

Our actions toward a sustainable future



Our promise to future generations: we will be part of the solution, taking urgent actions now to co-create a brighter future for everyone, everywhere. A future where access to energy and digital are basic human rights. We'll align with the 17 United Nations Sustainable Development Goals and measure our impact with transparency. In fact, our 2019 progress is highlighted throughout this report.

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Our promise

A concrete plan for a more sustainable world

The COVID-19 crisis puts fundamentals in perspective. There are primary threats, and secondary subjects. Both the pandemic and climate change belong to the first category. Climate change is the greatest challenge of our generation, and the next 10 years will be crucial to addressing it. Together we must reduce CO₂ emissions and halt the rise in Earth's temperature.

At Schneider Electric, our commitment is to be the partner of our customers in their journeys toward sustainability, and become carbon positive ourselves, fully aligning with our strategy and purpose. These engagements exemplify innovation for an all-digital and all-electric world. We advocate for bold measures to accelerate the emergence of a low-carbon world that will meet the demands of future generations.

Two critical disruptions — digital and renewables — can help us rethink our energy model and protect our planet's future. At Schneider, we combine these technologies to advance a world that increases efficiency and sustainability for buildings, industries, infrastructures, IT, and cities.

If the world is to achieve the United Nations (U.N.) Sustainable Development Goals (SDGs) by 2030, we must build momentum now — and leave no one behind. This is why Schneider answered the call for new 1.5 °C Science Based Targets in 2019, accelerating our carbon neutrality goal by five years and establishing the roadmap for a post-carbon economy.

In addition to expediting our 2030 goal of carbon neutrality in our extended ecosystem by 2025, we commit to net-zero operational emissions by 2030 and a net-zero supply chain by 2050. But we should go further. Therefore, we support partners and customers on their individual sustainability journeys, and team up with like-minded vendors and suppliers. We work with public and private sector members to

reduce carbon emissions and limit rising temperatures to 1.5 °C, end poverty, and assure equal rights. As companies that are part of local communities, we all play a crucial role.

In 2019, we partnered with the Business for Inclusive Growth (B4IG) coalition, joining forces with 34 international companies to invest a combined total of over \$1 billion USD in more than 50 current and future initiatives, benefiting 100 million people to date. In 2020, we launched the Tomorrow Rising Fund to support the communities around us facing the coronavirus pandemic. Schneider is a responsible company that engages with its environment.

This is part of the momentum we've been building through 20 years of engagement and innovation in sustainability. We have positioned Schneider to empower everyone to make the most of their energy and resources. Our technologies reconcile growth, access to energy for all, and a carbon-free future for our planet. We play a unique role in contributing to the solutions of global issues. More than just economic actors, we bring ideas, skills, and technologies and deploy them at scale. Our people and partners see them through by serving local communities around the world.

At Schneider, we believe that companies can make a positive impact and contribute to societal progress. We empower all to make the most of their energy and resources to ensure that Life Is On everywhere, for everyone, and at every moment. We pioneer digital solutions for sustainability. We have the duty to be profitable. We also have the responsibility to build a resilient and sustainable future where energy and digital are available to everyone. These are fundamental human rights giving access to a decent and safe life, and to education and economy.

Do good to do well and do well to do good: that is our program for the coming decade.



“We should learn from this crisis. Digital, resilience, and trust are key to build a true sustainable world.”

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



Our Impacts on the SDGs

The 2018 – 2020 Schneider Sustainability Impacts (SSI) is a collection of our sustainability goals, grouped under five megatrends. We use the SSI to share and measure our progress toward our own sustainability objectives, which are closely tied to the 17 U.N. SDGs.

“More than ever, in 2019, the SSI demonstrates that rapid, disruptive changes for a more sustainable world are possible across diverse and complex topics. I’m amazed by the commitment of our teams and partners worldwide to contribute to our common goals, and confident we’re on the right path with efforts validated by external experts. This year will be pivotal in pushing to reach ambitious targets and inviting stakeholders to help define the 2021 – 2025 SSI, in line with the SDGs.”



Olivier Blum,
Chief Strategy & Sustainability Officer,
Schneider Electric

“We work to advance the SDGs every day. They’re a shared blueprint for peace and prosperity for all people and our planet. Achieving them requires global partnerships to transform our world by 2030, and beyond. The SDGs form the basis of our SSI, which guide our contributions toward tackling climate change, ending poverty, improving health, and reducing inequality. We invite you to explore this report to see how our actions help advance these global efforts.”



Gilles Vermot Desroches,
Sustainable Development Senior Vice President,
Schneider Electric



2018 – 2020 SCHNEIDER SUSTAINABILITY IMPACTS

Climate

IMPACT #1
80% renewable electricity

IMPACT #2
10% CO₂ efficiency
in transportation

IMPACT #3
120 million metric tons
CO₂ saved on our customers’
end through our offers

IMPACT #4
25% increased turnover
for our EcoStruxure™ Energy &
Sustainability Services



Circular Economy

IMPACT #5
75% of sales under our
new Green Premium™ program

IMPACT #6
200 sites labeled toward
zero waste to landfill

IMPACT #7
100% cardboard and pallets
for transport from recycled or
certified sources

IMPACT #8
120,000 metric tons
of avoided primary resource
consumption through ECOFIT™,
recycling, and take-back programs



Health & Equity

IMPACT #9
70% scored in our
Employee Engagement Index

IMPACT #10
0.88 medical incident
per million hours worked

IMPACT #11
90% of employees
had access to a comprehensive
well-being at work program

IMPACT #12
100% of employees
worked in countries that have fully
deployed our Global Family Leave
policy

IMPACT #13
100% of workers
received 15 hours of learning in
the year, with 30% digital learning

IMPACT #14
**90% of white-collar
workers** had an individual
development plan

IMPACT #15
95% of employees
covered under the Pay Equity
framework



Ethics

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

IMPACT #17
350 suppliers
under Human Rights & Environment
vigilance received specific
on-site assessment

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



Development

IMPACT #19
x4 turnover of our
Access to Energy program

IMPACT #20
400,000
underprivileged people
trained in energy management

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



Climate



“

Capitalism is meant to increase capital, but what we are doing today is exactly the opposite. A banking sector fully engaged in the transition to clean energies would recognize that our planet is the asset upon which our prosperity is built.”



Bertrand Piccard,
Founder and Chairman,
Solar Impulse

Climate action, no excuses

The climate crisis requires an all-hands approach to mitigate the effects of a warming world. By decarbonizing our operations and supply chain — as well as creating resource-sensitive products and services — we continue our steady climate-positive progress.

In a speech to assembled heads of state in September 2019, U.N. Secretary-General António Guterres spoke to the gravity of our reality: “The climate emergency is a race we are losing, but it is a race we can win. The climate crisis is caused by us and the solutions must come from us. We have the tools: technology is on our side.”¹

In December 2015, during COP21 (also known as the Paris Agreement), Schneider Electric made a firm resolution to help address the climate crisis. Ever since, our commitments have kept pace with science-based targets designed to limit global warming to 1.5 °C. In the cascading urgency of climate change, we believe there are reasons to be hopeful and reasons to work harder — and there are no reasons not to act.

¹ “Remarks at 2019 Climate Action Summit,” United Nations, 2019.

Clear vision for a clean future

At the Climate Week conference in New York in September 2019, we reiterated our commitments to accelerate our sustainability efforts while ensuring no one is left behind. We pledge to:

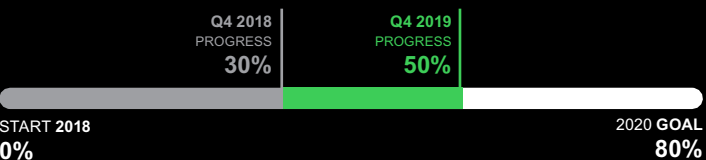
- Become carbon neutral in our operations by 2025 by offsetting all remaining emissions.
- Achieve net-zero operational emissions and reduce emissions in our supply chain by 35% by 2030 (vs. 2017).
- Engage with suppliers toward a net-zero supply chain by 2050.

The fight against climate change will not be effective without considering the needs of the 2.3 billion people with poor or no access to energy. Our actions are part of the Schneider Electric inclusive business growth strategy:

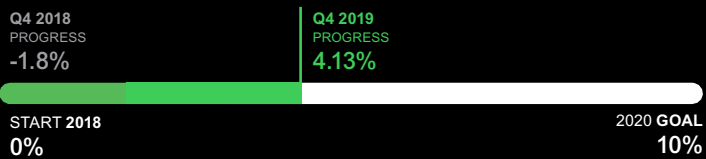
- Provide 80 million people access to electricity by 2030.
- Provide training in energy jobs/skills for 1 million underprivileged people by 2025 through the Access to Energy Training & Entrepreneurship program.

2018 and 2019 progress against our 2020 climate goals:

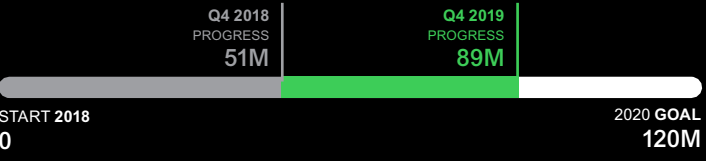
Impact #1: 80% renewable electricity



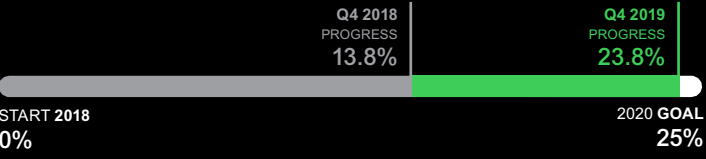
Impact #2: 10% CO₂ efficiency in transportation



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



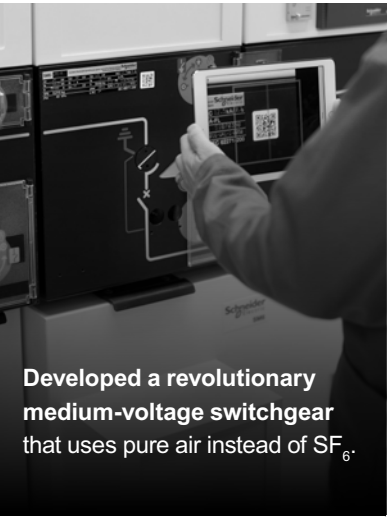
Impact #4: 25% increased turnover for our EcoStruxure Energy & Sustainability Services



2019 climate highlights

We made a firm resolution years ago to address the climate crisis. We work toward a cleaner future by building sustainable programs into our business, and in 2019 we continued to turn rhetoric into results.

Our progress toward a brighter, cleaner future for all has been validated and reinforced by events, awards, and partnerships over the past year, as we:



Developed a revolutionary medium-voltage switchgear that uses pure air instead of SF₆.

Recognized as one of **Corporate Knights' 100 Most Sustainable Corporations** for the seventh consecutive year.

See how Lidl, one of Europe's largest grocery chains, uses EcoStruxure to build a cutting-edge distribution center.



Partnered with The Climate Group in their EV100 initiative to hasten the global adoption of electric vehicles.



Entered into a **four-year partnership with the Solar Impulse Foundation** to help identify 1,000 solutions that profitably protect the environment?

Invested **€1.3B in R&D and Innovation** to advance a new electric and digital world through innovations, such as inventing decarbonizing technologies and incorporating new circular business models into our operations.



Ranked on the CDP's (formerly the Carbon Disclosure Project) **"A-list" for the ninth consecutive year.**

Technologies for a cleaner future

For us, success is determined by the amount of CO₂ emissions saved and avoided on our customer's end. To help us prosper for the good of the planet, we employ a four-part strategy:

- Our design process — **ecoDesign Way™** — creates solutions that adhere to circular principles, with transparent environmental footprint information.
- EcoStruxure architecture** delivers CO₂ benefits to our customers — with some customers achieving carbon-negative operation.
- Energy & Sustainability Services (ESS)** use solutions like EcoStruxure Resource Advisor to proactively manage the energy, carbon, and resource footprints of thousands of clients worldwide.
- We infuse our new offers with circular principles — take-back, repair, and retrofit services help lower the cost of ownership and environmental footprint for customers.

EcoStruxure Energy & Sustainability Services by the numbers



€30B managed in energy spend (70 GW)



128M metric tons of CO₂ controlled



250,000+ client sites managed via EcoStruxure Resource Advisor software

Our climate impacts for the SDGs

We advance the following SDGs to tackle climate change, mitigate the impact of rising temperatures, and help create a healthier planet for future generations.



Click above to discover our contributions to SDGs

By 2020

- 80% renewable electricity
- 10% CO₂ efficiency in transportation
- 120M metric tons of CO₂ saved on our customers' end thanks to our offers
- 75% of sales under the Green Premium program
- 200 sites labeled toward zero waste to landfill
- 100% cardboard and pallets for transport packing from recycled or certified sources
- 120,000 metric tons of avoided primary resource consumption through ECOFIT™, recycling, and take-back programs
- x4 turnover of our Access to Energy program
- 0.25% SF₆ leaks in manufacturing process
- 95% waste recovery rate
- 10% VOC emissions intensity
- 100% of applicable sites certified with ISO 14001, ISO 50001, and ISO 45001
- 10% energy efficiency (vs. 2017)

By 2030

- 100% renewable electricity (RE 100*)
- Double energy productivity vs. 2005 (EP 100*)
- 80M people will have access to energy through our offers
- Invest €10B in R&D toward sustainable innovation
- Shift 100% of our company fleet to electric cars (EP 100***)
- Double the quantity of recycled plastics in our products
- Net-zero operational emissions and reduction of scope 3 emissions by 35% (vs. 2017) as part of our 1.5° C SBT
- A net-zero supply chain by 2050

*RE100 is a corporate leadership initiative led by The Climate Group and CDP that seeks to establish zero-emissions grids globally.
**EP100 is a joint effort between The Climate Group and the Alliance to Save Energy that challenges corporations to continuously maximize their energy productivity.
***EV100 is The Climate Group's global initiative to make electric vehicles the primary mode of transport worldwide by 2030.

² "The Schneider Electric Foundation Partners With the Solar Impulse Foundation," Markets Insider, 2019.

Circular Economy



“No society can shift overnight to a thriving economy in a world characterized by climate change, biological resource constraints, and phased-out fossil fuels. No country, no city, no company can rebuild, retrofit, or repurpose its infrastructure instantaneously. Clearly, those who plan ahead and prepare themselves stand a far better chance to thrive than those who keep investing in the obsolete resource-intensive economy.”



Less waste, more innovation

Designing products that demand less from the environment is central to the circular economy. This simple principle is the heart of our sustainability strategy.

On July 29, 2019, humanity’s demand for resources exceeded what the Earth’s ecosystems can replenish over an entire year. This staggering metric is known as “Earth Overshoot Day.” The constant use of finite resources has been the de facto consumption model since the First Industrial Revolution.

The circular economy, in contrast, designs out the inherent wastefulness of the linear model. It’s a ground-up transformation that creates long-term resilience⁴ by respecting resources and the energy it takes to procure them. Schneider Electric is one of the largest leaders⁵ in pursuit of this new circular model.

⁴ “The Concept of a Circular Economy,” The Ellen MacArthur Foundation, 2017.
⁵ “Change the World: Schneider Electric,” Fortune, 2019.

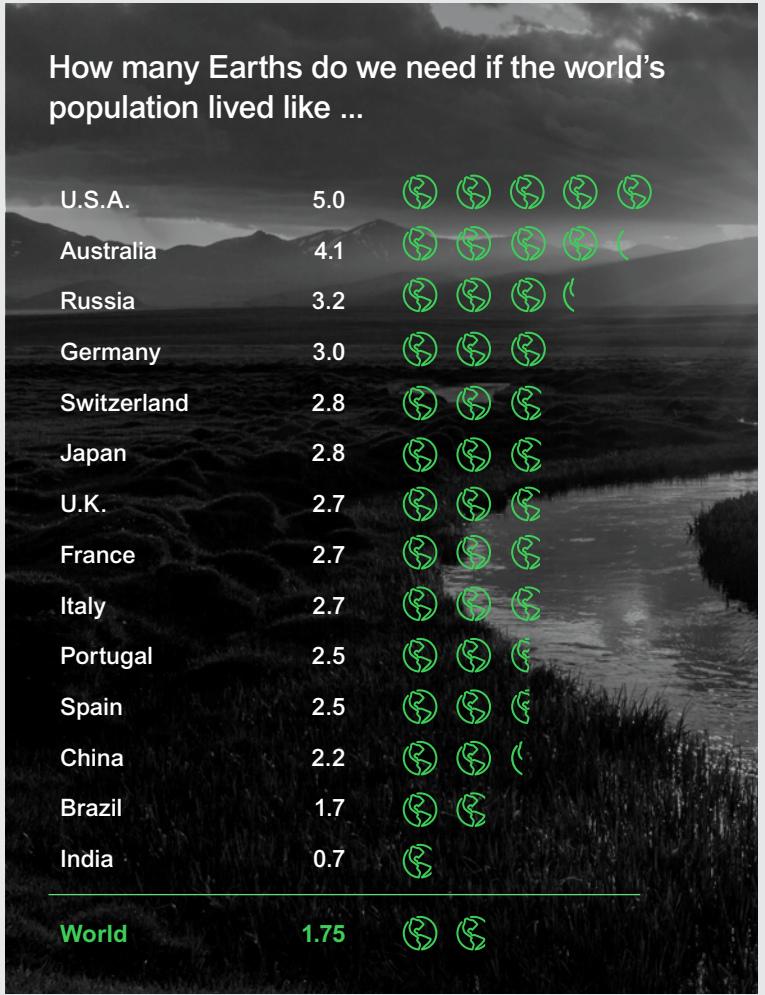
2019 circular economy highlights

The responsible use of resources is central to our identity. Over the past year, circular principles helped us outpace our own expectations toward our sustainability progress.

Partnering for circularity

One-planet compatibility is a concept that promotes using resources in a way that respects the Earth’s ability to replenish them. In 2019, Schneider joined with Global Footprint Network (GFN) to highlight the powerful advantage of one-planet-compatible companies. By partnering with GFN, we’re able to gauge our activities through ecological footprint accounting.

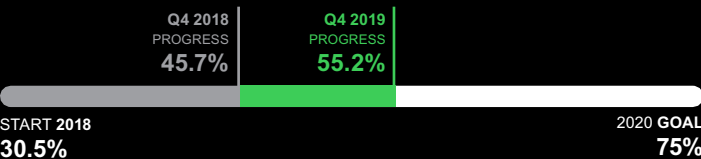
Our joint research⁶ with GFN⁷ found that technologies we and our partners offer can move the date of Earth Overshoot Day. With energy management, industrial automation, and renewable electricity, humanity can act now to move the date forward 21 days. And with cross-sector innovation, cutting CO₂ emissions by half could move the date by 93 days.



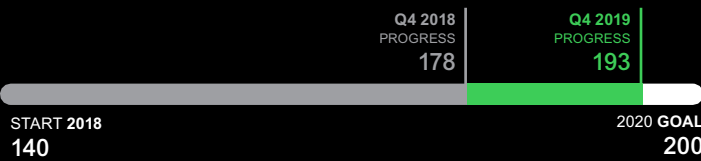
⁶ “The Business Case for One-planet Prosperity,” Earth Overshoot Day, 2019.
⁷ “Real-world Solutions That #MoveTheDate,” Global Footprint Network, 2019.

2018 and 2019 progress against our 2020 circular economy goals:

Impact #5: 75% of sales under our Green Premium program



Impact #6: 200 sites labeled toward zero waste to landfill



Impact #7: 100% cardboard and pallets for transport packing from recycled or certified sources



Impact #8: 120,000 metric tons of avoided primary resource consumption through ECOFIT™, recycling, and take-back programs



Our initiatives at the end of 2019

We're one of the few companies in the industrial sector to be part of the New Plastics Economy Global Commitment coordinated by the Ellen MacArthur Foundation⁸. We've committed to doubling the quantity of recycled plastics in our products by 2025, to align with goals put forth in France's Circular Economy Roadmap⁹, and we've banned single-use plastics in our facilities around the world. The latter progress was the result of our new Act For Green program, which encourages our employees to share their ideas to advance Schneider's sustainability mission.

At the end of 2019, we launched a pilot program to enhance our waste reduction goals: our Green Packaging Project. With this new initiative, we can reduce the use of plastic film in packaging by 97,000 square meters — enough to cover 14 soccer fields. With regard to cardboard, this program will also help us conserve about 74 tons of raw material.

In addition to reducing our use of plastic and conserving resources, we've made great strides in ensuring the materials we use are used to their fullest: since 2012, we've increased the amount of waste we recover from 8% to 95%.

This means that in 2019, we've kept 11,000 tons of waste out of landfills — more than the weight of the Eiffel Tower. Our progress in this area has led to 193 of our sites labeled toward zero waste to landfill.

Schneider has been awarded the premier circular economy award, The Circulars, in the Multinational Category for 2019. The award recognizes our efforts to place circularity at the heart of our strategy. To help fuel our ambitious sustainability progress, we rely heavily on digital innovation.

Just as the future of our planet depends on applying the principles of the circular economy, the speed at which these principles are adopted depends on technology. IoT, for example, enables proactive maintenance for longer equipment lifecycles. Automation and AI — which can add \$13 trillion to the global economy by 2030¹⁰ — can quickly extract insight that leads to improved efficiencies¹¹.

The business world is increasingly realizing the value in abandoning the outmoded "take-make-dispose" approach that's been in place for the past 200 years. Schneider has products, solutions, and services



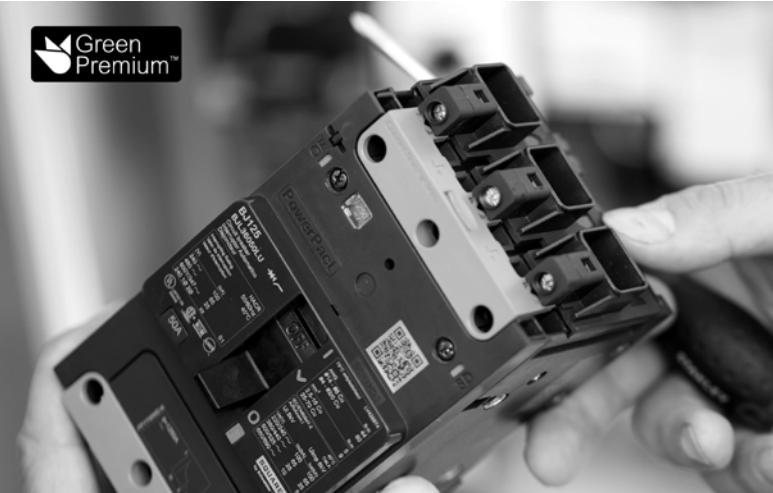
11,000 tons of waste kept out of landfills — more than the weight of the Eiffel Tower.

in the market today that make this transition not only easy, but cost effective. Our ecoDesign Way helps ensure the solutions we create are as sustainable as possible, from concept to end-of-lifecycle. Once products are in place, our ECOFIT program helps customers maintain and modernize electrical equipment in a cost-effective, environmentally friendly way — without impacting day-to-day operations.

Both of these solutions fall under the umbrella of our Green Premium

program. In 2019, the main objectives for this program were to:

- Keep products compliant with regulations
- Continually verify the environmental claims for our products
- Extend this level of scrutiny to include services and solutions
- Provide additional environmental attributes in the online product data sheet



⁸ "Global Commitment: A Circular Economy for Plastic in Which It Never Becomes Waste," The Ellen MacArthur Foundation, 2017.
⁹ "50 Measures for a 100% Circular Economy," Ministry for the Ecological and Inclusive Transition, Government of France, 2018.
¹⁰ "Notes From the AI Frontier: Modeling the Impact of AI on the World Economy," McKinsey & Company, 2018.
¹¹ "Artificial Intelligence and the Circular Economy: AI as a Tool to Accelerate the Transition," McKinsey & Company, 2019.

Our circular economy impacts for the SDGs

We advance the following SDGs in support of a circular economy to amplify the maximum value of resources across our supply chain.



By 2020

- **75% of sales** under the Green Premium program
- **200 sites** labeled toward zero waste to landfill
- **100% cardboard and pallet** for transport packing from recycled or certified sources
- **120,000 metric tons** of avoided primary resource consumption through ECOFIT, recycling, and take-back programs
- **x4 turnover** of our Access to Energy Program
- **0.25% SF₆ leaks** in manufacturing process
- **100 smart factories** and distribution centers
- **-5% water consumption** intensity
- **100% of applicable sites** certified with ISO 14001, ISO 50001, and ISO 45001

Click above to discover our contributions to SDGs

By 2030

- **Invest €10B in R&D** toward sustainable innovation
- **A net-zero** supply chain by 2050
- **Eliminate SF₆** in our products
- **Double** the quantity of recycled plastics in our products
- **Net-zero operational emissions** and reduction of scope 3 emissions by 35% (vs. 2017) as part of our 1.5° C SBT
- **100%** of scope 1 and 2 emissions compensated with credits generated by the Livelihoods Carbon Fund
- **Engage with sustainable business initiatives** such as the U.N. Global Compact

Health & Equity



“

During these challenging times, we've seen how important — even life-saving — flexible work schedules are, especially for women. Schneider is to be applauded for its commitment to flexibility and to helping employees find what works best for them.”



Kim Azzarelli,
Co-Founder and CEO,
Seneca Women

Innovative policies for great employees

Schneider Electric's greatest resource is its people. This is why the company takes action in support of the health and well-being of employees, partners, and people around the world. Efforts to promote overall wellness, learning and development, and safety are what advance Schneider's people-focused sustainability goals.

Why are we proactive on this front? Because great people make Schneider Electric a great company. And beyond our own business, we want to help create positive change around the world for those subject to sub-standard working conditions, fuel poverty, inequality, and discrimination. Eradicating poverty means prioritizing quality work and economic growth for all.



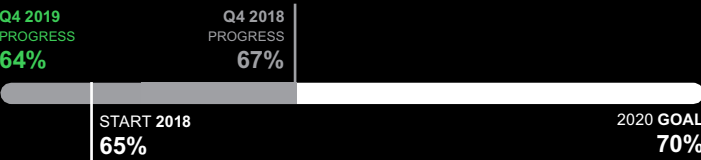
A living wage is a basic right.

At Schneider Electric, we believe that earning a decent wage is essential for all. We are committed to paying employees in the lower salary ranges at or above the living wage to meet their family's basic needs, including food, housing, sanitation, education, healthcare, and discretionary income for local standards of living.

Schneider continues to partner with independent advisor Business for Social Responsibility (BSR) on this topic. Since this collaboration began, we've initiated a global process to analyze our wage levels and employment practices against local living wage standards set by BSR. At the end of 2019, we covered 63 countries, reaching 99% of our footprint. This practice will continue in 2020.

2018 and 2019 progress against our 2020 health & equity goals:

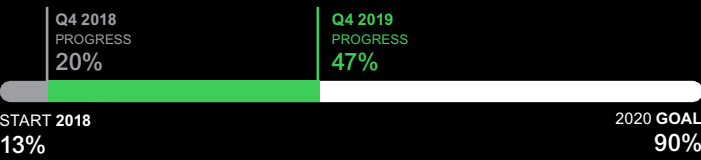
Impact #9: 70% scored in our Employee Engagement Index



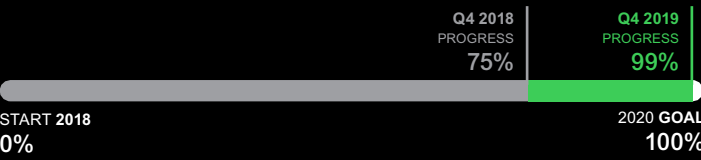
Impact #10: 0.88 medical incident per million hours worked



Impact #11: 90% of employees had access to a comprehensive well-being at work program



Impact #12: 100% of employees worked in countries that have fully deployed our Global Family Leave policy



Empowering employees in their unique lives

At Schneider, we're driven by our **meaningful** purpose, and continuously create an **inclusive** environment where employees are **empowered** to innovate and be at their best. This is our Employee Value Proposition.

Our core values challenge the status quo.

Schneider Electric's core values define the company and its brand, anchor our culture, and help us move in a positive direction.

It's one thing to discuss company efforts, and another to hear from employees firsthand. Around the world, more than 70 Schneider team members have shared personal, powerful stories on our Employee Voices blog since 2018, including:

“At Schneider Electric Malaysia, I stepped up to prove that women can lead the male-dominated industry too. I want to continue creating an inclusive culture where all forms of diversity are seen as a real value for the company.”



Astri Ramayanti Dharmawan,
Country General Manager,
Schneider Electric Malaysia and Brunei

“Throughout my 25-year career path, being exposed to different parts of the business has given me a sense of belonging. Regardless of which role we are holding, every decision will ultimately impact the company and customers. Seeing our efforts come to fruition is one of the most rewarding feelings.”



Ernest Elias Sasmita,
Logistics Network and Engineering Director,
Schneider Electric East Asia and Japan

MEANINGFUL INCLUSIVE EMPOWERED



2019 health & equity highlights

Health & Equity was a major priority in 2019 as we continue to promote the well-being of our employees, ground ourselves in our core values, and emphasize ongoing learning, development, and safety.

Flexible policies fit employees' lives.

Our inclusive Global Flexibility Principles empower all employees to manage their unique life and work. Today, 75% of employees worldwide demand flexible policies, yet 44% of companies still do not allow remote work at all.¹²

We do things differently, promoting a gender-inclusive culture and accommodating employees' needs with flexible working hours, telecommuting, and part-time options. Currently, 89% of our employees are covered by these programs.

Further, our Global Family Leave policy addresses various time-off needs, including caring for sick or elderly family members as well as bereavement, with a fully inclusive definition of family. It is deployed in 100+ countries, and on track to reach 100% of employees by the end of 2020.

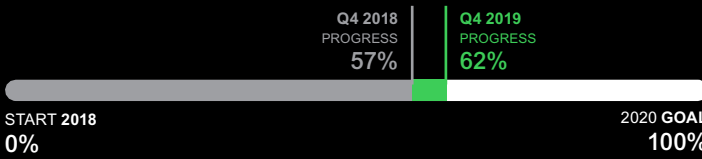


100% of employees
worked in countries that have fully deployed our Global Family Leave policy

¹² “Business News Daily, “Want Top Talent? Give Employees the Flexibility They Seek,” 2019. sdreport.se.com

2018 and 2019 progress against our 2020 health & equity goals:

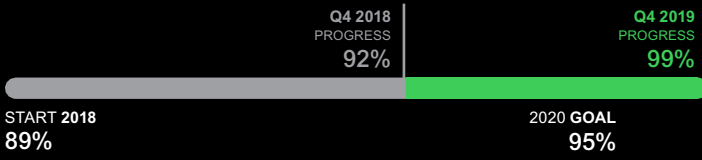
Impact #13: 100% of workers received 15 hours of learning in the year, with 30% digital learning



Impact #14: 90% of white-collar workers had an individual development program



Impact #15: 95% of employees covered under the Pay Equity framework



Our inclusive policies are applied worldwide, promoting equal treatment for all employees.

- Signed the U.N. Free & Equal Standards to advance LGBTQ+ inclusion; Schneider Brazil, Chile, Argentina, Colombia, and France have signed LGBTQ+ equality charters
- Announced a global LGBTQ+ Employee Resource Group (ERG): Schneider LGBTQ+ and Allies, open to all people with an interest in workplace inclusion
- Built a network of 20.5% women in managerial positions (employees with at least one direct report) to build a gender-balanced leadership pipeline
- Focused on hiring and including more women in sales and technical roles with 20% of STEM (Science, Technology, Engineering, and Mathematics) roles filled by women at the end of 2019
- Achieved a hiring rate of 25.8% women and similar turnover for men and women
- Grew female representation to 18% of the sales population, with a hiring rate of 23.5%
- Our goal is to have women comprise at least 25% of sales roles by 2020
- Launched the Schneider Women Leaders' Program (replacing the previous "Women in Leadership" program) to support professional development through a virtual nine-month coaching program, benefiting 800+ women
- Became the first multi-national company with a 100% commitment to the U.N. Women's Empowerment Principles (WEP) across its global leadership team
- Engaged each country leader in markets with at least 10 employees to personally sign the WEPs, acting as change agents and moving Schneider toward gender equality



World Employee Share Ownership Plan (WESOP)

Schneider employees are expected to Act Like Owners in every way. Since 1995, the company has offered employees the chance to become company owners thanks to the World Employee Share Ownership Plan (WESOP). The program was recognized by the Global Equity Organization in April 2019 for Best Plan Effectiveness.

WESOP has been a key part of the annual Rewards Programs, open to employees across 38 countries and allowing them to become Schneider shareholders by subscribing to shares at a 15% discount, supported by employer matching contributions where applicable.

In 2019, more than 50% of WESOP-eligible employees subscribed, representing more than 56,000 employees. This is the third consecutive year of unprecedented participation. As of December 31, 2019, the employee shareholding represented 43.7% of Schneider Electric SE's capital and 6.3% of the voting rights. 75% of Schneider employee shareholders were located outside of France, of which 13% are in China and the U.S., and 11% in India.

Short-Term Incentive Plan update

At Schneider, incentives are directly linked with company performance and individual objectives. They encourage employees to deliver on collective ambitions through a sense of accountability and collaboration.

The company now rewards collaborators for sustainability progress in the Short-Term Incentive Plan. Starting in 2019, this informs 20% of a collective share based on the SSI Performance for 60,000 eligible employees, plus 30% of the Long-Term Incentive Plan for top leaders.

Schneider employees are heard, respected, and rewarded.

Each year, Schneider employees are asked to provide anonymous, invaluable feedback through our externally managed OneVoice survey. The results offer a detailed view of our employees and keep us moving in a positive direction.

Our OneVoice survey in numbers for 2019:

- 100%** of employees surveyed once a year from 2018 (including pulse surveys on targeted populations to move toward a continuous listening strategy)
- 39,297** people reached via kiosks at 280 production sites
- 3,749** managers received a dedicated report
- >40,000** surveys analyzed verbatim
- 1** platform for all Human Resources surveys
- 89,000** emails sent, of which 71,978 were answered
- 84%** participation rate in 2019, up from 62% in 2011

Global Learning Days

In line with the Schneider Core Value of Learn Every Day, we invest in education ranging from improved brand leadership to building a more diverse employee pipeline. Education addresses the mismatch between available workforce skills and job vacancies — a key problem in many markets. Schneider organized two Global Learning Days in 2019, themed "All About Digital" and "Customer First."

Most activities were designed and delivered by employees, where 90% of responding participants were satisfied with the quality of activities offered and 80% learned something new.



The 2019 Go Green winners were team Aloe E-cell (Naveen Suman and Nimisha Varma), for their eco-friendly vision to bring 1.5 V aloe-based batteries to market.

Schneider Go Green drives sustainable innovation.

The successful Schneider Go Green case study competition (formerly Go Green in the City) celebrated its ninth year in 2019, continuing to challenge university students worldwide to create innovative solutions in four categories:

- Sustainability and Access to Energy
- Buildings of the Future
- Plants of the Future
- Grids of the Future

In 2019:

- 23,000** students registered
- 3,000+** ideas submitted — a new record for the competition
- 16** finalists were named

Recognitions and awards



Bloomberg:
Gender-Equality Index
2019, 2020

Catalyst™:
Award for Attracting and
Retaining Women in India



CDP “A-List,” ninth year in a row

Comparably:
“Best Company for Women”
2020



Corporate Knights:
“Global 100” most sustainable
companies, seventh year in a row



Ethisphere Institute®:
“2019 World’s Most Ethical
Companies®”



Equileap:
1st in the industrial sector,
Equileap Gender Equality
Global Report & Ranking

Euronext Vigeo Eiris World120:
second year in a row, 2020

The Financial Times:
Global Top 50 for Diversity &
Inclusion in Europe; “Great
Place to Work”; and “Best
Workplace in Manufacturing
& Production” 2020

Forbes:
“America’s Best Large Employers”

Fortune® Magazine:
“World’s Most Admired
Companies”; “Change the
World” list; Best Workplaces for
Diversity; and Best Workplaces
in Manufacturing and Production,
2019



FTSE4GOOD:
Environmental Leaders Europe
40 Index, 2019

Gartner:
Supply Chain Top 25, 2019

2019 Supply Chain Top 15 for
Europe



Great Place to Work®:
“Certified Great Place to Work”
in U.S. and Brazil



“Glassdoor Top CEOs” 2019
“Best Places to Work,” France
and U.S.

Harvard Business Review™:
Schneider Chairman &
Chief Executive Officer
Jean-Pascal Tricoire named one
of “The Best-Performing CEOs
in the World”

Military Friendly:
“Military Friendly Company”
2020



Universum®:
Top 50 “World’s Most Diverse
and Inclusive Employers”

Schneider
essentials

Beginning in 2019 as an annual
compliance commitment, all
employees were assigned
mandatory courses to strengthen
common understanding on
cultural topics. 97% of employees
completed this education, which
consists of:

- **Our Principles of Responsibility:**
Revamped in 2019 to better
reflect today’s world
- **Cybersecurity:** An overview of
protecting the company, which is
everyone’s responsibility
- **Our Core Values:** Guidance on
our five core values and their
connection to our People Vision

Internal trainers

Schneider promotes a culture
of employee development via a
global community of trainers. In
2019, these 9,000+ global trainers
delivered 140,000+ hours of
instruction.



Safety

Always a top priority, our safety
strategy was reinforced in 2019
to maintain comprehensive
visibility into safety metrics.
When an incident occurs, it’s
reviewed with management
and corrective actions are
implemented. Communications
are then relayed to relevant
teams, and we have a system
in place for rapid, global safety
alerts to all employees. Constant
evaluation, as well as special
events like our “Global Safety
Day,” support our efforts to
ensure all employees maintain a
high level of safety awareness.

Our 2020 safety goals:

Zero fatalities


Zero serious incidents

Sustainable results

Our health & equity impacts for the SDGs

We advance the following SDGs in support of the Health & Equity of all Schneider employees,
and to promote meaningful work, well-being, and inclusion worldwide.



 Click above to discover
our contributions to SDGs

By 2020

- **0.88 medical incident** per million
hours worked
- **90% of employees** had access
to a comprehensive well-being at
work program
- **100% of workers** received 15
hours of learning in the year, with
30% digital learning
- **100% of employees** work in
countries that have fully deployed
our Global Family Leave policy
- **95% of employees** covered
under the Pay Equity Framework
- **350 suppliers** under Human
Rights & Environment vigilance
received specific on-site
assessment
- **400,000 underprivileged
people** trained in energy
management
- **15,000 volunteering days**
thanks to our VolunteerIn global
platform
- **40% of new hires** were women
- **30% of leadership roles** were
held by women
- **63 countries** covered by the
Schneider Electric decent salary
analysis

By 2030

- **100% of employees** will have
access to a comprehensive
well-being at work program
- **1M underprivileged people** will
be trained in energy management
- **10,000 entrepreneurs** in
emerging countries will be
supported
- **10,000 instructors** will be trained
- **80M people** will have access to
energy thanks to our offers
- **Engage actively** with sustainable
business initiatives, such as the
U.N. Global Compact

Ethics



“

Companies that respect human rights are sending a signal to consumers, investors, and the public at large that they are a brand that is trustworthy and serious about sustainability. Beyond managing risk, businesses that proactively invest in human rights can contribute to a peaceful society and help create the conditions for inclusive prosperity.”



Lise Kingo,
CEO and Executive Director,
U.N. Global Compact

How we treat others defines us

For Schneider Electric, being sustainable doesn't just mean helping the environment; it means doing what's right for people, too. We're committed to preserving peoples' dignity, advancing the communities in which our influence is felt, and ensuring these values are shared across the industries of which we're a part.

Though a more globalized and connected world provides higher standards of living for many¹³, there are systemic problems that may seem shocking in the 21st century. Right now, more than 25 million people are victims of forced labor¹⁴, and corruption accounts for approximately 5% of global GDP¹⁵. Cybercrime is expected to account for \$6 trillion in damage by 2021¹⁶.

As a global company operating in more than 100 countries, we deploy diverse practices in pursuit of responsible action. Our Principles of Responsibility (PoR) have guided us since 2002 and was reimagined in 2019 to meet the challenges in the decade ahead. Prepared in compliance with the 10 principles of the U.N. Global Compact, the Universal Declaration of Human Rights, the International Labor Organization, and the Organization for Economic Cooperation and Development, our PoR provides the ethical foundation needed for responsible operation.

¹³ “Seven Reasons Why the World is Improving,” BBC, 2019.

¹⁴ “Global Estimates of Modern Slavery,” 8.7 Alliance, 2017.

¹⁵ “The Costs of Corruption,” The United Nations, 2018.

¹⁶ “2019 Official Annual Cybercrime Report,” Cybersecurity Ventures, 2019.



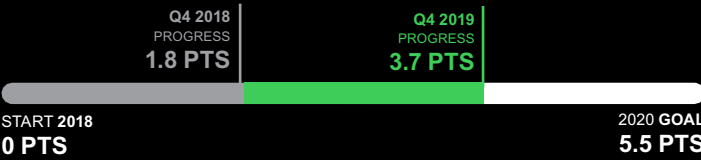
Our Principles of Responsibility

The PoR is a simple but important statement that explains what our company stands for. It's a charter of values that guide our actions and decisions, and empowers employees to take ownership.

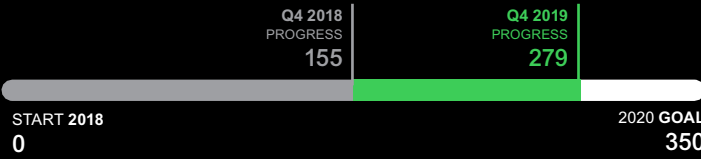
The PoR inspires every one of our policies. This document is crucial in our relationships with suppliers and subcontractors, as these entities are historically more vulnerable to human rights abuses. We strive for complete transparency and are vigilant in controlling our supply chain; if we detect that something doesn't adhere to our principles, we resolve it — because when facing an ethical dilemma, doing nothing means doing the wrong thing. We adhere to our PoR not just because it's the right thing to do, but to support an environment that actively empowers people within our company and throughout our ecosystem.

2018 and 2019 progress against our 2020 ethics goals:

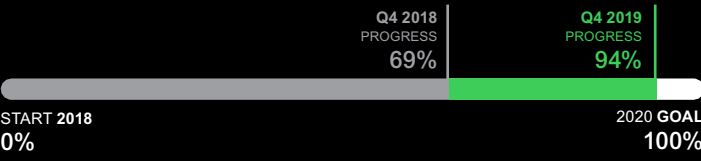
Impact #16: 5.5 pts/100 increase in average score of ISO 26000 assessment for our strategic suppliers



Impact #17: 350 suppliers under Human Rights & Environment vigilance received specific on-site assessment



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



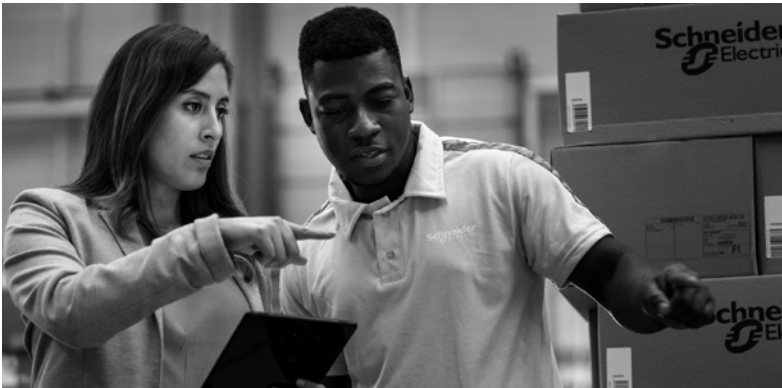
2019 ethics highlights

For us, ethical operation is the cornerstone of every initiative we put forth in pursuit of a cleaner, more equitable future.

Human rights and duty of vigilance

To comply with the 2017 French Duty of Vigilance law, Schneider Electric created an ambitious Vigilance Plan to identify and prevent potential risks related to human rights, health and safety, and the environment. This initiative meticulously monitors not only our own activities, but also those of our suppliers and subcontractors. As part of this vigilance plan, we began a three-year audit strategy in 2018 to scrutinize 350 high-risk suppliers, on-site, by 2020. At the end of 2019, we completed 279 audits and 60% of the non-conformities detected from these audits have been closed.

As one of the world’s most ethical companies⁵, we have a zero-tolerance policy toward corruption. As such, and to be in compliance with the relevant anti-corruption laws (in particular the American Foreign Corrupt Practices Act, the British United Kingdom Bribery Act, and the French Sapin II



law), we’ve deployed our Anti-Corruption Code of Conduct, which was reviewed at the end of 2019. This document defines risks related to corruption and describes what’s expected of each employee and the governing bodies of Schneider. It also details complementary protocols (such as policies regarding gifts, invitations, and business agents).

We know that we can’t fight corruption alone, so we participate in the initiatives

of many non-governmental organizations (NGOs) and professional associations, such as Transparency International France, a leading NGO that aims to stop corruption and promote transparency, responsibility, and integrity across all sectors. We’re also members of Le Cercle Éthique des Affaires (The Ethical Business Circle), a professional association that facilitates cooperation between business leaders across France to share best practices around ethics and compliance.

Ethics & Compliance program

The Red Line is the professional internal alert system that allows Schneider employees to report ethical concerns either confidentially or anonymously, per relevant local regulation. And because ethical concerns aren’t limited to our own employees, we have an alert system for external stakeholders (suppliers, customers, business agents, etc.) — the Green Line. Whether a person calls from inside or outside the company, each disclosure is treated as sensitive information so that whistleblowers can communicate without fear of retaliation.

Every alert in both systems is investigated by the Group Compliance Committee, with appropriate action taken if an investigation reveals a violation. To provide uniformity and fairness to all employees, we’ve also created a Disciplinary Committee, whose function is to address significant violations of our policies. The Disciplinary Committee independently considers evidence and conclusions of the Group Compliance Committee, and levies sanctions when appropriate.

Cybersecurity

As digitization is rapidly transforming our environment, specific threats have appeared:

- Inherent system vulnerabilities from cloud data storage and computing
- System risks due to bogus system access and control
- Threats to revenue and reputation due to data breaches
- Physical damage to equipment from malicious attacks

In addition to working closely with leading companies on cybersecurity, we’ve committed



to “cybersecurity by design” — our EcoStruxure platform provides customers end-to-end cybersecurity solutions and services. We recognize that this ecosystem-wide security responsibility starts with us, which is why in 2019, 96% of Schneider employees completed training on cybersecurity.


Our ethics impacts for the SDGs

We advance the following SDGs in support of ethical business practices and human rights — not just within our company, but for suppliers and partners worldwide.



By 2020

- **5.5 pts/100 increase** in average score of ISO 26000 assessment for our strategic suppliers
- **350 suppliers** under Human Rights & Environment vigilance received specific on-site assessment
- **95% of employees** covered under the Pay Equity Framework
- **0.88 medical incident** per million hours worked
- **90% of employees** had access to a comprehensive well-being at work program
- **25% of sales roles** were held by women
- **40% of new hires** were women
- **30% of leadership roles** were held by women
- **100% of sales, procurement, and finance employees** trained every year on anti-corruption

 Click above to discover our contributions to SDGs

By 2030

- **Engage with sustainable business initiatives** such as the U.N. Global Compact

Development



“

Market economy will not last without more inclusiveness. It's not a matter of ideology, it is a hard realism that calls us to a collective action, for both governments and companies. Our aim is to build a constructive dialogue to advance social inclusion, pilot and scale innovative, inclusive micro-economic business models, and contribute to inform macroeconomic policies.¹⁷”



Emmanuel Faber,
Co-chairman,
Business for Inclusive Growth

Development action for a more inclusive world

At Schneider Electric, we believe that access to energy and digital are basic human rights. To date, 840 million people in the world still lack access to electricity¹⁸. This figure is down from 1.2 billion in 2010, indicative of significant progress made in the last decade. We must do even more.

In addition to achieving universal energy access, sustainable development is also about improving the living standards of local populations. This means promoting economic development in rural areas and supporting skills training. Schneider's efforts include affordable solutions; impact investing; entrepreneurial opportunities; and engaging communities, employees, and non-profits around the topic of energy.

As Schneider works toward its ambitious development targets, the company also helps advance the following U.N. SDGs:

- **SDG 1** (to end poverty)
- **SDG 4** (to advance quality education)
- **SDG 7** (to ensure access to affordable, reliable, sustainable, and modern energy for all)

¹⁷ “Tracking SDG7: The Energy Progress Report Highlights,” a joint report between the International Energy Agency, International Renewable Energy Agency, United Nations Statistics Division, World Bank Group, and World Health Organization, 2019.

¹⁸ “Business pledging against inequalities at the G7 summit 2019,” OECD, 2019.
¹⁹ “What is Just Transition?,” Just Transition Alliance, 2019.



Sustainable development means leaving no one behind.

To help establish the developing world, Schneider is mindful of vulnerable countries and populations. We act as ambassadors for a just transition, where a healthy economy and a clean environment co-exist.¹⁹

In September 2019, Schneider joined the Business for Inclusive Growth (B4IG) coalition, sponsored by the French Presidency of the G7 and overseen by the OECD to address inequality.

Among 34 international member companies, we help strengthen efforts to reduce inequalities linked to opportunity, gender, and geography to synergize with government-led efforts.

B4IG by the numbers

34 leading member companies

50 existing and planned projects

€1.08B in private funding represented

3.5M+ employees represented

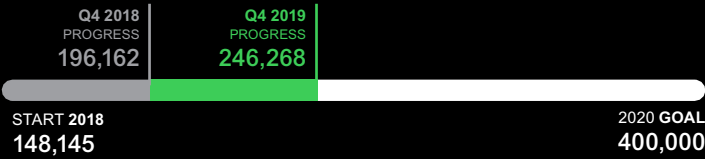
€860B+ in annual turnover

2018 and 2019 progress against our 2020 development goals:

Impact #19: x4 turnover of our Access to Energy program



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



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



2019 development highlights

At Schneider Electric, energy access is regarded as a basic human right. Everyone is entitled to the modern energy that creates social and economic development to secure a better life. In 2019, we reinforced our program so it targets six main energy impacts for a better life: health, agriculture, community, women, education, and emergency.

Here’s how and where our training initiatives made a difference in 2019.

Training

Beyond equal energy access, we support the local job creation and skills development that must accompany universal energy access, because one cannot exist without the other. This is made possible by the Schneider Electric Foundation under the aegis of Fondation de France.

Learn how vocational training plays a key role in providing energy access for all. The Tomorrow Rising web series showcases our international energy training program for determined people and young entrepreneurs from underprivileged backgrounds.

The [Tomorrow Rising web series](#) follows four real stories of young people on the path to a brighter future, and inspires others who could benefit from energy training.



POWER FOR ALL

Power for All advocacy campaign

Through the Schneider Foundation, and alongside the Rockefeller Foundation, we co-finance the Powering Jobs campaign. In 2019, Power for All, Schneider, and the Rockefeller Foundation published the Powering Jobs Census report to examine the state of the energy access workforce.



Ivory Coast:

- Joined forces with the International Rescue Committee and the Mastercard Foundation to train 1,250 young people in solar and electrical trades – 60% of whom were women
- Educated 750 young people in entrepreneurship, and will support two new training centers in 2020

Mali, Senegal, and Niger:

- Won the European Union’s “Women Entrepreneurship in Renewable Energy” call for projects — a consortium led by Plan International and CARE to provide technical training to female entrepreneurs
- Will support the development of 4,650 small and medium women-led enterprises over three years

Ghana:

- Partnered with Village Exchange Ghana in vocational training, targeting 80% women
- Center specifically designed with flexible hours to fit women’s and young mothers’ lifestyles

United Nations High Commissioner for Refugees (UNHCR, multi-country)

Jean-Pascal Tricoire, Chairman & Chief Executive Officer of Schneider Electric, and UNHCR High Commissioner Filippo Grandi signed a memorandum of understanding in Davos in 2018. To date, Schneider is the only major energy company to have signed such a partnership with UNHCR. The group is an official supplier of Mobiya solar lanterns, and 130,000 families benefited from the devices in 2019 through early 2020.



Delivering access to electricity in Africa

In partnership with the African Biofuel and Renewable Energy Company (ABREC) on behalf of the West African Economic and Monetary Union (WAEMU), Schneider supplied a Villaya Agri-Business “multi-energy” power station, providing electricity and heat for irrigation, lighting, fish farming, agricultural transformation, and — soon — drinking water without CO₂ emissions. Approximately 100,000 people will benefit from this solution through eight pilot studies in WAEMU countries.

National CSR Award recognition

Schneider Electric earned an Honorable Mention from the government of India at the Annual National CSR Award Ceremony in October 2019. Schneider was honored for its contribution to the national priority of environment and sustainable development, including solar energy.

Solutions for reliable power and productive uses in Asia-Pacific

India: Energy for Livelihoods
Schneider's "Energy for Livelihoods" initiative transformed the lives of women farmers with an innovative solution — Villaya Agri-Business. These hybrid microgrids employ control and monitoring technology to maximize solar energy consumption, reducing the cost of production factors for farmers and decarbonizing agriculture. The ongoing program aims to improve the livelihoods of more than 30,000 female farmers by providing 600+ solar water pumps for irrigation.



HCL Foundation
Schneider's project with the HCL Foundation remains one of the largest groups of rural microgrids in Asia-Pacific, supplying electricity to 30,000 people in homes and for street lighting, microenterprises, more than 10,000 students, and clinics. The microgrids are connected to the Schneider Electric EcoStruxure™ for Energy Access platform — a remote, cloud-based, real-time monitoring and control solution used to manage the load and income generated by micro-enterprises.

Schneider Energy Access Asia
Schneider launched its third impact fund in 2019, after 10 years of success in impact investing. Its partners Norfund, EDFI, and Amundi created the new impact fund, called Schneider Electric Energy Access Asia, to target the 350 million people without energy access in India, Bangladesh, Myanmar, Indonesia, and the Philippines.

The strategy is to provide electricity to households, small businesses, and collective services, including schools or health stations, by investing in the value chain of access to energy: manufacturers, distributors, and solution providers.



Supporting social innovation to fight energy poverty

Unlocking solutions to support families in need
Over the past four years, the Schneider Electric Foundation has partnered with local affiliates and EU branches of the Ashoka Foundation and other entities to support direct action to improve the situation of people facing energy poverty in Europe.

The Social Innovation to Tackle Energy Poverty (SocInn-TEP) Solutions Accelerator is an initiative co-created by Ashoka and the Schneider Electric Foundation, with Enel Romania as a local partner. To date, the program has supported 45 social innovators in 15 countries, focusing on five European countries where levels of energy poverty are particularly high.

Participants compete to join an acceleration program and



claim a monetary prize. After two selection stages, 15 finalists were chosen to accelerate their ideas, improve strategy, and amplify their positive impact.

OUR GOAL by 2025 is to have all Schneider Electric employees **dedicate at least one full volunteering day each year** to highlight their commitment to the U.N. SDGs.

#GIVINGTUESDAY

After a successful introduction to Giving Tuesday in 2018, the Foundation made Giving Tuesday 2019 even more impactful. It united employees from 40 countries and offered employees new ways to get involved. In 2019, the Foundation also launched an awareness kit to help employees — as well as schoolchildren worldwide — learn about the U.N. SDGs to play a more active part in Schneider's global strategy.

Schneider VolunteerIn NGO
VolunteerIn is our global employee engagement program that empowers our people to act and advocate for community-enhancing programs in education, access to energy, and more. This global platform connects employees with opportunities that fit their interests and skills.

For the second year, as part of Giving Tuesday, the Foundation also launched a global call for projects through the VolunteerIn platform to support community organizations that our employees are passionate about.

Key 2019 Foundation stats:

- >100 projects
- 50,106 young people
- 5,730 volunteering days by employees
- €20M invested in local communities to date

Our development impacts for the SDGs

We advance the following SDGs in support of development that offers more people access to clean, sustainable, and reliable energy while ensuring no one is left behind.




By 2020

- 80% renewable electricity
- 0.88 medical incident per million hours worked
- 95% of employees covered under the Pay Equity framework
- x4 turnover of our Access to Energy Program
- 400,000 underprivileged people trained in energy management
- 15,000 volunteering days thanks to our VolunteerIn global platform
- 20 social impact investments
- 60,000 families benefitted from efficient cookstoves via the Livelihoods-Hifadhi project

By 2030

- 80M people will have access to energy through our offers
- 1M underprivileged people will be trained in energy management
- 10,000 entrepreneurs in emerging countries will be supported
- 600,000+ people will benefit from the Livelihoods-Hifadhi project
- 10,000 instructors will be trained
- Invest €10B in R&D toward sustainable innovation
- Net-zero operational emissions and reduction of scope 3 emissions by 35% (vs. 2017) as part of our 1.5° C SBT
- 100% renewable electricity (RE100*)
- Engage with sustainable business initiatives such as the U.N. Global Compact

 Click above to discover our contributions to SDGs

*RE100 is a corporate leadership initiative led by The Climate Group and CDP that seeks to establish zero-emissions grids globally.
**EP100 is a joint effort between The Climate Group and the Alliance to Save Energy that challenges corporations to continuously maximize their energy productivity.
***EV100 is The Climate Group's global initiative to make electric vehicles the primary mode of transport worldwide by 2030.

Company Overview



2019 year in review

€27.2B

in revenue (4.2% organic growth)

€4.2B

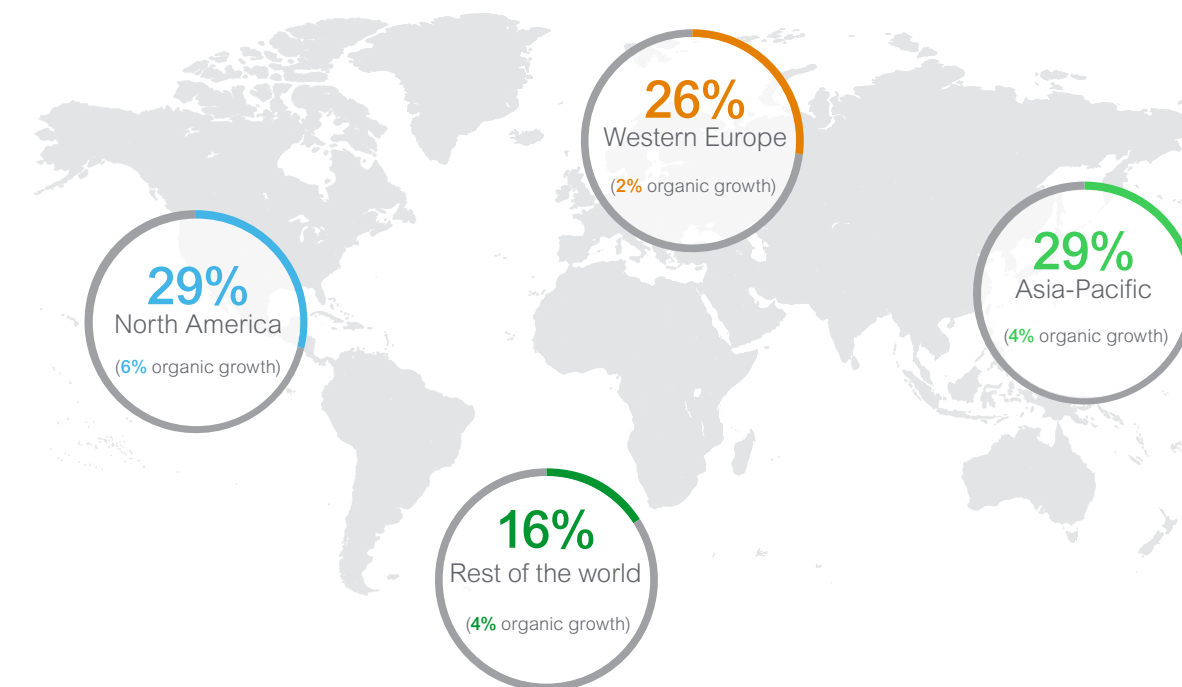
adjusted EBITA
(8.7% organic growth)

135,000+

employees in more than 100
countries



Revenue by geography



Prevailing together: a special note on the coronavirus crisis

In response to the COVID-19 pandemic, Schneider is mobilizing at all levels to ensure the long-term provision of services and equipment for critical infrastructure. Our solutions in vital environments such as hospitals, data centers, utilities, and more help ensure people stay safe and connected during a difficult time. Our purpose has never been more clear than now.

With responsive action and proactivity, we're developing and deploying solutions as quickly and widely as possible to mitigate the health, social, and economic difficulties that will arise during and after the crisis.


As we adjust our operations to make the biggest impacts we can, we do not lose focus on our long-term vision; we're committed to advancing sustainability for the preservation of the planet and the progress of people everywhere.

Digital growth



Connectivity


2.94 million assets managed — up 50% year over year



Experience


75,000 customers gathered across five global Innovation Summits

Launched the **Schneider Electric Exchange**, the world's first open, cross-industry ecosystem that promotes collaboration (53,000+ registered users, 300+ offers)



Scale

Drove **single and double-digit growth** across segments, driven by EcoStruxure



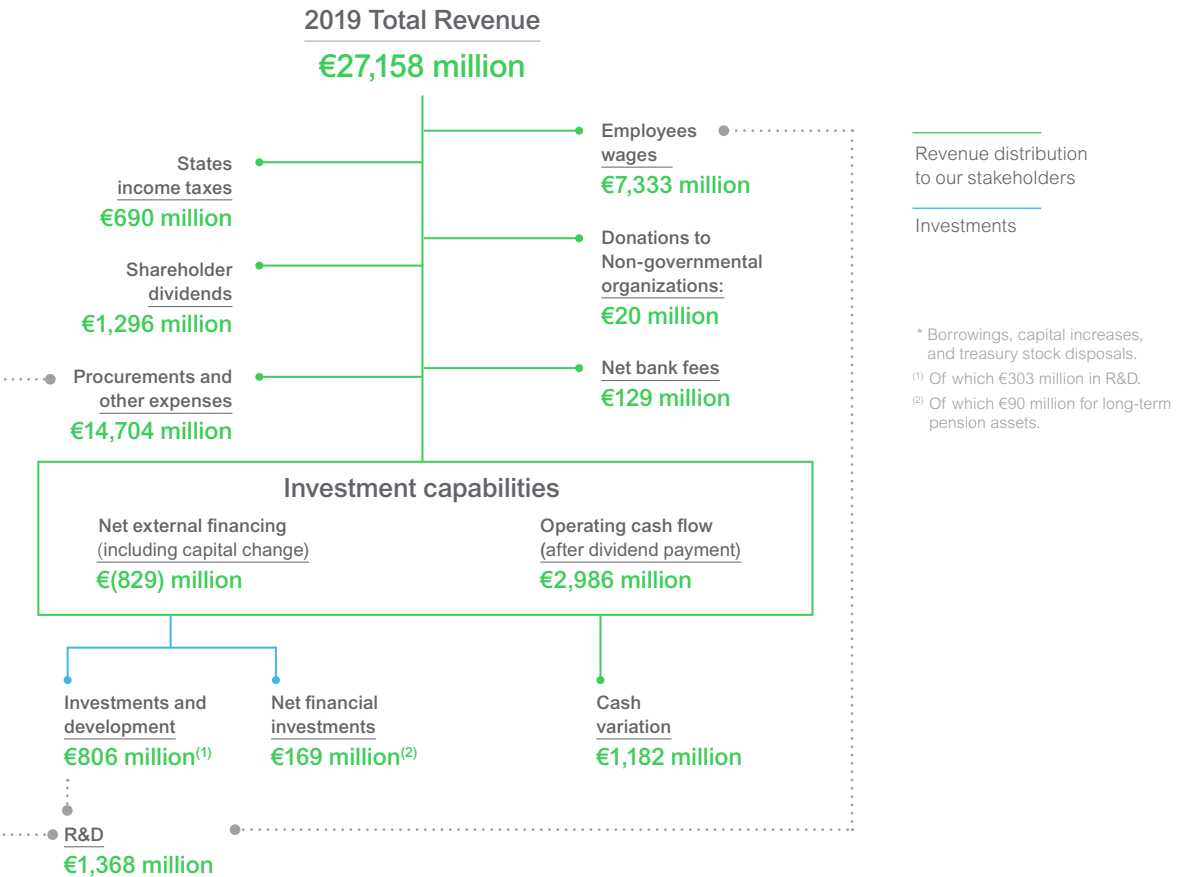
Ecosystem

20,000+ system integrators and developers

Deployed **EcoStruxure** across six domains — Building, Power, IT, Machine, Plant, and Grid — in more than 480,000 installations

Connected more than **1B devices** with EcoStruxure

2019 revenue distribution to our stakeholders



2019 mergers, acquisitions, and divestments

Larsen & Toubro™ Ltd.'s Electrical and Automation business combined with Schneider India's Low Voltage and Industrial Automation business.

ALPI™, the European leader in calculation software for electrical installations, joined Schneider.

The **U.S. panels business** disposed of in the second quarter.

Pelco, formerly in the Energy Management segment, was sold.

Converse Energy Projects GmbH, formerly in the Energy Management segment, was sold.

Our executive committee

(As of June 1, 2020)



Jean-Pascal Tricoire
Chairman &
Chief Executive Officer



Frédéric Abbal
Executive Vice President,
Services



Olivier Blum
Executive Vice President,
Strategy & Sustainability



Annette Clayton
Executive Vice President,
North America Operations



Hervé Coureil
Executive Vice President,
Governance & Secretary
General



Philippe Delorme
Executive Vice President,
Energy Management



Barbara Frei-Spreiter
Executive Vice President,
Europe Operations



Peter Herweck
Executive Vice President,
Industrial Automation



Christel Heydemann
Executive Vice President,
France Operations



Emmanuel Lagarrigue
Executive Vice President,
Innovation



Charise Le
Executive Vice President,
Global Human Resources



Chris Leong
Executive Vice President,
Global Marketing



Hilary Maxson
Executive Vice President,
Finance & Control



Luc Rémont
Executive Vice President,
International Operations



Mourad Tamoud
Executive Vice President,
Global Supply Chain



Peter Weckesser
Executive Vice President,
Digital



Yin Zheng
Executive Vice President,
China Operations

■ GLOBAL FUNCTIONS
■ OPERATIONS
■ BUSINESS

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 accelerated digitization in a more electric world. For the first time in history, we can all participate in a step-change in efficiency and the rare opportunity to reconcile the paradox between progress for all, and a sustainable future for our planet.



Our key resources and relationships



People

We are the most local of global companies with **135,000+ colleagues**, in **100+ countries** representing our diverse talents. **32% of our 2019 workforce were women.**



Industrial

Our **80+ smart factories and distribution centers** deliver efficiency and productivity across our unique end-to-end supply chain to better serve customers. In 2019 EcoStruxure solutions **reduced production downtime and quality issues by up to 15%.**



Innovation

Our community of **1,100+ certified R&D engineers** are nurtured to fuel our innovation strategy. Schneider Electric holds **more than 18,000 active patents** and patent applications worldwide. **More than 850 new patent applications** on both our core and digital technologies filed in 2019.



Environment

We optimize our energy and resources across **230 ISO14001-compliant facilities** and **193 sites committed to zero landfill waste.** **50% of electricity from renewables** in 2019. **97,000+ tons of primary resource consumption saved** with circular models.



Partners and Suppliers

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

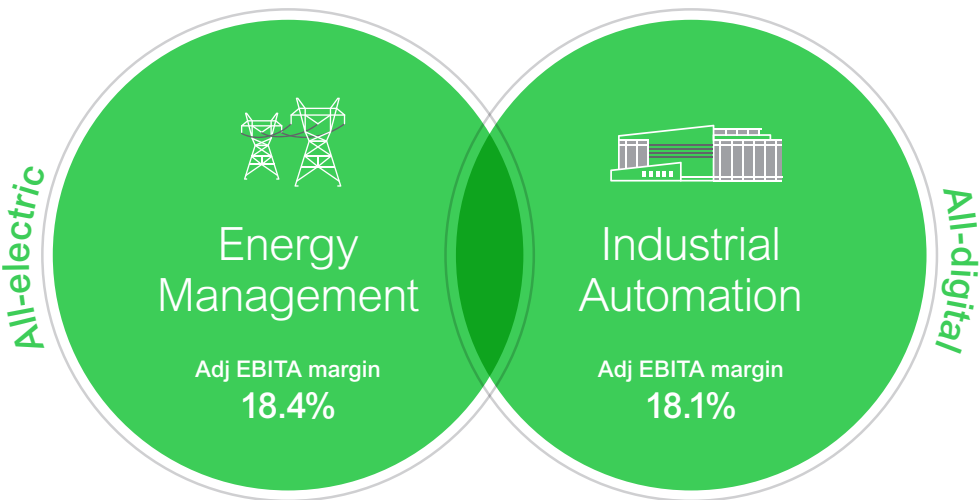


Financial strength

Our organic growth, consistent margin improvement and disciplined capital allocation drives sustainable, positive free cash flows of **€3.5B.**

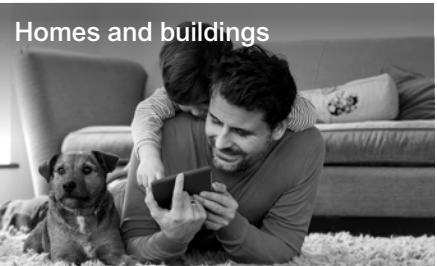
Our unique way

Delivering strong growth (4.2%) from our portfolio of energy and automation solutions for efficiency and sustainability.



- ✓ We champion open, connected and interoperable solutions.
- ✓ We supply best-in-class products to partners to integrate in their solutions.
- ✓ We are obsessed with safety, and are renowned for reliability and cybersecurity solutions.

We lead in delivering sustainability and efficiency in:



Our sustainable value for all stakeholders

Focusing on the welfare of people

- We are committed to gender equality through equal opportunities for everyone, everywhere.
 - **99%** of our global workforce covered by our Pay Equity framework.
- We strive to guarantee the highest safety standards and eliminate workplace accidents.
 - Medical incidents per million hours worked reduced to **0.79.**

Achieving sustainability goals with customers

- We help customers reduce their CO₂ footprint with EcoStruxure solutions and Energy & Sustainability Services.
 - On average, businesses achieve **20%** reduction in carbon emissions.
- We enable sustainable performance providing comprehensive environmental information for all eco-designed Green Premium™ offers.
 - **55%** of sales from Green Premium products in 2019.

Empowering underserved communities

- Our Access to Energy program supports training, entrepreneurship, startups, and technologies for the world's most energy-deprived populations.
 - **246,268** underprivileged people received vocational training.

Prioritizing ethical partnership with suppliers

- As responsible corporate citizens, we uphold the highest standards of ethical business conduct to strengthen collective trust, cultivate long-term viability, and comply with local regulation.
 - **279** suppliers under Human Rights & Environment vigilance received specific on-site audits.

Delivering return and profits to shareholders

- Our business model delivers consistent, sustainable, and strong financial performance and attractive returns.
 - **+54%** share price growth
 - **€53.2B** market capitalization (December 31, 2019)
 - Proposed dividend per share **€2.55, 8.5%** vs. 2018

The governance board of directors overview

The board of directors determines company business policies in accordance with its social interest and while considering its social and environmental aspects. It oversees its implementation and examines all matters related to the efficient operation of the business.

At the end of the annual shareholders’ meeting on April 25, 2019, the board of directors had 14 members. Following the passing of Xuezheng “Mary” Ma, the resignation of Carolina Dybeck Happe, and the appointment of Jill Lee at the annual shareholders’ meeting of April 23, 2020, the board now comprises 13 members. At the same shareholders’ meeting, Fred Kindle was reelected and appointed new vice-chairman lead independent director, succeeding Léo Apotheker, who after 12 years of tenure no longer qualifies as independent director but will remain on the board.

- Jean-Pascal Tricoire
- Fred Kindle
- Léo Apotheker
- Cécile Cabanis
- Willy Kissling
- Linda Knoll
- Jill Lee
- Xiaoyun Ma
- Patrick Montier
- Fleur Pellerin
- Anders Runevad
- Gregory Spierkel
- Lip-Bu Tan

The diversity of the board is as follows:
Women comprise 42% of the board (excluding the employees’ representative)

There are **eight European members**, out of whom three are French, and there are five non-European members

An overview of board meetings in 2019

Board meetings

- Number of meetings: 7
- Average meeting duration: 7 hrs
- Average attendance rate: 93%

Audit and Risks committee

- Number of meetings*: 5
- Average meeting duration: 3 hrs
- Average attendance rate: 95%

**Including the joint meeting with the Digital committee relating to cybersecurity risk review.*

Governance and Remunerations committee

- Number of meetings*: 6
- Average meeting duration: 2.5 hrs
- Average attendance rate: 100%

**Including the joint meeting with the Human Resources and CSR committee relating to the 2020 compensation structure for corporate officers and members of the Executive committee, pay equity ratio, and 2020 long-term incentive plan of the corporate officers.*



Human Resources and Corporate Social Responsibility committee

- Number of meetings*: 5
- Average meeting duration: 1.5 hrs
- Average attendance rate: 100%

** Including the joint meeting with the Governance and Remunerations committee relating to the 2020 compensation structure for corporate officers and members of the Executive committee, pay equity ratio, and 2020 long-term incentive plan of the corporate officers.*

Investment committee

- Number of meetings: 2
- Average meeting duration: 2.25 hrs
- Average attendance rate: 100%

Digital committee

- Number of meetings*: 4
- Average meeting duration: 2 hrs
- Average attendance rate: 100%

**Including the joint meeting with the Audit and Risks committee relating to cybersecurity risk review.*

About this report

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

The report is available in English and French, and there is a digital version: sdreport.se.com

The Registration Document filed with France's Autorité des Marchés Financiers (AMF) is available by request on the Finance page of our corporate website: se.com/company.

Acknowledgements

Our customers, external stakeholders, and agencies / partners:

Accenture; Amundi; Ashoka; Emmanuel Faber at Danone and the Business for Inclusive Growth (B4IG) coalition; ElectriFI; the HCL Foundation; Global Footprint Network; Lidl Finland; Norfund; the Rockefeller Foundation; Kim Azzarelli at Seneca Women; Bertrand Piccard at Solar Impulse; Lise Kingo at the U.N. Global Compact. BETC for providing the design, development, and project management of this report. Thank you to all Schneider Electric teams who contributed to this report.

Photo credit:

Frank Ardito, and cover photography by Ecast Productions.

The full digital experience of the
“Schneider Sustainability Report 2019 – 2020”
is available at:

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Incorporated in France
Governed by a Board of Directors
with issued capital of €2,387,664,968
Registered in Nanterre, R.C.S. 542 048 574
Siret: 542 048 574 01 091

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