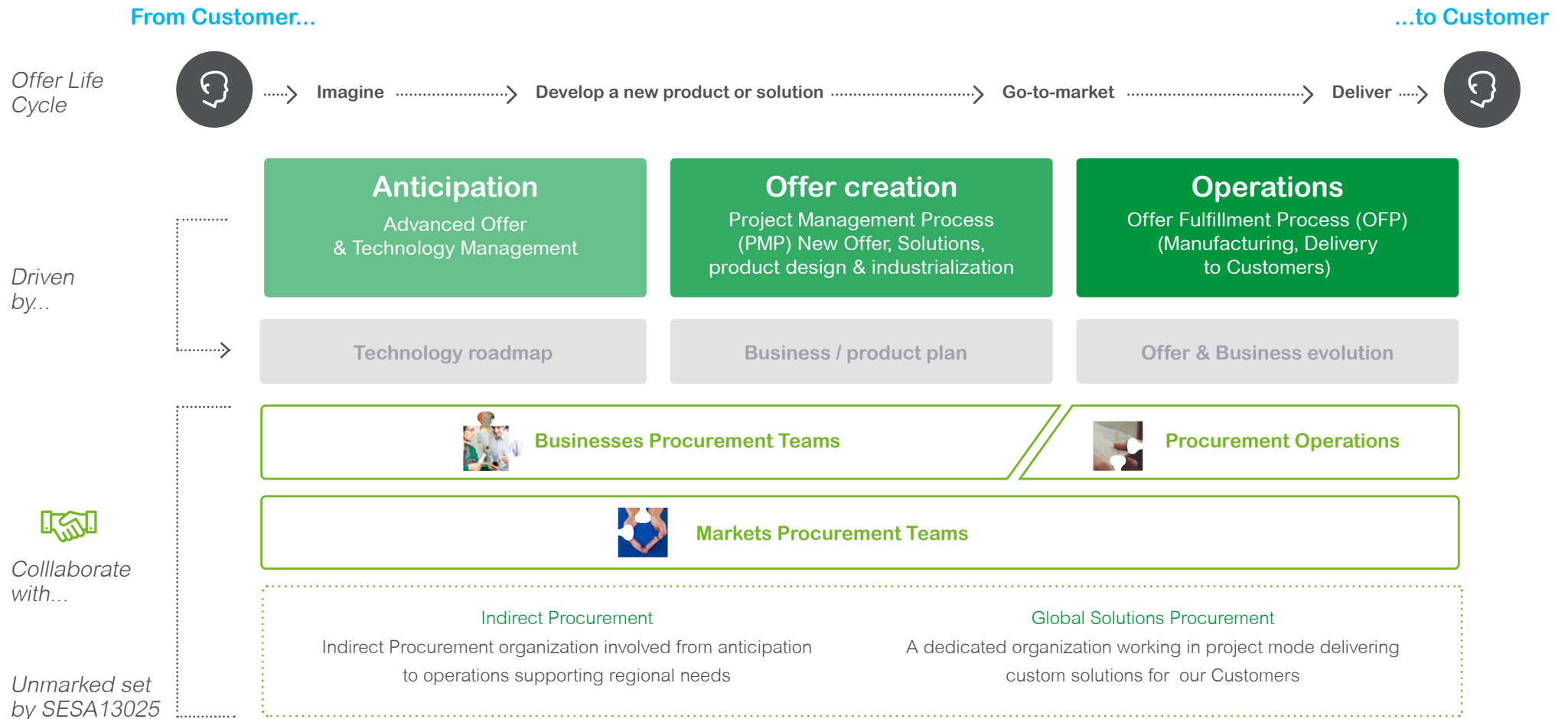
[Procurement organization chart](#)

03

Collaborating with Schneider Electric



Collaboration opportunities with Suppliers all along our Offer Life Cycle





Anticipation

Offer creation

Operations



Co-Innovation with Suppliers

Innovation is a Schneider Electric **top priority** to create a sustainable competitive advantage on the market: capture un-met & emerging needs, delight our Customers, make their life easier, solve their painpoints, leverage the best of technology.

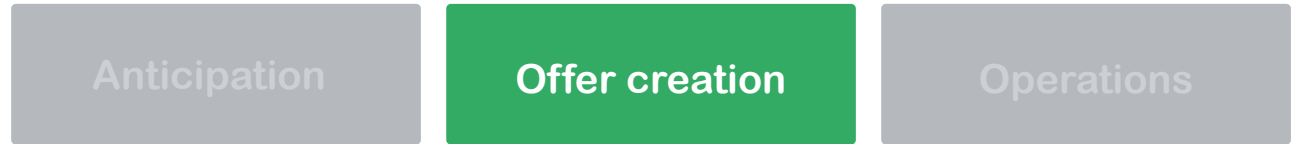
Innovation arena is very large: business models, customer experience, technology, services, processes, supply chain performance, tools for efficiency.

Supplier innovations are encouraged, then systematically **evaluated and selected** at new projects early stage to improve value creation and create offer breakthroughs.

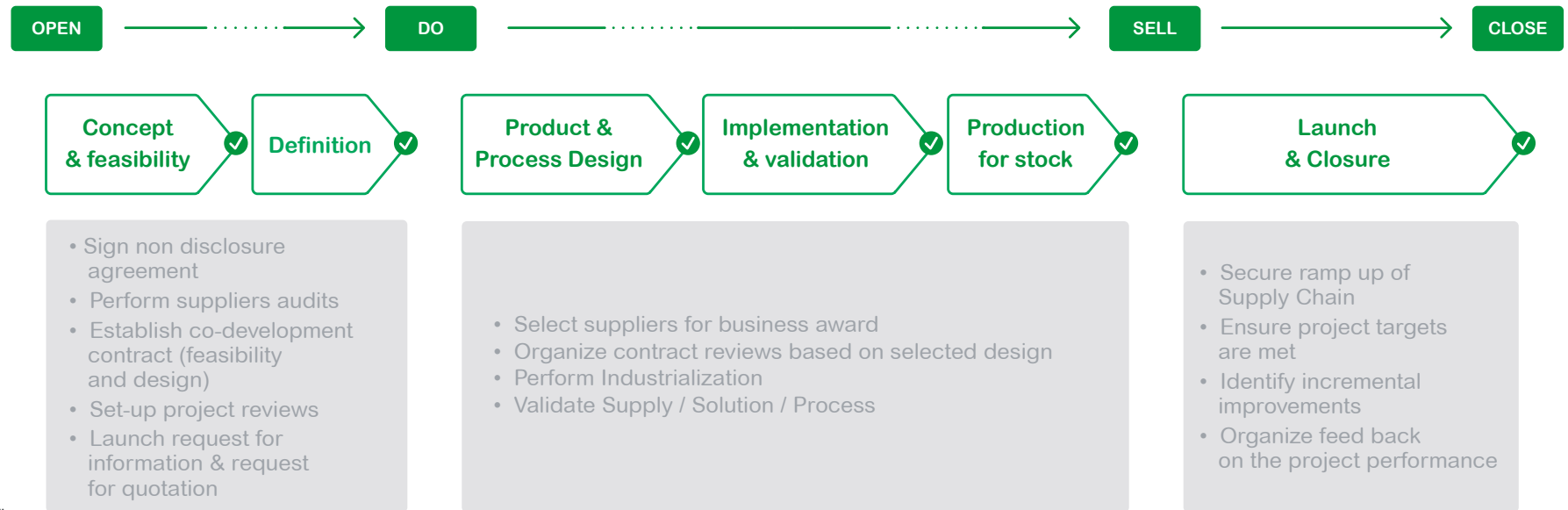
A limited number of **strategic partners** are selected based on their innovation capabilities and technology leaderships, global reach, competitive performance to boost collaboration intensity and joint value creation.



Zoom on 'new offer' Project Management Process (PMP)



The Project Management Process (PMP) is the Schneider Electric unified collaborative model needed to support the offer projects execution.





Linking supplier added value with tailored Supply Chain strategy & Global Solutions

Anticipation

Offer creation

Operations

Our customers have different supply needs supporting different business needs

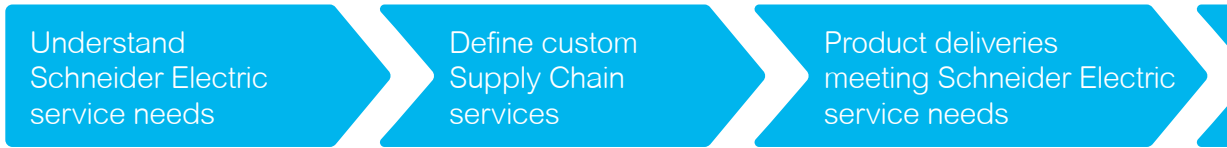
Customers



Supply needs



From catalog Products to tailored Solutions and Projects, we support our **Customer business needs with specific supply chain approaches.** We expect suppliers to **deploy such capabilities with our plants and Solutions centers.**



Suppliers

Supply needs

This does not apply

04

Procurement Excellence model



Supplier selection, performance & development

Our 'Procurement Excellence System' (PES) supports Supplier sourcing, Relationship Management & Procurement model in a unified way across our Company



Sourcing

- Market/ Needs Analysis
- Supplier classification
- Supplier development & selection



Business Allocation

- Supplier qualification
- Negotiation
- Contracts and business awards



Implementation and Relationship Management

- Relationship governance
- Product & Service development
- Collaborative projects
- Supplier development

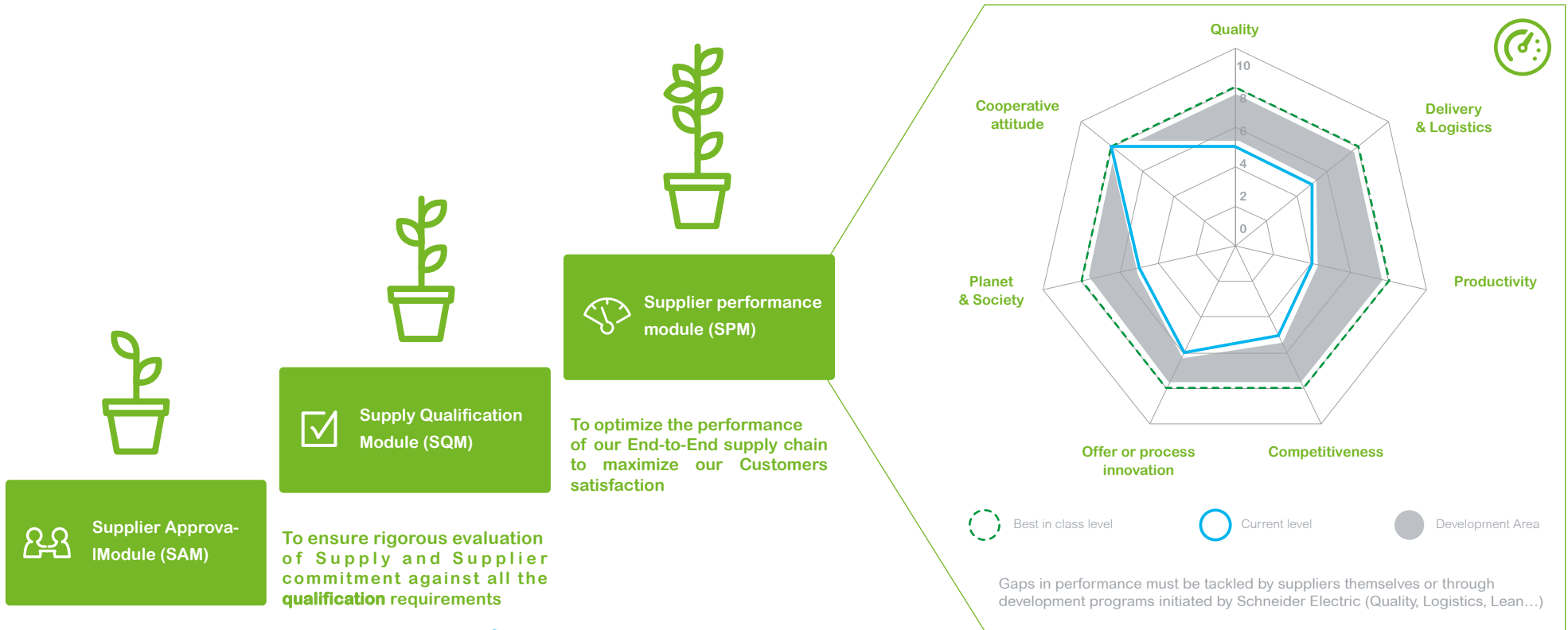


Ongoing Procurement

- Purchase Orders
- Transaction Management
- Delivery, Acceptance and Payment
- Performance management

Supplier collaboration steps

Aiming at best in class performance on 7 dimensions



For Indirect Procurement; Quality, Delivery & Logistics are merged into 1 dimension: Service Level

Our strategy brings growth potential to best suppliers

Schneider Electric procurement strategy is focused on developing a robust network of suppliers as the foundation of our extended Supply Chain.

~1,000 strategic Suppliers provide a wide variety of products, services and solutions. They are selected upon demonstrated Performance & Collaboration. Our Schneider Supplier Leader will foster bi-directional communication, and facilitate the relationship.

This strategy brings the following benefits to you :

- Global business opportunities and visibility
- Prime access to new offer creation projects
- Procurement spends concentration



* For Solution Procurement : the Supplier Leader role is taken by Solution Purchaser



Our priorities and expectations

Our first priority is the satisfaction of our Customers

We expect outstanding service across all
our Supply Chain needs

**We want to turn our Supplier relationship
toward higher business added value**

We expect you to collaborate & innovate

**Our Supply Chain model is buy-oriented,
Suppliers are critical to our performance**

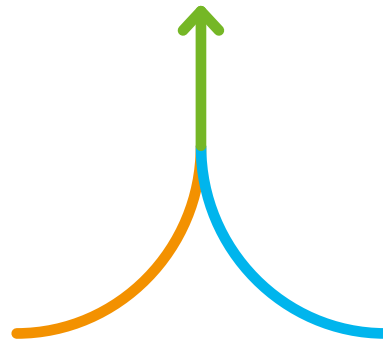
**We consider cooperation as a must
for successful relationship**

We are engaged in business transformation
with you. Our mutual commitment to be fully
responsive is essential

Collaborate



Grow



Perform



**We concentrate our spend and efforts
on most performing suppliers**

Sustainable development is part of our DNA

We expect you to engage with us and share
a Business 'Code of Conduct'

**You are a key component of our price
competitiveness**

We expect you to deliver at any time the
best total cost of ownership, with permanent
progress

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