IMPACT Company

Sustainable Development Report 2024

Technology for **Impact**

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Life Is On Schneider Electric

Sustainable development

Introduction by the Chief Sustainability Officer

For over two decades, sustainability has been at the heart of everything we do at Schneider Electric. As an Impact Company, we recognize that creating positive impact goes hand in hand with achieving business success.

Paving the way as the Most Sustainable Company

Today, we face unprecedented global challenges, with a population of 8 billion – almost half living in climate-vulnerable areas. Despite the global commitment established 10 years ago at COP21 to limit temperature rise to 1.5°C, we have surpassed this threshold for 12 consecutive months as of January 2024. This shift has resulted in extreme weather events impacting 3.6 billion people and costing approximately $451 billion in 2022 and 2023 alone, largely driven by CO_2 emissions from the energy sector.

Our purpose is clear: to create Impact by empowering all to make the most of our energy and resources, bridging progress and sustainability for all. A commitment that guides every decision and action we take to make a tangible difference, through our relentless pursuit of decarbonization, energy efficiency, automation, digital innovation, and a just transition.

As a testament to our commitment, in 2024, we were recognized as the #1 Most Sustainable Company in the World by TIME Magazine and Statista. In early 2025, Schneider Electric was also honored to be named the World's Most Sustainable Corporation by Corporate Knights as part of its Global 100 index, marking our second time topping this list and a first for any corporation. This recognition, alongside key ESG accolades from CDP, S&P Global, EcoVadis, Moody's, MSCI, Sustainalytics, and more, underscore the valuable, long-term positive impact we have.

An IMPACT Company in action

Stepping into the role of Chief Sustainability Officer, my ten years on the Group's Executive Committee have highlighted the essential role leaders have in fostering a sustainable and inclusive future. In 2021, we established the Schneider Sustainability Impact (SSI) program – our sustainability roadmap aligned with our six long-term commitments related to climate, resources, trust, equal opportunities, all generations, and local communities. Contributing to the United Nations' Sustainable Development Goals, the SSI enable us to drive action and impact through our operations, partners, customers, and communities.

Reflecting on 2024, we proudly exceeded our 2025 ambition of providing green and reliable electricity to 50 million people worldwide, now reaching 53.4 million individuals cumulatively since 2009. We also trained over 824,000 individuals in energy management since 2009, moving closer to our goal of one million by the end of 2025.

Dedicated to achieving our Net-Zero commitment across our value chain, we have enabled our customers to save and avoid 679 million tonnes of CO_2 emissions thanks to our energy-saving products, software, and services. In parallel, we supported the top 1,000 suppliers engaged in Schneider's Zero Carbon Project in adopting energy efficiency initiatives and transitioning to renewable energy, resulting in a reduction in suppliers operational emissions of 40% by the end of 2024.

Creating Lasting Impact for All

As we approach the final year of the SSI, we are determined to continue intensifying our meaningful and lasting impact across all Environmental, Social, and Governance (ESG) dimensions, for all our stakeholders at local and global levels.

At the same time, we are preparing for our next sustainability transformation cycle, which will take us from 2026 to 2030. This upcoming phase will build upon our foundational successes and set even more ambitious goals, ensuring that we remain at the forefront of sustainable innovation. We will continue to weave sustainable and societal impact into all facets of our business to create long-term value and deliver profitable growth for all.

Chris Leong
Chief Sustainability Officer

"As an Impact Company, we are convinced that to do good, we must do well, and vice-versa."

1 Sustainability vision

In this section

2024 highlights

7.55/10
Schneider Sustainability Impact score, outperforming 2024 target (7.40/10)

78%
Packaging is sustainable (vs. 63% in 2023)

679M
Tonnes of saved and avoided CO_2 emissions for our customers since 2018 (+126 MT vs. 2023)

53.4M
People have access to green electricity since 2009 (+7M vs. 2023)

Distinctions 2024

TIME WORLD'S MOST SUSTAINABLE COMPANIES 2024 · PLATINUM Top 1% ecovadis Sustainability Rating JAN 2025 · Climate CDP A List 2024 · 2024 WORLD'S MOST ETHICAL COMPANIES ETHISPHERE 13 TIME HONOREE · GLOBAL100 THE WORLD'S MOST SUSTAINABLE CORPORATIONS 2025 · MSCI ESG RATINGS AAA (CCC B BB BBB A AA AAA) · Rated Platinum 2024 by cybervadis · Schneider Electric Top 100 Globally for gender equality in 2024 EQUILEAP · S&P Global Schneider Electric SE, Electrical Components & Equipment Top 5% Corporate Sustainability Assessment (CSA) 2024 Score

1.1 Sustainability for all

1.1.1 Strategic vision towards long-term positive impacts

1.1.1.1 The world is changing

The world is facing multiple challenges that require a significant and rapid response from businesses. The climate crisis is causing flooding, fires and droughts that have already resulted in billions of dollars in damage and mass population migrations. It is jeopardizing access to basic needs and services such as health, food, water, and energy for millions of people – generating further social inequalities. The biodiversity crisis, driven by changes in the usage of land and sea, direct exploitation of natural resources, pollution, climate change, and invasive species will further destabilize our economies as the ecological services nature provides to an ever-growing population are degraded. Meanwhile, the acceleration of digitization and the rapid adoption of artificial intelligence (AI) are radically changing the way people interact with one another, interact with machines, and the way machines interact with each other.

In the past years, multiple geopolitical crises have also set in motion a series of global events which have led to significant disruptions, many of which have impacts across the world. These include constrained labor availability, global shortages of raw materials and electronics, unreliable transportation, and reductions in energy availability, all of which have challenged supply chains across industries. Some regional challenges towards environmental, social, and governance (ESG) regulations also questions how global companies can best contribute to building a more sustainable future.

At the same time, new expectations and practices have emerged to help the world adapt to, or mitigate the impacts of this disruption:

- Local dynamics in response to ecological and social considerations as well as supply chain disruptions;
- The mobilization of new generations, demanding a radical shift towards a more sustainable economy;
- New ways of working, which are more flexible and more digital; and
- Circular business models to preserve the planet's resources.

1.1.1.2 Our strategy as an Impact Company

Companies have an important role to play to help solving today's more pressing issues, starting with fighting climate change and supporting the world energy transition.

They can be both developers and users of new solutions with the resources, talent, technology, and geographic footprint to make real and fast changes, and use it to drive sustainable financial performance.

The foundation of Schneider's sustainability strategy and Impact Company model is the belief that investing in the transition to a more sustainable future – in energy sobriety, low-carbon solutions, or gender equity. It is about future-proofing the Company and to drive its competitiveness, innovation, and resilience. It secures sustainable growth because any company's health is deeply interconnected with the health of the environmental and social systems it evolves in. It encompasses continuous improvement of environmental, social, ethical, and societal dimensions across an organization's entire value chain and stakeholders.

This holistic approach allows the Group to greatly mitigate risks and also brings tangible added value by being more attractive to stakeholders, while boosting innovation.

The transformation of Schneider Electric reflects this. The Company has seen its size quadruple, growing from EUR 9 billion in 2003 to EUR 38.2 billion in revenues in 2024, surfing on the decarbonization, electrification and energy transition trends. Schneider Electric products, software solutions, and services help households, companies, buildings, data centers, infrastructure projects, and entire industries make the most of their energy and resources and bolster their energy resilience. With its solutions, the Group plays a major role in accelerating the energy transition and fighting the climate crisis, while making a long-term positive impact on the planet and society.

1.1.1.3 Creating Impact by empowering all to make the most of our energy and resources, bridging progress and sustainability for all

Schneider Electric is committed to make its purpose to bridge progress and sustainability for all a reality. The Group has taken several concrete commitments to contribute to a Net-Zero world, some of which have been linked to the long-term incentive plan (LTIP) benefiting the Group Senior Management and over 4,000 selected employees. This positive contribution is also measured as Impact revenues, which represent 74% of the Group's total revenues in 2024. In addition, 100% of Schneider Electric's innovation projects are aligned with its purpose, more than 90% being either strictly green or neutral.

Climate change and rising inequalities are all issues that have long-term consequences and cannot be addressed with a short-term mindset alone; solving these issues requires a combination of a long-term vision and concrete short-term action presented below.

1.1.2 Long-term commitments and tools to measure progress

In response to the societal, economic, and ecological worldwide transformations, and in alignment with stakeholder expectations, its Company Purpose, and the United Nations Sustainable Development Goals (UN SDGs), Schneider Electric has made six long-term commitments. By tracking its sustainability performance and publishing quarterly results, Schneider Electric upholds its commitments to the SDGs and industry leadership in corporate social responsibility.

1.1.2.1 Our tools to measure progress

The execution of the Group's 2021–2025 sustainability strategy is tracked through quantitative key performance indicators (KPIs), under two complementary tools: the Schneider Sustainability Impact (SSI) and the Schneider Sustainability Essentials (SSE). Collectively, the 11 global SSI programs along with its local Impact program and the 25 SSE programs constitute the Group's short-term sustainability roadmap and its contribution to the 17 UN SDGs.

The SSI is the translation of Schneider Electric's six long-term commitments into highly transformative and innovative programs, which are tracked and published quarterly, verified by an independent auditor annually, and linked to short-term incentive plans (STIP) for more than 76,000 employees.

The SSE reflects continuous improvement actions taken by the Group, complementing the SSI. This tool brings balance between the innovative transformation plans of the SSI and the need to keep making progress with other long-lasting programs.

A notable addition to the 2021–2025 program is the local aspect, aiming to deploy local actions in the 100+ markets where the Group operates in order to better empower all leaders and collaborators to unlock meaningful local impacts.

Long-term commitments and tools

Tool	Schneider Sustainability Impact (SSI)	Schneider Sustainability Essentials (SSE)	Local Sustainability Impact programs (SSI #+1)
KPIs	11	25	~200
Scope	Global	Global	Local
Reporting	Quarterly	Annual	Annual
Assurance	Yes	Yes	No
Link to STIP	Yes	No	No

Read more on the SSI and SSE programs and scope on the **next page and throughout the report**.

Read more on the local commitments on **www.se.com**

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.

1.1.2.2 Schneider Sustainability Impact: a unique transformation tool

Since 2005, Schneider Electric has measured its sustainability performance each quarter in a dashboard known as the "Schneider Sustainability Impact" (SSI). Schneider uses this tool to address its sustainability challenges and to improve each of the pillars of its strategy identified through its materiality matrix. Each SSI mobilizes the whole Company around holistic sustainability goals impacting its ecosystem, shares the Group's improvement plans with stakeholders, and creates system value.

A single ESG performance score

The SSI provides an overall measure of the Group's progress on its sustainability goals on a scoring scale of 10. This is achieved by converting each KPI's performance on a 10-point scale, considering that base year performance receives a 3/10 score, and the 2025 ambition translates in a 10/10 score. For each KPI, the relevant score is obtained by linear interpolation and rounded down to the second decimal. The overall score of the tool is the average of each KPI's score with equal weight excluding the local commitment (SSI #+1). In 2024, the SSI achieved a great score of 7.55/10 (vs. 6.13/10 in 2023), outperforming its 7.40/10 target for the year.

Transparent quarterly progress disclosure

The results of the SSI are published every quarter together with financial results and made available to all stakeholders via the Group's website. Results are collated and presented to the Function Committee, which makes decisions on any corrective actions that may be necessary to reach objectives. The Governance, Nominations & Sustainability Committee within the Board of Directors conducts an annual review of the Group's sustainability strategy, analyzing, in particular, the performance of the SSI. The results are also publicly presented to shareholders by Schneider Electric's CEO or CFO, demonstrating the Group's commitment to making sustainability part of the Company's long-term strategy.

In addition, the results of the SSI are released in various external reports (such as the Universal Registration Document including the statutory auditors' reports), and are shared during customers and investors events. Internally the results are published on the intranet, and in various communications to employees (including a quarterly internal video featuring the CEO and the CFO on the quarter's results).

Find all quarterly releases on the Financial Results page on **www.se.com**

Annual publication and external assurance

The annual publication of the SSI results follows thorough internal data controls performed by each relevant team and supervised by the Sustainability team. In addition, the SSI and SSE indicators are subject to limited or reasonable assurance from an independent third party verifier (except SSI #+1 and SSE #12), in accordance with the (revised) ISAE 3000 assurance standard.

See independent verifier's reports on **pages 270 to 275**.

Rewarding employees for performance

Since 2011, the SSI score is included in the variable compensation of global functions and Company leaders. In France, since 2012, the SSI has also been included in the profit-sharing incentive plan for the French entities, Schneider Electric Industries and Schneider Electric France. From 2019, the weight of the SSI criteria has increased from 6% to 20% in the collective part of the annual short-term incentive, further highlighting the importance of sustainability within Schneider Electric's business agenda. In 2024, the SSI performance impacted the short-term incentive plans for over 76,000 employees (20% of collective share), including the Executive Committee members and the Chief Executive Officer. From 2025 onwards, the diversity targets set out in the SSI #8 shall not impact local incentives in countries or entities prohibiting the establishment of such targets.

Read further details in the section 2.3.1.2 "Working conditions" on **page 139**.

SSI and Sustainable Finance

In November 2020, Schneider Electric announced its first Sustainability-linked convertible bond, due 2026, for a nominal amount of approximately EUR 650 million. This bond issuance is linked with three programs of the SSI 2021-25 (SSI #2, SSI #8, and SSI #11). In 2024, the outstanding convertible bonds were either converted into shares or repurchased by the Group, resulting in the full extinguishment of this bond. In 2022, Schneider Electric also signed EUR 2.7 billion Syndicated Sustainability-Linked Revolving Credit Facilities with a margin indexed on the annual performance of the SSI.

Find more information about debt and bonds on the Debt page on **www.se.com**

SSI creation process

The SSI is a cyclical process taking place every three to five years. In 2020, a specific SSI Steering Committee was created, comprising around 50 members representing each Executive Committee member, and each geography, function, and business unit. Three all-hands workshops took place, and the Sustainability team organized individual follow up interviews with each member to define precise and measurable programs.

The breadth of stakeholders involved in the design of the SSI, and the variety of analyses leveraged, makes it a powerful tool to move the Group forward on its major challenges.

Three scenarios may emerge from one SSI to the next:

- Programs are maintained and their targets are renewed or increased;
- New and more innovative or better-adapted indicators are implemented; and
- Programs are removed, if for instance they have reached a threshold. Any former program may continue to be monitored internally if relevant.

The Sustainability department presents a draft version of the new SSI to the Governance, Nominations & Sustainability Committee, which reports on its work to the Board of Directors, and to the Function Committee, for validation. This latter Committee includes seven members, who each have functional responsibilities and report directly to the CEO: the Chief Sustainability Officer; Chief Strategy, Brand & Communications Officer; Chief Human Resources Officer; Chief Global Supply Chain Officer; Chief Governance Officer & Secretary General; and Chief Financial Officer. The new SSI is then approved by the CEO.

During the deployment of the SSI, annual reviews take place organized by the Sustainability team together with internal experts and new or complementary programs may be launched or be evaluated in more depth.

SSI reporting perimeter

The SSI reporting perimeter covers all financially consolidated entities over which it has operational control, with the exception of small excluded entities. It is more limited than the CSRD reporting scope, which is aligned with the scope of the financial statements.

Read further details in the section 4.1 "Methodology elements on the published indicators" on **page 244**.

1.1.2.3 Schneider Sustainability Essentials: a continuous improvement tool

The SSE reflects continuous improvement actions taken by the Group, complementing the SSI.

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.

1.1.2.4 The Local Sustainability Commitments: a tool for local impact

A significant element of the 2021-2025 program is the local dimension, which deploys local actions in the markets where the Group operates in order to better empower all leaders and collaborators to unlock meaningful local impacts. 100% of Schneider Electric's Country and Zone Presidents have defined local commitments that impact their communities in line with our sustainability transformation. Close to 200 local programs have been deployed since 2021.

In 2024, the local programs have been renewed or extended by setting more ambitious targets, with the aim of increasing local impact through employee engagement.

Notable SSI achievements and challenges in 2024

SSI #2 enabled Schneider Electric customers to save and avoid 679 $MTCO_2e$, a continuous improvement on 2023 (+126 $MTCO_2e$), mainly driven by good progress in Power Purchase Agreements services and Variable Speed Drives sales.

The Zero Carbon Project (SSI #3) helped to reduce CO_2 emissions in the operations of top 1,000 top suppliers by 40%, representing a significant improvement on the 27% recorded in 2023.

SSI #6 also made considerable progress in 2024, with 63% of strategic suppliers certified as compliant with Schneider's Decent Work standards, marking a 41-point increase of in one year.

The Group has kept progressing on its transition to sustainable packaging, with 78% of primary and secondary packaging now free from single-use plastic, using recycled cardboard (SSI #5), compared to 63% in 2023.

The most significant achievement was delivered by SSI #9, which has provided access to clean and reliable electricity for a cumulative 53.4 million people since the program was launched, including 7 million people in 2024 (versus 6.8 million in 2023), thanks notably to the solarization of health centers in South Asia and Africa, and the delivery to Impact Investment Funds. It is the first SSI to meet and exceed its 2025 ambition, a year ahead of schedule.

One of the most ambitious SSI to be achieved by 2025 is to train 1 million people in energy management (SSI #11). Major progress was delivered in 2023 with over 824,400 new people trained, including 64,850 in 2024. However, due to the delay caused by the pandemic, an acceleration will be needed in the coming year to reach the ambition. To reach it, the Group is opening trainings to more OECD countries and supporting new types of programs for the young people.

Notable SSE achievements and challenges in 2024

Schneider is committed to accelerating sustainable transformation in its own operations:

- In 2024, 53 new sites were certified Zero-CO_2 sites (SSE #1), for a total of 154 sites contributing to the Group's GHG emissions.
- Corporate vehicle fleet transformation (SSE #7) accelerated by 15 points in 2024, driven by a strong performance in Europe and a growing market maturity.
- The Group's ambition is to deploy local biodiversity conservation and restoration programs at 100% of its sites (SSE #8), and to deploy a water conservation strategy and related action plan at 100% of its sites in water-stressed areas by 2025 (SSE #11). In 2024, 85% of sites have put biodiversity programs in place (vs. 66% in 2023), and 90% of sites in scope have adopted and implemented water conservation action plans (vs. 73% in 2023).
- Improving CO_2 efficiency in transportation (SSE #4) is a challenge as it is primarily driven by the mode mix of the Group's aggregate freight globally, to best serve its customers.

With SSE #23, Schneider aims to provide access to meaningful career development programs for its employees during later stages of their career. 85% benefited from these programs in 2024 (vs. 67% in 2023).

Finally, 4,052 suppliers have been assessed under Schneider's "Vigilance Program" since its launch, notably thanks to the increase of remote Vigilance assessments (SSE #17).

Deploying a 'Social Excellence' program through multiple tiers of suppliers is one of Schneider's 2021-25 objectives (SSE #12). This program is still in development.

SCHNEIDER SUSTAINABILITY IMPACT

2024 score:

7.55/10

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

Schneider Sustainability Impact

6 Long-term Commitments aligned to UN SDGs	11+1 Programs for 2021-2025	Baseline[1]		2024 Progress[2]	2025 Ambition
Climate	1. Grow Schneider Impact revenues[3]	2019: 70%	0%	74%	80%
	2. Help our customers save and avoid millions of tonnes of CO_2 emissions	2020: 263M	0	679M	800M
	3. Reduce CO_2 emissions from top 1,000 suppliers' operations	2020: 0%	0%	40%	50%
Resources	4. Increase green material content in our products	2020: 7%	0%	38%	50%
	5. Primary and secondary packaging free from single-use plastic, using recycled cardboard	2020: 13%	0%	78%	100%
Trust	6. Strategic suppliers who provide decent work to their employees	2022: 1%	0%	63%	100%
	7. Level of confidence of our employees to report unethical conduct	2021: 81%	0%	83%	91%
Equal	8. Increase gender diversity[4] in: hiring (50%),	2020 : 41%	0%	42%	50%
	front-line management (40%),	2020 : 23%	0%	30%	40%
	and leadership teams (30%)	2020 : 24%	0%	31%	30%
	9. Provide access to green electricity to 50M people	2020: 30M	0	53.4M	50M
Generations	10. Double hiring opportunities for interns, apprentices and fresh graduates	2019: 4,939	x1	X1.59	x2.00
	11. Train people in energy management	2020: 281,737	0	824,404	1M
Local	+1. Country and Zone Presidents with local commitments that impact their communities	2020: 0%	0%	100%	100%

(1) The baseline year is indicated in front of each SSI baseline performance.
(2) Each year, an independent third party verifier performs a "limited" assurance engagement on all SSI and SSE indicators (except SSI #+1 and SSE #12 in 2024), in accordance with (revised) ISAE 3000 assurance standard (see independent verifier's report on page 270). In addition, SSI #8 was subject to a "reasonable" assurance engagement in 2024 (see independent verifier's report on page 274). Please refer to page 244 for the methodological presentation of each indicator.
(3) Per Schneider Electric definition and methodology. Note that for the reporting requirements under the European Taxonomy Regulation, please refer to pages 118 to 136.
(4) From 2025 onwards, diversity targets shall not impact local incentives in countries or entities prohibiting the establishment of such targets.

Read more about the SSI indicators methodology on **pages 245 to 250**.

Schneider Sustainability Essentials

6 Long-term Commitments aligned to UN SDGs	25 Programs for 2021-2025	Baseline[1]		2024 Progress[2]	2025 Ambition
Climate	1. Decarbonize our operations with Zero-CO_2 sites	2020: 30	0	154	150
	2. Substitute relevant offers with SF_6-Free medium voltage technologies	2020: 26%	0%	69%	100%
	3. Source electricity from renewables	2020: 80%	0%	96%	90%
	4. Improve CO_2 efficiency in transportation	2020: 0%	0%	-0.4%	15%
Resources	5. Improve energy efficiency in our sites	2019: 0%	0%	16%	15%
	6. Grow our product revenues covered with Green Premium™	2020: 77%	0%	82%	80%
	7. Switch our corporate vehicle fleet to electric vehicles	2020: 1%	0%	31%	33%
	8. Deploy local biodiversity conservation and restoration programs in our sites	2020: 0%	0%	85%	100%
	9. Give a second life to waste in 'Waste-to-Resource' sites	2020: 120	0	135	200
	10. Avoid primary resource consumption through 'take-back at end-of-use' since 2017 (metric tons)	2020: 157,588	0	359,080	420,000
	11. Deploy a water conservation strategy and action plan for sites in water-stressed areas	2020: 0%	0%	90%	100%
Trust	12. Deploy a 'Social Excellence' program through multiple tiers of suppliers[3]	--	--	In progress	--
	13. Train our employees on Cybersecurity and Ethics every year	2020: 90%	0%	99%	100%
	14. Decrease the Medical Incident rate to 0.38 or below	2019: 0.79	0.79	0.6	0.38
	15. Reduce total number of safety recalls issued to 0	2020: 25	25	5	0
	16. Be in the top 25% in external ratings for Cybersecurity performance	2020: Top 25%	0%	Top 25%	Top 25%
	17. Assess our suppliers under our 'Vigilance Program'	2020: 374	0	4,052	4,000
Equal	18. Reduce pay gap for both females and males	2020: F: -1.73% 2020: M: 1.00%	0%	-0.84% F 0.66% M	<1% <1%
	19. Increase subscription in our yearly Worldwide Employee Share Ownership Plan (WESOP)	2019: 53%	0%	62%	60%
	20. Pay our employees at least a living wage	2019: 99%	0%	100%	100%
	21. Multiply the number of employee-driven development interactions on the Open Talent Market	2020: 5,019	1	x2.3	x4
Generations	22. Support the digital upskilling of our employees	2020: 41%	0%	80%	90%
	23. Provide access to meaningful career development programs for employees during later stages of their career	2022: 43%	0%	85%	90%
	24. Increase our employee engagement level	2020: 69%	0%	73%	75%
Local	25. Increase the number of volunteering days since 2017	2020: 18,469	0	75,461	50,000

(1) See note (1) under the SSI table on the left page.
(2) See note (2) under the SSI table on the left page.
(3) SSE #12 "Social Excellence" program is under development.

Read more about the SSE indicators methodology on **pages 250 to 255**.

SSI 2024 Highlights

Climate SSI #1

Grow Schneider Impact revenues

Thanks to its offers supporting energy and resource efficiency, electrification, decarbonization and circularity, while not generating any significant harmful impacts to the environment, Schneider's impact revenues remained stable at 74% in 2024.

Climate SSI #2

Help our customers save and avoid millions of tonnes of CO_2 emissions

Altivar variable speed drives optimize motor speeds for different loads, cutting energy use by up to 30%. Schneider Electric's drives sold from 2018 to 2024 could save or avoid over 280 million tonnes of CO_2 emissions during their service lifetimes.

Climate SSI #3

Reduce CO_2 emissions from top 1,000 suppliers' operations

In 2024, a 40% reduction in the operational GHG emission intensity of 1,000 suppliers was achieved in The Zero Carbon Project. This result, which represents a 13 points improvement on the 2023 performance, was achieved thanks to the strong implementation support provided to suppliers through on-site visits and local workshops aimed at improving energy efficiency and deploying, renewable energy.

Resources SSI #4

Increase green material content in our products

The total volume of thermoplastic qualified as Green as per Schneider definition has more than doubled in 2024, progressing from 4.9 tons at the end of 2023 to over 10kt expected by the end of 2024. This achievement is the result of the commitment of the Group main Lines of Business to include Green Thermoplastics into their offers at scale. In 2024, the 'Green Materials' criteria became a mandatory requirement in Schneider EcoDesign approach to even accelerate the transformation toward materials with lower impact on environment and people.

Resources SSI #5

Primary and secondary packaging free from single-use plastic, using recycled cardboard

In 2024, the sustainable packaging spend increased by 15% from 2023, to progress up to 78%. This progress is due both to the fact that total cardboard spend adhering to the recycled cardboard requirements has reached 93%, and to the 5.9% spend reduction of single-use plastics compared to 2023.

Generations SSI #10

Double hiring opportunities for interns, apprentices and fresh graduates

The number of opportunities for the Next Generation was multiplied by 1.59 in 2024. Among them, 66% were roles for students, and 34% were recent graduates hiring.

Generations SSI #11

Train people in energy management

Schneider Electric has supported 824,404 young people through the Youth Education & Entrepreneurship program since its launch in 2009, enabling youths from 60 countries to take part in the energy transition.

Local SSI #+1

Country and Zone Presidents with local commitments that impact their communities

In 2024, the local programs has been renewed or extended by setting more ambitious targets, with the aim of increasing local impact through employee engagement.

Trust SSI #6

Strategic suppliers who provide decent work to their employees

63% of strategic suppliers were conforming to Schneider Electric Decent Work Program in 2024, which represents a 42% improvement over 2023 performance. Dedicated engagement and guidance sessions organized with suppliers helped address chronic challenges and clarification of doubts about the implementation.

Trust SSI #7

Level of confidence of our employees to report unethical conduct

83% of Schneider Electric employees feel confident to report unethical conduct without fear, up 1 point from 2023 and reflecting a steady growth.

Equal SSI #8

Increase gender diversity in hiring (50%), front-line management (40%) and leadership teams (30%)

This year, Schneider Electric reached its 2025 ambition of having at least 30% of its leadership teams represented by women globally (Vice President and above).

Equal SSI #9

Provide access to green electricity

Schneider Electric has reached in 2024 its ambition of providing access to green and reliable electricity to 50 million people, a year ahead of schedule. The program has benefited 53.4 million people since its launch in 2009, predominantly across Africa and Asia.

SSE 2024 Highlights

Climate SSE #1

Decarbonize our operations with Zero-CO_2 sites

By the end of 2024, Schneider had successfully certified 53 more Zero-CO_2 sites, bringing the worldwide total to 154 sites, meeting the 2025 ambition of 150 Zero-CO_2 sites one year ahead of schedule.

Resources SSE #5

Improve energy efficiency in our sites

Thanks to EcoStruxure solutions and ongoing efforts on its sites, the Group achieved 15.8% energy efficiency in 2024, exceeding its 2025 ambition of 15%.

Resources SSE #9

Give a second life to waste in 'Waste-to-Resource' sites

By 2024, 135 sites achieved the 'Waste-to-Resource' status, joining the effort for more circularity within Schneider. Significant improvements have been made in waste data reporting and action plans are in place to bridge the remaining gap with the 2025 ambition.

Climate SSE #2

Substitute relevant offers with SF-Free medium voltage technologies

69% of relevant offers have been substituted with SF_6-Free medium voltage technologies in 2024, compared to 60% in 2023.

Resources #6

Grow our product revenues covered with Green Premium™

From a customer communication standpoint, we shifted in 2024 from Green Premium to Environmental Data Program. While doing it, we increase even more the product revenues covered with Green Premium or equivalent.

Resources SSE #10

Avoid primary resource consumption through 'take-back at end-of-use' since 2017 (metric tons)

In 2024, another 47,851 tons of material contributed to the program ambition, in line with its cumulative goal. In addition to the existing flows, additional take back capabilities across Europe have been deployed, contributing to both raw material resilience, assets refurbishment and reuse.

Climate SSE #3

Source electricity from renewables

Schneider Electric sites were supplied with 96% of renewables electricity in 2024.

Resources SSE #7

Switch our corporate vehicle fleet to electric vehicles

31% of the company fleet is composed of electric vehicles. China is leading this transformation, as well as Europe which adopted a 100% electric vehicles in the selector of several countries.

Resources SSE #11

Deploy a water conservation strategy and action plan for sites in water-stressed areas

Water conservation and action plans are underway across 76 sites located in water-stressed areas. 90% of identified actions are underway or completed.

Trust SSE #13

Train our employees on Cybersecurity and Ethics every year

98.7% of Schneider employees completed their mandatory Cybersecurity and Ethics annual training in 2024.

Climate SSE #4

Improve CO_2 efficiency in transportation

To improve its transportation CO_2 footprint, Schneider has deployed both optimization and technology opportunities for freight transport with continued implementation of multi-modal solutions globally and lower/zero emission transport options in regional operations.

Resources SSE #8

Deploy local biodiversity conservation and restoration programs in our sites

Nearly 300 sites globally are deploying local biodiversity conservation plans, taking direct action to address local ecological risks. 85% of local actions are complete.

Trust SSE #12

Deploy a 'Social Excellence' program through multiple tiers of suppliers

As part of the Social Excellence pilot in Vietnam, a "Worker Voice" surveys was completed in 2024 and feedback sessions with the suppliers involved were organized.

Trust SSE #14

Decrease the Medical Incident rate

A "Safety Future" survey was rolled out to all employees in 2024, with a response rate of 46%. The resulting local workshops have resulted in the creation of 435 improvement actions.

Trust SSE #15

Reduce total number of safety recalls issued

Only 5 safety recalls have been recorded in 2024, a significant reduction compared to 23 in 2023.

Equal SSE #19

Increase subscription in our yearly Worldwide Employee Share Ownership Plan (WESOP)

Schneider Electric WESOP reached 62.4% in 2024, exceeding its 2025 ambition of 60% for the fourth year running.

Generations SSE #23

Provide access to meaningful career development programs for employees during later stages of their career

The 'Senior Talent' Program has been recognized by the OECD in two policies about aging populations.

Trust SSE #16

Be in the top 25% in external ratings for Cybersecurity performance

Monitoring performance enables the Group to measure its improvement: from a baseline of 520 in January 2018, its scored 790 in 2024. Schneider Electric's external rating since 2018 has risen by over 65%.

Equal SSE #20

Pay our employees at least a living wage

100 % of Schneider are paid at least a living wage, which was recognized for the second consecutive year by the Living Wage Employer Certification from Fair Wage Network.

Generations SSE #24

Increase our employee engagement level

Measured through the annual employee engagement survey, which has a high response rate of 88%, Schneider Electric maintains in 2024 a strong level of engagement at 73%.

Trust SSE #17

Assess our suppliers under our 'Vigilance Program'

Schneider Electric assesses it suppliers to reduce risks within its supply chain. In 2024, the Company reached its 2025 ambition to assess 4,000 suppliers, a year ahead of schedule.

Equal SSE #21

Multiply the number of employee-driven development interactions on the Open Talent Market

In 2024, the number of employee-driven development interactions increased by 2.3 compared to 2020, while 90% of employees registered on the Open Talent Market platform.

Local SSE #25

Increase the number of volunteering days since 2017

The number of volunteering days exceeded this year the ambition for 2025 of 70,000 volunteering days by 5,461 days, a trend which was stabilized compared to 2023.

Equal SSE #18

Reduce pay gap for both females and males

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%.

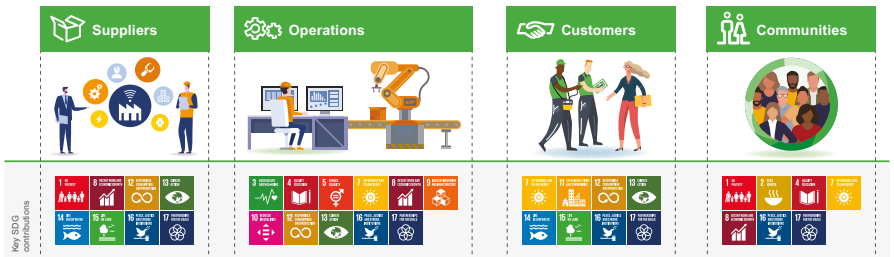
Generations SSE #22

Support the digital upskilling of our employees

In 2024, over 38,000 employees joined the "Digital Upskilling" program, which aims to prepare the Company workforce for its digital transformation and educate them on various topics such as digital well-being.

1.1.3 Contribution to the United Nations Sustainable Development Goals

The 17 United Nations Sustainable Development Goals (UN SDGs) are focused on protecting the planet, alleviating poverty, and achieving worldwide peace and justice. The SSI and SSE programs contribute to those global goals, either directly or indirectly, for all stakeholders in the Company's value chain. Schneider Electric is an active promoter of the SDGs and a member of the UN Global Compact (UNGC), notably with its Chairman being a member of the global Board. Schneider discloses each year its Communication on Progress, and was one of the 850 participants in the UNGC Early Adopters program in 2022. The following mapping of the Group contribution by SDG and stakeholder was realized by reviewing all 169 targets and leveraging the SDG Compass tools.



SDG	Stakeholders	Schneider's contribution to SDGs	Key programs
1 NO POVERTY	Suppliers Communities	As a responsible employer, manufacturer, and buyer, Schneider Electric committed to ensuring the well-being of employees throughout its value chain. Through sustainable procurement, fair compensation, and development opportunities, the Group ensures all its stakeholders can live fulfilling and thriving lives.	SSI #9; SSI #10; SSI #11; SSE #20
2 ZERO HUNGER	Communities	Food is a basic need and a necessity for livelihood. Schneider contributes to strengthening food security by improving access to energy in rural areas, through better irrigation, food storage, and processing.	SSI #9
3 GOOD HEALTH AND WELL-BEING	Operations	Schneider's holistic view of well-being translates into programs that support the physical, mental, and emotional well-being of its people, but also those across its operations by safeguarding the reliability of the healthcare sector by powering their facilities.	SSI #6; SSE #12; SSE #14; SSE #17
4 QUALITY EDUCATION	Operations Communities	Learning is a Core Value of Schneider Electric. The Group actively promotes a mentoring culture, connecting generations together to help tomorrow's energy leaders to grow and build a sustainable future.	SSI #10; SSI #11; SSE #25
5 GENDER EQUALITY	Operations	Schneider Electric believes in equality between all genders. As such, the long-lasting difference in society's treatment of men and women is a challenge we face and rise to as we believe that diversity, equity, and inclusion benefit all.	SSI #8; SSE #18
6 CLEAN WATER AND SANITATION	Communities	Schneider takes great care in ensuring its operations have no impact on biodiversity and water quality. The Group protects water on its sites, with a specific conservation strategy and solutions in water-stressed areas to limit the impact on local communities.	SSE #6; SSE #11
7 AFFORDABLE AND CLEAN ENERGY	Operations Customers Communities	Schneider provides solutions for clean, reliable, and efficient energy consumption to its customers, and is committed to helping people in underserved areas gain access to green and reliable electricity.	SSI #1; SSI #2; SSI #3 SSI #9; SSE #1 SSE #3; SSE #5; SSE #6, SSE #7
8 DECENT WORK AND ECONOMIC GROWTH	Suppliers	For Schneider Electric, protecting workers' rights, guaranteeing their dignity, and creating work opportunities is essential to enable all its stakeholders to thrive. Its Decent Work program aims to improve working conditions for its employees and for workers across its supply chain.	SSI #6; SSI #10; SSE #12; SSE #14; SSE #17; SSE #18; SSE #20; SSE #22; SSE #23
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Operations	Schneider Electric's identity and legacy drive the Company towards perpetual innovation and mobilization to make its infrastructures and products modern and up-to-date with its commitment to sustainability.	SSI #1; SSI #2; SSE #1; SSE #2; SSE #4
10 REDUCED INEQUALITIES	Operations	Schneider is devoted to empowering and positively impacting all employees, customers, and communities. The Group hopes to bring everyone together on the same level of equality, thus allowing all to strive individually and collectively.	SSI #8; SSI #10; SSI #11; SSE #18; SSE #20
11 VILLES ET COMMUNAUTÉS DURABLES	Customers	Schneider offers a solution to ensure sustainability in urban areas, with smarter homes and buildings. The Schneider Electric Foundation acts to provide access to sustainable energy to all, turning our global commitments into local realities.	SSI #1; SSI #12; SSE #1; SSE #4; SSE #9
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Suppliers Operations Customers	Schneider Electric considers that circularity is key for sustainability. Using fewer resources and producing higher-quality products is the ideal combination to ensure safety for employees, consumers, and the environment.	SSI #4; SSI #5; SSE #6; SSE #9; SSE #10; SSE #15
13 CLIMATE ACTION	Suppliers Operations Customers	Schneider Electric has been leading the fight against climate change for 20 years. Its strategy focuses on acting for climate protection, preserving resources, and maintaining ethical practices to fight for the planet.	SSI #2; SSI #3; SSE #1; SSE #3; SSE #4
14 LIFE BELOW WATER	Suppliers Customers	Resources are essential to Schneider Electric business; preserving them not only makes good business sense but is also the right thing to do. Hence, preserving the ocean has become core to its sustainability engagement and we commit to protecting marine life.	SSI #5; SSE #8; SSE #11
15 VIE TERRESTRE	Suppliers Customers	Schneider Electric is committed to using fewer natural resources, living within our planet's means, and advancing an accelerated biodiversity strategy. We align with like-minded partners to prioritize conservation and help create a more sustainable world.	SSI #4; SSI #5; SSE #8
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Suppliers Operations Customers Communities	Sustainability is a job for all; the urgency of the situation is impossible to ignore. All hands must be on deck and it is crucial to establish frameworks, programs, and infrastructure to allow a just and peaceful development.	SSI #6; SSI #7; SSE #12; SSE #13; SSE #16; SSE #17
17 PARTNERSHIPS FOR THE GOALS	Suppliers Operations Customers Communities	Schneider Electric is a global company that aims to adapt and ensure cooperation amongst all its stakeholders to create an environment of trust and prosperity in its operations but also for its employees' and local communities' fulfillment.	SSI #3; SSI #6; SSI #11; SSI #12; SSE #2; SSE #11; SSE #12; SSE #17; SSE #24; SSE #25

Consult Schneider Electric's commitments to SDGs on the Sustainability page on **www.se.com**

1.2 Corporate Culture

1.2.1 People strategy and vision

1.2.1.1 Context

The world is transforming at an unprecedented speed and there is a greater need for us at Schneider Electric to play to the emerging opportunities. While we are known for our strong industrial base in energy management and automation, with our digital and software evolution we are now one of the largest industrial software tech companies.

In the next evolution of our strategy, we aspire to be the Industrial Tech leader and become a EUR 50 billion revenue company. Our growth ambitions are supported by five megatrends: the explosion of digitization and AI, the accelerated need for concrete solutions to fight climate change, the ongoing energy transition, evolution of wealth, and the new global equilibrium requiring reshoring and resiliency.

These underlying megatrends offer many opportunities for growth, especially in the ambiguous volatile environment we continue to live, in an ever-evolving world. They not only have an impact on our business and markets but also have a direct impact on people and the future of work.

1.2.1.2 Our Culture

To reach our Next Frontier ambition and become the Industrial Tech leader, it's time to accelerate our culture toward growth.

Culture matters. It matters to our customers, partners, investors, and all of us at Schneider. Research tells us that great cultures yield a stronger business performance and create a more engaged and productive workforce. We also know strong cultures do not happen by accident, requiring constant design and care. Culture is the collective beliefs, values, and attitudes of an organization.

Culture is also about how we behave when no one is watching. At Schneider, every aspect of our work, like how we interact with customers, run business reviews, create our offers and services, manufacture our products, and take decisions are all ingredients of our culture.

IMPACT Values

Values anchor the way we work at Schneider Electric and help bring our growth culture and Employee Value Proposition (EVP) promise to life. They are the principles that lie at the heart of our cultural evolution, forming the reasons why people join, engage, and stay with us. Our six IMPACT Values are derived from our transformative growth ambitions, People Strategy, and the voice of our employees and customers.

These values represent the essence of our current strengths and aspirations to shape Schneider Electric's growth culture.

- **Inclusion:** We embrace diverse perspectives, co-creating a place where everyone belongs and thrives.
- **Mastery:** We count on our expertise and know-how to deliver the highest quality innovations.
- **Purpose:** We aspire to build a sustainable future for our people, customers, communities, and planet.
- **Action:** We get things done with accountability, speed, and integrity, always with the customer in mind.
- **Curiosity:** We love to think deeply and differently, challenging the status quo and learning every day.
- **Teamwork:** We achieve together with our teams, collaborating with trust and openness.

Employee Value Proposition (EVP)

Our new EVP, "Impact starts with us", is rooted in our foundational belief that impact can only be possible with a collective effort from an ecosystem of customers, partners, employees, suppliers, investors and communities.

"Impact starts with us" is a promise our Company makes to each of its current employees, and it is also an invitation for outside talent to join our Company and make an impact on the world we share. It is a call to connect one's career with the ambition of achieving a more resilient, efficient, and sustainable world.

1.2.2 Engaging employees

At Schneider Electric, many employees are united by a common purpose: to drive positive change for our planet and society through sustainable actions.

The ENGAGE initiative aims to empower them further because their passion fuels the Company's sustainability transformation. To reach that objective, employees are guided to explore the various avenues to drive sustainability and lead them to decide on their priorities based on their passions, strengths, and interest, whether it's shaping personal behaviors, supporting their communities, or championing the company's sustainability programs. By fostering a culture of sustainability, the Group inspires collective action and innovation.

Through this initiative, new capabilities have been built, such as:

- A Sustainability Academy, including awareness modules covering a large range of environmental and social topics as well as how the Group sustainability strategy, which is continually enriched to move from awareness to upskill for all employees since sustainability should be part of everyone's job;
- An Engagement playbook detailing the various options and tools available to act on sustainability matters, of which the Schneider Electric VolunteerIn initiative led by the Schneider Electric Foundation, enabling employees since 2012 to participate in volunteering missions through partnerships with NGOs from all around the world;
- Numerous sustainability communities have been developed in countries where the Group operates to tackle local social and environmental challenges, unleashing an instrumental collective intelligence;
- Various international days promoting critical social and environmental causes are celebrate every year on Schneider sites worldwide.

1.2.3 Recognition is in our DNA

Every day, Schneider Electric employees make important contributions to help the organization achieve its mission and business objectives. The global recognition portal "Step Up" – first launched in 2016 – gives employees a way to formally recognize and celebrate people who consistently demonstrate the Company's IMPACT values and go above and beyond. Schneider Electric fosters a culture where employees receive regular feedback and coaching from their managers and colleagues and encourages the recognition of small and big achievements by simply saying "thank you".

Throughout 2024, the recognition culture remained strong, with many employees across the globe continuing to utilize the dedicated platform to appreciate and recognize each other. The Step Up program is available to all employees (non-connected and connected) with a healthy increase of activation rates and overall sent and received coverage across employees.

Group Employee Recognition Program Standards were introduced in 2024, and are aligned the program with the new IMPACT values.

External recognitions and awards

Schneider Electric is recognized as one of the LinkedIn Top Companies 2024 in France, India, Singapore and UAE

LinkedIn TOP 2024 COMPANIES

Schneider Electric is once again recognized by Equileap in 2024 as one of the Top 100 Companies for Gender Equality Globally

Schneider Electric
Top 100 Globally for gender equality in 2024
EQUILEAP

Schneider's Competencies and Skill Development programs have been honored with Gold and Bronze Wins at the 2024 Brandon Hall Group HCM Excellence Awards™

Brandon Hall Group HCM Excellence Award
LEARNING AND DEVELOPMENT
GOLD 2024

Schneider Electric is one of the Top 50 Diversity Leaders in the 2024 Financial Times ranking for the 6th year in a row, ranking 1st in its industry

FT FINANCIAL TIMES
LEADER IN DIVERSITY 2024
statista

Schneider Electric is recognized by Glassdoor as Best Places to Work and Best-Led Companies in the U.S.

GLASSDOOR'S 2025 BEST PLACES TO WORK

1.3 Moving forward collectively

1.3.1 Global and local external partnerships

Schneider Electric works with over 300 local and international organizations and associations on economic, social, and environmental issues to foster sustainability in cooperation with various players. The Group confirms its commitment to and participation in discussions on challenges related to climate change, social equity, and ethics. The main memberships are presented in the following table.

Organization	Description	Key actions with Schneider
Access to energy		
Alliance for rural electrification (ARE)	ARE advocates for a decentralized, sustainable, and inexpensive renewable energy sector that generates local employment and inclusive economic growth.	Schneider Electric participated in several events including the Energy Access Investment Forum 2024, in Lagos, Nigeria. The Group also contributed to the Alliance members' pioneer exclusive exchanges as a Co-chair of ARE Technology & Manufacturer Circle in the Decentralized Renewable Energy (DRE) sector.
Solar Impulse Foundation	The Foundation relies on innovation to propose solutions helping decision makers harness the economic opportunities of the ecological transition whilst reducing their environmental footprint.	The Solar Impulse Foundation selected 1,000 effective solutions for sustainable development with the help of 50 Schneider Electric experts, and presented them to decision-makers to accelerate their implementation. The two organizations are partnering since 2023 to host the exhibition '1000+ Solutions for Cities' in Schneider's Grenoble premises "Intencity". They also participated in events such as the COP and Schneider Innovation Summit. The Group also works with the Foundation for its products certification.
All digital topics		
DIGITALEUROPE	DIGITALEUROPE is a trade association representing digitally transforming industries in Europe, advocating for a regulatory environment that enables businesses and citizens to prosper from digital technologies.	Schneider Electric holds leadership positions, including Chairman of the Board. The group supported flagship events like the Masters of Digital conference and helped shape their positions on the twin transition, sustainability, energy, and cybersecurity.
Hi! PARIS – Paris Artificial Intelligence for Society & Business	Hi! PARIS is the Center on Data Analytics and Artificial Intelligence for Science, Business and Society founded by Institut Polytechnique, HEC Paris, and Inria. It leads research activities to create a European data and AI champion for science, economy and society.	In 2024, Schneider Electric contributed to the writing of the "Visions of business" white paper. It participated in the #WomenInScienceDay roundtable and was involved in talent events such as fairs, hackathons and summer school programs.
Circular economy and Product environmental performance		
Product Environmental Profile (PEP) ecopassport®	PEP ecopassport® program employs the LCA approach and will be acknowledged as a framework and method that are compatible with the PEF methodology created by the European Commission. PEP ecopassport will be a recognized body for the EU's upcoming Sustainable Product Initiative.	The Group is chairing the Steering Committee and the PEP ecopassport® Technical Committee to ensure the rules to perform PEP are compliant with international standards and use in a consistent manner. In 2024, Schneider Electric supported PEP methodology through the Ecoplatform association. In addition, the Group participated in the products Lifecycle Innovation Conference, among other events. By the end of 2024, 80% of Schneider's products were covered by a PEP, with more than 100,000 of them showing a digitized carbon footprint, made available through Schneider Electric Environmental Data Program.
Climate		
Livelihoods	The Livelihoods Funds are impact investment funds designed to support the efforts of agricultural and rural communities to live in sustainable ecosystems which serve as the foundation for their food security and provide the necessary resources for their livelihoods.	In 2024, Schneider Electric reaffirmed its societal commitments that underpin its 11-year tenure as the title sponsor of the Marathon de Paris. Since 2019, the event's CO_2e emissions have been balanced through investments in Livelihoods Funds projects to help avoid and remove CO_2 emissions, benefit rural communities in Kenya.
Entreprises pour l'Environnement (EpE)	EpE is a French association that brings together some sixty major French and international companies committed to lead their own and society's ecological transition.	Schneider Electric is part of EpE's Digital and Environment Committee Presidency. In 2024, The Group supported in the publication of several reports, and contributed to a joint consultation on Biodiversity Certificate with the International Advisory Panel on Biodiversity Credits (IAPB). Additionally, Schneider Electric participated in panels organized by EpE at the UN Biodiversity Conference (CBD COP 16) roundtable and during COP29.
Cybersecurity and Data		
Information Technology Industry (ITI) Council	ITI Council is the premier global advocate for technology, representing the world's most innovative companies, which drive societal and economic growth by empowering individuals across the globe.	Through this partnership, Schneider Electric promotes policies that foster the optimal climate for greater digitization, supports key positions on trade related to IT and software, and monitors and influence public policy pertaining to cybersecurity and data amongst other actions. In 2024, Schneider Electric won the ITI International Advocacy Award.
Confederation of Europe Data Protection Organizations (CEDPO)	CEDPO promotes the role of data protection officer, provides advice on balanced, workable, and effective data protection, and contribute to better harmonization of data protection law and practice in the EU/EEA.	Schneider Electric was involved with CEDPO in several AI working group activities in 2024. The Group also participated in the organization of an event in Brussels that brought together various data protection bodies.
Inclusion and Care		
The Valuable 500	The Valuable 500 is a worldwide corporate alliance of 500 CEOs and their organizations that collaborates on innovations for disability inclusion.	The group signed a commitment on inclusive reporting with the Valuable 500 to integrate the V500 ESG and disability data KPIs to a strategy based on the following pillars: Workforce Representation, Goals, Training, Employee Resource Groups and Digital Accessibility.
Business Disability Forum (BDF)	BDF is the leading business membership organization in disability inclusion. It helps organizations to become "Disability Smart".	The organization provides Schneider Electric with access to consulting, numerous on-line assets, seminars, events, and a "Disability Smart" self-assessment. The group is part of their Steering Committee and is co-creating a Global Disability Smart tool to be kicked off in 2025.
Education		
HEC Paris – Movement for Social and Business impact	The goal of HEC Specialization "Movement for Social and Business impact" is to achieve a more inclusive economy, in which companies seek to maximize their social impact alongside their economic performance.	HEC and Schneider Electric worked together in 2024, through events, strategic management workshops, course presentations and trainings for HEC students. The Group also participated in an impact game developed as part of the "RISE Our World Heritage" documentary series, focusing on education about the social challenges of climate change and local solutions.
Imperial College London – Imperial Business College	Imperial College London is a global top ten university located in London and a world-leading university for science, technology, engineering, medicine and business.	Schneider Electric is defining research projects related to digital grids and flexibility and collaborates with Imperial College London through the Imperial Business Partners programme. It is also engaged with Imperial College London recruitment channels and participated in the creation of a white paper on industrial decarbonization.

Organization	Description	Key actions with Schneider
Energy efficiency / Electric mobility / Digital renewables		
European Alliance to save Energy (EU-ASE)	This coalition actively advocates to advance the European energy efficiency agenda, in particular through more stringent legislation on energy efficiency and buildings.	Schneider Electric holds leadership positions in EU-ASE, including on the Board. The Group participated in their events, including the Energy Efficiency Day and parliamentary outreach. It also contributed to their positions on energy system efficiency and the water-energy nexus, supporting efficiency across sectors.
Energy Transition Commission (ETC)	The ETC is a global coalition of leaders from across the energy landscape who are committed to a net-zero world by 2050 and focused on advancing the debate and solutions to climate change.	Schneider Electric mostly 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.
Electrified Processes for Industry Without Carbon (EPIXC)	EPIXC is a public-private partnership which aims to develop and scale innovative electric heating concepts for advanced manufacturing, improve flexibility and enhance the energy efficiency of industrial process heating.	Schneider Electric brings its extensive knowledge and experience in process electrification, a proven method to reduce industrial companies carbon footprint without sacrificing production or performance.
Human rights		
Wage Indicator Foundation	The WageIndicator Foundation is a global, independent, non-profit organization that collects, analyses and shares information on living wage worldwide.	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 informed decisions toward the realization of living wages.
Human Resources Without Borders (*RHSF*)	RHSF(*Ressources Humaines Sans Frontières*) is an NGO experimenting pilot prevention solutions and sharing its expertise with stakeholders to prevent the risks of child labor, forced labor, and more broadly indecent labor in supply chains.	Schneider Electric continued its collaboration with *RHSF* on the "Lab 8.7" action-research project that gathers pioneer companies to implement concrete tools to identify forced labor and child labor situations.
Industry 4.0 and smart manufacturing		
OPC Foundation	The OPC Foundation is an industry consortium that establishes and maintains standards for automation, open systems, and equipment connectivity.	Schneider Electric participated in the specification of the next generation of industrial network OPC UA FX as a unified network able to replace the existing ones for exchanges between controlers, communication between controlers to devices and to the Cloud. The first specification was delivered in 2024 related to Controler to Controler exchanges.
FieldComm GROUP (FCG)	FieldComm Group is in charge of industrial protocols implemented in Process Automation Systems (HART, FieldBus, FDI).	In 2024, Schneider Electric contributed to the harmonization with FCG to reduce gaps between Process Automation (PA) and Factory Automation (FA). This year achievements include a unified network and data model to cover PA and FA needs, as well as a unified technology for Device Integration and common Device description.

Organization	Description	Key actions with Schneider
Philanthropy		
Collectif Mentorat	*Collectif Mentorat* is made up of 75 companies developing mentoring programmes for young people.	Schneider Electric is part of the Strategic Business Committee of Collectif Mentorat. In 2024, the collective was involved in various actions and organized several events including the 5th edition of the European Mentoring Summit.
Impact Europe – Youth Alliance	Impact Europe is a network of impact capital providers who aims at increasing prosperity for social progress for all, fix inequalities and injustices and preserve the planet.	Youth Alliance is a collective of funders, practitioners and investors committed to accelerate the support to the youth in Europe. It was co-established in 2022 with Schneider Electric to foster collaboration and advocacy for empowering youth in Europe. In 2024, it published a position paper entitled "Better Together for Youth".
Smart grids and sustainable cities		
T&D Europe	T&D Europe is a grid technology providers association. It represents electricity transmission and distribution equipment and services providers in Europe.	Together with 20 national Electric Associations, Schneider Electric contributes technically to projects related to the EU Grid Action Plan, the Green Taxonomy, the Net Zero Industrial Act (NZIA), and the High Level Forum for Standardization, to ensure Europe go at the right speed to a full energy transition.
Smart Energy Europe (smartEn)	SmartEn integrates consumer-driven clean energy transition solutions. It aims to create opportunities for companies to integrate increasingly renewable energy systems.	Regarding the electricity market design (EMD) reform, smartEn and Schneider Electric worked on Demand Side Energy Flexibility necessity, and Related Demand Response & Cyber Network Code. They have also worked hand in hand to publish different position papers on renewable energy systems efficiency and other related topics.
Sustainable governance and crossfunctional topics		
World Economic Forum (WEF)	The WEF is a nonprofit organization that works to improve the status of the world by bringing together influential figures from business, politics, academia, and other sectors of society to help set priorities for the globe, individual regions, and various industries.	Since 2017, Schneider Electric is a Strategic Partner of the World Economic Forum. Schneider engages with a wide range of partners to progress on common world challenges, by joining public-private dialogues and peer-to-peer workgroups, sharing insights and use-cases leading to new frameworks and toolboxes.
GIMELEC	GIMELEC is a trade association grouping digital electronics companies in France promoting efficiency and electrification, supported by digitization. It has four Market's Committees: Smart Building, Industry 4.0, Smart Grid & Infrastructures, Datacenters.	In 2024, GIMELEC actively contributed to the French government's actions in the field of climate change: national low-carbon strategy, multi-annual energy planning, decarbonization of industry and, more generally, electrification of uses, particularly transport. GIMELEC also plays a key role in ensuring the flexibility of the French and European power systems.
National Electrical Manufacturers Association (NEMA)	NEMA is a North American trade association that allows electrical equipment manufacturers to provide relevant governments with feedback to on a set of construction policies and standards.	With Schneider Electric's input, NEMA has been an advocate for the Inflation Reduction Act (IRA). Additionally, the Group supports NEMA's advocacy for rigorous building code updates, which aims to introduce much-needed energy efficiency and climate-driven upgrades into buildings.

1.3.2 Schneider Electric contribution to Standardization

With many experts actively participating in international and national standardization bodies, Schneider Electric is making a decisive contribution to the creation and distribution of standards that ensure the safety and reliability of electric facilities and equipment. These standards address environmental impacts throughout lifecycles to prepare for a better circular economy, support the new energy landscape with the goal of greener energy integration, ensure safer energy delivery and better integration of prosumers, support the digital transformation of the industry and any other customer values, as of course, energy efficiency from an end-to-end perspective.

1.3.2.1 At national level

Schneider's experts are involved in most National Committees, including those in the US, China, India, Japan, and European countries. The French Electrotechnical Institute is a founding member of CENELEC (European standardization body) and IEC (International standardization body).

Schneider Electric chairs many French standardization committees hosted by AFNOR (French standards organization) and sits on other national committees, such as the chair of the French and Swedish Committees for environmental standardization. Schneider was a major contributor to smart manufacturing initiatives such as the AIF *(Alliance Industrie du Futur)* in France. Notably, it is a member of the Council Board and of the IEC Conformity Assessment Board.

1.3.2.2 At European level

CENELEC (European Committee for Electrotechnical Standardization), CEN (European Committee for Standardization), and ETSI (European Telecommunications Standards Institute) are the three official European standardization bodies. They have been officially recognized by the European Union, and by the European Free Trade Association (EFTA) as being responsible for developing and defining voluntary standards.

European Commission DG Grow (Internal Market) decided to create a High-Level Forum for Standardization launched in 2023. Schneider Electric, through T&D Europe (European Association of Transmission & Distribution manufacturers) represents the European Power System stakeholders, together with Grid Operators, Manufacturers, national Electricity Associations. The workstream is dedicated to proposing strategic topics and standardization moves, to better activate Energy Transition across Europe through digitalization, green, and resilience.

CENELEC

CENELEC is an association that brings together the National Electrotechnical Committees of 34 European countries. CENELEC prepares voluntary standards in the electrotechnical field, which help facilitate trade between countries, create new markets, cut compliance costs and support the development of a Single European Market.

CENELEC supports standardization activities in relation to a wide range of fields and sectors including: electromagnetic compatibility, accumulators, primary cells and primary batteries, insulated wire and cable, electrical equipment and apparatus, electronic, electromechanical and electrotechnical supplies, electric motors and transformers, lighting equipment and electric lamps, low voltage electrical installations material, electric vehicles railways, smart grid, smart metering, and solar (photovoltaic) electricity systems.

Most Schneider Electric activities and offers are covered by CENELEC, although CEN and ETSI also benefit. In addition, Schneider Electric experts are participating in the development of common works and standards through specific joint technical committees and joint working groups.

1.3.2.3 At international level

IEC – International Electrotechnical Commission

The IEC is a global, not-for-profit membership organization that brings together more than 170 countries and coordinates the work of 20,000 experts globally. The IEC publishes around 10,000 IEC International Standards which together with conformity assessments provide the technical framework that allows governments to build national quality infrastructure and companies of all sizes to buy and sell consistently safe and reliable products in most countries of the world. IEC International Standards serve as the basis for risk and quality management and are used in testing and certification to verify that manufacturer promises are kept.

Schneider's experts contribute through joint technical committees and joint working groups to ISO (International Organization for Standardization) and ITU (International Telecommunication Union).

1.3.2.4 Smart grids and sustainable cities

Schneider Electric participates actively in the standardization of smart grids, which are becoming more "active", leveraging more bidirectional energy flow and real time timeline. The Company leads the definition of standards and the data interoperability standardization roadmap within the European smart grids coordination group and energy system committees, as well as being the group in charge of standardizing the interfaces between smart buildings and smart grids.

- Schneider co-chairs the Smart Energy Grid coordination group of the CEN-CENELEC-ETSI, responsible for ensuring availability of an appropriate set of standards for the rollout of smart grids in Europe, as well as supporting the coming new legislative "Clean Energy Package".
- It chairs the group at the IEC level in charge of defining the roadmap of international standards to support the rollout of the smart energy sector (smart grids, in addition to interfaces with other energies). This roadmap also includes cybersecurity and resilience, as well as the impact of the Internet of Things (IoT).
- It chairs and actively contributes to the definition of prosumer's electrical installations, installations integrating local production such as PV, wind, and storage to ensure they are designed and erected with a high level of safety and efficiency.
- It chairs the IEC's Advisory Committee for Energy Efficiency (ACEE) and chairs the Advisory Committee on Safety (ACOS).

1.3.2.5 Circular economy and product environmental performance

To support high standards of health and safety, Schneider experts continuously contribute to standards around materials and substances. They provide standards on methodology and test methods, raising the bar on safety and protection against toxicity.

Regarding environmental footprint, our experts ensure fair comparison, relevance of assumptions, consistency of approach, interoperability, and meaningful content for our customers.

They are developing standards around:

- Terminology and catalogue data;
- Product Category Rules for Life Cycle Assessment (LCA) dedicated to electrotechnical products;
- Product Specific Rules for high and low voltage equipment,
- Low voltage switchgear and controlgear, and power electronics;
- Extension of Product Specific Rules and environmentally conscious design to cover material efficiency or digital format; and
- Quantification of greenhouse gas (GHG) emission reduction and avoidance.

Relating to circular economy and eco-design, Schneider chairs the Ecodesign Coordination Group (CEN-CLC/Eco-CG) and has contributed to the European Commission's Circular Economy package, and with CEN-CENELEC-ETSI developed a set of published standards assessing factors such as durability, repairability, reusability, recyclability, and ability to be remanufactured, which fall within the scope of the Ecodesign Directive and the new Ecodesign for Sustainable Products Regulation. Schneider continues to contribute to the evolution of those standards and their extended scope and has appointed active experts in each of the existing and new working groups. For example, our experts are highly involved in the development of the future standard on circular design: material efficiency within environmentally conscious design.

As digitalization is a lever for circular economy and environmental performance, our experts are contributing to standards on terminology and digital formats.

1.3.2.6 Standardization to accelerate environmental transformation

Since February 2007, Schneider has represented France on the IEC's Advisory Committee for Environmental Aspects (ACEA). ACEA works to advise and coordinate the IEC's efforts to tackle environmental issues. At the same time, Schneider Electric is actively present in ACTAD (Advisory Committee for Transmission and Distribution) to ensure electricity and environment are closely considered.

- Schneider is particularly heavily involved in the working groups on sustainability (chairing environment and circular economy groups, participating in working groups in product technical committees (TC) dealing with environmental aspects (IEC TC 121, IEC TC 17, CLC TC 22X) and in the work on the rational use of energy.
- The Group chairs the IEC TC 111 Committee on Environmental Standardization of Electric and Electronic Equipment and IEC TC 23 Electrical Accessories (protection devices, wiring devices, home and building control systems).
- The Group is the secretary of IEC SC 23K on Energy Efficiency Products, Systems and Solutions.
- In 2018, Schneider led the UPS manufacturers' group in the EU Commission's Product Environmental Footprint (PEF) pilots for defining rules to assess the PEF of products put on the EU market, prior to its implementation of the European policy.
- The Group chairs ISO/TC 184 (Automation systems and integration).

1.3.2.7 Digital transformation and cybersecurity

Digitization is the key driver for advanced manufacturing, optimizing production with more flexibility, more interoperability, more predictability, and continuity to provide a new level of system efficiency and sustainability. Further data, software, and tools enabling virtual descriptions – known as digital twins – and creating new capabilities and services are combined with machine learning and AI, while taking account of safety and cybersecurity.

The global electricity system is going digital as well, focusing on grids, buildings, industry, households for instance.

The European Data Space for Energy, reinforced per AI technology and related services, will make the Europe more consistent about the electricity sector, through appropriate regulation and standards currently under development.

- In cybersecurity, Schneider is secretary of the Joint Advisory Group between IEC TC 65 and ISO/IEC JTC 1/SC 27 from Enterprise level to Field Devices and participates in several working groups bridging Regulation to Standardization (EU, US).
- The Group is particularly heavily involved in the working groups on Smart Manufacturing in ISO and IEC technical committees (Chair of ISO/TC 184, Secretary of IEC TC 65, Chair of IEC SC 65E).
- Schneider chairs the Industrial Digital Twin Association (IDTA) to deep dive and deploy the Asset Administration Shell as standardized digital twin.
- The Group also chairs the UniversalAutomation.org association to address a more functional and distributed approach for the orchestration of industrial systems.

1.4 Key external frameworks and ESG ratings

External guidelines

United Nations Global Compact and Sustainable Development Goals (SDGs)

Parties signing the UN Global Compact commit to ten fundamental principles in four areas: human rights, labor rights, the environment, and anti-corruption. By signing the Global Compact in December 2002, Schneider Electric made a public commitment to these universal values. In line with the requirements of the Global Compact, Schneider publishes an annual Communication on Progress (COP) and meets the requirements of the Global Compact Advanced Level. Schneider Electric is committed to contributing to the 17 SDGs through its sustainability programs.

Consult Schneider's latest COP on the Global Compact website **www.unglobalcompact.org**

International Organization for Standardization (ISO)

Schneider Electric has worked since 2012 to promote the adoption of the ISO 26000 principles with its suppliers. Schneider also adopts other ISO guidelines or certifications: see ISO 14001, page 50; ISO 50001, ISO 9001, and ISO 45001, page 219; ISO 27000, page 370 of the 2024 Universal Registration Document; and ISO 14025 and 14021, page 224.

Global Reporting Initiative (GRI)

Schneider Electric has reported in accordance with the GRI Standards for the period from January 1 to December 31, 2024. The Board of Directors has reviewed and approved the reported information, including the organization's material ESG topics, under Disclosure 2-14 in GRI 2: General Disclosures 2021. A reference table with its indicators and those proposed by the GRI is available on the Schneider Electric website.

Consult Schneider's GRI reports on the Sustainability Reports page on **www.se.com**

Sustainability Accounting Standards Board (SASB)

The SASB Foundation was founded in 2011 as a not-for-profit, independent standards-setting organization. Schneider Electric provides information in alignment with SASB reporting guidelines for its sector (Electrical and Electronic Equipment). A correspondence table can be found on pages 256 and 257 of this report.

Task Force on Climate-related Financial Disclosures (TCFD)

In June 2017, the TCFD, a working group led by Michael Bloomberg under the G20 Financial Stability Board's (FSB) mandate, published its recommendations for companies' climate action disclosure. CEOs from more than 100 companies signed a statement of support for the TCFD recommendations and Schneider Electric's CEO was among them. Detailed information can be found in Schneider Electric's CDP Climate Change public disclosure and in this report on pages 258 to 263.

Science-Based Targets initiative (SBTi)

Science-Based Targets (SBTs) specify how much and how quickly companies need to reduce GHG emissions in order to avoid a 1.5°C or 2°C global temperature increase, compared to pre-industrial levels. Schneider Electric is part of the 6,000+ companies globally that have committed to reduce GHG emissions in alignment with prevailing climate science through and get their targets approved by the SBTi. The Group's GHG footprint is calculated following the World Resources Institute (WRI) Greenhouse Gas Protocol (see page 263). The Group's Net-Zero commitment was validated with the Corporate Net-Zero Standard in 2022.

Organisation for Economic Co-operation and Development (OECD)

The OECD is an international organization that works to build better policies for better lives. Schneider Electric is aligned with the OECD Guidelines for Multinational Enterprises. Schneider Electric signed the OECD's Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, and established a "Conflict Minerals Compliance program" based on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from conflict affected and high-risk areas.

International Labour Organization (ILO)

Schneider Electric is a member of the ILO Global Business and Disability Network (GBDN) and adheres to the principles of the ILO Declaration on Fundamental Principles and Rights at Work. The Group's Trust Charter was inspired in part by the standards issued by the ILO.

Consult Schneider's ESG reporting according to various external frameworks (Schneider Sustainability Disclosure Dashboard) on **www.se.com**

ESG ratings and awards

Dow Jones Sustainability Index (DJSI)

In 2024, Schneider Electric scored 83/100 on S&P Global's Corporate Sustainability Assessment (top 5%). The Group was included in the DJSI World Index for the 14th year in a row, which is comprised of 321 corporate leaders in sustainability, representing the top 10% from around 3,500 companies qualified for inclusion.

CDP Climate A List

In 2024, Schneider Electric was part of Climate Change A List companies out of 23,000+ companies assessed by CDP, and the only one in its sector to achieve this 14 years running.

At the time of writing, it belongs to several STOXX indices, including Global Low Carbon Footprint, Global Climate Change Leaders, EURO STOXX 50 Low Carbon, and Global ESG Environmental Leaders indices.

CDP Water

In 2024, Schneider Electric received a B score for its participation in CDP's Water Security questionnaire.

Moody's Analytics

Following assessment in June 2024 by Moody's Analytics (formerly Vigeo Eiris), Schneider Electric achieved an overall rating of 73/100, with an Energy Transition Score at the highest level (Advanced). Thanks to this score, as of January 2025, the Group is part of the Euronext Vigeo World 120, Europe 120, Euro 120, France 20 and CAC40 ESG indices, which are composed of the highest-ranking listed companies in terms of their performance in corporate responsibility.

FTSE4Good

Schneider Electric is part of the FTSE4Good Developed, FTSE4Good Europe, FTSE Environmental Opportunities, and FTSE EO Energy Efficiency indices.

EcoVadis Outstanding level and Platinum medal

In 2025, Schneider Electric has achieved Outstanding level with a rating of 85/100 and obtained a Platinum medal (top 1% of all companies assessed) for the 5th year in a row.

MSCI industry leader

Schneider Electric has been at AAA grade since 2011, an industry leader and a member of the MSCI World ESG Leaders, World Select ESG Ratings & Trend Leaders, and Socially Responsible indices.

Sustainalytics leader

As of January 2025, Schneider Electric was recognized as an Industry Top-Rated ESG Performer, ranking 1st out of 302 companies in its industry group with a 10.0 risk rating (Low Risk), thereby confirming its inclusion in STOXX Global ESG Leaders, Environmental Leaders, Social Leaders, Governance Leaders, and EURO STOXX Sustainability indices.

ISS

In 2024, Schneider Electric is at Prime level on ISS-ESG with an absolute B rating, the best rating in its industry (Electric Components) out of 200 companies.

Global 100 Most Sustainable Corporations

In January 2025, Schneider Electric ranked 1st on Corporate Knights' Global 100 list of the world's most sustainable corporations. The Group is the only company to have ever ranked 1st twice, having also achieved this distinction in 2021, while consistently placing in the top 10 for the past 5 years.

TIME's World's Most Sustainable Companies

Schneider Electric ranked 1st in the TIME magazine and Statista's World's Most Sustainable Companies for 2024.

Terra Carta Seal

In January 2023, the Group was one of 19 companies awarded the Terra Carta Seal, which recognizes global companies who drive innovation and demonstrate their commitment to the creation of genuinely sustainable markets.

Sustainability external ratings	DJSI	CDP Climate Change	Moody's Analytics (Vigeo Eiris)	EcoVadis(1)	MSCI ESG Ratings	Sustainalytics
2024 Schneider score	83/100	A	73/100	85/100	AAA	Low risk
Industry average score	27/100	C(2)	43/100	50/100	BBB	Medium risk
Progress vs. 2023	-5 pts	Unchanged	Unchanged	-3 pts	Unchanged	Unchanged
Highlights	14th year in world index	14th year in A List	World 120 and Europe 120 Indices	Platinum medal for 5th year	AAA for 14th year	1st in industry
Assessed universe (# companies)	13,000	23,000	4,800	130,000	10,000	16,000

(1) 2025 score.
(2) 2023 average, as overall results were not available at the time of writing.

Other awards in 2024

World Economic Forum

World Economic Forum has recognized 2 of Schneider Electric factories (Monterrey 1 and Shanghai) as new Lighthouses in 2024. This brings the total to 7 factories in the Forum's Global Lighthouse Network, a collaborative platform bringing together industrial organizations leading the charge in adopting Fourth Industrial Revolution technologies. The Group also counts 4 Global Sustainability Lighthouses out of the 25 identified by the World Economic Forum.

Climate

Carbon Clean 200 list

Schneider Electric has consistently been included in Corporate Knights' Carbon Clean 200 list since ranking began in 2016, for its revenue devoted to energy transition. In 2025, the Group ranked 8th worldwide.

RE100 Leadership Awards

Schneider Electric was awarded the 2024 RE100 Changemaker Award during Climate Week NYC for its significant progress toward ambitious renewable energy targets.

Supply Chain

Gartner 2024 Supply Chain Top 25

Schneider Electric ranked 1st in 2024 in the Gartner Supply Chain Top 25 for the second year in a row, and 1st in the Europe Top 15 for the fifth consecutive year, recognizing the exemplary management of its value chain.

2024 CIPS Excellence in Procurement Awards

In 2024, Schneider Electric was highly commended in the 'Best Initiative to Deliver Social Value Through Procurement' category.

Asia Pacific Procurement Awards 2024

The Group earned the Asia Pacific Environmental & Social Impact Award from Procurement Leaders, which accredited Schneider Electric's Scope 3 decarbonization initiatives.

Social

Workforce Disclosure Initiative (WDI)

In 2024, Schneider obtained a disclosure score of 78%, above the industry average of 62%, in the investor-backed WDI survey, which aims to improve corporate transparency and accountability on workforce issues.

World Benchmarking Alliance (WBA)

In 2024, Schneider Electric ranked 1st in the Social Benchmark score in its industry by the World Benchmarking Alliance, underlining sustained efforts to act ethically promote decent work and human rights.

Equileap Global Gender Equality Ranking

In March 2025, Schneider Electric ranked 79th globally out of 3,547 publicly listed companies assessed based on 19 gender equality criteria, including gender balance from the board to the workforce, as well as the pay gap and policies relating to parental leave and sexual harassment, among other topics.

Financial Times Top 50 Diversity Leader

In November 2024, the Group was recognized as a Top 50 Europe's Diversity Leader by the Financial Times in their Diversity Leaders 2025 rankings, for the 6th year in a row, ranking 39th among 850 companies and 1st in its industry.

Best Place to work for Disability Inclusion

Schneider Electric has been recognized as a "Best Place to Work for Disability Inclusion" by the Disability Equality Index in 2024.

Ethics and Governance

Ethisphere

In 2025, Schneider Electric was again recognized as one of the World's Most Ethical Companies by Ethisphere, a global leader in defining and advancing the standards of ethical business practices.

Grand Prix de la Transparence

In 2024, Schneider Electric received a Transparency Award in the "Universal Registration Document" category, and was included in the Top 20 most transparent companies, ranking 4th out of 120 French companies.

Employer awards

Universum Top 50 World's Most Attractive Employers

In 2024, Schneider Electric was recognized by students worldwide as one of the World's Most Attractive Employers, ranking 27th in Engineering. Over 550,000 respondents from the Universum Talent Surveys participated in the ranking.

Fortune's World's Most Admired Companies

In 2024, Schneider Electric was recognized by Fortune as one of the "World's Most Admired Companies" for the sixth consecutive year, ranking 4th in the electronics industry sector.

Forbes World's Best Employers 2024

Schneider Electric was included in Forbes World's Best Employers 2024 ranking.

Glassdoor

Schneider Electric received a score of 4.3/5 from Glassdoor as of January 2025. Based on more than 10,000 reviews, 89% of surveyed participants would recommend the Group to a friend, and 93% approve of the CEO.

Introduction by the Chief Financial Officer

Comprehensive disclosures are integral to Schneider Electric's sustainability strategy, underpinning our commitment to transparency and providing a basis for long-term value creation.

As an Impact Company, we strive to achieve robust performance while fostering positive contributions from an environmental, social, and governance standpoint.

Since 2005 we have been measuring and reporting our sustainability performance through a dashboard known first as our "Barometer" and today as our "Schneider Sustainability Impact" (SSI). In recent years we have published our SSI every quarter alongside our financial results. These metrics guide us in measuring progress on our sustainability goals.

This year, we are pleased to further enhance transparency by providing reporting in accordance with the EU Corporate Sustainability Reporting Directive (CSRD) and the corresponding European Sustainability Reporting Standards (ESRS).

As the availability and quality of data remain paramount to providing reliable and comparable disclosures, we have implemented a robust governance framework to collect and analyse more than 1,000 data points through a primarily automated and reliable reporting. We are committed to continuously improving the standardization and transparency of sustainability information which, in turn, will further inform the strategy for Schneider Electric's next sustainability cycle, which will take us from 2026 to 2030.

This continued focus on sustainability data, coupled with the ambitious sustainability goals we've embedded in our business practice gives us confidence in our ability to create meaningful impact and to support a fair energy transition through electrification, energy efficiency, automation, and digital innovation.

Hilary Maxson
Chief Financial Officer

2 Sustainability statements | CSRD

In this section

2.1 General information (ESRS 2)

2.1.1 Schneider Electric overview, governance, and strategy

2.1.1.1 Schneider Electric activities and business model

Schneider Electric has a curated portfolio that is equipped for growth on themes enabling a sustainable future, with an expertise in electrification, automation, and digitalization. The Group serves four main end-markets: Data Centers and Networks, Buildings, Industry, and Infrastructure. With the support of 159,000[1] employees around the world, Schneider Electric leads clients in their journey to achieve holistic efficiency helping them address their sustainability challenges; targeting customer groups in areas such as residential development, cloud and service providers, mobility, consumer packaged goods, mining, minerals and metals, water and wastewater management, energy and chemicals, power and grid, and semiconductors production. As detailed in chapter 5 of the 2024 Universal Registration Document, in 2024 the total revenue of the Group is EUR 38,153 million.

Schneider Electric's strategic positioning on electrification, automation, and digitalization is strongly related to sustainability matters given its extended value chain influence, dependencies on resources, and need for a diverse skilled workforce. The Company's strategy is intrinsically related to sustainability given its goal of having a positive impact on the planet and society at large by promoting green and responsible growth. With presence in over 100 countries encompassing diverse standards, values, and practices, the Group is committed to behaving responsibly in relation to all its stakeholders and extending its duty beyond compliance with local and international regulations. Defined sustainability goals cover a variety of scopes, from global programs to targeted local objectives. The Schneider Sustainability Impact (SSI) and Schneider Sustainability Essentials (SSE) define targets and measure performance in critical areas of focus[2]. While local sustainability commitments deploy objectives and actions at national and regional level in the 100+ markets where the Group operates.

Read more about Schneider Electric's sustainability targets in section 1.1.2 on **pages 8 and 9**.

Schneider Electric is committed to open communication with its value chain and uses feedback to analyze its market and define areas of progress, aiming to boost its positive impact by promoting sustainable growth that is shared with all its stakeholders. Building long-term partnerships with a wide range of global and local players, Schneider Electric works directly with many types of suppliers, contractors, and end-customers, and is developing the industry's largest network of distributors.

In terms of supply chain, the Group has developed an agile and secure supply base that is almost evenly distributed across the world. Material extraction activities provide the necessary raw materials to a large range of suppliers located in more than 100 geographies which Schneider Electric relies on to process, transform, and manufacture metals, electronics, and plastics into components. This supply base represents a combination of mature companies operating on a global scale, from small and medium scale enterprises serving local or niche markets and categories which require simple assembly, to complex manufacturing activities. The Group established an ambitious strategy that provides guidance to its suppliers to ensure that all contribute to creating an inclusive and carbon neutral world, where ecosystems are preserved and people get access to decent lives. The Group's key activities are structured around its two main businesses: Energy Management and Industrial Automation, each of which has assets in multiple locations around the world, such as Research and Development (R&D) facilities, manufacturing plants, and distribution centers, as well as their own commercial activities. Through these, Schneider Electric manufactures and delivers its solutions directly to end-users or via distributors and other downstream partners like panel builders and system integrators. In many cases, products and services are combined into systems by involving additional parties before being commissioned. Schneider Electric executes these projects through two alternative options: either selling components to channel partners who build and deliver the system or building the system directly for the end-customer, frequently involving project contractors. In addition, Schneider Electric also provides services to end-users, such as maintenance, digital capabilities, and software solutions, all of which can also be potentially performed by contractors. In all cases, the Group insists on high quality and cybersecurity to deliver a strong customer experience.

As part of its value chain, the Company interacts with multiple external stakeholders in the ecosystem including business partners, key local and international associations, organizations, local communities, and institutional and technical bodies, aiming to support the implementation of sustainability in society at large.

For more details on Schneider Electric's value chain, please refer to the figure on **page 56**.

As a result, Schneider Electric's portfolio delivers high environmental performance products, software, and services, such as electrification and digitalization solutions, energy-efficiency systems, sustainability consulting services, and renewable energy procurement. These products, software, and services help customers decarbonize and reduce their environmental footprint, contributing to the Group's sustainability-related goals by advancing saved and avoided emissions, and generating Impact revenues.

Read more details about Schneider Electric's business model and its relation to sustainability matters in chapter 1 of the 2024 Universal Registration Document; significant product families in **page 26**, and **pages 22 to 25** for markets and customer groups.

(1) This figure excludes entities out of the 2024 CSRD reporting scope, please refer to section 2.1.3 "Basis for preparation" on page 58 for more details.
(2) The SSI and SSE scope is more limited than the reporting perimeter of the sustainability statement (CSRD), these programs are part of the Group's 2021-2025 strategy and are therefore independent from the 2024 double materiality assessment. Read more details about the scope of SSI and SSE in section 4.1 on page 244.

2.1.1.2 Integrated and transverse governance of sustainable development

As of December 31, 2024, the Company's governance structure consists of (i) a Board of Directors composed of 17 non-executive members, (ii) 1 executive corporate officer, the Chief Executive Officer, who is not a member of the Board of Directors, and (iii) an Executive Committee. The percentage of independent Board members was 69.82%[1].

As of December 31, 2024, the diversity of the Board members was as follows:

- By gender:
  - 48.20% were women[2];
  - 51.80% were men.
- By age:
  - 0.00% were aged under 30 years old;
  - 24.12% were aged between 30 and 50 years old;
  - 75.88% were aged above 50 years old.
- By regional nationality:
  - 63.83% were from Western Europe;
  - 12.06% were from Asia Pacific;
  - 24.12% were from North America;
  - 0.00% were from Rest of the World.

The Board of Directors includes three Employee Directors, two Employee representatives, namely Mrs. Rita Félix and Mr. Bruno Turchet, and one Employee Shareholder representative, Mrs. Xiaoyun Ma.

Pursuant to article L. 225-27-1 of the French Commercial Code, the number of directors representing employees is at least equal to two in companies whose number of directors is greater than eight. In accordance with the procedure provided in Article 11.4 of the Articles of Association, and in line with the prescription of Article L. 225-27-1 of the French Commercial Code, the French Employee representative, Mr. Bruno Turchet, is designated by the trade union which obtained the highest number of votes at the most recent elections which is as of today, Force Ouvrière (FO), and the second Director representing Employees, Mrs. Rita Félix, is appointed by the European Works Council, employee representative body of the Company set up in pursuance of Article L. 2352-16 of the French Labor Code, ensuring thereby a higher representation of the Group employees within the Board.

The Director representing the Employee Shareholders is appointed according to the procedure provided in Article 11-3 of the Articles of Association which stipulates that when employee shareholders hold more than 3% of the capital at the close of a given financial year, their representative is elected by the Annual Shareholders' Meeting from the candidates appointed by the supervisory boards of the corporate mutual funds (FCPEs) invested in company shares or by the employee shareholders when their shares are held directly and not *via* FCPEs.

Information about member's experience relevant to sectors, products and geographic locations of the Company is available in **section 4.1.1.2 of chapter 4** of the 2024 Universal Registration Document.

Information about the composition of the Board of Directors is available in **section 4.1.1.1 of chapter 4** of the 2024 Universal Registration Document.

Information about the composition of the Audit & Risks Committee is available in **section 4.1.3.1 of chapter 4** of the 2024 Universal Registration Document.

Information about the composition of the Governance, Nominations & Sustainability Committee is available in **section 4.1.3.2 of chapter 4** of the 2024 Universal Registration Document.

The roles and duties of each body are defined in the internal regulations of the Board of Directors available in **section 4.1.5 of chapter 4** of the 2024 Universal Registration Document.

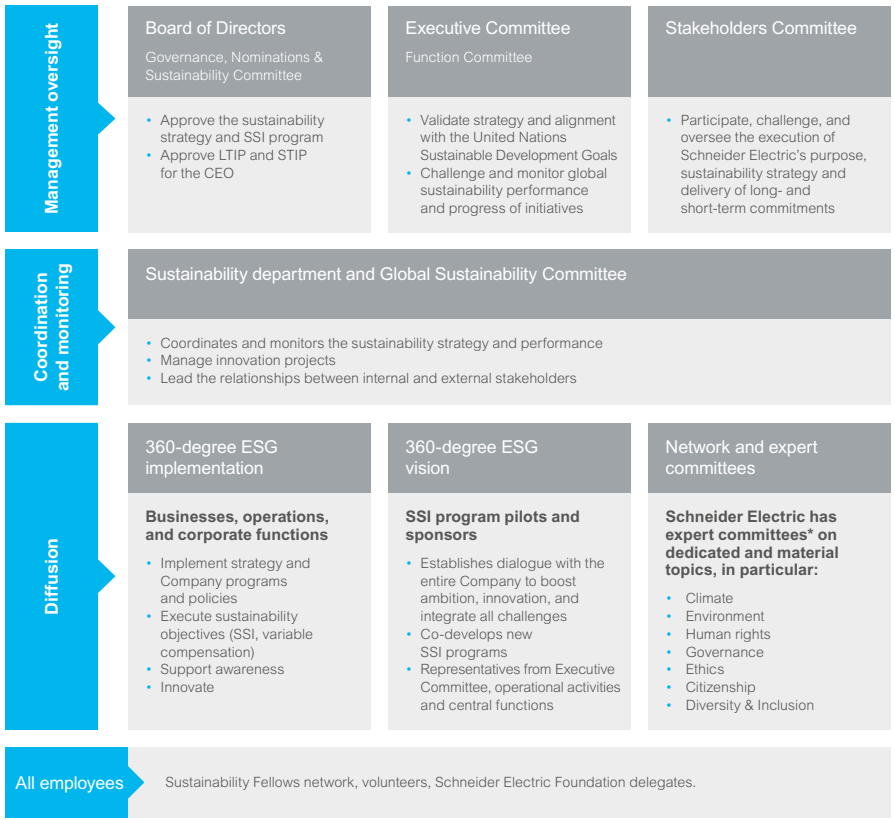
The Board of Directors reviews, in relation to the strategy it has defined, the opportunities and risks, such as financial, legal, operational, social, and environmental risks, as well as the measures taken accordingly, and to that end receives all information necessary to fulfill its remit, especially from the Chief Executive Officer. For more details, please refer to sections 4.1.2.1.1 "Roles and duties of the Board of Directors" and 4.1.5 "Internal regulations of the Board of Directors" of chapter 4 of the 2024 Universal Registration Document.

The information about the responsibilities of the Audit & Risks Committee is available in section 4.1.3.1 of chapter 4 of the 2024 Universal Registration Document.

The information about the responsibilities of the Governance, Nominations & Sustainability Committee is available in section 4.1.3.2 of chapter 4 of the 2024 Universal Registration Document.

(1) This percentage corresponds to a weighted average ratio of independent members to all Board members. It differs from the ratio disclosed in section 4.1.1.1 of chapter 4 of the Universal Registration Document, which is calculated on the basis of a number of Board members excluding the employee representatives and the employee shareholder representative in accordance with the provisions of the AFEP-MEDEF Corporate Governance Code, i.e. 14 Board members.
(2) This percentage corresponds to a weighted average ratio of female to male Board members. It differs from the gender ratio disclosed in section 4.1.1.1 of chapter 4 of the Universal registration Document, which is calculated on the basis of a number of Board members excluding the employee representatives and the employee shareholder representative in accordance with the provisions of the French commercial Code, i.e. 14 Board members.

Sustainability governance at Schneider Electric



* Non-exhaustive list: Access to Energy Committee, Carbon Committee, SERE (Safety, Environment, and Real Estate) Committee, Ethics Committee & Fraud Committee, Duty of Vigilance Committee, the Foundation's Executive Committee and Schneider VolunteerIn Board, HR Committee, Diversity & Inclusion Committee, SSI pilots and sponsors.

The Audit & Risks and the Governance, Nominations & Sustainability Committees report systematically to the Board on all their work including impacts, risks, and opportunities on sustainability matters. They prepare the Board of Directors' decisions in these domains.

In addition, the CEO reports quarterly to the Board during his business update on the progress made by the Group in its sustainability journey, notably on the results of the SSI.

Special sessions are also organized with the whole Board on dedicated subjects relating to sustainability. In June 2024, a special session on the Corporate Sustainability Reporting Directive (CSRD) was organized.

The Chief Executive Officer regularly reports to the Board of Directors in the context of the business update presented at each Board of Directors meeting. Several Executive Committee members including the Chief Financial Officer, the Chief Sustainability Officer and the Chief Governance Officer also report regularly to the Board and the Audit & Risks and Governance, Nominations & Sustainability Committees. To that end, the Chief Executive Officer relies internally on:

- The Executive Committee composed of 17 members which reviews very regularly the progress made by the Company on sustainability matters;
- The Function Committee, composed of the Executive Committee members in charge of key functions: Governance, Global Marketing, Human Resources, Strategy, Sustainability, Finance, and Digital;
- The Chief Executive Officer also relies on the Stakeholder Committee whose mission is to advise Schneider Electric on its journey to deliver the long- and short-term sustainability commitments undertaken by the Company in accordance with its purpose and sustainability strategy;
- The Group Sustainability department, in charge of Schneider Electric's sustainability strategy and rollout of action plans at Group level with relevant entities, being the central point of contact for internal and external stakeholders regarding sustainability at Schneider Electric, and organizing and driving the work of Global Sustainability Committee.

The Risk Management VP reports to the Chief Governance Officer.

The Internal Control department reports to the Group Chief Accounting Officer who reports to the Chief Financial Officer.

The Chief Internal Audit Officer reports to the Chief Governance Officer. Nevertheless, the Chief Internal Audit Officer has direct access to the Chairwoman of the Audit & Risks Committee and meets with her on a regular basis throughout the year.

The Chief Financial Officer and the Chief Governance Officer who are both Executive Committee members, report to the Chief Executive Officer. Each of them has direct access to the Audit & Risks Committee and meets with its Chairwoman on a regular basis throughout the year. They also have direct access to the Board of Directors and meet with its Chairman on a regular basis throughout the year.

In 2023, Schneider Electric started to perform its double materiality assessment in line with the European Sustainability Reporting Standards (ESRS) as a first step to comply with the CSRD. This assessment involves the collaboration of various teams, especially the Sustainability team, the Group Risk Management function, and the Duty of Vigilance Committee.

The double materiality assessment leverages various internal analyses and external inputs, including stakeholders' consultations, to determine the materiality of relevant sustainability topics for the Group, both from a financial and/or impact perspective. Material impacts, risks and opportunities across the value chain are reviewed and approved by the Audit & Risks Committee and the Governance, Nominations & Sustainability Committee.

Based on this assessment and in close collaboration with Risk Overseers and the Group Risk Management team, the Internal Control function uses a risk-based approach to define the key controls needed and linked to material impacts, risks and opportunities. Those key controls are embedded in the processes and used to monitor the effectiveness of the controls.

In accordance with professional standards governing this activity, Internal Audit independently assesses the effectiveness of governance, risk management, and internal control given that, irrespective of how well they are implemented and how strictly they are deployed, these procedures can only provide reasonable assurance, and not an absolute guarantee, against all risks. After each internal audit, a report is issued setting out the auditors' findings and recommendations for the business unit, global function, or operational entity audited. Additionally, the reports are also shared with Senior Management and the Audit & Risks Committee.

Since 2005, Schneider Electric has measured its sustainability performance each quarter in a dashboard known as the SSI. Schneider uses this tool to address its sustainability challenges and to improve each of the pillars of its strategy identified through its materiality matrix.

The Governance, Nominations & Sustainability Committee:

- Ensures that the long-term commitments in terms of sustainability undertaken by the Company are implemented;
- Reviews the Group sustainability strategy including the climate strategy and follow up on the progress made on a regular basis;
- Reviews the sustainability risks jointly with the Audit & Risks Committee.

The Governance, Nominations & Sustainability Committee reports on its work to the Board of Directors which approves the sustainability strategy and the SSI.

The results of the SSI are published every quarter together with financial results and made available to all stakeholders via the Group's website. On these occasions, results are collated and presented to the Function Committee, which makes decisions on any corrective actions that may be necessary to reach objectives. The Governance, Nominations & Sustainability Committee within the Board of Directors conducts an annual review of the Group's sustainability strategy, analyzing, in particular, the performance of the SSI. The results are also publicly presented to shareholders by Schneider Electric's CEO or CFO.

Disclosure of how the Board of Directors determine whether appropriate skills and expertise are available or will be developed to oversee sustainability matters is available in section 4.1.1.4 of chapter 4 of the 2024 Universal Registration Document.

In addition, Directors' sustainability skills are assessed on the basis of their respective training, experience and contribution, every year during the Board of Directors' self-assessment which includes an assessment of the individual contribution of each member.

Information about sustainability-related expertise that bodies either directly possess or can leverage is available in section 4.1.1.4 of chapter 4 of the 2024 Universal Registration Document.

In addition, Board members' knowledge of sustainability issues is kept up to date through specific training sessions and presentations organized throughout the year at meetings of the Board of Directors and its committees, as well as at the annual Strategy session.

As of December 31, 2024, 11 Directors have sustainability skills, namely Mr. Jean-Pascal Tricoire, Mr. Léo Apotheker, Mrs. Giulia Chierchia, Mrs. Clotilde Delbos, Mr. Fred Kindle, Mr. Philippe Knoche, Mrs. Linda Knoll, Mrs. Anna Ohlsson Leijon, Mr. Anders Runevad, Mr. Greg Spierkel, and Mr. Lip-Bu Tan.

Directors with environmental skills

Mr. Jean-Pascal Tricoire is currently Chairman of the Board of Directors of Schneider Electric SE after having been for 18 years successively Chairman of the Management Board, and Chairman & CEO, during which time he has made a significant contribution to sustainable development and the fight against climate change through his business activities. Mr. Jean-Pascal Tricoire is also well known for his promotion of sustainable activities and is a member of the Board of Directors of the United Nations Global Compact (UNGC).

Mrs. Giulia Chierchia is currently Executive Vice-President Strategy, Sustainability and Ventures at BP. In 2019, she was appointed as Senior Partner of McKinsey & Company leading the global downstream oil and gas practice and advising clients regarding their decarbonization strategy and how to pivot their existing portfolio. In April 2020, she was appointed as Executive Vice-President Strategy and Sustainability of BP, in charge, in particular, of strategy and sustainability, ethics and compliance, capital allocation, investment governance for the Company, delivery of its Net-Zero carbon aims, ESG transformation, external stakeholder engagement, and group energy transition policy. In March 2022, she became Executive Vice-President Strategy, Sustainability and Ventures and was given the additional responsibility for BP's ventures arm.

Mrs. Clotilde Delbos has been the Chief Executive Officer of the New Mobilities (Mobilize), from 2021 to 2023, the Renault group brand dedicated to new forms of mobility providing the means to make the shift towards carbon neutrality, by offering solutions for both emission-free transport and a less carbon-intensive electricity mix. With this experience, Mrs. Clotilde Delbos has developed a strong expertise in the field of sustainable energy transition. In addition, her long experience within the Pechiney group (1992–2005), and then in the automotive industry within the Renault group (2012–2023) where she successively held the positions of Chief Financial Officer, acting Chief Executive Officer, and Deputy Chief Executive Officer enables Mrs. Clotilde Delbos to advise the Board of Directors on issues relating to the climate transition.

Mr. Anders Runevad is the current Chairman and former CEO of Vestas Wind Systems A/S, Danish wind turbine design, manufacture and installation company, a position he held from 2013 to 2019. Mr. Anders Runevad holds a Master of Science Degree in Electrical Engineering from the University of Lund (Sweden).

Directors with social skills

Mrs. Linda Knoll is the former Chief Human Resources Officer of Fiat Chrysler Automobiles. After a career in the Land Systems Division of General Dynamics, Mrs. Linda Knoll joined CNH Industrial in 1994. She held various operating positions there, culminating in her appointment to multiple senior management positions. In 1999, she became Vice-President and General Manager of the Company's Global Crop Production business unit. From 2003 to 2005, she was Vice-President for North America Agricultural Industrial Operations. She then served as Executive Vice-President for Worldwide Agricultural Manufacturing until 2007, managing 20 plants in ten countries, before being appointed Executive Vice-President Agricultural Product Development, and President Parts and Service (ad interim). She served as Chief Human Resources Officer in CNH Industrial (from 2007 to 2019) and Fiat Chrysler Automobiles (from 2011 to March 2021).

As former CEO of public companies for a long period of time, Jean-Pascal Tricoire, Léo Apotheker, Fred Kindle, Philippe Knoche, Anders Runevad, Greg Spierkel and Lip-Bu Tan have gained experience and knowledge in social matters.

Directors with governance skills

Mr. Jean-Pascal Tricoire as current Chairman of the Board of Directors of Schneider Electric SE, after having been for 18 years successively Chairman of the Management Board, and Chairman & CEO, and as current Chairman of the Governance, Nominations & Sustainability Committee has a proven track record contributing to ethical business practices and governance.

Mr. Fred Kindle is currently the Vice-Chairman & Lead Independent Director of Schneider Electric SE since April 2020, and the former Chairman of the former Governance & Remunerations Committee of Schneider Electric SE. He is the former CEO of ABB. In those positions, Mr. Fred Kindle gained significant experience in governance matters.

Mr. Léo Apotheker is the former CEO of SAP and Hewlett-Packard. Board member of Schneider Electric SE since 2008, Mr. Léo Apotheker served as Vice-Chairman & Lead Independent Director from 2014 to April 2020, and as Chairman of the former Governance & Remunerations Committee of Schneider Electric SE. In those positions, Mr. Léo Apotheker gained significant experience in governance matters.

Mrs. Giulia Chierchia is currently Executive Vice-President Strategy, Sustainability and Ventures at BP in charge, in particular, of strategy and sustainability, ethics and compliance, capital allocation, investment governance for the Company, delivery of its Net-Zero carbon aims, ESG transformation, external stakeholder engagement, and group energy transition policy.

Mrs. Clotilde Delbos began her career in California then in Paris at PricewaterhouseCoopers before joining the Pechiney Group in 1992 where she held various positions in France and in Brussels notably in Internal Audit. In Constellium, she was Chief Risk Officer. Mrs. Clotilde Delbos joined Renault group in 2012 as Group Director of Performance and Control. In May 2014, she was appointed Director of Alliance, Performance and Control. In April 2016, Mrs. Clotilde Delbos was appointed Chief Financial Officer of Renault group and Chairwoman of the Board of Directors of RCI Banque and in 2019 was also assigned responsibility for the Internal Control Department. In October of the same year, she was appointed Acting Chief Executive Officer of Renault SA, and then Deputy Chief Executive Officer in July.

Mrs. Anna Ohlsson-Leijon began her career in 1993 at PricewaterhouseCoopers where she held various positions advising high-tech, industrial, and media companies. In 2000, she joined Kimoda, an e-commerce platform, as Chief Financial Officer, before joining in 2001 AB Electrolux (Sweden) as Director of Project Management. Mrs. Anna Ohlsson-Leijon then held various senior positions in corporate functions including Director Internal Audit & Global Program Manager Sarbanes- Oxley Act from 2003 to 2005, Head of Management Assurance & Special Assignments until 2008, Group Treasurer until 2011, and Head of Corporate Control & Services until 2013.

The skills of Mr. Jean-Pascal Tricoire, Mr. Léo Apotheker, Mrs. Giulia Chierchia, Mrs. Clotilde Delbos, Mr. Fred Kindle, Mr. Philippe Knoche, Mrs. Linda Knoll, Mrs. Anna Ohlsson Leijon, Mr. Anders Runevad, Mr. Greg Spierkel, and Mr. Lip-Bu Tan serve Schneider Electric as regards its strategic needs and sustainability challenges.

For details relating to their respective biographies, please refer to **sections 4.1.1.2 "Biographies of the Chief Executive Officer and Board members"** and **4.1.1.4 "Skills and diversity"**, sub-section **"Skills within the Board" of chapter 4** of the 2024 Universal Registration Document.

As part of its responsibilities relating to the following-up on the efficiency of internal control and risk management systems, at least once a year, the Audit & Risks Committee reviews Enterprise Risk Management reports including operational risk-mapping and makes sure that measures exist for preventing or minimizing risks. A joint session is organized with the Governance, Nominations & Sustainability Committee to review Corporate Sustainability Reporting (CSR) risks. The Governance, Nominations & Sustainability Committee conducts an annual review of the Group's sustainability strategy, analyzing, in particular, the performance of the SSI, which is followed by an annual publication of the SSI results, in February. Both Committees report the findings of their work to the Board of Directors for review.

Material impacts, risks, and opportunities are fully integrated in the decision-making process of the Board of Directors and systematically taken into consideration. The Strategy session of the Board of Directors deals with a thorough annual review of the strategy, including material impacts, risks, and opportunities.

Members of the Stakeholder Committee of the Board participated in the double materiality assessment to review and verify the results, while the Audit & Risk Committee validated the results of the materiality assessment along with its list of material impacts, risk, and opportunities found in section 2.1.2.2 Double materiality assessment on page 48.

There is no incentive scheme for members of the Board of Directors, who only receive a fixed base amount and a fee depending on attendance at Board and committee meetings.

The details provided below relating to incentives schemes and remuneration policies linked to sustainability matters concern the Chief Executive Officer and exclude the members of the Board of Directors.

Two kinds of incentive schemes including sustainability criteria are benefiting to the Chief Executive Officer: Short-Term Incentive Plan (STIP) and Long-Term Incentive Plan (LTIP).

For key characteristics of the STIP and LTIP for the CEO, please see section 4.2.3.1.2 of the 2024 Universal Registration Document relating to the compensation policy of the Chief Executive Officer.

Specific sustainability-related targets are used to assess the performance of the Chief Executive Officer:

- 20% of the STIP depends on the Schneider Sustainability Impact (SSI) score achieved at the end of the financial year, promoting the continuous progress towards more sustainability and value for customers: relating to the Compensation policy of the Chief Executive Officer;
- 25% of the performance conditions applicable to the LTIP depend on carbon emission reduction targets aiming at linking the Chief Executive Officer's compensation with Schneider Electric's greenhouse gas (GHG) reduction targets: see section 4.2.3.1.2, relating the Compensation policy of the Chief Executive Officer, of chapter 4 of the 2024 Universal Registration Document.

Sustainability-related performance metrics are included in remuneration policies. They demonstrate how important sustainability issues are for Schneider Electric and they are aligned with its strategic priorities. This is the reason why the SSI, which includes several climate targets, is used as a criterion in the annual variable compensation of the Chief Executive Officer. In the same way, the carbon reduction targets criterion used for the LTIP granted to the Chief Executive Officer aims at aligning his remuneration with the Group commitment in terms of climate transition.

For the Chief Executive Officer, the percentage of his annual variable remuneration dependent on sustainability-related targets is 20%.

The Board of Directors sets annually the SSI targets to be achieved in the context of the incentive schemes based on the recommendations of the Human Capital & Remunerations Committee and annually reviews the performance achievements.

For the Board of Directors, see **sections 4.1.2.1.1 "Roles and duties of the Board of Directors"** and **4.1.2.2 "Board of Directors activities in 2024" of chapter 4** of the 2024 Universal Registration Document.

For the Human Capital & Remunerations Committee, see **section 4.1.3.3 "Human Capital & Remunerations Committee" of chapter 4** of the 2024 Universal Registration Document.

2.1.1.3 Trust with stakeholders

Trust and business conduct governance

Context

Trust is a foundational value, core to Schneider Electric's Environment, Social and Governance (ESG) commitments.

Schneider Electric has earned the trust of stakeholders through its quality products, sustainability commitments, and business integrity. Trust powers interactions with customers, shareholders, employees, and communities. It is manifested through trusted teams, customer/partner relationships, investor trust, and community engagement. Leaders set the tone and exemplify the Trust culture, prioritizing equality, well-being, and safety. Schneider Electric upholds high standards in cybersecurity, anti-corruption, fair competition, and responsible supplier management, and remains mindful of the responsibility to prevent insider trading, deliver accurate financial statements, and protect intellectual property. The Company acts for a climate positive world, efficient resource use, and responsible citizenship.

Governance

The Trust programs are managed through a dedicated governance framework:

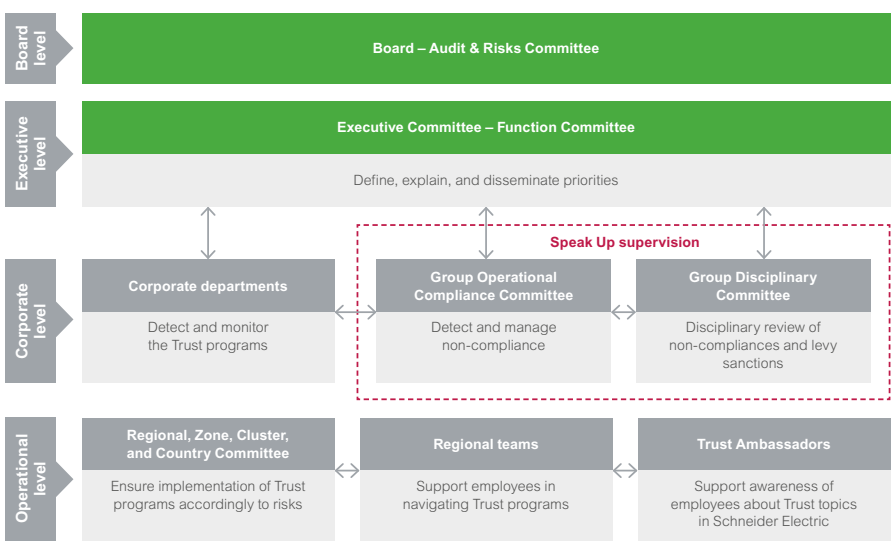
Board level: Schneider Electric's Board of Directors oversees the maturity level and effectiveness of the governance and organization, risk management systems, processes and controls, and communication and training through the Audit & Risks Committee.

Executive level: Schneider Electric's Executive Committee decides the Trust agenda, acts as a sounding board for corporate departments in charge of Trust topics, and coordinates highly transversal programs such as the SSI.

On a yearly basis, members of the Board of Directors and the Executive Committee mandatorily attend the Audit & Risks Committee, which includes risk management education, including on Trust-related matters.

Corporate level: Schneider Electric has created a standalone Ethics & Compliance department, chaired by a Chief Compliance Officer, and reporting to the Chief Governance Officer & Secretary General, to drive the strategy of the Ethics & Compliance program. The department works closely with the Legal, Human Resources, Finance, Digital, Strategy, Quality, and Sustainability departments, as well as Internal Control and Internal Audit; which are directly responsible for managing certain specific risks.

Operational level: Regional committees may ensure implementation of the Trust programs (such as regional Ethics & Compliance Committees for the Ethics & Compliance program) in alignment with risks identified. Operationally, they may rely on regional teams who drive the implementation in the zone, with the support of Trust Ambassadors and relevant subject matter experts at local levels.



Read more on the Whistleblowing Policy and grievance mechanisms on **page 39**.

Trust Charter, Schneider Electric's Code of Conduct

The Trust Charter (available in more than 30 languages on Schneider Electric's website), acts as the Group's Code of Conduct and demonstrates the Group's commitment to ethics, safety, sustainability, quality, and cybersecurity. It powers all the interactions with stakeholders and all relationships with customers, shareholders, employees and the communities Schneider Electric serves, in a meaningful, inclusive and positive way. It serves as a compass, showing the true north in an ever more complex world. Trust is a foundational value of Schneider Electric, and it is core to its ESG commitments.

Schneider Electric developed the Trust Charter, owned by the Group Risk Management team, with the support of various internal teams including Governance, Customer Satisfaction & Quality, Sustainability, Global Human Resources, Global Supply Chain, Global Finance, Global Marketing, and Corporate Citizenship. This document is made available to stakeholders through Schneider Electric's website and is referenced within contractual relationships.

All Schneider Electric employees are expected to comply with Schneider Electric's Trust programs. They are based on management commitment which makes its pillars effective and on risk assessment which assists decision making, determining the risks to be treated and the priority to implement the treatment.

Through its Trust programs, Schneider Electric aims to prevent, detect, and mitigate integrity risks including corruption, fraud, violation of human rights, health and safety, responsible workplace (including discrimination, harassment, and sexual harassment), anti-competitive practices, sanctions and export control, tax law, quality, cybersecurity, as well as data privacy and protection. The program design and operation are influenced by the Group's risk profile, business model, organizational structure, and culture.

Each section of the Trust Charter states clear Dos and Don'ts and provides clear references to relevant policies and procedures, which are adapted to meet local legal requirements when necessary. This Code of Conduct applies to everyone working at Schneider Electric or any of Schneider Electric's subsidiaries. It is both an individual and collective responsibility to comply and respect laws and regulations, to apply Schneider Electric policies, and to uphold strong ethical principles to earn trust at all times.

Discover our Trust Charter on **www.se.com**

Actions and resources

Management commitment

Rules and policies alone do not suffice. Management sets the Company standards and promotes a culture of integrity and a "Speak Up" mindset. Leadership at every level of the organization was involved in the design, creation, and deployment of the Trust Charter to ensure that everyone at Schneider Electric is aware of the importance of trust and understands how to get the most out of the Group's Code of Conduct.

Top management regularly expressed its commitment through statements and extensive communication (called "tone from the top"), such as during the Trust Week organized in September 2024. Its launch was supported by the CEO in a video in which he notably reminded colleagues of the importance of business running on trust and integrity. This integrity is also expressed by middle- and first-line management (called "tone from the middle") by spreading the right message in their teams and supporting reporting of misconduct.

Management commitment is evidenced by the participation of Schneider Electric's Chairman who sits on the global Board of the United Nations Global Compact. Schneider Electric also works with other companies and stakeholders to build integrity and common standards. The Group participates in the initiatives of many non-governmental organizations (NGOs) and professional associations, such as Transparency International France, *Le Cercle d'Éthique des Affaires* (The Ethical Business Circle), the International Deontology & Compliance Committee of the *Mouvement des Entreprises de France* (Movement of the Enterprises of France), and the Anti-Corruption Committee of Business at OECD (BIAC).

Read more on the Whistleblowing Policy and grievance mechanisms on **page 39**.

Awareness

Internal communication provides employees with essential baseline information on Schneider Electric's integrity commitment while also raising awareness and understanding of the Trust programs. To do this, the Group created a dedicated intranet page: the Trust Portal, which gives access to resources (policies, useful contacts, sites, guidelines, templates, etc.) to all employees when they face situations in which they need support. The portal aims at giving employees the confidence to alert any unethical behavior they witness and stay informed of new Trust programs or policies. Schneider Electric also regularly distributes videos and other communication assets on integrity-related subjects to its employees.

In 2024, the Trust Week, Schneider Electric's most extensive global internal communications initiative, brought the pillars of Trust together into one comprehensive event. The campaign included three global live webinars, three daily videos alongside additional local events, aligned to the Group's pillars of Integrity, Transparency, and Resilience. The events drew in more than 2,500 participants across the globe. By providing access to a range of activities targeted toward all employees, the Group saw a remarkable level of engagement and influence. In addition, Schneider Electric fostered a Speak-Up mindset throughout the year, especially through additional live webinars, global intranet articles and awareness sessions. As a testament to the rising awareness and engagement with Trust, the Group experienced a 56% increase in global policy views in 2024 compared to 2023. The Trust Portal recorded 11,762 unique views, and over 17,500 downloads of the Trust Charter were noted on se.com. These figures reflect the interest not only from employees but also from all of the Group's stakeholders.

External communication informs stakeholders of Schneider Electric's integrity and implementation of the Trust programs. The Group communicates through a dedicated webpage and specific external communications. Schneider Electric also responds to several questionnaires from extra-financial rating organizations related to Trust. In 2024, Schneider Electric was once again recognized as one of the World's Most Ethical Companies by Ethisphere, a global leader in defining and advancing the standards of ethical business practices.

Training

Each year a global campaign of mandatory training is run for all employees, called Schneider Essentials, from March to the end of September aiming at ensuring that all employees are trained on the most important topics covered by the Trust Charter. These trainings are designed in accordance with Schneider Electric's training guidelines. The training is available in 18 languages in the Group's Learning Management System. In 2024, Schneider Essentials focused on Trust, Cybersecurity, Data, and Inclusive Mindset, along with additional courses based on function or location. For employees exposed to corruption risks, an Anti-Corruption training is required each year as a functional essential training. The course dedicated to Trust was completed at 99.4%, The Anti-Corruption was completed at 98.9%.

Several specific trainings are also delivered: the Trust Programs include trainings for leaders of acquired companies, as a part of the integration process. The training entails a specific focus on what is expected from the leadership teams, including endorsing the programs and actively following up employees' completion of mandatory trainings.

The Group monitors and discloses its completion rate on trainings on Ethics (Trust Charter and Anti-Corruption for eligible employees) and Cybersecurity, aiming for 100% completion each year (Schneider Sustainability Essentials – SSE #13). In 2024, SSE #13 achieved a 98.7% completion rate.

Corrective actions

Deficiencies in the implementation of the Trust programs – potentially reported through whistleblowing – are analyzed to identify their cause and remedy them with appropriate measures, which can take the form of:

- Disciplinary measures decided by the relevant managers together with Human Resources, or by the Group Disciplinary Committee for the most sensitive alerts based on the findings of an investigation and depending on local disciplinary policies and law;
- Remediation measures (such as launching a specific audit, reviewing a process, or performing training);
- External actions (such as entering civil litigation or similar legal proceedings).

In 2024, Schneider Electric has published its first Group Disciplinary Policy, which aims to achieve and maintain transparency and consistency by establishing a framework for Disciplinary Actions in case of violations of the Trust Charter, associated Group policies, and applicable laws and regulations. It supports the guidance and recommendations provided by competent authorities and bodies regarding Disciplinary Actions.

Monitoring and audit

The Trust Charter and programs are an integral part of the Group's Key Internal Controls (KICs). In effect since 2022, this KIC framework has been enhanced by increasing the number of KICs for the Trust programs aligned with new policies and processes.

Furthermore, the Group's Internal Audit program includes specific tasks related to the Trust programs, and to activities or subsidiaries for which an evaluation of the maturity and effectiveness of the program will be reviewed. Several internal audits were conducted in 2024 resulting in recommendations related to the improvement of the Trust programs.

Read more details about Key Internal Controls and Group Internal Audit on **pages 361 to 370** of the 2024 Universal Registration Document.

Whistleblowing Policy and grievance mechanisms

Context

Whistleblowing and grievance systems provide employees with a safe and confidential way to report any unethical behavior, misconduct, or corruption they may witness within an organization. By encouraging employees to speak up without fear of retaliation, companies can detect and address issues early, thereby upholding their commitment to integrity, ethical conduct, and compliance with laws and regulations. This fosters a culture of trust and accountability.

Governance

Schneider Electric employees must feel free and psychologically safe to share their ideas, opinions, and concerns, without fear of retaliation. To ensure the effectiveness of that Speak Up mindset and related whistleblowing system, the Group has created two specific committees:

- The **Group Operational Compliance Committee** (GOCC) detects and manages cases of non-compliance in accordance with the Whistleblowing Policy and Case Management & Investigation Policy, and reviews monthly the effectiveness of the whistleblowing system. The GOCC is composed of the following members: Chief Compliance Officer (secretary of the Committee), Chief Business Legal Officer, Group Internal Audit & Control Officer, Group Compliance Director, Group Human Resources Compliance Officer, and Head of Fraud Examination Team. In 2024, the Chief Governance Officer & Secretary General, reporting directly to the Chief Executive Officer, joined as a new member of the Committee.
- The **Group Disciplinary Committee** levies sanctions and remediation actions on serious non-compliance cases to guarantee a fair and transparent disciplinary policy upon request of the GOCC. The Group Disciplinary Committee is composed of the following members: Chief Governance Officer & Secretary General, Chief Human Resources Officer, Chief Compliance Officer (secretary of the Committee), Chief Business Legal Officer, and one rotating member.

Group policy

Schneider Electric employees have a responsibility to report potential unethical behaviors, as set out in the Whistleblowing Policy. To voluntarily report a potential violation of laws and regulations, and/or of the Group's Trust Charter and Group policies, whistleblowers can use all reporting channels available, regardless whether they are employees, contractors, or external stakeholders (suppliers, subcontractors, customers, business agents, etc.)

At Schneider Electric, stakeholders, either internal or external, may report concerns either by contacting an appropriate person in the Group (manager, Human Resources business partner, Legal Counsel, or Compliance Officer) and/or by using the Trust Line, Schneider Electric's whistleblowing system. The latter is available online globally, at all times, in 27 languages, and protects the anonymity of the whistleblower (unless there is legislation to the contrary). 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.

Schneider Electric's Whistleblowing Policy is available publicly on **www.se.com**

Actions and resources

Case management: a structured process led by Ethics & Compliance

1. Report	2. Assess	3. Investigate	4. Remediate	5. Follow-up
Report potential violation *By employees, third parties*	Confirm (or not) validity of alert Assign investigator(s) *By Ethics & Compliance*	Facts finding process, interviews, data analysis • Allegations confirmed or not • Root cause analysis *By assigned investigator(s)*	Remediation and/or disciplinary measures *By Ethics & Compliance and management*	Check implementation of actions decided and non-retaliation

At Schneider Electric, the Whistleblowing Policy and process are operationalized through the Case Management & Investigation Policy, which sets out the practical rules to follow by the investigation teams. The triage of misconduct reports is primarily managed by the Regional Compliance Officer. Upon receipt of a concern, the Officer evaluates its validity based on predefined criteria outlined in the Whistleblowing Policy. If the concern qualifies as a valid alert, it is promptly escalated for thorough investigation. However, if the concern does not meet the criteria, it is closed, and the reporter is directed to the relevant organization for assistance. In cases where the Officer requires further information to conduct the triage effectively, they may request additional details from the reporter. However, if there is no response from the reporter after two reminders and/or three weeks following the receipt of the concern, the case may be closed.

Furthermore, collaboration with partner organizations such as Human Resources, Internal Audit and Finance is integral to the process, especially in cases where their expertise and involvement are necessary for a comprehensive resolution.

Once a concern is identified as an alert, the Regional Compliance Officer undertakes two critical actions:

- Firstly, to determine the type of alert based on the definitions outlined in the Whistleblowing Policy; and
- Secondly, to classify the case according to the severity criteria specified in an Appendix of the Whistleblowing Policy. The Regional Compliance Officer does so with impartiality and confidentiality.

Depending on this classification, low and medium cases are managed by the relevant Regional Compliance Officer at the regional level, while high and critical cases are overseen at global level by a member of the Group Operational Compliance Committee. It is important to note that the classification of a case may evolve during the investigation process.

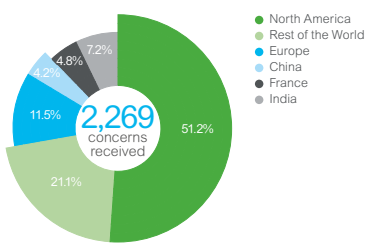
Subsequently, the appointed Case Manager takes charge of deciding the investigative approach, either by leading it directly, assigning a dedicated investigation team, or appointing an external investigator. In order to properly manage all situations, the Case Management & Investigation Policy sets out rules to make this decision with impartiality in order to make sure decision-making is done objectively and in autonomy from chain of management involved in prevention and detection of corruption or bribery.

Schneider Electric's Whistleblowing Policy provides for the protection of the reporter, reported person, witnesses, and other involved people by highlighting rights and responsibilities of people involved. It meets the legal obligations specified by the EU Whistleblowing Directive 2019/1937. People protection is emphasized on, in particular:

- A procedure to ensure Schneider Electric's zero-tolerance policy against retaliation by prohibiting retaliation or other discrimination, and a prompt, independent and objective case management investigation;
- A set of protection and care measures that can be offered during investigation, if needed and as per local legislation, such as: security measures (distancing), accommodations, flexible time management, change of function/service, and psychological support;
- A possibility of internal or external mediation to help rebuild respectful collaboration;
- Impartiality rules guaranteed with the appropriate level of case management when a top leader is the reported employee, and by the prevention of conflict of interest, notably ensuring that investigators are separate from change of management involved in the Ethics & Compliance program when necessary.

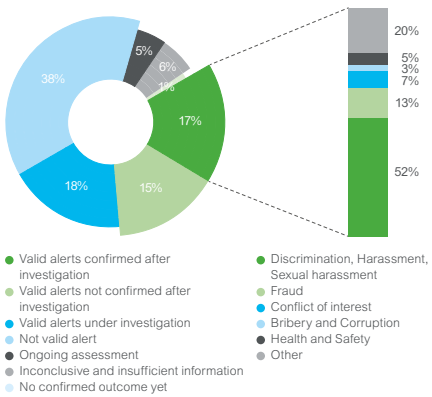
Following investigative findings, in the event of a confirmed case, certain corrective actions may be implemented, which may include disciplinary measures. Notably, in 2024, Schneider Electric introduced its first Group Disciplinary Policy, outlining the rules for disciplinary measures.

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



*as of January 1st, 2025

To measure the effectiveness of the Trust Line, Schneider Electric created 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 2021, 81% of employees surveyed answered "yes". Since then, the Group is working to increase this measurement by 10 points by 2025 as part of the SSI. In 2024, 83% of employees surveyed answered "yes" which constitutes an improvement of +2 points over a three-year period.

Open dialogue with stakeholders

Schneider Electric engages in open and continuous dialogue with each of its stakeholders. In particular, the Sustainable Development department takes into account comments, ratings, and evaluations from stakeholders on the Group's sustainability strategy and programs. This feedback is integrated into the drawing up of the Universal Registration Document, improvement plans, and in the design of the core sustainability strategy programs which takes place every three to five years, with the next iteration to be deployed in 2026. As such, for the current reporting year, no significant amendments have been made to the Group's business model and strategy.

Schneider Electric's stakeholders express their main concerns and expectations, which are used by the Group to build its sustainability strategy, including the 2021 – 2025 sustainability objectives. These include four main points: leading climate action in our ecosystem and with our partners; pioneering circular economy and being efficient with resources; ensuring a fair transition and guaranteeing high ethical, social, and environmental standards along our value chains; leveraging digital in cybersecure solutions to boost positive impact.

Stakeholder	Engagement Channel	Outcome and Value Creation	Achievements 2024
Suppliers	• Duty of Vigilance program • Environment, Social, and Governance (ESG) Questionnaire • Decent Work program • Trust Line grievance mechanism • Direct Business to Business communication channels	The Group established a sustainable procurement strategy providing guidelines to its 50,000 suppliers to ensure that all are aligned with the Group's ambitions to build an inclusive and carbon-neutral world, where ecosystems and resources are preserved, and people have access to economic opportunities and decent lives.	63% of strategic suppliers who provide decent work to their employees
Employees and social partners	• OneVoice annual survey • Focus groups to develop new Group-wide sustainability commitments • Development of local sustainability programs with regional teams • Trust Line grievance mechanism	Schneider Electric empowers its people across regions and generations offering equal opportunities. The Group motivates its employees and promotes their involvement by making the most of diversity, supporting professional development, and ensuring safe, healthy working conditions.	83% of employees are confident to report unethical behavior
Customers, end-users, and partners	• Training program on sustainability and decarbonization • Technology stewardship • Ad-hoc requests • Trust Line grievance mechanism	Customers are offered efficient, safe, and decarbonized solutions through digitalization and electrification, providing them high environmental performance products and full transparency on environmental impact. The Group insists on high quality and strong cybersecurity to deliver on customer experience.	679 M tons of CO_2 emissions saved and avoided for our customers
Investors, analysts, and financial partners	• Ad hoc direct communication with management • Periodic meetings with shareholders • Ongoing dialogue with investors and analysts • Questionnaires and request for information • Feedback collection on conferences, seminars, events, etc. • Regulatory compliance verification • Public financial information and ratings	Schneider Electric's sustainability-focused business model delivers consistent, sustainable, and strong financial performance, offering financial partners attractive returns.	74% Impact revenues
Governments, institutions and technical bodies	• Participation in industry associations • Involvement with technical working groups	The Group is involved with various local and international organizations supporting sustainability. Schneider Electric makes it a priority to maintain a transparent and constructive dialogue with policymakers and regulators so that the Group's views are represented on issues affecting the industry.	300+ associations and organizations Schneider Electric takes part in worldwide
Local communities, NGOs, and civil society	• Responsible business working groups • Local, regional, and local coalitions • Established committees with external partners	Schneider Electric acts to empower local communities by promoting local initiatives and enabling individuals and partners to make sustainability a reality for all, everywhere. The Group strives to have a positive impact by delivering education on energy management and through investments supporting high social and environmental impact.	100+ local commitments that positively impact communities

A Stakeholder Committee was created in 2021 in order to reinforce sustainability governance further with solid external insights. The primary mission for the Stakeholder Committee is to advise Schneider Electric on its journey to deliver the long- and short-term sustainability commitments undertaken by the Company in accordance with its purpose and sustainability strategy. More precisely, the mandate of the Stakeholder Committee is:

- To present the regulatory framework, customer expectations, best practice sharing, insights of the possible future opportunities, and possible business positioning on two topics defined each year by the Board;
- To monitor the progress of the current SSI and support in the next SSI cycle;
- To give advice on any questions submitted by the Board or management.

The Stakeholder Committee has a joint session once a year with the Board's Governance, Nomination & Sustainability Committee to discuss its recommendations and findings.

In 2024, members of the Stakeholder Committee participated in the Corporate Sustainability Reporting Directive (CSRD) double materiality assessment to review and approve the results of the material sustainability matters found in section 2.1.2.2 on pages 48 to 51.

Read more about the composition of the stakeholder committee in section 4.1.7.1 of chapter 4 of the 2024 Universal Registration Document.

2.1.2 Main sustainability impacts, risks and opportunities

2.1.2.1 Assessment mechanisms: Vigilance plan and Enterprise Risk Management

To identify and assess Impacts, risks and opportunities, Schneider Electric leveraged two main existing internal analyses: the Vigilance plan matrix and the Enterprise Risk Management framework. These exercises formed the basis of the double materiality assessment provided their depth and completeness in assessing the criticality of various topics to the Group.

Vigilance plan

Context

Schneider Electric seeks to be a role model in its interactions with customers, partners, suppliers, and communities on ethics and the respect and promotion of human rights. The Group strives to have a positive impact on the planet and the environment by contributing to limit climate change by being more efficient with natural resources.

The Group's vigilance plan complies with the 2017 French law on Corporate duty of vigilance and has been adapted to also comply with requirements from other regulations (Norwegian and German Duty of Vigilance Laws). The plan includes:

- A risk(1) analysis specific to vigilance risks that Schneider Electric poses to the ecosystem and environment (i.e., externalities)
- A review of the key actions implemented to remediate or mitigate these risks;
- An alert system;
- Governance specific to vigilance.

In this Universal Registration Document, Schneider Electric reviews the risk analysis and describes the related mitigation actions. Readers are also directed to other sections of the report for relevant and detailed information. The full Vigilance plan of the Group is available as a standalone document and can be downloaded from Schneider Electric's website at **www.se.com**.

Impacts, risks and opportunities

Risk assessment methodology

Schneider Electric has developed a specific vigilance risk matrix, using a methodology consistent with other risk evaluations performed at Group level, but focused specifically on adverse impacts Schneider Electric has or may have on its environment and ecosystem. The methodology is based on interviews with internal experts from areas such as Health and Safety, Social Relations, Environment, and Data Privacy. These interviews are conducted every year, to take risk level evolutions into account. The Group has progressively improved its risk assessment methodology, by overseeing new risk categories that include local communities living close to Schneider Electric locations and customer project sites. To better apprehend risks from several different stakeholders' perspectives, specific workshops that include members of the European Work Council have also been implemented. In 2024, to converge towards the requirements of the CSRD, the risk analysis performed has further detailed two dimensions: severity and likelihood. As a result, the Vigilance risk assessment is now a pillar of the double materiality approach at Schneider Electric.

The scope of work covers Schneider Electric and its subsidiaries, joint ventures, suppliers, and subcontractors. A review of the downstream value chain is performed on a sample of customer projects.

Risk categories

For a granular assessment of the risk level and the magnitude of the impact on Schneider Electric's ecosystem, the Group has identified more than 60 natures of risks relating to different risk areas, which can be grouped into four risk categories.

Human rights:

- Decent workplace
- Health and safety

(1) A "risk" as referred to in the Vigilance Plan corresponds to the risk of causing an impact on society and the environment, as opposed to the financial risk perspective covered by the ESRS.

Environment:

- Pollution and specific substances management
- Waste and circularity
- Energy, CO_2, and other Greenhouse Gases (GHG)

Business conduct:

- Ethical business conduct
- Alert system, protection, and non-retaliation

Offer safety and cybersecurity:

- Offer safety
- Cybersecurity and data privacy

Risk location

The Group has focused on four areas where risks may occur:

- Schneider Electric sites: these have been segmented based on categories that present a specific level of risk. For example, office buildings, R&D laboratories, and production factories each carry a different level of risk. The scope of this review includes Schneider Electric's own sites and the ones belonging to its subsidiaries.
- Suppliers: the level of risk differs based on the type of process and technologies used, and the Group has therefore segmented the analysis by component category of purchase. The risk level is an average assessment. The geographical location is factored in when selecting suppliers for the audit plan.
- Contractors: when implementing a customer project, such as building a large electrical system at a customer's site, Schneider Electric works with contractors, leveraging their expertise (civil work, electrical contracting, etc.). This "off-site" project work bears specific risks for contractors. A separate "off-site and projects execution" category for contractors has therefore been defined for the assessment.
- Local communities: Schneider Electric has identified two distinct segments: communities located around Schneider Electric sites and communities located around customer project sites. Communities have been assessed against three risk categories: human rights, environment, and business ethics.

Risk evaluation and scale

The evaluation combines the probability of occurrence of the risk, with the seriousness of potential impacts. The risk level displayed in the matrix is an evaluation before impact of mitigation actions ("gross risk"). After taking into consideration the impact of these mitigation actions, the level of risk may be significantly reduced. However, this "net risk" is not reported in the matrix. Risks are assessed on the following scale:

0 – Non-existent; 1 – Low; 2 – Medium; 3 – High; 4 – Very high.

In this 2024 risk assessment, no "very high" risks were identified.

Key findings

The risk matrix built by Schneider Electric gives an overall and synthetic view of the risks that are present on the vigilance radar screen. From a global and high-level perspective, the following risks are the highest:

Human rights

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. The report also identifies that for manufacturing, most forced labor cases occur in production in the lower tiers of domestic or global supply chains. This analysis shows that there could be risks of forced labor in the lower tiers of Schneider Electric's supply chain, especially for migrant workers. Although cases have not been identified during internal or supplier audits, Schneider Electric is committed to further investigate and better mitigate this risk.

Working hours, mental health

The second category of risk in this section is linked to long working hours, work pressure and the consequent psycho-social and mental health risks. Here, the risk is rather well captured, both internally and at suppliers and contractor's place of operations. Following the COVID year, this 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.

Environment

Carbon emissions and climate

Among the different items in this section, CO_2 emissions and their consequence on climate warming are the highest risk. 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 chapter, 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 Electrics's public commitment.

Pollution and water use from raw materials extraction or transformation

Pollution and water-related risks are difficult to evaluate precisely in the supply chain, as they are most likely to occur at sites far upstream, during raw material extraction and transformation, which makes data difficult to obtain. 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 the 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.

Ethical business conduct

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 mitigate, 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.

Local communities

One last category of risks to mention is the local 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.

Offer safety and cybersecurity

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 cybersecurity may have important consequences for customers, from a material or safety and security perspective. For this reason, cybersecurity is on the top of Schneider's agenda, not only from a vigilance point of view, but also from a strategic point of view. As this topic is highly technical, we invite the reader to refer to the Universal Registration Document (URD) dedicated section, as well as the specialized reports available on Schneider Electric's website.

Comparison of the 2024 analysis with 2023

In 2024, to converge towards the requirements of the CSRD, the risk analysis performed has further detailed two dimensions: severity and likelihood. The 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 last year.

Yet, following items have evolved:

- In the Decent Workplace section, the level of Human Rights risks for Migrant Workers was revaluated in 2023, as a consequence of the increased migration flows. The origins of these displacements are multiple, from climate change to conflicts or economic hardship. They are not a consequence of Schneider Electric's policies. However, Schneider Electric, like other companies, is confronted by that reality. In 2024, following the reevaluation, this risk remains a top priority.
- Psycho-social risks remain high as a result of a complex business environment and the pressure it entails. 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 the 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 the findings will lead us in 2025 to perform two specific assessments, 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.
- Globally in 2024, the overall business ethics risk remains unchanged from 2023. Export control laws derived from sanctions have made the environment more complex for business, calling for extra caution when selecting partners or customers in sensitive areas. As for raw materials, the situation in 2024 remains consistent with what was experienced last years.
- Schneider Electric keeps a top focus on cybersecurity and data privacy as the level of external threat remains very high. Several events and attacks occurred and confirmed the necessity to maintain a very proactive and strong posture that allows to protect employees, customers, and stakeholders.
- In 2024, extreme weather events like droughts and floodings have emphasized the need to protect water ecosystems. Although Schneider Electric is not a massive user of water in its operations, a specific attention is given to water quality and consumption level, both on own premises and through the solution that the Group provides to water utilities and users.

German Law on Supply Chain Due Diligence
(Lieferkettensorgfaltspflichtengesetz – LFKSG): Schneider Electric has significant operations in Germany and is subject to the vigilance law implemented in 2023. In 2024, several actions were taken to fully comply to the German law, such as full disclosure to the BAFA authority and the implementation of several trainings and education actions to Schneider Electric employees, suppliers and customers. Several trainings and education actions to Schneider employees, suppliers and customers were also undertaken. No specific challenge nor request for clarifications were received from the authorities and German government.

Schneider Electric 2024 vigilance risk matrix

The risk matrix below summarizes Schneider Electric's risk analysis:

- 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's 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	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●		

Governance

The plan is governed by the Duty of Vigilance Committee, set up in 2017. The steering committee meets twice a year in normal circumstances. Overall, since its inception, 19 Committee meetings have been held. The Committee's objective is to provide a discussion on strategic orientation and prioritize initiatives and the resources allocated to their implementation. This Committee also reviews the actions in progress and their results and defines decisions on next steps for action.

Composition of the Duty of Vigilance Committee

Chairman:

- Executive Vice-President, Global Supply Chain (Executive Committee member)

Management:

- Global Duty of Vigilance Group coordinator
- Duty of Vigilance Coordinator for German Law Deployment
- Senior Vice-President (SVP), Sustainability
- SVP, Corporate Citizenship
- SVP, Global Safety and Environment
- SVP, Global Procurement
- SVP Sustainable Supply Chain & Safety
- SVP, Global Customer Projects
- SVP, Human Resources
- SVP, Ethics and Compliance

Experts:

- Environment Performance Measurement
- Sustainable Procurement
- Human Rights

Group policy

The Group has designed a Vigilance plan that covers all areas specified by the United Nations (UN) Guiding Principles on Business and Human Rights, Organisation for Economic Co-operation and Development (OECD), International Labour Organisation (ILO) and by the existing hard laws (2017 French Law, UK and Australia Modern Slavery Acts, 2023 German Law, etc.).

This plan is also fully consistent with human rights major actions included in Schneider Electric's Decent Work program.

The ambition of the Vigilance plan is to be at the forefront of all these important topics, and from one single corporate program, being able to answer the different requests from all laws and regulations.

Actions and resources

The following measures are the main actions implemented to mitigate the highest risks identified in the vigilance risk matrix.

Key Topics	Risk Categories	Policies Implemented and Mitigation Actions	Pages
Schneider Electric sites			
Human rights	Decent workplace Health and Safety	See section 2.3.1 "Great people make Schneider Electric a great company (ESRS S1)" for more details on the deployment of decent working conditions, health, safety, and human rights actions on Schneider Electric sites and section 2.3.2.2 "Policy framework guiding sustainability in the value chain – Human Rights Policy". It covers, notably: • **Schneider Electric's employees' safety;** • **Human rights and people development policies;** • **Well-being programs.**	(i) page 137; (ii) page 171
Environment	Pollution and specific substances management Waste and circularity Energy CO_2 and GHG	See section 2.2 "Environmental information" for more details on the deployment of environmental actions on Schneider's sites. It covers, notably: • **Certification of its sites to ISO standards;** • **Schneider Electric specific programs to reduce CO_2 emissions;** • **Reduction of SF6 emissions;** • **Schneider Energy Action program for energy efficiency;** • **Reduction of waste and increased circularity.**	page 59
Business ethics	Ethical business conduct Alert system, protection, and non-retaliation	See (i) section 2.1.1.3 "Trust with stakeholder" and (ii) section 2.4.1 "Zero-tolerance for corruption" for more details on the deployment of business ethics actions on Schneider Electric sites. It covers, notably: • **Internal and external alert systems;** • **Third-party relationship management;** • **Specific Anti-Corruption actions.**	(i) page 36; (ii) page 192
Offer safety	Offer safety	See section 2.3.4.1 "Personal safety of consumers and end-users" for more details on the deployment of offer safety actions. It covers, notably: • **Sustainability Quality Excellence;** • **Reliability.**	page 185
Cybersecurity and data privacy	Cybersecurity Data privacy	See (i) section 2.3.4.2 "Data Privacy" and (ii) "2.4.3 Cybersecurity" for more details on the deployment of data privacy and cybersecurity actions. It covers, notably: • **Cybersecurity by design approach;** • **Personal data protection;** • **Training and awareness on cybersecurity.**	(i) page 189; (ii) page 201
Suppliers			
Suppliers	Supplier vigilance	See section 2.3.2 "Sustainable relations in the value chain" for more details on the deployment of actions towards Schneider Electric's suppliers. It covers notably: • **Decent Work program for strategic suppliers;** • **Vigilance plan for suppliers;**	page 170
Subcontractors			
Sub-contractors	Subcontractors vigilance	See section 2.3.2.5 "Vigilance Plan for suppliers and contractors" for more details on the deployment of actions towards Schneider Electric's subcontractors (or solution suppliers). It covers notably: • **Vigilance plan for project contractors.**	page 174
Local communities			
Local communities	Around Schneider Electric sites Around customer project sites	See section 2.3.3 "Ethical relations with affected communities" for more details on the deployment of health, safety, and human rights actions around Schneider Electric and customer projects sites. It covers, notably: • **Risk mitigation around Schneider Electric sites;** • **Risk mitigation around customer project sites;** • **Integration of ESG into the project decision making.**	page 180

Enterprise Risk Management

Schneider Electric is committed to managing risks in a proactive and systematic manner to increase resiliency, guided by the following principles:

- Increasing Risk Maturity by monitoring and reviewing risks on an ongoing basis to understand its risk maturity and the effectiveness of mitigation strategies.
- Reducing Risk Exposure by developing and implementing strategies to mitigate or eliminate identified risks.
- Containing Incidents with a focus on protecting lives, minimizing negative impact to assets, sustaining critical operations, and continuously improving from its investigative findings.
- Manage Controversies involving the legal and communication teams, to ensure financial and reputational impacts are limited and that controversies are dealt with in an ethical way.

The Group uses a hybrid risk management model. It means that while there is a Group Risk Management function and experts in charge of setting risk management mechanisms, establishing policies, and other activities, ownership of the risks belongs to the business units, Operating Divisions, or global functions who are responsible for deploying the central framework to manage their risks.

The Enterprise Risk Management (ERM) framework, consisting of specific methodologies and processes to identify, assess, and mitigate risks, is deployed across the organization by the Group Risk Management department, ensuring a systemized approach to addressing risks.

Schneider Electric's risk assessment approach involves identifying, analyzing, and evaluating potential risks to the organization. This includes assessing the likelihood and impact of each risk, prioritizing them, and implementing strategies to manage and mitigate these risks effectively. The aim is to proactively address challenges and uncertainties to support the Company's overall objective. The key risks are assessed in terms of potential impact for the Group.

The Group's relies on three types of assessments:

- Zone or country risk reviews, where the leadership team and risk owners review the top risks affecting their territory and legal entities, as well as the mitigation in place.
- Function or risk category reviews, where the leadership team and Risk Overseers review the risks affecting their domain of expertise, as well as the mitigation they put in place.
- Leadership risk assessment, also called risk matrix, where the leadership team is interviewed about the full Group risk universe, to gain an understanding of the perception of the risk exposure and level of mitigation.

Additionally, the Internal Audit and Internal Control departments perform consolidated reviews and audits aiming, in particular, to assess the internal control framework and risk management system effectiveness.

The agenda of the Audit & Risks Committee includes once a year dedicated sessions to review in depth the risk matrix, ERM and internal control. The internal audit results are reviewed three times per year by the Audit & Risks Committee. The Audit & Risks Committee reports systematically to the Board of Directors on its work.

Read more about the principal risks, mitigation strategies, and more details on the risk management framework in **chapter 3** of the 2024 Universal Registration Document.

The data gathered through the Vigilance plan matrix and the Enterprise Risk Management framework serve as primary sources for conducting the double materiality assessment. In order to enable Schneider Electric to respond effectively to CSRD requirements, the Group has aligned data collection mechanisms and addressed identified Risk Taxonomy gaps.

2.1.2.2 Double materiality assessment

Schneider Electric carried out a double materiality analysis based on the guidance provided by EFRAG and the ESRS considering an inside-out perspective (impact materiality), meaning the actual and potential impacts the Group has on society and the environment; as well as the outside-in perspective (financial materiality), which refers to the financial risks and opportunities Schneider Electric is exposed to. The work performed covers ESG topics addressed by the standards, as well as additional topics that are significant to Schneider Electric's context. The assessment was conducted considering Schneider Electric and its value chain, as well as the stakeholders that may be affected by the Group's activities, directly and indirectly. To manage the double materiality assessment, a steering committee was established with leaders from sustainability, financial reporting, risk management, and vigilance teams. Throughout the process, to assess material impacts, risks, and opportunities, several review meetings were held with the Committee to gather feedback and define next steps. A CSRD Committee was also put in place with top management to provide periodic progress reports on the assessment. In addition, review sessions were conducted with several representatives of stakeholder groups to present and evaluate the results of the exercise. The final results of the double materiality assessment were validated by the Executive Committee, then reviewed and approved by the Audit & Risk Committee and the Governance, Nominations & Sustainability Committee.

The processes presented in this section for identifying, assessing, and managing impacts, risks and opportunities are key parts of the management framework of the Group, playing a crucial role in evaluating the overall risk profile and informing strategic decisions. Together they allow Schneider Electric to effectively manage risks across all levels of the organization. As such, Schneider Electric's strategy and business model are informed by these annual assessments of impacts, risks and opportunities, along with the resulting double materiality assessment.

Methodology

The main sources used to conduct the impacts and risks identification and assessment were the Vigilance plan matrix and the Enterprise Risk Management (ERM) process. Given that these exercises are thorough assessments which refer to expert studies and consult internal stakeholders about the relevance of a variety of topics to the Group, they formed the foundation of the analysis. More concretely, the Vigilance plan matrix was assessed as suitable to score impact materiality, as it focuses on the impacts of the Group on people and the environment. While the ERM assessment was determined as adequate to evaluate mainly financial materiality, as it provides insight into the risk exposure of the Group activities from a business perspective. Complementary workshop sessions with internal subject matter experts were conducted to review, adjust, and validate the existing evaluation of IROs (Impacts, Risks and Opportunities).

In addition, to complete the assessment other internal and external sources at country and sector level were leveraged, including the 2020 Schneider Electric materiality matrix, peers' benchmarks, and various other climate, water, biodiversity, and suppliers' analyses. As well, a new stakeholder consultation process to review and validate the materiality level of sustainability topics for the Group from both financial and impact perspectives.

Vigilance plan

Schneider Electric's Vigilance plan matrix targets to identify and assess the adverse impacts on its ecosystem. The scope of the assessment extends to Schneider Electric's operational sphere and value chain, including suppliers and contractors. The Group has meticulously identified a wide array of potential impacts primarily relying on the Responsible Business Alliance (RBA) consortium, initially numbering over 60, across various operational areas. Each area carries a unique risk profile calling for a tailored approach to evaluation, with varying levels of risk which consider probability of occurrence and magnitude of impact (ranging from very low to very high). Read more on the assessment of impacts through risk categories, risk locations, main findings, and details about Schneider Electric's Vigilance plan in section 2.1.2.1 on page 43.

The Group used the Vigilance plan matrix to evaluate impact materiality by comparing through workshops with subject matter experts the existing evaluation of each impact to the severity criteria outlined by the ESRS (scale, scope, and irremediable character for negative impacts; scale and scope for positive impacts) and likelihood of occurrence, and adjusting its relative assessment score as necessary.

Enterprise Risk Management

Schneider Electric's Risk Management framework considers the Group's dependencies, as well as impacts, on the use of natural, human, and social resources to determine several of the risk categories included in the Enterprise Risk Management process. The risks identified are ranked by a risk score, which combines the probability of occurrence over a three-to five-year period (ranging from improbable to probable) with the magnitude of the potential effects to determine the level of risk which the Group is exposed to (ranging from very low to high). This gross risk assessment is made prior to the effect of any mitigation actions, and although mitigation actions can significantly reduce the level of risk, the resulting net risk was not considered for the double materiality assessment. This ERM exercise initially considers all types of business risks, however for the double materiality assessment, only those risks related to sustainably matters are prioritized. Read more details on Schneider Electric's ERM in chapter 3 of of the 2024 Universal Registration Document.

As part of its double materiality analysis, Schneider Electric used the ERM results to evaluate financial materiality by comparing the assessment of each risk to severity criteria which reflect the potential magnitude of financial effects and are categorized into three areas (financial, reputational, and market effect), and measured in four levels (from weak to strategic).

Megatrends and driving trends analysis

The Group leveraged the in-house megatrends and driving trends analysis to identify opportunities as part of the double materiality analysis. This analysis provides Schneider Electric with global strategy and sustainability trends that are the most relevant to the Group's business over the next decade, providing a relevant overview of potential opportunities related to sustainability and ESG topics for Schneider Electric. The identified opportunities were additionally discussed and evaluated in the additional workshop sessions conducted with subject matter experts.

Read more details on Schneider Electric's megatrends and driving trends analysis in **section 1.2 of chapter 1** of the 2024 Universal Registration Document.

Impacts, risks, and opportunities assessment

In addition to the Vigilance plan matrix and the ERM framework, Schneider Electric leveraged multiple existing and ongoing assessments to evaluate the materiality of topical impacts, risks, and opportunities.

To understand sources of GHG emissions, the Group performed a complete review of its activities as well as of its supply chain. Also included were the physical-risk assessments conducted on the most critical industrial sites for loss prevention, with strategic updates to the Group's risk profiles and adaptation measures to mitigate these risks. Schneider Electric's assessments are based on Intergovernmental Panel on Climate Change (IPCC) scenarios (Representation Concentration Pathway (RCPs) and Shared Socioeconomic Pathways (SSPs) and hence include short-, medium-, and long-term time horizons, account for different emission pathways, ranging from a 1.5°C to a greater than 4°C temperature rise by the year 2100. The analysis performed with the IPCC scenarios allows to consider the likelihood, magnitude, and duration of the hazards. In addition, the Group's supply chain is also considered by collaborating closely with suppliers to integrate sustainability risks, including natural and climate-related hazards, into the supplier risk assessment. Through the double materiality assessment of climate-related transition risks and opportunities within its own operation and along the value chain, Schneider Electric has identified several transition events and assessed their potential impact on the Group's operations, considering the likelihood, magnitude, and duration of these events.

Further along in the process, the Group's main sites have been considered as locations where pollution could be an important issue. To screen this, Schneider Electric has undertaken a comprehensive vigilance risk assessment focusing on the 30 largest sites within its operations. This assessment was designed to evaluate the potential impacts on affected communities and on the environment surrounding these sites. The Group's findings indicated that the level of risk to affected communities and on the environment was "low" for most sites. Nonetheless, as its manufacturing and service activities may be associated with other material impacts, risks, and opportunities, the Group has implemented a Vigilance plan for suppliers, which requires an annual risk evaluation of the entire supply base. This comprehensive evaluation encompasses sustainability risks and specific parameters such as suppliers' industrial processes, technology, and geographic location. A third-party independent database that employs the RBA methodology has also been utilized since January 2018 to complement the analysis. No direct consultation was conducted with communities on pollution issues, however, stakeholder representative consultations performed in 2024 validated the results of the assessment as non-material.

Schneider Electric additionally screens its assets and activities for water and marine resources–related impacts, risks, and opportunities using a structured process. This includes ISO 14001-certified environmental risk analysis at main sites, the World Resource Institute (WRI) Aqueduct Water Risk Atlas Tool for identifying water-stressed sites, and the Property Damage and Business Interruption process for extreme weather risks. The company also assessed its Corporate water footprint across the value chain, identifying significant water use in raw materials and product use phases. These methodologies ensure comprehensive identification and mitigation of water-related risks and opportunities, with the Group mainly focusing on water conservation in the identified water-stressed areas. No direct consultations with affected communities on water and marine resources were conducted, however, stakeholder representative consultations were performed in 2024, validating the results of the double materiality assessment.

The non-materiality of water and exclusion of marine resources from the double materiality assessment were presented during these consultations, with no disagreements from the representatives.

Read more information about Schneider Electric's targets and approach to Water in sections 1.1.2 on **page 5** and 3.1.1.2 on **page 218**.

To identify and assess impacts on biodiversity and ecosystems at its own sites and throughout its value chain Schneider Electric has implemented a comprehensive process. Using the Global Biodiversity Score tool, the Company conducted a biodiversity footprint assessment (BFA) in 2020 and 2023 to scope its value chain, which scopes its value chain including upstream processing and raw material extraction, own operations, and downstream GHG emissions to identify potential impacts and dependencies on biodiversity and ecosystems. Revealing key hotspots and impacts mainly from land use and climate change, which guide Schneider Electric's biodiversity commitments and actions to mitigate those impacts. In addition, the Company used the Integrated Biodiversity Assessment Tool (IBAT) to understand site-specific proximity to biodiversity sensitive areas. In 2021, the results of the IBAT Multi-site Report included all Schneider Electric sites and showed that, within a 1-kilometer radius 21% of the Group's sites were in proximity of a protected area as defined by the IUCN (International Union for Conservation of Nature). Among the sites in proximity of a protected area, 33% are either industrial sites or distribution centers; the remaining 66% are office buildings. As per Schneider Electric's approach to ISO 14001 to mitigate environmental industrial sites, all sites are monitored via ISO 14001. Schneider Electric's sites are mainly located in urban or industrial areas; none of the Group's businesses involve extraction or land farming. Therefore, not generating significant deterioration or disturbance of the identified sensitive biodiversity areas. Furthermore, the Group has evaluated climate transition and physical risks and opportunities as part of its sustainability strategy; this assessment used scenario-based analysis and a digital twin to quantify these risks. Considering the potential to present systemic risks, Schneider Electric also includes biodiversity and ecosystem services in its Vigilance plan and ERM framework, with ongoing efforts to develop mitigation approaches to combat climate change. Internal and external stakeholder consultations are also performed every three to five years, with the last in 2024; no direct consultations were conducted with affected communities on biodiversity and ecosystems, however, the stakeholder representative consultations performed in 2024 validated the results of the double materiality assessment.

Despite the non-materiality of biodiversity and ecosystems, Schneider Electric remains committed to their protection and restoration. The Group committed to achieving no net biodiversity loss in its operations by 2030. This goal is supported by five actionable commitments under the act4nature international pledge.

Read more information about Schneider Electric's targets and approach to Biodiversity in sections 1.1.2 on **page 5** and 3.1.1.1 on **page 216**.

To evaluate resource use and circular economy, numerous insights were leveraged through the constant bottom-up communication between on-site teams and internal experts. Material impacts, risks, and opportunities related to the topic were identified through the application of circular economy strategies which require the consideration of the value chain, such as Schneider Electric's Waste-to-Resource program, through which sites are encouraged to work collaboratively within their internal supply chains, alongside external suppliers and waste management providers, to find innovative solutions to optimize resource use. Similarly, insights are constantly gathered by sales teams who identify opportunities of improvement in terms of resource use optimization. No direct consultations with affected communities on resource use and circular economy have been conducted, however, stakeholder representative consultations were performed in 2024, validating the materiality of resource inflows and outflows, as well as the non-materiality of waste.

In the social dimension, through the Vigilance plan matrix the Group's own workforce and value chain are shown to be exposed to risks associated mainly with working conditions, while the absence of dialogue can exacerbate issues, leading to strikes, productivity loss, and reputational damage. Significant risks and opportunities were identified in line with the Group's necessity to attract, develop, and retain talent with critical skills, which is a cornerstone of Schneider Electric's strategy and business model. As the Group navigates global expansion and digital transformation, it is dependent on establishing ideal working conditions to secure top talent in technology, software, services, sustainability, supply chain, and electronics. Similarly, diversity, equity, and inclusion are prioritized as the Group aims to provide equal opportunities across its workforce, committed to fostering an environment where equal treatment is not just a policy, but a practice. This commitment also extends to address working conditions, which can result in significant reputational and legal impacts, as well as affect the Group's ability to maintain a top-quality workforce if not properly managed.

Furthermore, the Group has conscientiously carried out a risk assessment to evaluate the impacts and risks arising from its impacts and dependencies on communities. This evaluation was conducted for the top 30 Schneider Electric sites worldwide and a selection of 40 customer projects. The Group has identified that certain risks are more likely to relate to specific groups of affected communities rather than to all communities uniformly, such as communities near industrial sites or near administrative sites, and communities living in areas impacted by the development of large and very large projects.

In relation to the end-users of Schneider Electric's solutions, the Vigilance plan matrix points to the significance of consumers' safety and data privacy given the Group's offer of industrial and digital solutions. If not properly managed, the use of Schneider Electric's solutions could result in physical harm, property damage, or leaks of sensitive information.

Through the Group's Vigilance plan matrix, ERM framework, and additional workshops with subject matter experts, various impacts, risk and opportunities were identified and evaluated as material in relation to the governance topic. The potential impact on Schneider Electric's suppliers, as well as the financial risks of corruption and bribery cases were underlined as critical. The Group added cybersecurity as an additional sustainability matter given the major negative impacts that could results from the risk of security breaches.

Scoring

To assess impact and financial materiality, the existing scores from the Vigilance plan matrix and the ERM were extracted and leveraged as the basis of assessment. Afterwards, workshops were organized with subject matter experts to review and adjust as necessary the assessment of impacts, risks and opportunities. The workshops were also used to score items which did not have a corresponding evaluation in Vigilance plan matrix or in the ERM; by using scoring scales to assess impact and financial severity (evaluated with four risk levels) and likelihood (evaluated from improbable to probable), the Group's experts performed a separate evaluation of additional impacts, risks and opportunities. To determine final materiality, a threshold was set at the high-risk mark according to the severity and likelihood of occurrence of related impacts, risks and opportunities. After an iterative process to define the most appropriate threshold, the high-risk level was selected given that it reflects the most critical topics to the Group from a strategic point of view aligned with business transition objectives. Subject matter experts were finally consulted in a second round to verify the results of the double materiality assessment; adjustments were implemented according to their remarks if necessary.

Stakeholder engagement

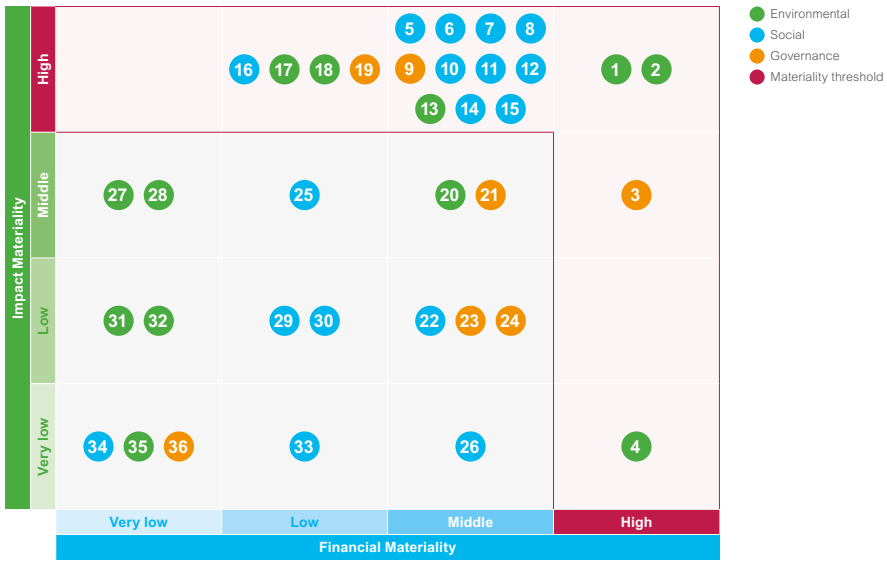
Considering that various stakeholders are involved in the assessments previously outlined, a direct stakeholder consultation process was performed as the final phase of the double materiality assessment, with the purpose of presenting the results to affected stakeholder groups and gathering their feedback, to then validate or adjust the results as necessary. The consultation was performed through workshops with four external and one internal stakeholder group representatives in two steps: first, a general discussion about the most critical sustainability topics they envision for the Group and their expectations on how those priorities should be addressed, followed by the presentation of the double materiality assessment results, with comments, questions, and feedback from the representatives. The topic of "forced labor in the value chain" was the only one that resulted in various discussions about the uncertainties in evaluating the matter, increasing its awareness within the Group.

Based on the stakeholder consultation process, Schneider Electric was able to verify the materiality results for the sustainability matters along with its identified impacts, risks and opportunities. As validated by the stakeholder representatives, the double materiality assessment is an exercise with continuous improvement for which the Group plans to further investigate the potential impacts, risks and opportunities in its value chain, as well as update the leveraged analyses according to business and market changes.

Double materiality assessment results

The following matrix presents the resulting material sustainability matters for Schneider Electric aggregated at the appropriate level of relevance for the Group.

Materiality matrix



Sustainability Matters

1 Energy
2 Climate change mitigation
3 Corruption and Bribery
4 Climate change adaptation
5 Health and safety (VC)
6 Working conditions
7 Working conditions (VC)
8 Affected communities' rights
9 Cybersecurity
10 Personal safety of consumers
11 Training and skills development
12 Data privacy
13 Substances of concern
14 Equal treatment and opportunities for all
15 Forced labor (VC)
16 Health and safety
17 Resource inflows
18 Resource outflows
19 Management of relationships with suppliers
20 Direct impact drivers of biodiversity loss
21 Protection of whistle-blowers
22 Forced labor
23 Political engagement and lobbying activities
24 Corporate culture
25 Equal treatment and opportunities for all (VC)
26 Illegal and undeclared work
27 Pollution of soil
28 Pollution of water
29 Social inclusion of consumers and end-users
30 Child labor (VC)
31 Water
32 Waste
33 Child labor
34 Pollution of air
35 Impacts and dependencies on ecosystem services
36 Microplastics

Material sustainability impacts, risks and opportunities

The table below presents the material impacts, risk and opportunities for Schneider Electric. The Group's approach to sustainability is characterized by a forward-looking perspective. Hence, all the following impacts, risks and opportunities were evaluated, and are expected, in the short- (current) and medium- term (<5 years). Furthermore, the long- term was evaluated, and is expected, in areas where the Group foresees a significant market change differentiated from what is expected in the medium term. Such is the case for all impacts, risks and opportunities under climate change adaptation, climate change mitigation, energy, resources inflows including resource use, and resource outflows related to products and services. These time horizons have been defined as per ESRS 1, paragraph 6.4 Definition of short-, medium- and long-term for reporting purposes.

Environment		
Sustainability Matter	**Type of IRO**	**Description**
Climate change adaptation	**Financial Risk**	**Business disruption and asset damage in own operations and over the value chain:** Climate change is increasing the frequency and intensity of extreme weather events exposing the Company to potential revenue losses and over costs due to business discontinuity and asset damages in own sites or over the value chain.
	Financial Risk	**Failure to adapt to climate-transition market and technology changes:** New development expenditure, technical and economic resources.
	Financial Opportunity	**Help customers adapt to climate change:** Building HVAC (heating, ventilation and air-conditioning), data centers energy efficiency, weather-resistant buildings, emergency weather warning systems, desalination and filtration systems, and weatherized electrical equipment.
Climate change mitigation	**Negative Impact (Actual)**	**Accelerate climate change through greenhouse gas emissions:** The majority of Schneider Electric's GHG (greenhouse gas) emissions come from the use of sold products, the purchased goods and services, and the end-of-life emissions from sold products.
	Positive Impact (Actual)	**Contribute to climate change mitigation through solutions related to energy efficiency, electrification, and renewable energy production:** Schneider Electric's portfolio of offers is uniquely positioned to help mitigate climate change, by reducing GHG emissions through energy efficiency, electrification, and renewable energy productions These offers are integrated digitally, which fosters a higher mitigation potential.
	Financial Opportunity	**Develop new solutions to help customers and value chain use their energy and resources more efficiently:** Climate change is one of the key mega-trends that underpin Schneider Electric's strategy. For climate change mitigation, Schneider Electric can help customers become more energy efficient, electrify their operations, as well as explore new concepts, including carbon capture, utilization, and storage (CCUS), electrification of mobility and heating.
Energy	**Positive Impact (Actual)**	**Generate energy savings:** By accelerating the switching to digital, smarter, and more efficient consumption through Schneider Electric products and services.
	Positive Impact (Actual)	**Decarbonize market and value chain:** By electrifying energy consumption in line with a greener electricity mix through Schneider Electric products and services.
	Financial Opportunity	**Develop new businesses related to renewable energy and energy efficiency:** The energy transition is one of the key mega-trends that underpin Schneider Electric strategy. Schneider Electric can help customers become more energy efficient, electrify their operations, as well as explore new power generation concepts, including hydrogen, microgrid, nuclear, and prosumerism.
Substances of concern and very high concern	**Negative Impact (Actual)**	**Threaten human health and/or the environment by using hazardous substances:** Like most manufacturing companies, Schneider Electric's products portfolio is concerned by substances of very high concern (SVHCs) and substances of concern (SoCs) with, for instance, the presence of lead in some metallic alloys, brominated flame retardants in PCBs, cobalt in surface treatments, per- and polyfluoroalkyl (PFAS) substances in various parts. With a protective willingness, Schneider Electric applies the most advanced chemical restrictions on a worldwide basis and communicates on the presence of Substances of Very High Concern (SVHC) in the entire product portfolio.
Resources inflows, including resource use	**Negative Impact (Actual)**	**Contribute to scarcity of resources through use of critical materials:** Schneider Electric is dependent on certain conflict minerals/metals for its products or in manufacturing, such as the 3TG, copper, cobalt, coltan, mica, lithium, cerium, and erbium.
	Positive Impact (Actual)	**Incentivize suppliers to provide green materials:** Objective to increase content of green materials in Schneider Electric's products (thermoplastics, steel, and aluminum) as part of the strategy to address climate change, resource depletion, and pollution.
Resource outflows related to products and services	**Negative Impact (Actual)**	**Generate a significant outflow of materials:** Schneider Electric outputs different types of products and packaging which contain materials that need to be processed, including electronics, semi-conductors, transformers, and batteries. Those products and packaging have an impact on the environment, and create the need to improve product durability, recycling, and circularity.

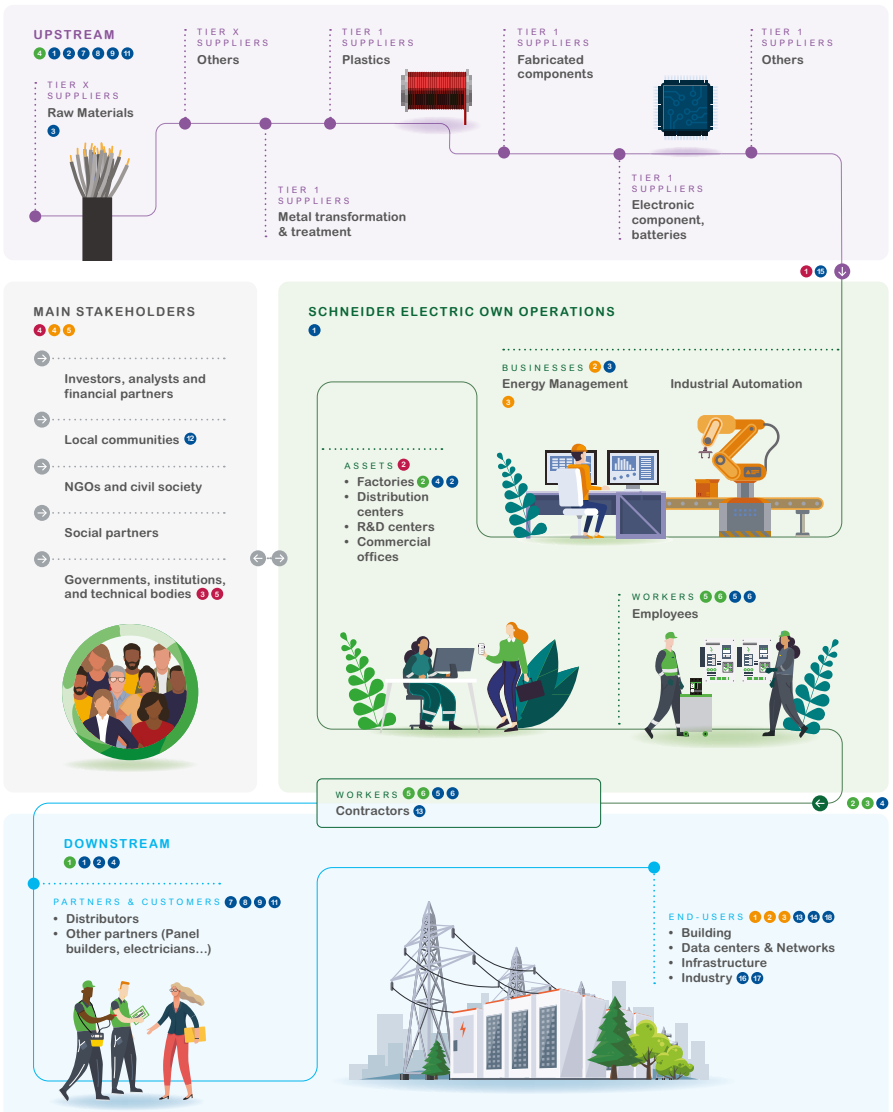
Social		
Sustainability Matter	**Type of IRO**	**Description**
Working conditions	**Negative Impact (Potential)**	**Affect the mental and physical health of employees:** Poor working conditions (excessive working hours, poor work-life balance, etc.) may emerge in any kind of workplace if a comprehensive human resource strategy is not in place, and can result in psycho-social risks, absenteeism increase, and injured workers.
Health and safety	**Negative Impact (Actual)**	**Damage the physical integrity of employees:** The main potential risks of the industrial sector are connected to the Top 5 Hazards: falls, powered industrial trucks (PIT), machine, road, electrical.
Equal treatment and opportunities for all	**Positive Impact (Potential)**	**Improve employees' well-being and feeling of belonging:** The Group's strategy is to foster a diverse and inclusive workplace to create a feeling of belonging, where they feel included, respected, and cared for.
Training and skills development	**Positive Impact (Potential)**	**Improve employability of employees:** Resulting from the Group's human capital strategy to continuously develop the skills of its workforce.
Working conditions (in the value chain)	**Negative Impact (Potential)**	**Affect the mental and physical health of value chain workers:** If overlooked by management, excess overtime and low wages contribute to declining physical and mental health of workers in the value chain and can lead to forced labor in the value chain.
	Negative Impact (Potential)	**Risk detriment to physical health of value chain workers (injuries, diseases, or death):** Exposure to long working hours is the number one risk factor leading to death according to the International Labour Organization (ILO) Call for Safer and Healthier Working Environment.
	Negative Impact (Potential)	**Risk poor working conditions in the value chain due to lack of dialogue:** If overlooked by management, lack of dialogue between management and employees – and/or their representatives – might lead to absence of negotiated working conditions or deteriorated work conditions, with potentially declining physical and mental health, and even business discontinuity and/or forced labor.
Health and Safety (in the value chain)	**Negative Impact (Actual)**	**Damage the physical integrity of workers in the value chain:** Health risks in the value chain mainly related to occupational health and safety (including road accidents, electrical accidents, accidents related to falls, PIT, machine injuries).
Forced labor (in the value chain)	**Negative Impact (Potential)**	**Jeopardize fundamental human rights and damage the physical or psychological integrity of workers in the value chain:** Without proper vigilance, workers in the value chain of Schneider Electric are at risk of being exposed to forced labor, resulting in physical harm, psycho-social risks, and violation of human rights.
Affected communities' rights	**Negative Impact (Potential)**	**Violate rights of local communities:** Schneider Electric's operations in the value chain are at risk of being involved in violation of communities' rights, such as: breach on indigenous people right, displacement of population, potential conflicts over resource use, and denial of basic human rights (e.g., freedom of expression, freedom of assembly).
Personal safety of consumers and/or end-users	**Negative Impact (Actual)**	**Trigger physical harm or property damage:** The Group's product usage risks and defaults in implementation may results in physical harm or property damage, threatening consumers/end-users' safety.
Data privacy	**Negative Impact (Actual)**	**Risk private and sensitive information leaks:** In case of a data breach which would impact the Group's connected products, information about customers could be compromised. Internet of Things activities may have a critical negative impact on end-users in case of data breach and data theft.

Governance		
Sustainability Matter	**Type of IRO**	**Description**
Corruption and bribery (prevention and detection including training, incidents) and bribery	**Financial Risk**	**Debarment from public tenders or public funds:** In case of corruption and/or bribery cases.
	Financial Risk	**Potential legal proceeding, prosecutions, sanctions, and fines:** Related to non-compliance with laws and regulations (e.g., French Sapin II law, up to EUR 500 million)
	Financial Risk	**Reputational damage:** Corruption and bribery cases can lead to negative media exposure and public relations backlash.
	Financial Opportunity	**Strengthen legal compliance and public reputation.**
	Financial Opportunity	**Reinforce stakeholder engagement and loyalty:** Including customers, partners, suppliers, and local communities.
Management of relationships with suppliers including payment practices	**Negative Impact (Potential)**	**Compromise suppliers' financial stability:** If overlooked by management, unfair/unethical payment practices towards suppliers may lead to financial insolvency as well as poor employee working conditions within suppliers' workplace.
Cybersecurity (entity-specific)	**Negative Impact (Potential)**	**Risk health and safety impacts on people through industrial accidents:** A Schneider Electric product could be used as a vector of entry/attack to IT systems of customers/ partners. A compromise of firmware and software on fields services operations affecting customer installations can introduce safety risks by disrupting control mechanisms (systemic risk) and lead to industrial accidents.
	Negative Impact (Potential)	**Damage the natural environment through industrial accidents:** A Schneider Electric product could be used as a vector of entry/attack to IT systems of customers/ partners. A compromise of firmware and software on fields services operations affecting customer installations can introduce environmental risks by disrupting control mechanisms (systemic risk) and lead to industrial accidents.
	Negative Impact (Actual)	**Risk theft of intellectual property and/or customers' sensitive data:** A Schneider Electric product could be used as a vector of entry/attack to IT systems of customers/ partners or as a vehicle for intellectual property theft and customer data stealing (stand-alone risk).

Even though so far most of the identified material risks and potential negative impacts have not materialized in a substantial manner, the Group recognizes sustainability is a shifting domain and works to continuously improve and adapt its strategy to maintain a robust business model. It does so by constantly evaluating its resilience in relation to impacts, risks and opportunities through the various assessments that have been described previously in this section, such as the ERM framework, Vigilance plan matrix, megatrends and driving trends analysis, climate scenario analysis, climate risk assessments, biodiversity and water footprint assessments, among others. The effects of these impacts, risks and opportunities on the Company's business model and strategy, along with the consequent policies and actions that shape part of the resilience strategy of the Group, are explained in each related section the sustainability statements. In the past, Schneider Electric's transformational programs and strategy have evolved in response to sustainability issues, and will continue to do so, to anticipate significant changes in the market.

Our value chain

The following illustration is a simplified representation of Schneider Electric's value chain including a mapping of the material Impacts, Risks and Opportunities.



Legend

Risks

1. Business disruption and asset damage in own operations and over the value chain from extreme weather events
2. Failure to adapt to climate-transition market and technology changes
3. Debarment from public tenders or public funds
4. Potential legal proceedings, prosecutions, sanctions, and fines related to non-compliance
5. Reputational damage related to corruption and bribery

Opportunities

1. Help customers adapt to climate change
2. Develop new solutions to help customers and value chain use their energy and resources more efficiently
3. Develop new businesses related to renewable energy and energy efficiency
4. Strengthen legal compliance and public reputation
5. Reinforce stakeholder engagement and loyalty through prevention of corruption and bribery

Positive impact

1. Contribute to climate change mitigation through solutions related to energy efficiency, electrification, and renewable energy production
2. Generate energy savings
3. Decarbonize market and value chain
4. Incentivize suppliers to provide green materials
5. Improve employees' well-being and feeling of belonging through equal treatment and opportunities
6. Improvement employability through training and skills development

Negative impact

1. Accelerate climate change through greenhouse gas emissions
2. Threaten human health and/or the environment by using hazardous substances
3. Contribute to scarcity of resources through use of critical materials
4. Generate a significant outflow of materials
5. Affect the mental and physical health of employees related to working conditions
6. Damage the physical integrity of employees through health and safety issues
7. Affect the mental and physical health of value chain workers related to working conditions
8. Risk detriment to physical health of value chain workers (injuries, diseases, or death) from long working hours
9. Risk poor working conditions in the value chain due to lack of dialogue
10. Damage the physical integrity of workers in the value chain through health and safety issues
11. Jeopardize fundamental human rights and damage the physical or psychological integrity of workers in the value chain through forced labor
12. Violate rights of local communities
13. Trigger physical harm or property damage through the misuse of the Group's products
14. Risk private and sensitive information leaks
15. Compromise suppliers' financial stability
16. Risk health and safety impacts on people through industrial accidents related to cybersecurity
17. Damage the natural environment through industrial accidents related to cybersecurity
18. Risk theft of intellectual property and/or customers' sensitive data

2.1.3 Basis for preparation

Sustainability statements basis for preparation

Sustainability disclosures are part of the legal and regulatory requirements arising from the transposition of the European Directive on Corporate Sustainability Reporting (CSRD).

As foreseen in the standard ESRS 1 – General requirements, paragraph *7.2 Sources of estimation and outcome uncertainty*, challenges on data collection beyond the control of Schneider Electric have been faced during this first year of CSRD implementation, thus requiring certain estimates, mainly on the following topics:

- Some assumptions and extrapolations were used to assess the quantitative outputs for resources inflows and outflows. Corporate Scope 3 accounting follows GHG protocol best practice and Schneider Electric aims to go beyond this by working to capture more primary data that would improve the granularity and actionability of the reporting. Please refer to section 2.2.1.5 on page 81 for more details on the methodologies.
- On substances of concern and very high concern (SoC and SVHC), data availability is restricted by the reliance on suppliers' declarations and voluntary Full Material Disclosures (FMDs), which are not always comprehensive. Additionally, assumptions are made regarding average percentages and quantities due to incomplete data. Similarly, and as stated in section 2.2.1.9 related to the Group's approach to the EU Taxonomy, on substances listed in Article 57 of Regulation (EC)1907.2006 but not identified under Article 59(1), due to the difficulty in obtaining material declarations and data from suppliers beyond tier one, the Group cannot fully quantify the impact of excluding products containing substances not yet on the REACH candidate list.

Regarding disclosures related to specific circumstances when presenting metrics, assumptions in measurements and relative planned actions to improve the level of accuracy are detailed in each related section of the sustainability statements.

In 2024, the Group has implemented a digital reporting system to collect, track and report adequately CRSD-related information by connecting all relevant ESG IT systems, including the Schneider Electric tool EcoStruxure Resource Advisor.

Scope

The standard ESRS 1 requires companies to align the scope of the sustainability statement to the scope of the financial statement (ESRS 1-62). It should also be noted that value chain information is required when necessary to allow readers to understand material impacts, risks, and opportunities (ESRS 1-63, ESRS 1-64).

To rationalize the effort of reporting and to consider the current limits of the Group's reporting processes (e.g., progressive deployment of IT tools to all entities), Schneider Electric is excluding specific entities from its sustainability statements even though these entities are part of the financial statements. Each excluded entity is selected based on its IT landscape and materiality for the Group and on its statements, so that the final coverage is representative of the Group's activities and performance.

The number of employees in an entity as well as the amount of gross value of property, plant and equipment are used as a proxy and compared to Group values to consider the materiality of the entity in the Group. This exclusion process ensures that the sustainability statement remains fair to the reader and provides an accurate understanding of Schneider Electric. Excluded entities represent a total of approximately 2,000 employees, hence less than 1.5% of the Group's employees, and 0.6% of the Group's assets. The resulting coverage is deemed representative. These exclusions do not affect the Group's double materiality assessment process results.

When disclosing information on greenhouse gas (GHG) emissions in ESRS E1, the scope of reporting must include joint ventures under operational control (ESRS E1 – 46, ESRS E1 – AR 40). All joint ventures are excluded from Schneider Electric sustainability statements and Scope 1 and 2 GHG reporting since Schneider Electric has no operational control on its joint ventures.

Throughout the sustainability statements, actions and targets linked to Schneider Electric sustainability matters refer to Schneider Sustainability Impact (SSI) and Schneider Sustainability Essentials (SSE). SSI and SSE programs are part of the Group's 2021-2025 strategy, define the Group's sustainability targets and measure sustainability performance in critical areas of focus. Unlike sustainability statements (CSRD) perimeter, SSI and SSE scope excludes agnostic software companies, Luminous, Lauritz Knudsen, ProLeiT and EcoAct. For more details about the reporting perimeter of SSI and SSE, please refer to the section 4.1 on page 244.

Similarly, all policies detailed in this report cover 91% of the scope of reporting entities in headcount and 93% in revenue. Equivalent policies are in place across the rest of the scope, notably in agnostic software companies.

Value chain

The standard ESRS 1 requires companies to extend sustainability statement information to include information on the material impacts, risks, and opportunities connected with the Company through its direct and indirect business relationships in the value chain (ESRS 1-63 to 67). Schneider Electric has considered potential impacts, risks and opportunities associated with the value chain described in section 2.1.1.1 "Schneider Electric activities and business model", including upstream tier 2 and above for mining activities and metal extraction, with upstream tier 1 activities, with its own operations, with contractors (on-site and off-site), with downstream distributors who supply system integrators and contractors, and with main stakeholders such as local communities, civil society, financial partners, lobbies, non-governmental organizations (NGOs) and institutions.

Other

A consultation with the Schneider Electric Social and Economic Committee on CSRD information is planned for April 2025. Article L 2312-25 of the French Labor Code provides that the sustainability report (CSRD) and the external auditors' certification report are made available to the Committee for this consultation. During the consultation, the sustainability statements, process of information collection and means implemented for this collection will be discussed.

2.2 Environmental information

This section presents comprehensive information on the European Sustainability Reporting Standards (ESRS) E1, E2, and E5. These standards guide the reporting on climate change, pollution, resource use and circular economy. The alignment with these standards creates a robust framework to address the pressing environmental challenges of our time.

This section is divided in three subsections:

1. "**2.2.1 Leading on Decarbonization (ESRS E1)**" where the objective is to specify disclosure requirements that enable stakeholders to understand how Schneider Electric impacts climate change, including material positive and negative impacts, mitigation efforts, and adaptation strategies. It covers greenhouse gas emissions, energy consumption, and the financial effects of climate-related risks and opportunities.
2. "**2.2.2 Pollution mitigation (ESRS E2)**" where the objective is to provide information on how Schneider Electric impacts pollution of air, water, and soil, including actions to prevent or mitigate negative impacts. It addresses substances of concern, and the financial effects of pollution-related risks and opportunities.
3. "**2.2.3 Resource use and circular economy (ESRS E5)**" where the objective is to specify disclosure requirements related to resource use and circular economy, focusing on sustainable sourcing, waste minimization, and maintaining the value of products and materials. It aims to help users understand the impacts, risks, and opportunities related to resource use and circular economy principles.

2.2.1 Leading on Decarbonization (ESRS E1)

2.2.1.1 Climate-related governance

Since 2005, Schneider Electric has been measuring and demonstrating its progress against sustainability goals with a unique transformation dashboard that the Group now calls Schneider Sustainability Impact (SSI).

The scope of Schneider Sustainability Impact (SSI) and Schneider Sustainability Essentials (SSE), defining the Group sustainability targets and measuring sustainability performance in critical areas of focus, is more limited than the reporting perimeter of the sustainability and Sustainability statements (CSRD). SSI and SSE programs are part of the Group's 2021–2025 strategy and are therefore independent from the 2024 double materiality assessment. For more details about the reporting perimeter of SSI and SSE, please refer to the section 4.1 Methodology elements on the published indicators.

The SSI is the translation of the Group's six long-term commitments into a selection of 11 highly transformative and innovative programs executing the 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 all stakeholders together with financial results. To ensure robustness, the SSI's performance undertake a limited assurance process annually by an independent third party and obtain a "limited" assurance report, in accordance with (revised) ISAE 3000 assurance standard (except for SSI #+1).

Since 2011, the SSI score has been included in the variable compensation of company leaders. In France, since 2012, the SSI has also been included in the profit-sharing incentive plan for the French entities, Schneider Electric Industries and Schneider Electric France. As of 2019, the weight of the SSI criteria has increased from 6% to 20% in the collective part of the annual short-term incentives, further highlighting the importance of sustainability on Schneider Electric's business agenda. In 2024, the SSI performance impacted the short-term incentive plans for 76,000 employees (20% of collective share), including the Executive Committee members and the CEO. The Board does not currently have specific climate targets.

In August 2022, Schneider Electric was one of the first companies to see its greenhouse gas (GHG) reduction targets validated by the Science Based Target initiative (SBTi), in alignment with its "Corporate Net-Zero Standard" published in October 2021. As part of its Net-Zero commitment, the Group has defined mid- and long-term targets. Ultimately, the Group is committed to be Net-Zero across its entire value chain by 2050, which means that the Group aims to reduce its 2021 footprint by an absolute 90% by 2050 and neutralize residual emissions with high-quality and durable carbon removal credits.

The Group aims to:

- By 2030, reduce value chain emissions by 25% and be "Net-Zero ready" in operations.
- By 2050, reach Net-Zero CO_2 emissions across the entire value chain.
- From 2025, make a contribution to high-quality carbon removal for an amount corresponding to operational (Scope 1 and 2) residual emissions on the path to Net-zero ready.

The Chief Executive Officer remuneration includes climate targets in three elements of his remuneration: (1) Performance Shares (i.e. Long-term incentive plan; LTIP); (2) annual variable compensation; and (3) complementary payment for pension building (variable).

1. 25% – Performance Shares
   25% of the performance conditions of the performance shares are related to carbon emissions reductions targets. This is further broken down into: 12.5% Scope 1 & 2 carbon emissions targets and 12.5% Scope 3 upstream carbon intensity target. These climate targets in the Long-Term Incentive Plan have been designed to be in line with the climate target of the Group for 2030.

2. 12.73% – Annual variable compensation
20% of the annual variable compensation are related to the SSI which consists of 11 targets. Seven[1] out of these 11 targets (63.64%) are carbon related. Overall, 12.73% from the annual variable compensation is climate related.
3. 12.73% – Complementary payment for pension building (variable)
20% of the complementary payment for pension building (variable) are related to the SSI which consists of 11 targets. Seven out of these 11 targets (63.64%) are carbon related. Overall, 12.73% from the complementary payment for pension building (variable) is climate related.

This results in 15.62% of the Corporate Officers' (CEO and Executive Committee members) remuneration being climate-related.

2.2.1.2 Climate risks, opportunities, and impact management

Impacts, risks and opportunities

Climate change adaptation	
Risk	**Business disruption and asset damage in own operations and over the value chain**
Risk	**Failure to adapt to climate-transition market and technology changes**
Opportunities	**Help customers adapt to climate change**

Climate change mitigation	
Negative Impact	**Accelerate climate change through greenhouse gas emissions**
Positive Impact	**Contribute to climate change mitigation through solutions related to energy efficiency, electrification, and renewable energy production**
Opportunities	**Develop new solutions to help customers and value chain use their energy and resources more efficiently**

Energy	
Positive Impact	**Generate energy savings**
Positive Impact	**Decarbonize market and value chain**
Opportunities	**Develop new businesses related to renewable energy and energy efficiency**

The Intergovernmental Panel on Climate Change (IPCC) indicates the last decade has witnessed temperatures higher than any in the past 125,000 years. This is affecting every region of the world, manifesting as rising sea levels, increasingly extreme weather events, rapidly melting sea ice, and declining biodiversity and natural resources. The changes in climate are unprecedented when compared to patterns observed in past centuries and millennia, and further warming will continue to amplify these changes. Beyond environmental consequences, climate shifts also impact society, contributing to the loss of livelihoods and businesses, escalation of health emergencies, and displacement of populations. Schneider Electric has embedded climate-related risks reviews into its decision making, to mitigate risk exposure and ensure resilience.

The Group has performed a complete review of its activities as well as of its supply chain to understand sources of GHG emissions. In addition, a deep knowledge of the Group's future operations allows to identify potential future sources of emissions. Thanks to this understanding of its emission sources, the Group systematically calculates, discloses and manages its end-to-end carbon footprint, across Scopes 1, 2, and 3, in alignment with the Standards from the Greenhouse Gas Protocol: The Corporate Accounting Standard and the Corporate Value Chain (Scope 3) Standard. Independent third-party verification ensures the accuracy of GHG emissions data.

Schneider Electric has integrated climate-related scenario analysis into its risk management framework. This process is designed to inform the identification and assessment of physical and transition risks and opportunities over the short, medium, and long term.

The Group has engaged with Risilience, a specialist in climate scenario analysis and resilience planning, to conduct a forward-looking climate risk and vulnerability assessment. This comprehensive analysis aims to identify and evaluate the materiality of physical and transition climate risks that may impact the Group's operations, sites, and extended value chain, both upstream and downstream, as well as the broader economic activities. The assessment encompasses a wide range of climate-related factors, including acute and chronic physical risks, legal and regulatory risks, and opportunities associated with current and emerging climate regulations. Additionally, market, technology, and reputational risks and opportunities are considered, particularly in relation to changes in customer behaviors. For more information please refer to the subsequent section "IROs interaction with strategy and business model".

To ensure a robust analysis, the Group has developed a scenario-based approach, applying climate-related risk scenarios that reflect different pathways. These pathways range from a 1.5°C to a greater than 4°C temperature rise by the year 2100. The Group utilizes a digital twin of the Company, which includes financial projections, market breakdown, supply chain, and carbon footprint, to quantify the financial implications of physical and transition risks.

Five emission pathways have been considered in the analysis, using a macroeconomic input-output model based on data from the Network for Greening the Financial System (NGFS):

- Paris Aspiration (Shared Socioeconomic Pathways – SSP1-1.9) based on Net Zero 2050 scenario from NGFS, an ambitious scenario that limits global warming to 1.5°C through stringent climate policies and innovation, reaching Net-Zero CO_2 emissions around 2050. This scenario assumes that ambitious climate policies are introduced immediately. Carbon dioxide removal (CDR) is used to accelerate the decarbonization but kept to the minimum possible and broadly in line with sustainable levels of bioenergy production. Net CO_2 emissions reach zero around 2050. Physical risks are relatively low, but transition risks are high, policy risk in particular.
- Paris Limit (SSP1-2.6) based on Below 2°C from NGFS, which gradually increases the stringency of climate policies, giving a 67% chance of limiting global warming to below 2°C. This scenario assumes that climate policies are introduced immediately and become gradually more stringent though not as high as in Net-Zero 2050. CDR deployment is relatively low. Net-Zero CO_2 emissions are achieved after 2070. Physical and transition risks are both relatively low.
- Stated Policy (SSP2-4.5) based on Nationally Determined Contributions from NGFS, which includes all pledged policies even if not yet implemented. This scenario assumes that the moderate and heterogeneous climate ambition reflected in the conditional NDCs at the beginning of 2021 continues over the 21st century. Emissions decline but lead nonetheless to 2.5°C of warming associated with moderate to severe physical risks. Transition risks are relatively low.
- Current Policy (SSP3-7.0) based on Current Policies from NGFS, which assumes that only currently implemented policies are preserved, leading to high physical risks. Emissions grow until 2080 leading to about 3°C of warming and severe physical risks. This includes irreversible changes like higher sea level rise. This scenario can help central banks and supervisors consider the long-term physical risks to the economy and financial system if we continue on our current path to a "hot house world".
- No Policy (SSP5-8.5) based on SSP5, is a scenario in which development is driven by exploitation of fossil fuels, rapid growth of the global economy, and the adoption of resource and energy-intensive lifestyles around the world. A peak in global population is reached and begins to decline in the 21st century. This projection is considered a worst-case scenario.

These scenarios are evaluated with respect to their potential impacts by the end of 2025, 2030, and 2050. The scenario analysis enables the Group to price the risks and opportunities associated with climate change and to develop strategies that are resilient across a range of possible futures.

The assumptions, uncertainties, and constraints within the scenarios used to model climate risk are directly linked to the Representative Concentration Pathway (RCP), Socio-economic Pathways (SSP), and NGFS scenarios used to define the model narratives. Alongside the inherent assumptions, uncertainties, and constraints within these scenario frameworks, similar assumptions are brought in for each individual model.

Although, climate risks are assessed under each of the five emission pathways, climate physical risk quantification retained to support resilience strategic decisions is based on the Current Policy scenario, a high-emission climate scenario designed to consider the long-term physical risks to the economy and financial system if we continue on our current path to a "hot house world".

Through this rigorous climate-related scenario analysis, Schneider Electric demonstrates its commitment to proactive climate risk management and to aligning its strategic planning with the goal of mitigating climate change and advancing sustainability. The Group's approach ensures that it is well-positioned to navigate the complexities of a transitioning economy and to capitalize on the opportunities that arise from the global shift towards a low-carbon future. The scenario analysis quantifying the influence of climate change on the exposure of Schneider Electric's sites towards extreme weather events and natural hazards is combined with on-site audits conducted by external consultants, the development of site vulnerability profiles and the implementation of recommendations to reduce site climate vulnerabilities.

Climate-related scenario analysis is also used by the corporate Finance team to conduct a sensitivity analysis on the annual impairment test of all the Groups of CGUs' assets, assessing the potential impact of climate physical and transition risk on the Group's future cash flows.

Schneider Electric identifies and measures climate-related risks and opportunities to assess impacts on its business and value chain over short (3–5 years), medium (5–10 years), and long-term (10–30 years) horizons. These time horizons are carefully chosen to align with the expected lifetime of the Group's assets, strategic planning cycles, and capital allocation plans.

Schneider Electric's short-term vision corresponds to its sustainability strategic plan, by 2025, to reach the 12 ambitions of the 2021–2025 Schneider Sustainability Impact (SSI) and the 25 ambitions of the 2021–2025 Schneider Sustainability Essentials (SSE). These programs are tracked and reviewed at least annually. Not all SSI and SSE are related to climate. Specifically, 7 out of 12 SSI are climate-related (for details, see section 2.2.1.1 on Climate-related Governance), and 9 out of 25 SSE also pertain climate matters.

Schneider Electric's mid-term vision is defined in its 2030 objectives of its Net-Zero commitment, to reach Net-Zero ready on its operations and drop by 25% its Scope 3 GHG emissions from a 2021 baseline.

The Group's long-term vision is aligned with climate science to limit global warming under 1.5°C increase by end of the century, in reaching the Group's Net-Zero commitment and reducing absolute Scope 1, 2 and 3 GHG emissions by an absolute 90% by 2050 from a 2021 baseline.

(1) The seven targets are: SSI-target #1) Grow Schneider Impact revenues; SSI-target #2) Help our customers save and avoid millions of tonnes of CO_2 emissions; SSI-target #3) Reduce CO_2 emissions from top 1,000 suppliers' operations; SSI-target #4) Increase green material content in our products; SSI-target #5) Primary and secondary packaging free from single-use plastic, using recycled cardboard; SSI-target #9) Provide access to green electricity to 50M people; SSI-target #11) Train people in energy management. Other members of the Board of Directors do not receive variable remuneration.

Climate-related physical risks in Schneider Electric's own operations and along the value chain are managed through an end-to-end process spanning from upstream value chain, own operations, down to logistic and transportation activities to ensure supply chain flexibility and resilience is continually improved. A comprehensive strategy has been deployed to identify and measure the risk, prevent and protect against incidents, detect in advance any potential event, and respond appropriately in case of crisis to contain impact and ensure business continuity.

On its upstream value chain, the Group has engaged in a multi-tier mapping of its supply chain combining real-time, supplier-validated data with advanced AI algorithms to increase supply chain visibility and quantify risks. To determine the share of procurement spending supplied from countries exposed to natural hazards, Schneider assessed the impact of natural hazards on five key raw material streams with a scenario analysis, leveraging from the multi-tier suppliers mapping to locate its supply chain. For all its purchasing material, the Group has developed a risk mitigation approach with strategic stocks in the short term and a double sourcing strategy within three years after having qualified the risk.

The quantification of short-term climate risks is primarily done based on catastrophe risk modeling, with an evaluation on-site of the climate physical risks. Each critical site is assessed regularly by independent global risk experts, thereby defining potential financial impacts as well as the cost of response. Critical sites are the top 59 sites, representing more than 80% of the revenue of the Group. Those sites are surveyed every 2 years, while the other industrial sites are audited less frequently.

In those audits the risks experts from Global Risk Consultants (GRC) measure and weight:

- passive (exogenous) threats relating to floods, hurricanes (windstorms), earthquakes, construction, occupancy, and
- active (endogenous) risks relating to physical protection, human exposure, natural hazards, and business continuity plan.

Risk profiles of each site are then regularly updated, and recommendations of adaptation measures are made to mitigate and adapt to identified risks. For example, Schneider committed for 100% of its sites in water-stressed areas to have a water conservation strategy and related action plan by 2025.

In 2023, several factories in France were identified with exposure to riverine flooding. As a result, the Group took the appropriate adaptation measures to mitigate risk exposure and enhance resilience:

- Development of a flood emergency response plan.
- Implementation of a flood warning protocol, including the monitoring of local weather forecast and river levels.
- Assignment of responsibilities, including designations for safe de-energization and shut-down procedures should an event occur.
- Development of a recovery and clean-up plan with personnel designated responsibilities in coordinating post-flood salvage and arranging emergency utility equipment.

In 2024, the Group assessed how those risks might evolve in likelihood and potential severity due to climate change through a forward-looking climate risk and vulnerability assessment with Risilience. This climate scenario analysis reinforces the short-term risk identification and enables to quantify medium- and long-term climate physical risks to support decision-making processes impacting those time horizons.

On its operations, the analysis includes 521 sites ranging from factories to logistic and third-party distribution centers, covering all industrial sites. The impact from extreme weather events on business activities considered in the study is not limited to on-site potential damages but includes as well the risks from enabling activities like transportation and infrastructure failures or power plant offline.

Schneider Electric built a virtual representation of its business, physical footprint, and supply-chain. The dependency Schneider Electric has on each of its sites has been quantified as a proportion of the Group's overall revenues, based on the cost and margin associated with each site. This digital twin is then confronted to a bias corrected multi-model mean derived from 18 individual global climate models (GCMs, or 'General Circulation Models') from the Coupled Model Intercomparison Project (CMIP6).

To assess physical climate risk under various potential future climate scenarios, a range of emission pathways are considered. These pathways define possible future emission scenarios that explore how global society, demographics, and economics will affect global GHG emissions, and resultant radiative forcing and global temperature rise. These scenarios are derived from the Shared Socioeconomic Pathways (SSPs), which form the basis of the Sixth Assessment Report (AR6) from the Intergovernmental Panel on Climate Change (IPCC).

To define the effect of climate change on the likelihood of climate-related extreme events, including heatwave, freeze, drought, flooding, and windstorms up to 2050, Schneider Electric is relying on the Climate Hazard Atlas developed by Risilience in partnership with the Cambridge Centre for Risk Studies at the Judge Business School in the University of Cambridge. The likelihood is defined for the present day using recent historical observations, and in the future period, up to 2050, using a series of climate models.

Physical risks to Schneider Electric's value chain are qualified by applying the climate Hazard Atlas in physical risk models, which each assess the change in expected financial losses associated with changes in the frequency of extreme weather events.

Physical climate risks have the potential to cause financial impact through:

- Losses and damages to Schneider Electric operations and enabling infrastructures;
- Business disruption due to logistics bottlenecks; and
- Cost increase, risks of scarcity, and insecurity of raw materials supply.

In each case, the probability of a hazard event at a given location is combined with a specified vulnerability function to define the expected disruption and loss for each extreme weather event.

To date, the magnitude of impact is considered medium-low and there has been no material loss over the past ten years, however the Group is proactively monitoring this risk.

The scenario analysis done with Risilience provides an understanding of the potential evolution of this exposure across five different pathways, to quantify the earning value at risk from asset damage and business discontinuity due to natural hazards.

Under a Current Policy pathway (based on SSP3-7.0) and without any risk mitigation considered, out of 521 sites assessed, 269 will have a high likelihood of being exposed to natural hazards by 2050. Schneider Electric quantified its earning value at risk over the next five years, ten years and by mid of the century, under high emission pathways.

Adaptation measures aiming at reducing site vulnerabilities are defined during on-site audits and taken within the year following those recommendations. Over the last ten years, Schneider Electric has been invested in engineered and built environment adaptation solutions to mitigate any potential loss.

Governments, public institutions, and investors are responding to the climate crisis by implementing more stringent regulations and redirecting investments toward low-carbon alternatives. Regulatory, legal, and behavioral changes, and the evolving competitive landscape can present risks for companies delaying their transition to a low-carbon economy or companies highly exposed to sectors slowing down this transition.

Schneider Electric has a comprehensive process for identifying and managing climate-related transition risks and opportunities, both in its own operations and along its value chain. This process is informed by scenario analysis and is integrated into the Company's ERM framework. In line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, Schneider Electric launched a prospective approach on climate change and energy transition five years ago, by setting up a dedicated organization, the Schneider Electric™ Sustainability Research Institute. This team, the Company think-tank on the Climate and Energy Transition, reports to the Chief Strategy Officer and informs strategic priorities across businesses and operations.

Schneider Electric has identified several transition events that could potentially impact its cash flows and reputation in medium- and long-term time horizons if the necessary mitigations are not engaged. These events could trigger:

- Policy risks: The company actively monitors evolving climate policies and regulations to anticipate potential impacts on its business, including the assessment of carbon pricing mechanisms with the potential to increase direct and indirect operating costs due to Schneider Electric's direct and indirect GHG emissions. Schneider Electric is using a carbon pricing database for 180 countries with future carbon price scenarios for each country and sector, based on government climate policy ambitions, to estimate the policy impact to its future cash flows.
- Market risks: Schneider Electric recognizes that the market for low-carbon products and services is rapidly growing and identifies the development of offers with lower environmental impact throughout the lifecycle as a potential market differentiator, and a competitive advantage. The company is adapting its product portfolio to meet this demand and is developing new business models that support a sustainable economy. The Group is strategically positioned to capitalize on the acceleration of digital adoption and the transition to cleaner, more electric, and decarbonized energy and industrial systems. Schneider Electric's EcoStruxure platform and Resource Advisor tool are examples of how the Group is addressing the demand for energy-efficient solutions and providing customers with actionable data to manage their emissions.
- Reputational and liability risks: The company understands that its reputation is closely tied to its performance on climate change. Schneider Electric manages this risk by setting ambitious emissions reduction targets, implementing robust sustainability practices, and communicating its progress transparently.
- Technology risks: The company recognizes that technological advancements play a critical role in the transition to a low-carbon economy. The company invests more than 5% of its revenues in R&D to bring innovative, low-carbon solutions to market and is prepared to adapt to a changing technological landscape.

Schneider Electric used its climate scenario analysis to quantify its medium (ten years) and long-term (2050) earning value at risk from climate transition events under low-emissions pathways and with and without considering climate mitigation actions.

Specific mitigation and adaptation strategies have been engaged to avoid those transition events expected to affect Schneider Electric assets and business activities, including decreasing our GHG emissions along the value chain, accelerating the Eco-design our products, driving the transition towards a sustainable economy within our value chain, avoiding locked-in emissions and the risk of stranded assets.

In the short term, the growth of digitalization and AI, the accelerated need for concrete solutions to fight climate change, the ongoing transition of our energy landscape, the evolution of wealth, and the new global equilibrium create unprecedented tailwinds in Schneider Electric's markets. As a result of those five megatrends, the Group anticipates that its markets will experience significant growth in the coming years where we see an increase in market growth CAGR (Compound Annual Growth Rate) to between +6% and +7% between 2023–2027 (4-year CAGR).

By understanding and preparing for these megatrends, Schneider Electric can align its strategy with market demands, anticipate customer needs, adapt to changing landscapes, and provide innovative solutions that address the challenges and opportunities arising from these trends.

By identifying transition events and assessing the exposure of its assets and business activities to these events, Schneider Electric ensures that it is prepared for the transition to a climate-neutral economy. The Group's approach aligns with climate-related public policy goals and considers long-term time horizons that may extend beyond ten years.

In addition, the eligibility of Schneider Electric's business activities with the EU Taxonomy (Commission Delegated Regulation (EU) 2021/2139) has been assessed and 90% of the Group's revenue in 2024 are contributing to at least one environmental objectives of the regulation. This includes 50% that supports climate change mitigation and 39% that supports the transition to a circular economy.

The potential impacts from the climate-related matters on the Group's assets and liabilities measurement as well as on significant judgments and estimates, have been analyzed through both climate transition risk and opportunities, physical risks perspective, and climate external commitments perspective. The Group is committed to have Net-Zero CO_2 emissions in its operations by 2030 and be Net-Zero along the whole value chain by 2050. Those objectives are concretely defined in the Group's sustainability strategy through the SSI and SSE programs that are externally reported on a quarterly and annually basis, respectively. To achieve its emission reduction objectives and meet its Net-Zero commitments taken, the Group has defined a roadmap and key actions to enable both its own operations and its supply chain's decarbonization, leading to direct consequences on processes, sites transition, Research and Development (R&D), and investment priorities:

- Redesign of the investment monitoring and approval tool in December 2022 to support internal and external reporting, monitor investments allowing our sites to transition to Zero-CO_2 sites and prioritize low-carbon investments. In 2024, trainings and change management have been performed to ensure adoption.
- Significant investments on both industrial processes (sites electrification) and real estate portfolio (electric vehicle chargers' installment) planned to decarbonize operations by 2030 (Scopes 1 and 2) in line with Company-wide energy climate targets (150 Zero-CO_2 sites by 2025, 100% of electricity from renewables by 2030, shift 100% of corporate vehicle fleet to electric vehicles by 2030). Specifically on manufacturing and distribution centers, the Group has defined a priority list and has planned to invest progressively on more electrification, sustainable and efficient systems (e.g., heat pumps, microgrids, solar panels, thermal insulation) between 2024 and 2030, to achieve Net-Zero ready operations by 2030.
- Implementation of a process to follow carbon footprint evolution at an early stage of new product development to reduce the footprint of future generations of products. The Group committed on a step up in R&D in coming years, from a circa 5% of Group revenues dedicated to strategic R&D investment pre-covid to a future circa 7%, with a strong focus on sustainability. In total, around EUR 13 billion have been invested by the Group in R&D between 2017 and 2024. The actual and potential financial links and effects of the Group's external commitments or the specific climate risks identified are detailed as follows:
  - The Group has performed an evaluation of physical risks on its sites with an independent expert. No material impact to disclose, notably on evaluation and useful life of tangible assets or in the impairment tests performed at Group level. The Group is not a capital-intensive company, the majority of its sites are leased and not owned, and the individual residual value of its tangible assets in the most at-risk locations is not material. Additionally, the multi-hub position of the Group with agile capacity to relocate its production in case of climate disaster is a way to significantly mitigate risks and potential effects. Also, the Group has a low dependence on water in its production processes, and its sites are slightly located in flood zones or coastal zones. Finally, the Group has an opportunity to build on the world's drive towards electrification and increasing Net-Zero commitments. In 2024, the Group has worked on quantifying investments and additional costs, as well as opportunities to achieve long-term Net-Zero carbon commitments, taking into consideration several scenarios in order to integrate them into the Group's impairment tests. The Group has not identified any risk of impairment at December 2024.
  - The Schneider Sustainability Impact (SSI), which encompasses several climate objectives, serves as a factor in the annual short-term variable compensation of 76,000 employees, including the Executive Committee members and the CEO. For more information on climate targets included in remuneration please refer to section 2.1.1.
  - To further tie climate-related issues to financial planning, Schneider Electric has linked in 2022 its bank fundings with the SSI performance with the signature of a KPIs linked facility.

Considering the above risk assessment and Net-Zero commitments, the Group has performed a sensitivity analysis to its impairment tests at groups of Cash Generating Units (CGUs) level and did not identify impairment risk on its assets from climate risks.

For more information on climate change-related impacts, risks, and opportunities (IROs), please refer to section 2.1.2 "Main sustainability impacts, risks and opportunities" on **page 43**.

IROs interaction with strategy and business model

Schneider Electric proactively identifies and measures climate-related risks and opportunities, to assess existing and potential impacts to its business, operations, and value chain. The risks and opportunities assessment covers acute and chronic climate physical risks, legal and regulatory risks and opportunities linked to current and emerging climate regulations, as well as market, technology, liability, and reputational risks and opportunities linked to changes in customer behaviors.

Climate physical risks

Acute physical risk

The immediate effects of climate change, known as acute physical risks, can manifest as more frequent and severe natural hazards, such as intensified hurricanes or floods. Extreme weather events not only directly affect the Group's operations but also impact crucial infrastructures like power plants, electrical grids, data centers, and transportation networks.

Chronic physical risk

In the long term, the severity of physical impacts will vary based on society's ability to reduce human-induced climate change. However, even with mitigation efforts, the IPCC is highly confident that climate change will lead to numerous risks for natural and human systems beyond 2040. It's crucial to prepare for potential intensifying impacts by considering various scenarios, understanding that some degree of impact is inevitable despite efforts to combat climate change, and consider adaptation measures.

Schneider Electric has over 300 industrial and logistics sites globally and is exposed to the physical effects of climate change in the form of more frequent and severe acute weather events. In addition, impacts from chronic environmental changes like average temperature increase could expose some of our sites and employees to drought and increased water stress.

These impacts could result in damage to assets, disruption to business operations, as well as human and environmental consequences.

Physical risks resulting from climate change can have financial implications for the Group. As a result, climate and weather-related risks are part of the Group's Business Continuity and Risk Management program, leading to preventive investment to secure assets and adapt to material climate and weather risks.

Climate transition risks

Climate transition risks stem from the shift to a low-carbon economy and include:

Policy risk

As climate urgency intensifies, regulation appears as a key lever in driving a faster and more coordinated transition. The outcome of climate regulations may result in additional requirements and fees, or restrictions on certain activities or materials, impacting primarily companies slowing down the transition and creating opportunities for companies leading the transition towards a low-carbon economy.

Schneider Electric anticipates possible financial impacts of future carbon emission costs by working to address both its operational and value chain footprints. Given the relatively low share of the Group's Scope 1 and 2 emissions in its carbon footprint, carbon pricing mechanisms primarily present the potential for impact on the Group's value chain. Among others, it could result in higher raw materials and manufactured components costs, and increasing costs incurred by consumers during the use of sold products. Schneider Electric could benefit from these regulations compared to slower-moving competitors.

Market risk

The growing demand for low-carbon products and services generally presents a significant business opportunity for Schneider Electric. The Group already explores ways to improve the efficiency and emissions profile of existing products with innovations, such as SF_6-free medium voltage switchgears. The low-carbon transition can present risks with potential financial impacts for companies delaying the transition, as well as opportunities for sustainability leaders. For example, consumer preferences may change and further veer toward environmentally sustainable alternatives. This is a critical element of the Group's sustainability impact goals and eco-design strategy.

Reputational risk

Customer trust can be influenced by companies' actions or inaction to mitigate and adapt to climate change. Schneider has been working to reduce its own GHG emissions for 20 years setting ambitious targets for both its operations and its value chain. The Group actively manages this risk by building and executing detailed roadmaps for its targets and collaborating with its stakeholders. The Group remains diligent in protecting brand reputation through accurate and transparent communication and marketing. In 2024, as litigation and legislative developments surrounding green claims rose, and public focus on greenwashing heightened, Schneider Electric sharpened its focus on environmental claims and language used regarding sustainability, and evolved concepts, guidance and commitments in line with new requirements.

Technology risk

As the global economy transitions towards a low-carbon future, technological innovation will accelerate the impairment of fossil-fuel intensive assets.

Given the relatively low share of Schneider Electric's Scope 1 and 2 emissions in its corporate carbon footprint, financial risks from stranded assets are not material for the Group.

Resilience and adaptation towards climate physical risks

Schneider Electric conducts comprehensive resilience analysis on both climate-related physical and transition risks, to inform its strategies and adapt its business models, with the goal of covering material climate physical and transition risks on both its own operations and value chain.

Schneider Electric identifies and measures climate-related risks and opportunities over short (3–5 years), medium (5–10 years), and long-term (10–30 years) horizons. These time horizons, detailed in section "2.2.1.2 Climate risks, opportunities and impact management", are carefully chosen to align with the expected lifetime of the Group's assets, strategic planning cycles, and capital allocation plans. The quantification of potential impacts, risks, and opportunities to its businesses and value chain over those different time horizons enable the Group to adapt both its supply chain strategy and corporate strategy and adjust its business model.

Climate-related physical risks in Schneider Electric's own operations and along the value chain are managed through an end-to-end process spanning from upstream value chain, own operations down to logistic and transportation activities to ensure supply chain flexibility and resilience is continually improved. A comprehensive strategy has been deployed to identify and measure the risk, prevent and protect against incidents, detect in advance any potential event, and respond appropriately in case of crisis to contain impact and ensure business continuity.

On its upstream value chain, the Group has engaged into a multi-tier mapping of its supply chain to increase supply chain visibility and quantify risks. The Group has developed a risk mitigation approach with strategic stocks in the short term and a double sourcing strategy in the medium term.

On its operations, the quantification of short-term climate risks is primarily done with an evaluation on-site of the climate physical risks. Risk profiles of industrial sites are regularly updated, and adaptation measures are taken accordingly. The Group leverages on climate scenario analysis to reinforce the short-term risk identification and quantify medium- and long-term climate physical risks, thus supporting decision-making processes impacting those time horizons.

To date, the magnitude of impact is considered medium to low, as there has been no material loss over the past ten years, however the Group is proactively monitoring this risk.

The scenario analysis done with Risilience provides an understanding of the potential evolution of this exposure across five different pathways, to quantify the earning value at risk from asset damage and business discontinuity due to natural hazards. Under a Stated Policy pathway (based on SSP2-4.5) and without any mitigation considered, out of 521 sites assessed, 269 will have a high likelihood of being exposed to natural hazards by 2050.

Climate risk exposure and vulnerability are part of the Site Resilience Index, a key indicator to define Schneider Electric supply chain strategy, investment decisions, and current and planned mitigation actions.

Decarbonize our activities and value chain to transition towards a low-carbon economy

Regulatory, legal, and behavioral changes, and the evolving competitive landscape can present risks for companies delaying their transition to a low-carbon economy.

Schneider Electric has a comprehensive process for identifying and managing climate-related transition risks and opportunities, both in its own operations and along its value chain.

Five years ago, Schneider Electric set up a team dedicated to the analysis of climate change and energy transition and to inform strategic priorities across businesses and operations. Schneider Electric has identified several transition events that could potentially impact its cash flows and reputation in medium- and long-term time horizons if the necessary mitigations are not engaged.

Schneider Electric leveraged on its climate scenario analysis to quantify its medium (ten years) and long-term (2050) earning value at risk from climate transition events under low-emissions pathways.

Specific mitigation and adaptation strategies have been engaged to avoid those transition events expected to affect Schneider Electric assets and business activities. These encompass:

- Decreasing our GHG emissions along the value chain, exposing the Group to carbon pricing mechanism;
- Accelerating the eco-design of our products, improving its efficiency and emissions profile, and the adaptation our offer portfolio to meet the growing demand for low-carbon products and services;
- Driving the transition towards a sustainable economy within our value chain, reducing risk from inaction; and
- Avoiding locked-in emissions and the risk of stranded assets. As detailed in the section 2.2.1.3, paragraph decarbonization actions and resources

In the short term, the Group anticipates that its markets will experience accelerating growth between 2023 and 2027 with an increase in market CAGR to between +6% and +7%, with a dominant role of:

- Electrification: the world is becoming more electric, with demand growing potentially up to 3x by 2050; and
- Digitalization: with the increase in connectivity, digital technologies play a major role in reaching decarbonization targets while augmenting economic productivity, notably around efficiency in energy and resource use and circularity, as well as increased resiliency and security.

By understanding and preparing for these megatrends, Schneider Electric can align its strategy with market demands, anticipate customer needs, adapt to changing landscapes, and provide innovative solutions that address the challenges and opportunities arising from these trends, ensuring the resilience of the Group strategy and business model.

The megatrend analysis and associated market risks and opportunities are updated on a yearly basis to inform the strategy of the offer and business development teams as well as the businesses and strategic segments organizations.

This market trend analysis and the Group's ability to capture those opportunities has been used to define the assumptions of the transition risks models in the quantification of climate transition risks based on climate scenarios.

To accelerate the decarbonization of its value chain, Schneider Electric engages with its top 1,000 suppliers to reduce their CO_2 emissions and help its customers manage their energy consumption and reduce their emissions with Schneider Electric's EcoStruxure platform, providing them with real-time data and insights to optimize energy use and reduce their environmental footprint.

Schneider Electric transition plan and climate change adaptation

Schneider Electric proactively identifies and measures climate-related risk and opportunity to assess existing and potential impacts to its business, operations, and value chain. This approach encompasses ERM and climate risk, and vulnerability assessments leveraging on scenario analysis. The ERM of climate-related risk and opportunity is a domain specific review led by environmental experts, and overseen by the Group Risk Management department and the Internal Audit department. The risk and opportunity assessment covers acute and chronic climate physical risks, legal and regulatory risks and opportunities linked to current and emerging climate regulations, as well as market, technology, and reputational risks and opportunities linked to changes in customer behaviors.

In 2024, the Group performed a forward-looking climate risk and vulnerability assessment with an independent third party (Risilience) to identify and price the materiality of physical and transition climate risks that may affect the Group's operations and sites, its extended value chain (upstream and downstream), and overall economic activities in the short term, medium term, and long term using scenario analysis. In this study, climate risks are quantified under different emissions pathways between 1.5°C and >4°C temperature rise by 2100. As described in section 2.2.1.2 of climate risks, opportunities and impact management – sub-section "IROs interaction with strategy and business model",, five emissions pathways based on the IPCC's socioeconomic pathways (SSP5-8.5, SSP3-7.0, SSP2-4.5, SSP1-2.6, and SSP1-1.9) were considered by 2025, 2030, and 2050.The Group identifies climate-related risks and opportunities and devise measures for management and mitigation. Schneider references guidance from the Task Force on Climate-related Financial Disclosures (TCFD) to classify its climate-related risks and opportunities into two major categories:

- Transition: risks and opportunities related to the transition to a lower-carbon economy; and
- Physical: risks and opportunities related to the physical impacts of climate change.

Based on the physical and transition risks and opportunities identified, concrete actions for the 2021–2025 period were defined and are monitored and shared transparently in Schneider Sustainability Impact, and Essentials. They are overseen by various dedicated Committees up to the Board of Directors.

The Group's climate strategy has been defined in alignment with Science-Based Target Initiative's (SBTi's) "Corporate Net-Zero Standard" published in October 2021, including the validation of a 2050 target in line with limiting global warming to 1.5°C. In August 2022, Schneider Electric was one of the first companies to see its GHG reduction targets validated by the SBTi. As part of its Net-Zero commitment, the Group has defined mid- and long-term targets. Ultimately, the Group is committed to be Net-Zero across its entire value chain by 2050, which means that the Group aims to reduce its 2021 footprint by an absolute 90% by 2050 and neutralize residual emissions with high-quality and durable carbon removal credits. This long-term target is accompanied by a clear roadmap which includes milestones in 2025 and 2030, with a plan to develop intermediary milestones for 2035. As part of its 2030 SBTi targets, the Group is committed to:

- Reach "Net-Zero ready operations", reducing its scope 1 and 2 emissions by 90% absolute, and neutralizing residual emissions with high quality and high durability carbon removals.
- Reduce its value chain emissions by 25% absolute from a 2021 baseline, across its upstream and downstream.

In addition, the Group has intermediary targets in 2025 as part of the Schneider Sustainability Impact and the Schneider Sustainability Essentials. The Group has also made specific commitments for energy efficiency, electrification, and renewable electricity under the EP100, EV100, and RE100 initiatives of the Climate Group. Each of these initiatives define specific targets by 2030. Schneider Electric also aims to deliver to its customers 800 million to 4,000 of saved and avoided CO_2 emissions between 2018 and 2025 thanks to EcoStruxure™ solutions.

Schneider Electric's climate targets for Scopes 1 and 2 in 2030 are validated by the Science Based Targets initiative (SBTi), with a "temperature alignment" (as per SBTi terminology) of a global warming limited to 1.5°C. For the same time horizon, Scope 3 target is aligned with a global warming limited to well-below 2°C level, also as per SBTi framework. These targets have been developed by using the absolute contraction approach that SBTi is defining. Indeed, in the absence of sector-specific trajectory for Schneider Electric's business, the SBTi is using a cross-sectorial trajectory to define compatibility of GHG emissions with different levels of temperature rises. For Scope 3, a target aligned with 1.5°C would have been a 42% reduction over the same time period.

Over the longer term, Schneider Electric's Net-Zero targets for 2050 have been approved by the SBTi against their "Corporate Net-Zero Standard" which is a framework for corporate Net-Zero target setting in line with climate science and consistent with limiting global temperature rise to 1.5°C.

During the reporting period capital expenditures (CapEx) in fossil fuel-related economic activities are limited, as the Group does not invest in major coal, oil, or gas-related economic activities. Although this indicator holds limited relevance to the Group, data was collected to ensure transparency.

Based on Schneider Electric's business activities, significant investments might occur in electric power generation (NACE D.35.1) or heat generation (NACE D.35.3). Significant investments are defined as those in equipment for heat/cooling or co-generation, including power, that produce direct GHG emissions exceeding 270 gCO_2e/kWh. This primarily involves electricity generators.

Aligning with CSRD, Schneider Electric has begun systematically tracking such investments by region with site level details, yielding the following results:

	2024, in millions of euros
Significant CapEx for coal-related economic activities	0
Significant CapEx for gas-related economic activities	2.8
Significant CapEx for oil-related economic activities	1.2
of which for emergency use (e.g. backup-power)	100%

While a total of 1.214 millions of euros has been invested in oil-related power/heat generating equipment in 2024, it is used for backup power in case of emergency use. The majority of investments occurred in Mexico and India. With the grid quality improving in the coming years in those regions, backup power will no longer be needed at Schneider Electric's sites.

Policies related to climate change mitigation and adaptation

Getting to Net-Zero is going to take more than commitments, and technologies. Policies underpin the pace and the progress that the world will be able to make towards decarbonization. The Group will use its voice to speak out on public policy issues that Schneider Electric thinks can advance the world's carbon efforts:

- Public policy initiatives that accelerate the electrification, digitalization, and decarbonization of the economy.
- The removal of regulatory barriers to help catalyze markets to enable carbon-reduction and carbon removal technologies to scale more quickly.
- The use of market and pricing mechanisms so people and businesses can make more informed carbon decisions.
- The empowerment of consumers through transparency based on universal standards to inform purchasers about the carbon content of goods and services.

In 2024, Schneider Electric has integrated its two former policies (the Energy Policy and the Environmental Policy) in one Environmental Sustainability Policy, to address the various dimensions of the environment as well as their interconnectedness.

The policy defines our readiness and ambition to go beyond the regulatory requirements and achieve voluntary sustainability commitments and targets.

In its Environmental Sustainability Policy, Schneider Electric commits to carry out periodical risk reviews and audits to strengthen risk management systems and reduce environmental risks. The ERM of climate-related risk and opportunity is a domain-specific review led by environmental experts, and overseen by the Group Risk Management department and the Internal Audit department. The risk and opportunity assessment covers acute and chronic climate physical risks, legal and regulatory risks and opportunities linked to current and emerging climate regulations, as well as market, technology, and reputational risks and opportunities linked to changes in customer behavior.

The Group commits to:

- Reduce its energy and environmental footprint, via the prevention and mitigation of environmental impacts, including GHG emissions, energy, pollution of air, water, and soil, substances of concern, water, biodiversity, and resource use.
- Avoid locked-in emissions: any new investment project on operations must not lead to residual emissions from fossil fuels for long-lived assets.
- define and deploy environmental best practices in operations, offices, and properties; aligning its approach with major energy and energy efficiency programs.
- strive for resilience, adapting our operations, supply chain, and investments to mitigate risks from climate change and nature depletion.

This engagement goes beyond Schneider Electric's own operations, as the Group:

- engages with suppliers, contractors, partners, and customers in our energy and environmental excellence journey by participating in global coalitions that advance environmental sustainability and adopting frameworks that promote responsible practices;
- selects partners, contractors, and suppliers compliant with environmental regulations;
- regularly assesses environmental risks in our value chain and works to reduce these risks relying on relevant third-party certifications or ratings;
- develop key technology and processes that mitigate negative environmental impact and climate change while creating positive environmental contributions to pivot into the green market and circular economy.

The policy focuses on reducing GHG emissions, enhancing energy efficiency, increasing the use of renewable energy, and implementing climate adaptation strategies. It includes specific targets for the journey towards Net-Zero emissions, as well as initiatives for energy-saving technologies and sustainable practices.

It was developed with input from key stakeholders, including employees, customers, suppliers, and regulatory bodies, ensuring that their interests and concerns are addressed.

It ensures compliance with international standards such as the Paris Agreement, ISO 50001 for energy management, ISO 140001 for environmental management systems, and other relevant environmental regulations and best practices.

The Global Environment team oversees the policy's implementation, with senior management and the Board of Directors actively involved in the governance.

All relevant stakeholders are informed about the policy, including employees from the businesses, global supply chain, the operations and corporate functions, suppliers, partners, and customers, through internal communications, training programs, and public disclosures, ensuring that those affected and responsible for implementation are well-informed.

Actions and resources in relation to climate change policies

Description of actions

This section gives an overview of the actions and resources in relation to climate change policies. For Schneider Electric these can be split into four areas: (1) Long-term sustainability goals, (2) SSI and SSE, (3) Climate change mitigation and energy, (4) Climate change adaptation.

Long-term sustainability goals

The key actions to support climate change mitigation are aligned with Schneider Electric's long-term sustainability goals. For further information related to our commitments please refer to section 2.2.1.3 "Targets related to climate change mitigation and adaptation".

To support climate change adaption, on a shorter time horizon, the STRIVE strategy that focuses on enhancing supply chain resilience and flexibility was a three-year plan started in 2021 and has been replaced by IMPACT in 2024 also a three-year action plan.

Schneider Sustainability Impact (SSI) and Schneider Sustainability Essentials (SSE)

The Global Environment team has the responsibility to define and deploy the Group climate and environmental policies, actions, and strategies.

The Schneider Sustainability Impact (SSI) and Schneider Sustainability Essentials (SSE) programs act as our roadmap, tracking our environmental, social and inclusion transformation. The execution of the SSI and SSE is ensured by operational managers or "pilots", and sponsors at SVP-level to ensure proper oversight and efficient program implementation. Actions apply to all Schneider Electric operations, including manufacturing sites, offices, and the supply chain. It ensures a consistent approach to climate change adaptation, mitigation, and energy management across the Company.

Several committees and organizations drive progress on all pillars of the sustainability strategy, including:

- Global Supply Chain organization, with responsibilities including safety and the environment;
- Human Resources organization;
- The Ethics and Compliance organization; and
- The Corporate Citizenship department and the Schneider Electric Foundation.

Climate change mitigation and energy

Schneider Electric employs several decarbonization levers and key actions to mitigate climate change.

For Scopes 1 and 2 emissions, our decarbonization levers are:

- Energy sufficiency and efficiency actions at sites: this lever encompasses actions resulting in a decrease of energy consumption of a site, with either (i) no change of the form of energy that is consumed, or (ii) a change from a fuel to another fuel (e.g., from fuel oil to natural gas) but not to electricity (captured through another dedicated lever).
- Electrification projects at sites: this corresponds to actions resulting in a change of the form of energy that is consumed for a site, from fuel or gas consumption initially towards electricity consumption after implementation of the action.
- Renewable electricity sourcing: this lever consists in acquiring renewable electricity through various means; bundled or unbundled renewable electricity certificates, or on-site generations.
- Electrification of fleet: this is specifically for company vehicles, and this corresponds to transitioning from fossil-based vehicles (gasoline, diesel, or LPG) towards electrified vehicles (could be plug-in hybrids or 100% pure electric vehicles).
- Reductions in SF_6 leaks: this lever captures any action that results in a decrease of the SF_6 leakage happening in sites, due to a reduction of leakage rate (e.g., better monitoring in place) and/or the impact of the SF_6 phase-out plan (less products being sold with SF_6 gas).

Since the action plan on climate change mitigation on Scopes 1 and 2 heavily relies on a shift towards lower GHG emissions from energy consumption, the action plan on energy consists of the same actions described above, except the ones related to SF_6, since they address other GHG sources than energy consumption.

For Scope 3 emissions, the main reduction levers are the following:

- On the upstream Scope 3 emissions specifically, the decarbonization lever is suppliers' engagement, to help them reduce their emissions; Schneider Electric has developed a robust supply chain engagement, called The Zero Carbon Project where it works with its top 1,000 suppliers to achieve and reduce their operational (Scope 1 and Scope 2) GHG emissions by 50% by 2025.
- On the downstream Scope 3 side specifically, the decarbonization lever is to phase-down the use of SF_6 in Schneider Electric products, thanks to the technological innovation of the AirSeT range of circuit breakers, which only rely on vacuum air for electrical insulation.
- Transversally to upstream and downstream Scope 3 emissions, another decarbonization lever is the eco-design of products to lower their carbon and environmental footprint: on the upstream side, this means to design products with lower volumes of materials, and replacement of some materials with lower-impact materials; on the downstream side, eco-design allows to reduce emissions during product's use phase by improving product energy efficiency.

From a systemic perspective Schneider Electric collaborates with stakeholders to promote the transition to low-carbon sources of electricity, in order to decarbonize the grids.

Climate change adaptation

Schneider Electric has implemented a wide range of actions and allocated resources to address climate change adaptation with different time horizons.

Schneider Electric acknowledges the acute and chronic risks associated with the physical impacts of climate change and has adopted a proactive and science-based climate risk management approach, including the use of scenario analysis. The company integrates physical risk assessment and adaptation solutions across strategies and investments to enhance climate resilience and continuously improve supply chain flexibility and agility.

Schneider Electric's climate physical risk assessment and climate adaptation actions can be categorized as follows:

1. Risk identification and assessment:
   - Scenario analysis: Schneider Electric conducts forward-looking climate risk and vulnerability assessments using scenario analysis to understand how the exposure of its sites and value chain may evolve with climate change.

This climate physical risk quantification is performed on all industrial sites, the main tertiary building in which the Group is operating and critical purchasing categories. For each site a threat severity index and the value at risk are calculated to assess short (0–5 years), medium (5–10 years), and long-term exposure (until 2050). By 2050, out of 521 sites assessed, 269 will have a high likelihood of being exposed to natural hazards, including flash flood, heatwave, water stress, temperate, or tropical windstorm.
- Site risk assessments: Recognizing the unique exposure and vulnerability of different sites, Schneider Electric performs on-site audits and assessments to evaluate the specific risks and vulnerability profile of individual sites. These assessments are conducted by independent risk experts. Between 60 to 80 site audits are performed per year, to review each key manufacturing site every three years.
- Supply chain risk assessment: Schneider Electric assesses the climate risks within their supply chain with a multi-tier supply chain mapping, considering factors such as the geographical location of suppliers, the potential for disruptions to transportation and logistics, and the availability of critical resources to manufacture its products.

2. Adaptation measures to detect and protect against climate risk:
   - Technological adaptation solutions: Schneider Electric leverages technology to enhance climate resilience, such as implementing early warning systems for extreme weather events and using climate data to inform site protection decisions. Those risk detection measures cover all Schneider Electric's manufacturing and distribution sites as well as major logistic hubs.
   - Engineered and built environment adaptation solutions: These solutions include measures like flood gates, water storage and pump storage, or improved drainage to protect physical assets from climate-related hazards. Those adaptations measures aiming at reducing site vulnerabilities are taken within the year following recommendations from on-site audits of key industrial sites. In 2023, several factories in France were identified with exposure to riverine flooding. As a result, the Group took the appropriate adaptation measures to mitigate risk exposure and enhance resilience. Over the last ten years, Schneider Electric has been invested in engineered and built environment adaptation solutions to mitigate any potential loss.
   - Ecosystem-based adaptation solutions: These solutions focus on protecting and restoring natural ecosystems that provide valuable services, such as flood protection, water regulation, and carbon sequestration. Examples include wetland restoration, reforestation.
   - Educational adaptation solutions: The company focuses on raising awareness and building knowledge about climate change adaptation through internal and external educational programs, participation in coalitions and research networks like WBCSD Adaptation and Resilience. The Group has also deployed trainings to all its employees and with its partners.
   - Behavioral adaptation solutions: Schneider Electric implements business continuity plans and crisis management standards to prepare for potential natural hazards, minimizing disruptions and ensuring the safety of its workforce. Business continuity planning is a Company-wide process covering all industrial sites and all tertiary sites with more than 50 people.

3. Supply chain resilience:
   - Power of Two in Manufacturing: This initiative focuses on qualifying alternate factories for the same products and suppliers for all critical parts and components, ensuring the continuity of supply and mitigating the risk of bottlenecks. Supply risks are qualified and both short- (<1 year) and long-term (by 3 years) risk-mitigation measures are implemented.
   - Out of the 269 sites with a high likelihood of enduring extreme weather events by 2050 under the Stated Policy scenario, 140 (52%) have a back-up site able to take between 2% and 98% of its load. The Power of Two strategy has proven its efficiency on many occasions, including storms and over outage in North America and floods in Europe. By 2025, 100% of critical distribution centers will be able to redirect more than 80% of their flow in less than five day(s), and 90% of critical offers will be covered by at least a dual manufacturing set up.
   - Dynamic control towers: The company utilizes dynamic control towers to monitor traffic and events in real-time across its logistics network and partners, allowing for proactive adjustments and responses to potential disruptions.

Risk management and resilience

Climate physical risks management and adaptation are integrated into Schneider Electric's ERM framework and its Global Supply Chain strategies, which include an increased focus on adaptation and resilience to continuously improve supply chain flexibility and agility.

The company's Schneider Performance System monitors the adoption of these strategies, including climate adaptation and supply chain resilience actions, ensuring a holistic approach to risk management across key industrial sites.

To assess and manage climate risks, Schneider Electric conducts periodic site audits, climate risk and vulnerability assessments, and scenario analysis to identify potential vulnerabilities, quantify financial impacts, and implement adaptation measures.

The aim is to secure a full end-to-end approach on:
- Logistics network and partners with dynamic control towers monitoring traffic and events in real time.
- Manufacturing with global design and at least two sites to supply, and site risk prevention.
- Upstream with dedicated resources to map risk and address high business impact risks to continuously reduce risk exposure; through dual source, change source, or inventory.

Collaboration and engagement

Schneider Electric recognizes the importance of collaboration and stakeholder engagement in climate change adaptation, actively participating in industry initiatives and working with its suppliers to enhance resilience.

The company's efforts include supply chain multi-tier mapping and proactively working to qualify alternate suppliers for all critical parts and components to improve continuity of supply regardless of potential business disruptions.

Expected/Achieved GHG emission reductions

This section links the previously mentioned actions to the achieved and expected emission reductions.

In reporting year 2024, implementation of decarbonization actions in Scopes 1 and 2 resulted in a reduction of 268,033 tonnes of CO_2eq and will abate 36,000 tonnes of CO_2eq over a 10-year period as compared to emissions that would happen in the absence of the actions. These decarbonization actions mainly pertain to the levers of electrification projects at sites and renewable electricity sourcing.

Allocated financial resources

This section gives an overview about the financial resources allocated to the actions.

Considerations

The implementation of decarbonization actions is not materially dependent on the availability and allocation of resources. However, the rate at which Schneider can implement emission reductions is dependent on many other factors that can change over time; these include business growth and geographic distribution, supplier mix and suppliers' decarbonization journeys, and the rate of decarbonization of the grids that power the Group's products.

Type of current and future financial and other resources allocated

Climate change mitigation and energy

Financial resources allocated to the action plan on climate change mitigation are both operational expenditures and capital expenditures. Capital expenditures are needed to fund the installation of heat pumps and EV chargers in order to decarbonize sites and the Company fleet. Capital is also being spent on industrial processes of manufacturing sites, in order to transition from SF_6-based to SF_6-free products (the AirSeT range of offers). Lastly, the Company measures the research and development expenses on eco-design projects that have a significant climate impact. On the front of operational expenses, the most material type of expenses are related to sourcing renewable electricity, especially for unbundled renewable electricity certificates, and also expenses related to SF_6-free transition.

Since the action plan on climate change mitigation on Scopes 1 and 2 heavily relies on a shift towards lower GHG emissions from energy consumption, the action plan on energy consists of the same types of expenditures, and the financial resources disclosed below applies to the action plan on energy as well, except the ones related to SF_6, since they address other GHG sources than energy consumption.

Also, for the reduction of Scope 3 emissions the bulk of the reductions, coming from eco-design efforts, will not trigger specific additional expenditures, since the reduction of the lifecycle carbon footprint of Schneider Electric products is rather a question of framing appropriately the purpose of eco-design efforts, and not necessarily an increased spend on research and development efforts.

Current financial resources allocated to action plans related to climate change mitigation and energy

In 2024, capital expenditures allocated to the climate change mitigation plan consists of:
- EUR 39.8 million on electrification projects at sites; and
- EUR 14.4 million on manufacturing sites to support SF_6 phase-down in the portfolio.

These categories of capital expenditures are included in the "Buildings" classification in Note 11 of the financial statements (see chapter 5 of the URD).

The operational expenditures over the same time period for sourcing unbundled renewable certificates are not considered as material, and EUR 35 million have been spent on the transition to SF_6-free products.

Future financial resources allocated to action plans related to climate change mitigation and energy

Anticipated financial resources allocated for the climate change mitigation plan are being estimated for the trajectory towards 2030 climate targets. In terms of capital expenditures, this represents:
- EUR 200 million on electrification projects at sites;
- EUR 90 million for installing EV chargers at sites.

The future operational expenditures of sourcing renewable electricity, and both operational and capital expenditures to support the transition to SF_6-free products for meeting climate targets and renewable electricity commitments are assessed to be not material over the 2025–2030 period.

Climate change adaptation

Schneider Electric acknowledges that climate change adaptation requires financial investments, including CapEx for infrastructure upgrades and OpEx for risk assessments, training, and implementation of adaptation measures. Hence, it allocates both capital expenses and operating expenses to identify climate risks and support its Business Continuity and Risk Management program.

Current financial resources allocated to action plans related to climate change adaptation

Schneider Electric allocates both capital expenses and operating expenses to identify climate risks and support its Business Continuity & Risk Management program.

Investments to support end to end supply chain resilience and climate change adaptation are reflected within the note 11 of the 2024 financial statements (see chapter 5 of the 2024 Universal Registration Document) and relate to:

- The CapEx contributing to build multi-manufacturing capabilities and the regionalization of our supply chain, mitigating business disruption risks.
- The part of the Safety, Security, Environment CapEx dedicated to the implementation of recommendations done during on-site risk assessments, reducing site vulnerability towards climate physical risks.

The company incurs operating expenses for project implementation, certification costs, and various activities related to identifying, detecting, and responding to climate risks. This includes climate scenario analysis and real-time predictive weather analysis and alerts, which enhance preparedness for extreme weather events and enable at-risk sites to proactively activate their business continuity plans.

Future financial resources allocated to action plans related to climate change adaptation

The company recognizes that failure to adapt to climate change can lead to financial losses, such as damage to assets, business disruptions, and increased costs due to supply chain disruptions and resource scarcity.

By proactively investing in climate change adaptation, Schneider Electric aims to mitigate these risks and enhance the long-term resilience and sustainability of its operations.

The Group will continue to invest in climate adaptation to secure a full end-to-end approach towards supply chain resilience.

Relationship of significant CapEx and OpEx

The Group's significant CapEx and OpEx required to implement actions related to climate change mitigation, energy, and climate change adaptation are closely linked to the KPIs mandated by Commission Delegated Regulation (EU) 2021/2178.

CapEx related to assets, processes, and business combinations associated with EU Taxonomy activities are meticulously calculated based on eligible and aligned revenue per business and operations, ensuring that the associated CapEx is accurately attributed to eligible and aligned measures.

CapEx and OpEx for product-related R&D projects is considered Taxonomy-eligible and aligned under activity Climate Change Mitigation CCM 3.6 (manufacture of other low carbon technologies). These projects contribute significantly to carbon footprint reduction through the development of more efficient products and systems.

This highlights how the Group's CapEx and OpEx are strategically allocated to support actions in climate change mitigation, energy efficiency, and climate change adaptation, ensuring alignment with the required KPIs.

The main differences between expenditures disclosed under ESRS E1 and KPIs disclosed under Commission Delegated Regulation (EU) 2021/2178 are due to investments made for Schneider Electric supply chain resilience and climate adaptation but not reflected under any economic activity of the EU Taxonomy. Similarly, investments linked to building rental contracts signed as part of a climate change mitigation approach but not aligned with EU Taxonomy criteria, and the replacement of industrial machines consuming less energy, are currently not covered by any economic activity of the EU Taxonomy.

Progress

Schneider Electric has reported substantial progress in its Sustainability Reports. The company has achieved a 10% reduction in energy consumption and a 15% decrease in GHG emissions over the past five years.

For more information on progress-related metrics, please refer to section 1.1.2 "Long-term commitments and tools to measure progress" on **page 5**.

The company has enhanced its resilience to climate impacts through adaptive measures including dual sourcing, manufacturing with global design and at least 2 sites to supply, logistics network and partners with dynamic control towers monitoring traffic and events in real time, and site risk prevention.

Our "Power of Two" strategy has consistently demonstrated its efficiency in various situations, including storms and power outages in North America, as well as floods in Europe. Each time, our backup sources have proven invaluable. Schneider is proactively qualifying alternate factories for the same products and suppliers for all critical parts and components, thereby enhancing supply continuity despite potential business disruptions, such as natural disasters. We are moving towards in terms of local sourcing, targeting up to 90% sourcing and manufacturing within regional hubs.This approach not only reduces shipping and transportation costs, thereby lowering CO_2 emissions, but also aligns with local procurement requirements, creating additional opportunities and

enhance supply chain system resilience. Reducing risk exposure is an ongoing effort in Schneider Electric, where the goal is to secure a full end-to-end approach towards supply chain resilience.

2.2.1.3 Climate change results and financial effect

Decarbonization actions and resources

Based on the nature of the greenhouse gas (GHG) emissions from Schneider Electric's activities across the three scopes, several decarbonization levers and key actions have been identified to mitigate climate change. While some of these levers are quite generic from one company to another (especially on Scopes 1 and 2 emissions), the specificities of Schneider Electric are being factored in (e.g., the specific emission sources of SF_6 in Scopes 1 and Scope 3,

the existing sustainability programs, and how the emissions from energy are being tackled by leveraging the portfolio of solutions of Schneider Electric).

For Scopes 1 and 2 emissions, our decarbonization levers are:

- Energy sufficiency and efficiency actions at sites: this lever encompasses actions resulting in a decrease of energy consumption of a site, with either (i) no change of the form of energy that is consumed, or (ii) a change from a fuel to another fuel (e.g., from fuel oil to natural gas) but not to electricity (captured through another dedicated lever).
- Electrification projects at sites: this corresponds to actions resulting from a change of the form of energy that is consumed for a site, from fuel or gas consumption initially towards electricity consumption after implementation of the action.
- Renewable electricity sourcing: this lever consists in acquiring renewable electricity through various means; bundled or unbundled renewable electricity certificates, or on-site generation.
- Electrification of fleet: this lever is specifically for company vehicles, and it corresponds to transitioning from fossil-based vehicles (gasoline, diesel, or LPG) towards electrified vehicles (could be plug-in hybrids or 100% pure electric vehicles).
- Reductions in SF_6 leaks: this lever captures any action that results in a decrease of the SF_6 leakage happening in sites, due to a reduction of leakage rate (e.g., better monitoring in place) and/or the impact of the SF_6 phase-out plan (less products being sold with SF_6 gas).

For Scope 3 emissions, the main reduction levers are the following:

- On the upstream Scope 3 emissions, the decarbonization lever is suppliers' engagement, to help them reduce their emissions.
- On the downstream scope 3 side, one of the decarbonization lever is to phase-down the use of SF_6 in Schneider Electric products, thanks to the technological innovation of AirSeT range of circuit breakers, that only rely on vacuum air for electrical insulation.
- Transversally to scope 3 emissions, another decarbonization lever is the eco-design of products for lower carbon footprints: on the upstream side, this means to design products with lower volumes of materials, and replacement of some materials with lower environmental impact materials; on the downstream side, eco-design allows to reduce emissions during product's use phase by improving product energy efficiency.
- The decarbonization of the grids is factored in the forecasts of scope 3 GHG emissions, due to the emissions from the use phase of products resulting from the carbon intensity of the electricity where the products are used.

From a systemic perspective Schneider Electric collaborates with stakeholders to promote the transition to low-carbon sources of electricity, in order to decarbonize the grids.

The significant operational expenditures and capital expenditures required for implementation of action plan are disclosed above, in the section about the types of current and future financial resources allocated for Climate Change Mitigation. During the reporting year Schneider Electric invested 41.6 millions of euros CapEx and 0.8 millions of euros OpEx to support the implementation of its transition plan. These spendings are classified in alignment with the Company-wide decarbonization levers, however tracking currently only covers Scope 1 and 2 on a company-wide basis.

A more nuanced differentiation on additional spending and the link with financial statements can be found in the aforementioned section which presents material financial resources for the decarbonization levers. Overall, to implement the objective of achieving the "Net-Zero ready" target in operations by 2030 on Scopes 1 and 2, it is estimated that around EUR 400 million will be invested from 2024 by 2030, in technologies such as heat pumps to substitute comfort gas or electric vehicles (EV) chargers, and for supporting the shift towards SF_6-free products. For more details please refer to section "Type of current and future financial and other resources allocate" on page 71.

In order to ensure there are no severe pitfalls for successfully implementing the decarbonization actions, Schneider Electric has looked into material locked-in GHG emissions in the activities of the Company. Since there is no asset operated by Schneider Electric that would represent more than 5% of the Scopes 1 and 2 emissions of the Company, hence there is no key asset with material locked-in emissions. In addition, although there are some manufacturing sites with gas-intensive manufacturing processes, the Group is actively looking for ways to electrify these processes and there is no impediment to implement the transition plan.

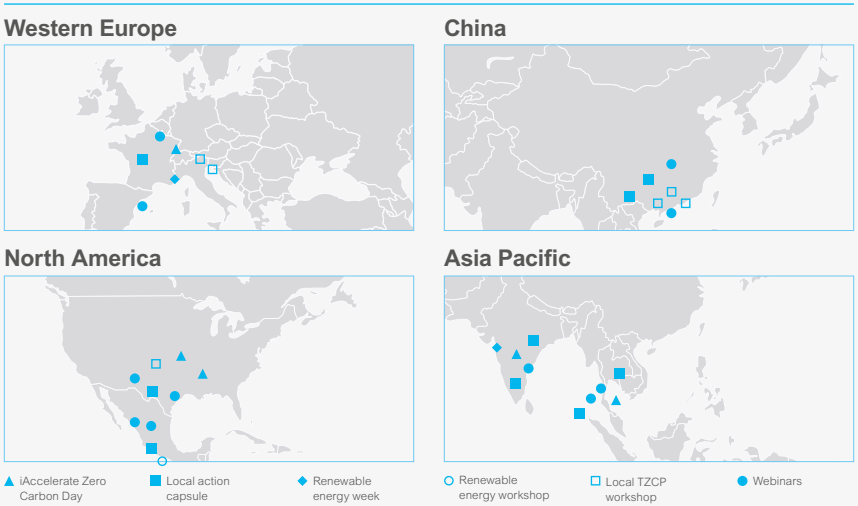
On the Scope 3 side, the locked-in GHG emissions from Schneider Electric's activities are on the downstream side, with Scope 3 categories 11 and 12 in GHG Protocol framework, respectively use phase and end-of-life emissions of sold products. In conformance with GHG Protocol standards, these emissions are being estimated based on the sales happening in the reporting year, with a forward-looking perspective on what will be the GHG emissions in the future of the products, from a lifetime perspective. Hence, these Scope 3 categories encompass GHG emissions that will occur in the coming decades, since some of Schneider Electric products have lifetimes of 10, 20, or even 30 years. By design, the way the GHG inventory of the Company is done does not result in locked-in emissions that would jeopardize achievement of GHG emission reduction targets, and then would result in transition risks, since the reduction targets are based on a similar accounting approach for GHG inventories of future years. In other words, the Scope 3 GHG emissions that we will be reporting in 2030 will also be based on the sales of reporting year 2030, and factoring the carbon intensity of the electricity consumption of our customers in 2030, and after.

Schneider Electric's purpose is to create impact by empowering all to make the most of its energy and resources, bridging progress and sustainability for all. 90% of the Group's revenue comes from economic activities supporting either climate change mitigation, the transition to a circular economy or the preservation of water resource, as defined in the European Union Taxonomy, and the EU commission delegated regulation 2021/2139. In 2024, Taxonomy-eligible and -aligned revenues with at least one of the climate environmental objectives amounted to 90% and 28% respectively, representing EUR 34,328 million and EUR 10,737 million respectively out of EUR 38,153 million total 2024 consolidated revenue, as disclosed in the consolidated statement of income on page 504 of the 2024 Universal Registration Document.

Schneider Electrics' activities supporting those climate environmental objectives are described on **page 120**.

- 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 the suppliers across different regions:
  - Local Action Capsule: 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 bottle necks 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.
  - Renewable Energy Week: digital consultation with experts on renewable energy adoption by suppliers.
  - Renewable Energy Workshop: Workshops for customized deepdive with experts on renewable adoption by suppliers.
  - Local "The Zero Carbon Project" (TZCP) 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.

TZCP Supplier Support Framework



The Group will continue to develop its portfolio of offers providing energy and resources efficiency to its customers, while continuing to proactively substitute the use of hazardous substances in its products, thus supporting climate change mitigation while not harming significantly any of the other environmental objectives.

With its climate programs, the Group aims at limiting its carbon emissions by implementing its own Energy Management and Industrial Automation solutions and developing offers that will help its customers do the same, increasing mechanically its share of revenue coming from offers contributing significantly to climate change mitigation. In 2024, 25% of Schneider Electric revenue is contributing substantially to mitigate climate change, while not significantly harming any of the other environmental objectives of the EU Taxonomy (Commission Delegated Regulation 2021/2139).

Schneider Electric's end-to-end circularity strategy, part of its resource programs, aims at minimizing the volume of resources it needs and optimizing the use of these resources. The keystone of Schneider Electric's circularity approach is EcoDesign Way™, a process that enables the right trade-offs between the environmental impact along the lifecycle of products. Those programs are part of the transformations along our value chain needed to contribute substantially to the transition to circular economy in the manufacturing of electrical and electronic equipment. In 2024, 3% of Schneider Electric revenue is contributing substantially to transitioning to a circular economy, while not significantly harming any of the other environmental objectives of the EU Taxonomy.

Finally, Schneider Electric's commitment to continue to prioritize the management and substitution of hazardous chemicals from its products, processes, and supply chain, is also contributing to align economic activities with the criteria established in the Commission Delegated Regulation 2021/2139.

Schneider Electric is not excluded from EU Paris-aligned Benchmarks.

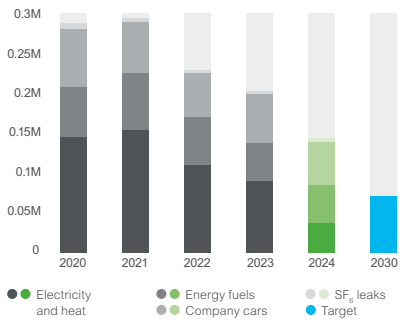
The transition plan is reviewed through different leadership steps, and ultimately by both the Executive Committee and the Board at least once a year, as Long-term incentive package targets are set for the following year. The adjusted gap to target, and actions to close the gap are reviewed and approved during these meetings. Also, it is worth noting that during its Annual General Meeting in May 2023, the Group gave shareholders the possibility to vote on the Company's climate transition plan and 97.67% of voters approved it.

Since 2021, emissions from Schneider Electric's operations (Scopes 1 and 2) have decreased by 51% in absolute terms, as compared to a target of -76% by 2030, while Scope 3 emissions have decreased by 19% in absolute terms as compared to a target of -25% by 2030.

More specifically, emissions from Scopes 1 and 2 have decreased in 2024 by 29% as compared to 2023, and the overall reduction since 2021 are largely due to energy efficiency initiatives, electrification of the Group's on-site processes and fleet, and the outstanding progress on sourcing more and more renewable electricity.

Operations Scope 1 and 2 — **-29%** — GHG emissions reduction in Scopes 1 and 2 vs. 2023

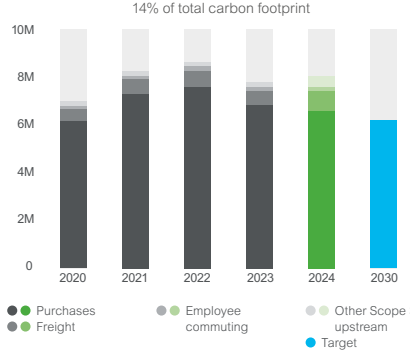
Induced: 0.1 $MtCO_2e$ in 2024
0.3% of total carbon footprint



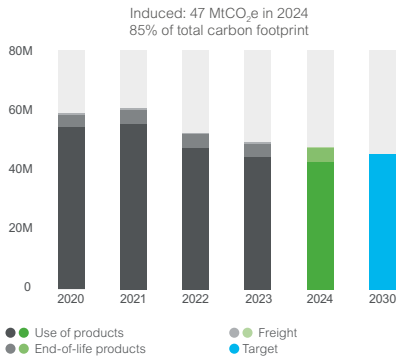
On Scope 3, upstream emissions have decreased by 2.7% since 2021, due to the reduction of volume of commodities being purchased, and the efforts of the decarbonization programs in the supply chain (e.g., Green Materials program which contributes to source materials with low carbon footprint, and The Zero Carbon Project which supports the decarbonization of top 1,000 suppliers). Downstream emissions, the majority of which come from the use of sold products, have decreased by 21% since 2021. This is due to both the decarbonization of the grids that the Group's consumers rely on, and the evolution of the geographic split of sales. As explained in the section above, when calculating these emissions, the Group considers the products' lifetime and the projected carbon intensity of the grids where consumers are located.

Suppliers Scope 3 upstream — **3.2%** — CO_2e emissions in Scope 3 upstream vs. 2023

Induced: 8 $MtCO_2e$ in 2024
14% of total carbon footprint



Customers Scope 3 downstream **-2.8%** CO_2e emissions in Scope 3 downstream vs. 2023



The financial implications of the transition plan and the forecasted GHG emissions until 2030 are reviewed in different leadership instances, and ultimately by both the Executive Committee and the Board, at least on an annual basis.

Delivering on the transition plan is by essence tied to the overall business strategy, since it is the very purpose of Schneider Electric to support customers in their decarbonization journeys.

Being our customers' digital partner for Sustainability and Efficiency, Schneider Electric must lead by example, constantly looking to reduce energy consumption and GHG emissions in absolute terms, leveraging technological, process, and behavioral transformations.

In practical terms, this means the decarbonization approach is similar to what is being facilitated for customers. Schneider Electric helps its customers to strategize on their approach to Net-Zero and to implement the operational steps required to achieve their trajectory using all relevant levers, including energy efficiency, electrification, renewable energy sourcing, and more. Schneider Electric also offers cutting-edge managed services and digital solutions to tackle climate change through digitalization. The Group helps its customers collect the data needed to both design their strategy and then help show progress against emissions, both for internal purposes and for disclosure against prevailing sustainability frameworks.

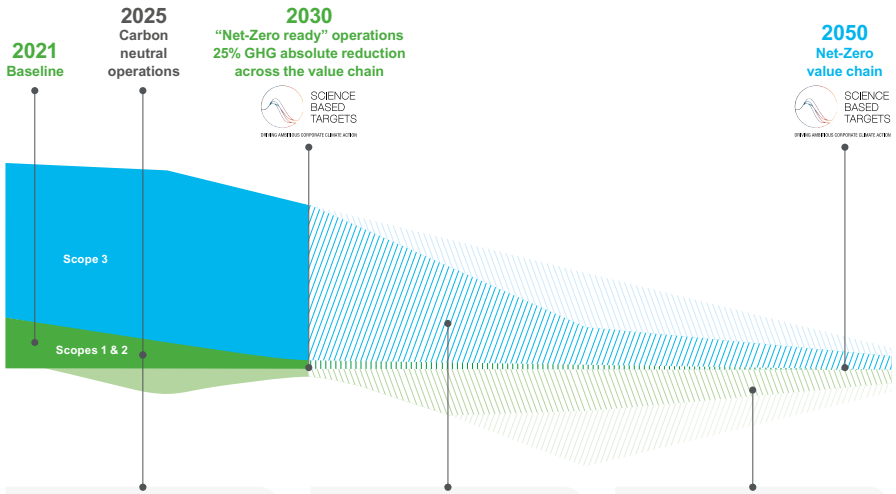
Even more concretely, the Group is using the portfolio of EcoStruxure solutions to reduce GHG emissions from Scopes 1 and 2 sources, by leveraging products and software to foster energy efficiency, electrification, and sourcing of renewable electricity. To deliver its "Net-Zero ready" target on these emissions by 2030, the Group leverages its Power and Building EcoStruxure™ IoT architectures, to monitor and optimize energy consumption, manage assets and grid infrastructure, manage distributed renewable energy resources and electricity load, and power EVs.

Targets related to climate change mitigation and adaptation

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 the 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:



Scope 1 and 2

Decarbonizing our operations with:
- Energy conservation measures
- Sites and vehicle fleet electrification
- Sourcing and generation of renewable power

Residual emissions from Scope 1 and 2:
- As of 2025, contribution to high-quality carbon removal for an amount corresponding to yearly residual emissions in Scope 1 and 2

Scope 3

Decarbonizing our upstream value chain in:
- Engaging and supporting suppliers to decarbonize
- Eco-designing safe and high-quality products with lower lifecycle CO_2 footprint
- Sourcing of low-carbon materials

Decarbonizing our downstream value chain by:
- Influencing for global decarbonization
- Innovating with more efficient products and SF_6-free medium voltage equipment

Carbon credits

Progressively balance residual emissions with high-quality carbon removals

The more GHG emissions are reduced, the less residual emissions there are.

Residual emissions must be balanced with high-quality and high-durability removals.

In 2050, high-durability carbon removal credits shall equal residual value chain emissions.

Scopes 1 and 2 emissions ● Scope 3 emissions ● Carbon removals

Supply chain resilience and flexibility

Recognizing the vulnerability of supply chains to business disruptions, due to multiple factors including extreme weather events, Schneider Electric has launched strategies to adapt to climate change, and enhance resilience and flexibility. These strategies include:
- Qualifying alternate suppliers for critical parts and components, setting the objective of having 100% of purchasing components with high supplier risk and business impact covered by a mitigation plan within three years after threat being qualified.
- Qualifying alternate factories for the same products manufacturing, with an objective of 90% of critical offers covered by at least a dual manufacturing set up by 2025.
- Qualifying alternate supply chain flows, aiming at 100% of critical distribution centers able to redirect more than 80% of their flow in less than five days by 2025.
- Regionalization of manufacturing activities to mitigate disruption risks over the supply chain, moving towards up to 90% sourcing and manufacturing within regional hubs.

By having multiple sourcing options in different geographical locations, Schneider Electric can better adapt to disruptions caused by extreme weather events or other unforeseen circumstances. Schneider Electric utilizes dynamic control towers to monitor traffic and events in real time across its logistics network and partners, allowing for proactive adjustments and responses to disruptions.

By 2030, the Group aims to:
- Reduce Scopes 1 and 2 emissions by 76% as compared to 2021 (which is equivalent to reduce by 90% as compared to 2017, which is referenced as our commitment of being "Net-Zero ready" in operations); and
- Reduce Scope 3 emissions by 25% as compared to 2021.

By 2050, the Group aims to reach Net-Zero CO_2 emissions across the entire value chain, which implies to reduce Scopes 1 and 2 emissions by 90% on the one hand, and Scope 3 emissions by 90% on the other hand. The reference years for both these reductions targets are 2021.

These targets are expressed in absolute terms (as opposed to intensity terms), in the absence of dedicated sectorial pathways that would be adapted to the broad portfolio of Schneider Electric, comprising products, equipment, services, and software. When developing its science-based targets, the Group has taken into consideration reasonable evolutions in sales volumes, and external factors such as regulatory factors and development of new technologies.

The targets cover all types of GHGs and all the applicable emissions sources under their respective scopes (i.e., either under Scopes 1 and 2, or under Scope 3). In other words, they consist of the overall GHG inventory that is being reported by Schneider Electric. They do not include GHG removals, carbon credits, nor avoided emissions from sold offers. The targets on Scopes 1 and 2 are applicable with Scope 2 being calculated under a market-based accounting approach.

The corresponding absolute values for target years 2030 and 2050 are shown in below table:

	Milestones and targets			
	2021 (Base year)	2030	2050	2030: Annual % target/Base year
Total Scope 1 + Scope 2	293,832	70,520	29,383	8.44%
Total Scope 3	68,737,485	51,553,114	6,873,748	2.78%

Within the Group, AVEVA has specific targets which were developed prior to the full acquisition by the Schneider Electric Group. These targets are:
- Near-Term Targets:
  - Reduce absolute scope 1 and 2 GHG emissions 90% by 2030.
  - Reduce absolute scope 3 GHG emissions 50% by 2030 from a 2020 base year.
- Long-Term Net-Zero Targets:
  - Net-zero GHG emissions across the value chain by 2050.
  - Maintain at least 90% absolute scope 1 and 2 GHG emission reductions from FY2030 through 2050.
  - Commits to reduce absolute scope 3 GHG emissions 90% by 2050 from a 2020 base year.

Similarly to the Group's targets AVEVA's targets cover all types of GHGs and all the applicable emissions sources under their respective scopes (i.e., either under Scopes 1 and 2, or under Scope 3). In other words, they consist of the overall GHG inventory that is being reported by AVEVA. They do not include GHG removals, carbon credits, nor avoided emissions from sold offers. The targets on Scopes 1 and 2 are applicable with Scope 2 being calculated under a market-based accounting approach.

Schneider Electric has made progress in meeting the targets before the current base year, as indicated above for climate change mitigation.

Schneider Electric's climate targets for Scopes 1 and 2 in 2030 are validated by the Science Based Targets initiative (SBTi), with a "temperature alignment" (as per SBTi terminology) of global warming limited to 1.5°C. For the same time horizon (2030), the Scope 3 target is aligned with global warming limited to well-below 2°C level, also as per the SBTi framework. These targets have been developed by using the absolute contraction approach that SBTi is defining. Indeed, in the absence of sector-specific trajectory for Schneider Electric's business, the SBTi is using a cross-sectorial trajectory to define compatibility of GHG emissions with different levels of temperature rises. For Scope 3, a target aligned with 1.5°C would have been a 42% reduction over the same time period.

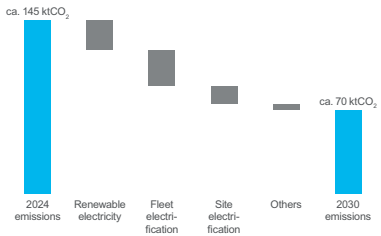
For a description of detailed decarbonization levers please refer to the section 2.2.1.3 "Decarbonization actions and resources" on page 72.

In summary, Schneider Electric's decarbonization levers for Scopes 1 and 2 emissions are: energy sufficiency and efficiency actions at sites, electrification projects at sites, renewable electricity sourcing, electrification of fleet, and reductions in SF_6 leaks.

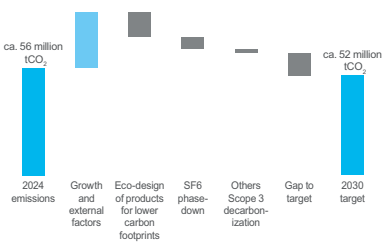
For Scope 3 emissions, the levers cover: upstream supplier engagement, downstream SF_6 phase-down, AirSeT circuit breakers, and eco-design.

The quantitative contributions of these levers to achieve GHG emissions targets by 2030 are shown in the below graphs:

Decarbonization actions on Scopes 1 and 2 towards 2030 target



Decarbonization actions on Scope 3 towards 2030 target



Schneider Electric's climate targets were approved by the SBTi in 2022, hence they are based on the latest available reporting year, which was 2021, as per the SBTi's recommendations. 2021 is a representative base year, as compared to 2020 which was the year of the COVID pandemic.

Since the development of the SBTi-approved targets in 2022, there has been no change in the baseline value.

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.

To make progress on these 4 pillars, specific targets for 2025 and associated programs have been set as part of the Schneider Sustainability Essentials (SSE) programs. SSE ambitions and programs are:
- Reach 150 Zero-CO_2 sites by 2025 (SSE #1);
- Source 90% of electricity from renewables by 2025 (SSE #3), and 100% by 2030 (RE100);
- Increase energy efficiency in its sites by 15% by 2025 (SSE #5), and double energy productivity by 2030 compared to 2005 (EP100); and
- Shift one-third of corporate vehicle fleet to EVs by 2025 (SSE #7), and 100% by 2030 (EV100).

Similarly for Scope 3 emissions, targets and programs have been set as part of the SSE but also the Schneider Sustainability Impacts (SSI) programs. The relevant SSI and SSE programs are:
- Engage top 1,000 suppliers to reduce their operational CO_2 emissions by 50% with The Zero Carbon Project (SSI #3).
- Increase green material content in products to 50% (steel, aluminum, and plastics) by 2025, (SSI #4). According to Schneider Electric, a green material has a lower environmental and social footprint, meaning low GHG emissions, high recycled content, and minimized impact on people and the planet. Performance can be achieved, either through selecting material and/or supplier with a proven lower environmental footprint (e.g., proof of a material produced out of a 100% recycled content), or strengthening the traceability of sustainable initiatives in the value chain. In 2024, the scope of green materials focused on three types of commodities covering around a third of purchased materials in volume:
  - Thermoplastics (including both direct and indirect procurement) – Thermoplastics are qualified as "green" when the supplier provides evidence of a minimum recycled content, biobased content (the minimum threshold depends on whether the compound is halogenated or not) or is using a green flame retardant.
  - Steel (direct purchases) – Steel is qualified as "green" when the supplier provides evidence that the mill of origin is an electric arc furnace or has a green certificate such as the ones delivered by Responsible Steel.
  - Aluminum (direct purchases) – Aluminum is qualified as "green" when the supplier provides evidence that the product carbon footprint is below 8 tonnes of CO_2 per ton of aluminum, is using a minimum of 90% of recycled content in its product, or that the mill of origin has a green certificate such as the ones delivered by the Aluminium Stewardship Initiative.
- Improve the end-to-end lifecycle environmental footprint of its offers with EcoDesign Way™.
- Have 100% of primary and secondary packaging free from single-use plastic and using recycled cardboard (SSI #5);
- Propose SF_6-free alternatives for all medium voltage technologies by 2025 (SSE #2).
- Increase CO_2 efficiency in transportation of goods by 15% by 2025 (SSE #4), and replace at least 5% of conventional jet fuel use with SAF by 2030 (WEF First Movers Coalition).
- Reduce CO_2 emissions from waste management and reach 200 "Waste-to-Resource" sites (SSE #9).

On the achievements of these SSI and SSE programs, Schneider Electric has a discipline of transparent progress disclosure. For instance the results of the SSI are published every quarter together with financial results and made available to all stakeholders via the Group's website. On these occasions, results are collated and presented to the Function Committee (previously known as Group Sustainability Committee), which makes decisions on any corrective actions that may be necessary to reach objectives. Schneider Electric annually discloses its progress through a dedicated webpage and specific external communications.

Regulatory, legal, and behavioral changes, and the evolving competitive landscape can present risks for companies delaying their transition to a low-carbon economy.

Schneider Electric has a comprehensive process for identifying and managing climate-related transition risks and opportunities, both in its own operations and along its value chain. Schneider Electric leveraged on a climate scenario analysis to quantify its medium (10 years) and long-term (2050) earning value at risk from climate transition events under low emissions pathways and with and without considering climate mitigation actions. Specific mitigation and adaptation strategies have been engaged to avoid those transition events expected to affect Schneider Electric assets and business activities and capture business opportunities.

For the purpose of making projections on future GHG emissions, Schneider Electric takes into account future decarbonization of the grids, which is a major driver for Scope 3 emissions, in category 11 of the GHG Protocol framework (i.e., GHG emissions during use of sold products). These projections are based on the stated policies scenario from the International Energy Agency.

2.2.1.4 Energy consumption and mix

The table below contains the details on Schneider Electric's energy consumption and mix. This table provides a comprehensive overview of the various energy sources we utilize and their respective contributions to our overall energy usage.

By examining this data, it is possible to understand Schneider Electric's energy footprint and identify opportunities for improvement and sustainability. Consumption values are expressed in MWh LHV (Lower Heating Value).

Energy consumption and mix	2024
(1) Fuel consumption from coal and coal products (MWh)	0
(2) Fuel consumption from crude oil and petroleum products (MWh)	245,557
(3) Fuel consumption from natural gas (MWh)	198,342
(4) Fuel consumption from other fossil sources (MWh)	0
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	87,850
(6) Total fossil energy consumption (MWh)	531,750
Share of fossil sources in total energy consumption (%)	36.75%
(7) Consumption from nuclear sources (MWh)	11,836
Share of consumption from nuclear sources in total energy consumption (%)	0.82%
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	0
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	871,915
(10) The consumption of self-generated non-fuel renewable energy (MWh)	31,251
(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	903,166
Share of renewable sources in total energy consumption (%)	62.43%
Total energy consumption (MWh) (calculated as the sum of lines 6, 7, and 11)	1,446,752

The company's non-renewable energy production is 13,419 MWh. The amount of renewable energy production for 2024 is 34,034 MWh.

Schneider Electric monitors energy consumption at its 900+ sites worldwide by either directly measuring or estimating energy use for each site. Sites are classified as either industrial (e.g.factory), logistics (e.g. warehouse, distribution center), or commercial (office, laboratories, service, hubs). The largest ~260 sites measure their energy consumption monthly through invoices via Schneider Electric's proprietary software Resource Advisor. These sites account for more than 70% of the Group's surface area and global energy consumption. The energy consumption of the remaining sites is derived via extrapolation. Leveraging data collected at the measured sites, company-specific energy intensity factors per square meter are applied for the reported energy sources, tailored to site type as well as countries and regions. Thus, for each of the estimated sites, a granular energy consumption breakdown is available internally by energy source. This granularity informs the GHG emission calculation as outlined in the next chapter of the 2024 Universal Registration Document.

Energy intensity based on net revenue

Energy intensity is the ratio between total energy consumption and net revenue. This metric indicates how efficiently a company converts energy into revenue, such being a benchmark for comparison and operational efficiency.

In the context of CSRD this metric is linked to high climate impact sectors, a statistical European classification for industry sectors[1]. Both energy consumption and net revenue can be categorized based on their origin from high climate impact sectors (HCIS) and non-high climate impact sectors (nHCIS).

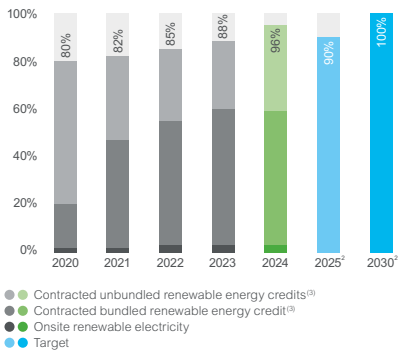
Within the CSRD scope selected software focused subsidiaries (AVEVA, ETAP, RIB, ProLeit) are categorized as "Software Publishing" under "Information and Communication" (NACE Code J) resulting in a classification of their energy consumption and net revenue as nHCIS. Consequently, Schneider Electric considers all activities of the remaining legal entities falling under HCIS since they can be classified as "Manufacturing" (NACE Code C).

(1) High climate impact sectors are those listed in NACE Sections A to H and Section L (as defined in Commission Delegated Regulation (EU) 2022/1288).

This classification includes companies involved in the transformation of raw materials into finished products, which aligns with Schneider Electric's operations in producing electrical equipment, automation solutions, and energy management systems.

The below table shows the energy intensity per net revenue.

Energy intensity per net revenue	2024
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/millions of euros)[1]	39.87



The underlying net revenue for the above calculation cannot directly be cross referenced to a line item in the financial statement because:

- Schneider Electric does not differentiate HCIS and nHCIS within the financial statements.
- Schneider Electric is excluding specific entities from its sustainability statement even though these entities are part of the financial statements (please refer to 2.1.3 "Basis for preparation" for further details).

For a quantitative reconciliation please refer to the below table:

	in millions of euros
Net revenue from activities in high climate impact sectors used to calculate energy intensity	35,799
Net revenue (other)	2,354
Total net revenue (in financial statements)	38,153

2.2.1.5 Gross Scopes 1, 2 and 3 and Total GHG emissions

Suppliers Scope 3 upstream	14%
Purchased goods and services	6.6 $MtCO_2e$
Freight	0.8 $MtCO_2e$
Other (e.g., business travels, commuting, upstream emissions from the energy sector)	0.6 $MtCO_2e$

Schneider's Operations Scopes 1 and 2	<1%
Energy consumption at sites (market-based approach for electricity)	0.08 $MtCO_2e$
Company cars	0.06 $MtCO_2e$
SF_6 leakage	<0.01 $MtCO_2e$

Customers Scope 3 downstream	85%
Use of sold products	42.6 $MtCO_2e$
End-of-life (mostly SF_6)	4.5 $MtCO_2e$
Freight	0.6 $MtCO_2e$

The Group calculates its carbon footprint across the three scopes, in conformance with the Standards from the GHG Protocol: the Corporate Accounting Standard and the Corporate Value Chain (Scope 3) Standard.

For Scopes 1 and 2, the GHG emissions are coming from two types of sources: either stationary sources (i.e., sites) or mobile sources (i.e., the Company fleet). Under the accounting approach of the operational control, the Group considers all assets (i.e., sites or Company vehicles), that are operated, regardless of being owned or leased.

- For sites, the GHG emissions are derived from SF_6 leakages that are measured, and energy consumption that is either measured or estimated. Indeed, for the most material sites of the Group (ca. 250 sites that are meeting specific thresholds in terms of employees), global, regional, and site SF_6 and energy reporting are delivered with the EcoStruxure™ Resource Advisor software suite. EcoStruxure™ Resource Advisor provides a data visualization and analysis application that aggregates volumes of raw energy data into actionable information. The energy consumption that is measured for the largest sites is then extrapolated to the whole portfolio of sites that Schneider Electric occupies, based on their square meters and the type of building. The energy consumption, or SF_6 leakages, are then converted into GHG emissions, by using various sources of emission factors, such as IPCC (Intergovernmental Panel on Climate Change), IEA (International Energy Agency), ADEME (French Agency of Environment and Energy), RE-DISS (Reliable Disclosure Systems for Europe), and EPA (Environmental Protection Agency).

(1) To calculate the energy intensity ratio the following formula has been used:
Total energy consumption from activities in high climate impact sectors (MWh) / Net revenue from activities in high climate impact sectors (Monetary unit)

- For fleet, most of the GHG emissions are calculated based on the reports from leasing companies, which either provide the fuel consumption, or the driven distance and the carbon intensity of driving over 1 kilometer. This allows to derive energy consumption and GHG emissions, using emission factors from ADEME for fuels, and IEA for electricity. In the absence of complete data from leasing companies, the GHG emissions are estimated based on default values for distances, carbon intensities, or using extrapolations based on fleet size and the type of powertrains.

For Scope 3, the methodology that is used is specific to each Scope 3 category:

- Purchased goods and services: the methodology is compliant with ISO 14069 principles and takes into account the wide heterogeneity of our procurement portfolio: raw materials, electronic and electrical products, printed circuit board assembly, fabricated components, along with non-production purchases (e.g., services such as insurance and banking services). As per the principles of carbon accounting, calculations are based on physical quantities as much as possible, using the tonnes of metals and plastics we purchased. For the remaining part of procurement, calculations are based on the spend, to make sure all procurement activity is captured. Emission factors from various sources are being used, mainly from EIME (Life Cycle Analysis tool), EPA, Ecoinvent, and ADEME Base Carbone®.
- Capital goods: in the industrial context of Schneider Electric, these emissions correspond to the embodied CO_2 emissions in equipment and assets that have an extended life and are used for manufacturing processes, logistics purposes and hosting the operations of the Company. In practice, capital expenditures on construction , production and industrial suppliers are taken into account, and converted into GHG emissions by using spend-based emissions factors from EPA.
- Fuel- and energy-related activities: these emissions are derived from energy consumption data that are used for Scope 1 and 2 emissions; the upstream emissions methodology is dependent on the type of energy: for all energy types, a constant share of Scope 1 or Scope 2 emissions is taken into account (for instance approximately 20% for natural gas or oil); for electricity, the upstream emissions are based on a complete lifecycle perspective, including upstream emissions for the fuels of the power plants, transport and distribution losses of electricity generated, and embodied emissions of infrastructures. These emissions for electricity are calculated on a “by country” basis, based on external data from the International Energy Agency.
- Upstream transportation and distribution: emissions from freight that is paid by Schneider Electric are calculated in a dedicated tool with a detailed and comprehensive methodology. Using emission factors from DEFRA (Department for Environment, Food and Rural Affairs), ADEME, and EcoTransIT, the emissions are calculated from the activity data directly collected from the main transport suppliers of the Company, covering a large majority of spending on transportation services. It allows to calculate emissions for every single shipment from these suppliers. Emissions are calculated on a well-to-wheel perimeter, also include the radiative forcing of condensation trails from planes, and finally the emissions are extrapolated to capture the overall spending on transportation services.
- Waste generated in operations: this category includes the emissions for the waste treatment of industrial waste, recycled industrial waste, and office waste. Using average emission factors from Ecoinvent and IPCC, the emissions from office waste are derived from the number of employees (using a default ratio of office waste/employee/year); the emissions from industrial waste, either recycled or not, are derived from environmental reported data on waste volumes (in tonnes) and recycling rate for large industrial and tertiary sites.
- Business travel: GHG emissions are being calculated based on all types of business travels and for the different modes of transportation, by a third-party software solution. Emissions factors are coming from DEFRA. For air travel more specifically, the GHG emissions methodology considers the distance that is flown and the class inside the plane. Finally, the emissions are calculated on a well-to-wheel perimeter and also include the radiative forcing of condensation trails from planes.
- Employee commuting: the emissions are based on the headcount of employees of Schneider Electric by geographic regions. For a given region, the individual emissions are derived based on assumptions on commuting distances (kilometer traveled per year for commuting), and commuting mode (car, public transport, train, walk, or bicycle). These assumptions were chosen based on literature review and the experience of the consulting company Carbone 4; they are based on public statistics by country (e.g., ADEME for France). Finally, the emissions are calculated on a well-to-wheel perimeter. and also include the radiative forcing of condensation trails from planes.
- Downstream transportation and distribution: these emissions correspond to freight that is not directly paid by Schneider Electric. Therefore, the emissions are derived from an assumption on the share of transportation indirect cost in the procurement of commodities. For instance, based on previous carbon footprint experience and literature review, freight cost represents approximately 7% of cost of metals procurement. The indirect spend on freight is then translated into CO_2 emissions using an average split on freight types (either domestic or international freight) and the CO_2 intensity of these freight types (using Schneider Electric’s own CO_2 intensity on paid freight). Finally, the emissions are calculated on a well-to-wheel perimeter
- Use of sold products: these emissions correspond to the electricity consumption of Schneider Electric’s products, mainly due to heat dissipation (Joule effect) during their whole lifetime. It must be noted that these emissions are not the volume of CO_2 emitted in the reporting year due to the use of all offers sold in the past, rather it is emissions of offers sold during the year and cumulated over their expected lifetime. We base our calculation on Environmental Product Declarations (EPD), leveraging our work on Product Environmental Profiles (PEP) as part of the PEPecopassport® program. These are Life Cycle Assessments (LCA) that go beyond carbon footprints (encompassing a more comprehensive range of environmental impacts) and cover 80% of our revenue from products. LCAs are performed with the EIME software and its database (Environmental Impact and Management Explorer), and they are based on service life of products (e.g., ten years), use phase assumptions during active, idle, and off phases.

The PEPs are conformant with ISO 14025:2006 type III and ISO 14040. Using the data in PEPs, we can estimate for each category of products the use phase electricity consumption, and this is aggregated at Group level based on the structure of the sales in base year 2021. Since 2021, the evolution of sold products is taken into account at Group level, assuming same structure across the categories of products, but adapting to the actual geographic split of sales among the various countries where the Group is present. This electricity consumption is then combined with GHG intensity of the grid, on a country-by-country basis. This electricity consumption is then combined with GHG intensity of the grid, based on the country-by-country geographic split of Schneider Electric’s activity. The GHG intensities of electricity in each country are forward-looking (and not static during the lifetime of the products), based on a scenario from the International Energy Agency (IEA) that considers the future decarbonization of the grids. In addition, they include multiple GHG (factored in a CO_2-equivalent unit), and they are based on a lifecycle perspective, i.e., including upstream emissions for the fuels of the power plants, transport, and distribution losses of electricity generated, and embodied emissions of infrastructures. In 2022, the scenario that is used for modeling future decarbonization of the grids is the “Stated Policies Scenario” (SPS, aka STEPS) from the World Energy Outlook (WEO) released in end of 2022, which is based on current policies, as well as policies announced by governments at the time of publication of the World Energy Outlook (end of 2022). It’s worth noting that our products are part of larger electricity architectures, which lead to two essential considerations (1) the energy consumed by our products is mostly negligible with respect to the architecture in which they are installed (i.e., the overall electricity consumption of the facility or application on which our products are installed is way higher than the electricity that is actually being dissipated in our products), and (2) the architecture often enables to deliver efficiency through energy management and automation. Also, most of Schneider Electric’s products have long lifecycles (even up to a couple decades). This directly translates into high use phase emissions, compared to other industries with shorter-lifespan products, such as consumer electronics. Looking solely at use-phase induced absolute emissions therefore generates a strong bias in the evaluation of the sustainability performance of offers, as companies producing durable products are penalized compared to other sectors. Therefore, when it comes to use phase Scope 3 emissions, it is important to account for the emissions in the use phase of our products and engage in their reduction, but it is essential to underline the role that they are playing in the decarbonization of the economy. Which is why Schneider Electric has launched an innovation in 2018: we are reporting externally on a quarterly basis how much CO_2 our solutions enable our customers to save and avoid, as part of our Schneider Sustainability Impact programs. Our ambition is to quantify the positive impact of our offers on climate change. We set the target to save and avoid 800 Mt CO_2 on our customers’ end thanks to our products cumulated on the 2018–2025 period. The annual performance of this indicator is audited by an independent third party.

- End-of-life treatment of sold products: using our Product Environmental Profiles (PEP), based on Life Cycle Assessments (LCA), we know that the end-of-Life phase of our products is not significant as compared to their total carbon impact. One exception is products that contain SF_6 gas. SF_6 is a gas used as an insulator in medium voltage devices. It is a powerful GHG and therefore requires special treatment to prevent atmospheric emissions to occur. That is why this category of emissions, which includes the end-of-life treatment emissions for all products (either with or without SF_6), is so significant in the overall carbon footprint. It must be noted that this figure is not derived from the volume of SF_6 released in the reporting year due to the end of life of all products sold in the past, but the SF_6 gas used by Schneider Electric in products annually that may be released at end of product life. For all products of the Company, either with or without SF_6, the emissions from the end-of-life are calculated as for the emissions for use phase (using LCA in PEP). But more specifically for SF_6, the emissions are derived from SF_6 gas purchased by Schneider Electric and installed, as per the sales data of the Company and the specifications of the products. The Global Warming Potential of SF_6 is an external data provided by the IPCC and has been recently updated in the 6th Assessment Report. An assumption is made on the release in the atmosphere of SF_6 at product decommissioning, based on Schneider Electric’s research, considering that some SF_6 in equipment is being recycled, while the majority is not recycled.

Additionally, on Scope 1 and 2 GHG emissions, as Schneider Electric does not consume or combust biomass on sites, the biogenic emissions of CO_2 from the combustion or bio-degradation of biomass not included in Scope 1 GHG emissions are then 0. Similarly and for the same reason, the biogenic emissions of CO_2 from combustion or bio-degradation of biomass not included in Scope 2 GHG emissions are 0 and the biogenic emissions of CO_2 from combustion or bio-degradation of biomass that occur in value chain not included in Scope 3 GHG emissions are also 0.

To reduce GHG emissions from Scope 2, Schneider Electric is sourcing an increasing share of electricity from renewable sources. The approach is leveraging the multiple ways to get access to renewable electricity, based on local context and the availability of renewable opportunities. While a growing share of electricity is self-produced, the renewable sourcing also consists of getting renewable energy credits, either bundled or unbundled, because the space available on sites is not enough to cover the overall electricity consumption of Schneider Electric’s facilities, especially for some locations with intense manufacturing processes.

Overall in 2024, the Group sourced 41.97% of its electricity consumption from contracted unbundled renewable energy credits, and 44.77% from contracted bundled renewable energy credits, hence, the overall percentage of contractual instruments, Scope 2 GHG emissions is 86.73%, which is a very significant increase as compared to 78% in 2023.

Downstream emissions are by far the largest category of emissions. They represent approximately 85% of Schneider Electric's footprint, and largely come from the electricity consumption by the Group's customers during the use phase of the products.

Schneider's strategy to decarbonize its downstream emissions is articulated around 4 main pillars:

- Innovating and ecodesigning in product development: ecodesign principles aim at reducing the environmental impact of products, including the product carbon footprint, for instance by increasing the energy efficiency of products in use phase.
- Substituting all relevant offers with SF_6-free medium voltage technologies by 2025: since end-of-life emissions from sold products are predominantly due to their SF_6 content, this substitution will result in a significant drop in the downstream carbon footprint.
- Using the Group's voice for influencing the transition towards a more electric, digital, and decarbonized world.
- Supporting customers in their own decarbonization journey by providing products and services that drive significant decarbonization of their operations.

The following Scope 3 GHG emissions categories have been excluded, since they are not relevant for the nature of the activity of Schneider Electric, or due to the accounting approach that is used (i.e., operational control approach):

- Category 8. Upstream leased assets: Schneider Electric uses the operational approach to calculate its carbon footprint; emissions due to energy consumption in leased assets are therefore already included in Scope 1 and 2 emissions.
- Category 10. Processing of sold products: Schneider Electric does not sell intermediary products to third parties (manufacturers). This source of emissions is therefore not relevant.
- Category 13. Downstream leased assets: Schneider Electric does not lease assets to third parties (lessor's point of view). This source of emissions is therefore not relevant.
- Category 14. Franchises: Schneider Electric does not operate with a franchisor business model (no licenses are granted to other entities to sell Schneider Electric's products in exchange for payments such as royalties). This source of emissions is therefore not relevant.
- Category 15. Investments: Schneider Electric uses the operational approach to calculate its carbon footprint; therefore emissions due to equity investments in subsidiaries where Schneider Electric has the operational control are included in Scopes 1, 2, and 3 emissions, depending on emission sources.

The percentage of GHG Scope 3 calculated using primary data is 1.37 and this arises predominantly from GHG emissions of paid freight, for which shipment-per-shipment data is collected from the main freight suppliers, and also from GHG emissions of aluminum procurement, when some supplier-specific data is collected through the efforts of the Green Materials program.

The list of Scope 3 GHG emissions categories included in inventory is as follows:

- Scope 3 category 1 – Purchased goods and services
- Scope 3 category 2 – capital goods
- Scope 3 category 3 – fuel- and energy- related activities
- Scope 3 category 4 – upstream transportation and distribution
- Scope 3 category 5 – waste
- Scope 3 category 6 – business travel
- Scope 3 category 7 – employee commuting
- Scope 3 category 9 – downstream transportation and distribution
- Scope 3 category 11 – use of sold products
- Scope 3 category 12 – end-of-life treatment of sold products

	2024
Scope 1 GHG emissions	
Gross Scope 1 GHG emissions (tCO_2eq)	106,360
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0
Scope 2 GHG emissions	
Gross location-based Scope 2 GHG emissions (tCO_2eq)	433,505
Gross market-based Scope 2 GHG emissions (tCO_2eq)	37,348
Significant Scope 3 GHG emissions	
Total Gross indirect (Scope 3) GHG emissions (tCO_2eq)	55,649,186
1. Purchased goods and services	6,562,746
2. Capital goods	161,033
3. Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	100,126
4. Upstream transportation and distribution	816,302
5. Waste generated in operations	38,747
6. Business traveling	161,046
7. Employee commuting	177,665
8. Upstream leased assets	0
9. Downstream transportation	570,959
10. Processing of sold products	0
11. Use of sold products	42,598,039
12. End-of-life treatment of sold products	4,462,523
13. Downstream leased assets	0
14. Franchises	0
15. Investments	0
Total GHG emissions	
Total GHG emissions (location-based) (tCO_2eq)	56,189,052
Total GHG emissions (market-based) (tCO_2eq)	55,792,894

Further considerations on GHG emissions

Please refer to the "Basis for preparation" section for more details about the scope of reporting.

Scope 1 and Scope 2 emissions cannot be separated between the consolidated account group and investees that fall outside this group, as the latter are not included in the scope of the sustainability statements (CSRD). Further details on this rationale can be found in section 2.1.3 Basis for preparation on investees such as associates, joint ventures, or unconsolidated subsidiaries that are not fully consolidated in the financial statements of the consolidated accounting group, as well as contractual arrangements that are joint arrangements not structured through an entity (i.e., jointly controlled operations and assets), for which it has operational control.

There has been no differences between reporting dates of the entities within Schneider Electric's value chain and the date of the Group's general purpose financial statements.

No significant changes in definition of what constitutes reporting undertaking and its value chain for this year.

GHG intensity based on net revenue

GHG intensity is the ratio between total GHG emissions and net revenue. This metric indicates how efficiently a company produces goods or services while managing its carbon emissions.

The below table shows the GHG intensity per net revenue:

	2024
Total GHG emissions (location-based) per net revenue (tCO_2eq/millions of euros)	1,494
Total GHG emissions (market-based) per net revenue (tCO_2eq/millions of euros)	1,483

The underlying net revenue for the above calculation cannot directly be cross-referenced to a line item in the financial statement because:

- Schneider Electric is excluding specific entities from its sustainability statement even though these entities are part of the financial statements (please refer to 2.1.3 "Basis for preparation" for further details).

For a quantitative reconciliation please refer to the below table:

	2024
Net revenue used to calculate GHG intensity	37,610
Net revenue (other)	543
Total net revenue (in financial statements)	38,153

2.2.1.6 GHG removals and GHG mitigation projects financed through carbon credits

Our commitments with regards to GHG removals and GHG mitigation projects financed

To halt global warming and keep the temperature rise below 1.5°C, the world must cut emissions quickly and deeply. However, this won't be enough. Scientific consensus (including the IPCC) is clear that in addition to reducing emissions, the world will need to remove carbon dioxide already (and accumulating) in the atmosphere. Both the IPCC and SBTi, emphasize the importance of carbon removals in achieving Net-Zero emissions by 2050. Carbon removals are necessary to balance residual emissions (particularly those hard to abate) and to remove historical emissions.

Schneider Electric's public claims on GHG neutrality are closely tied to its ambitious GHG emission reduction targets and removal targets. As mentioned in the section related to our climate commitments, the Group is committed to achieving Net-Zero across its entire value chain by 2050. This commitment involves a significant reduction of its 2021 footprint by an absolute 90% by 2050, and balancing residual emissions with high-quality and high-durability carbon removal credits. In addition, the Group committed to having "Net-Zero ready" operations by 2030, which means reducing absolute emissions from Scopes 1 and 2 by 76% from a 2021 base year (equivalent to a 90% reduction compared to 2017) and balancing residual emissions from its operations with high-durability carbon removal credits. Accelerating emissions reductions is our priority and our commitment to science based targets (SBTi), with a science based reduction and removals trajectory, ensures that these public claims of GHG neutrality, which involve the use of carbon credits, are an integral part of Schneider Electric's broader sustainability strategy and that they do not impede or delay the achievement of its GHG emission reduction targets, on the contrary it ensures progress towards the Group's Net-Zero target, in line with science.

Our strategy

This year has seen important developments related to policies clarifying standard definitions regarding high-quality criteria for carbon removal (e.g., EU Carbon Removal Certification Framework), guidance related to the use of credits for balancing residual emissions (proposed Green Claims Directive), as well as updates to voluntary guidelines from SBTi and Oxford Principles on Beyond the Value Chain Mitigation and scaling carbon removal in line with the latest science, all of which will help guide and advance the Group's work to define the nature and composition of its carbon removal portfolio. The Group is also following the work by SBTi, on neutralization milestones (with carbon removal), alongside clear reduction targets, for companies with science-based targets, aiming to ensure the world can scale carbon removal in line with scientific projections and in time to avoid unsafe temperature overshoot.

The strategy we are building focuses on achieving durable Net-Zero, in line with science, which recommends to balance residual emissions with credits that are have similar origin and lifetime of emissions (like- for-like removals). For Schneider Electric, emissions come from fossil fuels, and stay permanently in the air. This means gradually moving towards balancing with high-durability carbon removal, generally offered by novel/ engineered solutions. These will need to scale to achieve the volume and quality the world needs, therefore working with others to support building the market will be essential.

Schneider Electric's SBTi commitments include clear decarbonization targets on the path to Net-Zero. The regulatory and external policy guidance and evolution over the past year has allowed us to work on building a carbon removal strategy that allows us to continue our current efforts (Nature based Solutions), and to further work on the building blocks that we still need, in order to achieve our SBTi commitments, particularly reflecting on the high-durability carbon removal solutions we need to bring to our portfolio. The SBTi is working to define clear neutralization milestones within companies' Net-Zero trajectories, and the Group expects that this will add twin carbon removal targets on the path to Net-Zero, ensuring that both drastic reductions and crucial removals are prioritized on the journey. Schneider Electric has been advocating for public policies setting separate, ambitious targets for carbon reduction and carbon removal, that nations and private organizations can work towards in parallel.

Carbon removal

The Group does not have GHG removals and storage or reversals in metric tonnes of CO_2eq resulting from projects developed in its own operations, or contributed to in its upstream and downstream value chain. Hence, calculation assumptions and disclosures on GHG removals and storage resulting from our own operations is not applicable.

Nevertheless, from 2025, the Group aims to invest and contribute to carbon removal stored in coming years in the geosphere to progressively match, by 2030, the volume of residual emissions in our operations (what we call "Net-Zero ready" operations). Initially, our carbon removals contribution portfolio will include a mix of nature-based and engineered solutions, with a gradually increasing share of engineered solutions, as guided by science and regulation, and considering market availability.

As of 2030, to fulfill Schneider Electric's Net-Zero ready operations target, the Group aims to use "like-for-like" carbon removal to increase the share of like-for-like removals to balance the Company's operational residual emissions.

Investments in projects that avoid or reduce emissions, or that remove carbon with nature-based solutions still play an important role, through the wide social and environmental benefits they bring, and the Group will continue to support them as a contribution to beyond the value chain mitigation in our strategy.

Carbon credits outside the value chain financed by Schneider Electric

Since 2011, Schneider Electric has invested in the Livelihoods Carbon Fund (LCF) and renewed its engagement with the LCF2 and LCF3 funds. These funds leverage the carbon economy to finance ecosystem restoration, agroforestry, and rural energy projects with tangible social, environmental, and economic added value for rural communities.

LCFs provide upfront financing to project developers for large-scale project implementation and maintenance over periods of 10 to 20 years. The funds receive result-based payments for the risks they bear in the form of carbon credits. This investment model is made possible thanks to long-term commitments from the investors.

These funds invest into three kinds of projects generating both reduction and removal credits and combining climate change resilience with strong social and economic impact:

1. Agroforestry and regenerative agriculture (which combines productivity and biodiversity restoration).
2. Reforestation and restoration of key natural ecosystems, including mangrove restoration (mangroves are powerful carbon sequestration agents and natural barriers to coastal areas).
3. Rural energy (the fuel-efficient cookstoves distributed by Livelihoods decreases wood consumption by half, preserves forests, and mitigates climate change).

The return of the fund is measured in carbon credits from the highest available standards (VERRA and Gold Standard). To date, those credits have not been used to balance the Group's GHG emissions, but some reflected contribution investments connected to the Schneider Electric Paris Marathon and the Paris Olympics and have been canceled by those respective entities.

For AVEVA

In parallel, AVEVA has established clear guidelines for their procurement of voluntary carbon credits. Beginning with certification and verification by third-party entities, AVEVA ensures the integrity of chosen credits. AVEVA supports five distinct projects through Patch.io, each contributing to AVEVA's sustainability goals in terms of beyond the value chain mitigation. This diverse portfolio of projects showcases the commitment to making a positive impact across different regions and sectors.

In 2024, the AVEVA portfolio included five diverse carbon credit projects, each contributing to climate resilience and community benefits. Carboneers India Biochar enables Indian farmers to create biochar, sequestering carbon for over hundreds of years, improving soil health, and supporting sustainable agriculture with an annual CO_2 sequestration target of 75,000 tonnes. In China, the Huadu Afforestation project plants native species on barren land, reducing greenhouse gases and creating 25,615 jobs, 60% of which are for women, with a projected removal of 21 million tonnes of CO_2e over 30 years. In France, the Bio Agri Energies Agricole Biogas project transforms organic waste into biogas, producing low-carbon energy for over 5,000 households and avoiding 34,000 tonnes of CO_2 emissions over five years.

The Mekong River Delta Water Purifier project in Vietnam distributes efficient water purifiers to reduce wood-burning and emissions, contributing to both public health and reduced deforestation. Finally, CarbonCure's technology, deployed globally, injects CO_2 into concrete to create low-carbon concrete, achieving permanent CO_2 storage and demonstrating scalability as a climate solution.

For the future, the AVEVA portfolio features seven innovative projects, each contributing to climate resilience, biodiversity, and community wellbeing. The Banni Grassland Biochar project in India converts invasive biomass into biochar using KonTiki kilns, improving soil health and locking away carbon while doubling local wages and boosting economic growth. In Pakistan, the Delta Blue Mangrove Restoration reforests degraded Indus Delta areas, enhancing biodiversity, sequestering carbon, and improving livelihoods for forest-dependent communities. The Brandon Carbon Mineralization project in the UK transforms CO_2 emissions into solid building materials, permanently storing 144 kg of CO_2 per tonne of aggregate. Cambodia's HUSK Biochar project creates biochar-based fertilizers that sequester carbon for 1,000 years while increasing crop yields by 40% and reducing farming costs. Kenya's SunCulture Solar Water Pumps enable smallholder farmers to switch from diesel pumps to solar-powered irrigation, reducing emissions and enhancing climate resilience. The ruumi Farmland Regeneration platform supports farmers in adopting sustainable grazing practices, creating high-quality carbon credits while improving soil and ecosystem health. Finally, Sky Harvest Deferred Timber Harvesting leverages tonne-year accounting to accelerate carbon storage, benefiting biodiversity, rural communities, and global climate goals.

Carbon credits canceled in the reporting year	2024
Total (tCO_2eq)	475
Type of quality standard	
Total carbon credit that are recognized against quality standard II (GOLD) (%)	0.00
Total carbon credit that are recognized against quality standard I (VERA) (%)	68.42
Total carbon credit that are recognized against quality standards (others) (%)	31.58
Type of project	
Total from reduction projects (%)	63.16
Total from removal projects (%)	36.84
Origin and adjustment metrics	
Total from projects within the EU (%)	10.53
Total from carbon credits that qualify as corresponding adjustments (%)	0.00

The current investments from Schneider Electric in Livelihood funds and the investments of AVEVA are projected to deliver, over the next 20 years (see table).

Total amount of carbon credits outside value chain planned to be canceled in future	Amount of years (20)
Total (tCO_2eq)	1,908,709

On our own operations

As aforementioned, and because Schneider Electric does not have GHG removals and storage in metric tons of CO_2eq resulting from projects it may have developed in its own operations, or contributed to in its upstream and downstream value chain, reversals are 0.

Similarly, and for the same reasons, GHG emissions associated with removal activity is also 0; GHG removals and storage activity by undertaking scope (breakdown by own operations and value chain) and by removal and storage activity is 0 for the former and 0 for the latter.

2.2.1.7 Internal carbon pricing

Schneider supports the implementation of carbon pricing, given the relevance of putting a value on GHG emissions in order to internalize the costs of generating GHG emissions (or conversely, benefits of avoiding them), and to factor in these costs in decision-making processes. Hence, the Group calls for policymakers to define robust and predictable carbon pricing for companies, enabling companies to integrate collaterals on climate into their strategy. A high and stable price for carbon will strengthen incentives to invest in sustainable technologies and to change behaviors.

Internally, the Group is incorporating internal pricing systems, with purposes to inform the Group's climate strategy and incentivize low-carbon decisions.

On the one hand, carbon prices are used in the context of the climate risk assessment, in order to characterize the resilience of the Group's portfolio of activities under different external carbon pricing and different climate scenarios. As an example, carbon pricing policies are expected to be made more stringent and expanded, in efforts to drive a transition to a low-carbon economy, and as a consequence, costs faced by emitting companies will rise. Future carbon prices are being determined based on a thorough assessment of current country-level carbon pricing data, taken from several databases (including International Energy Agency IEA, World Bank, and Network for Greening the Financial System). These current prices are being projected across various climate futures based on academic research. Depending on the scenario, the carbon price applied ranges from 0 to 647 EUR per ton of CO_2eq. The carbon prices are then applied to the GHG footprint of the Company, on all emissions from Scopes 1, 2, and 3, in order to estimate the exposure to transition risks. These additional costs are yet mitigated by the anticipated response of the Company dynamics and its markets (e.g., ability to absorb an extra cost from fossil energy by reducing energy consumption; ability to pass the extra cost to an extra price on products).

On the other hand, the Company is using analysis of Marginal Abatement Cost Curves (MACC) for the carbon-intensive raw materials that are sourced and make a significant contribution to the upstream Scope 3 emissions of the Group. A MACC presents the costs or savings expected from different opportunities, alongside the potential volume of emissions that could be reduced if implemented. By incorporating the respective costs and CO_2 savings from various options to source metals and plastics with lower carbon footprint, this assessment allows to inform and adapt the implementation of the decarbonization of procurement emissions in the long term. Due to the nature of this work, there is no inherent value of a carbon price that is used, since the goal is precisely to seize all the different marginal costs that could arise from procurement decisions. By prioritizing the most significant raw materials for Schneider Electric, this works applies to nearly 4% of the total Scope 3 emissions, but around a quarter of upstream categories.

Types of internal carbon prices	Volume at stake (tCO_2eq)	Minimum price applied €/tCO_2eq)	Maximum price applied (€/tCO_2eq)	Volume of Gross scope 1 covered by scheme (tCO_2eq)	Volume of Gross scope 2 covered by scheme (tCO_2eq)	Volume of Gross scope 3 covered by scheme (tCO_2eq)
Carbon prices used in the context of the climate risk assessment	55,792,899	0	647	106,365	37,348	55,649,186
Marginal abatement Cost Curve	2,540,000	0	0	0	0	2,540,000

2.2.1.8 Financial effects

As a global company, the Group is exposed to the increased severity and frequency of extreme weather events, translating into operational risks.

In this context, the Group assess risks of natural hazard. Out of 214 sites assessed, 30 sites (14%) are exposed to risks of flooding, especially in Thailand, Vietnam, the Philippines, China, Brazil, Colombia, India, and France, and seven sites (3%) are exposed to risks of windstorms, especially in India, China, Hong Kong, and Taiwan.

To date, the magnitude of impact is considered medium to low, and likelihood about as likely as not, as there has been no material loss over the past ten years, however the Group is proactively monitoring this risk.

The scenario analysis done with Risilience provides an understanding of the potential evolution of this exposure across five different pathways, to quantify the earning value at risk from asset damage and business discontinuity due to natural hazards.

Under a Current Policy pathway (based on SSP3-7.0) and without any risk mitigation considered, out of 521 sites assessed, 269 (52%) will have a high likelihood of being exposed to natural hazards by 2050.

Schneider Electric has developed a comprehensive climate adaptation and resilience strategy to mitigate risks associated with climate change. At global level, the Property Damage and Business Interruption program, aligned with ISO 22301 standard, maps substantive risks of financial impact on the business, including asset destruction (buildings, equipment, inventories) and profit loss due to business interruption, and ensures crisis management from the initial phase following an incident all the way to the recovery of critical activities. By 2025, 100% of critical distribution centers will be able to redirect more than 80% of their flow in less than 5 day(s), and 90% of critical offers will be covered by at least a dual manufacturing set up.

Adaptation measures aiming at reducing site vulnerabilities are taken within the year following recommendations from on-site audits.

Recognizing that climate risks extend beyond the Company's own operations, Schneider Electric has implemented various initiatives to ensure supply chain resilience, engaging in mapping its suppliers beyond tier 1 to gain visibility and qualifying alternative sources for critical components to mitigate potential disruptions from events such as extreme weather events.

Regulatory, legal, and behavioral changes, and the evolving competitive landscape can present risks for companies delaying their transition to a low-carbon economy.

Schneider Electric has a comprehensive process for identifying and managing climate-related transition risks and opportunities, both in its own operations and along its value chain.

Schneider Electric has identified several transition events and opportunities that could potentially impact its cash flows and reputation in medium- and long-term time horizons if the necessary mitigations are not engaged.

In the short term, the Group anticipates that its markets will experience outsized growth in the next 3 years driven by electrification and digitalization.

In medium- and long-term time horizons, under the most likely climate pathways, Current Policy and Stated Policy, and without considering any additional climate mitigation action, the expected aggregated impact from transition climate-related risks to Schneider Electric's discounted cash flows over the next ten years is between 3% and 4%.

Specific mitigation and adaptation strategies have been engaged to avoid those transition events expected to affect Schneider Electric assets and business activities.

Considering the above risk assessment and its Net-Zero commitments, the Group has performed a sensitivity analysis to its impairment tests at groups of CGUs level and did not identify impairment risk on its assets from climate risks.

Schneider Electric's real estate portfolio consists of 963 buildings representing overall 4.9 million square meters.

Commercial buildings weight 24% of global footprint, the rest comes from R&D, Logistics and Industrial segments (76%).

The ambition for the real estate portfolio is to reduce operational carbon to zero by 2030 with an intermediate objective to reach 150 Zero-CO_2 sites by 2025 (zero[1] fossil emissions from Scope 1 and 2). To that end, the Group has reached 154 Zero-CO_2 sites in 2024.

The Group sets annual objectives to drive energy efficiency of the top energy consuming sites globally. The Group achieved 15% energy efficiency in 2024 vs. a 2019 baseline, which exceeds its 2024 target of 12%.

Reporting wise, the Group has established measured site reporting for the top 263 buildings of portfolio (representing 3.6 million square meters, i.e., 79% of overall portfolio) with energy efficiency tracking across both commercial and industrial segments in Schneider Electric's commercially available software Resource Advisor.

Precisely, the Group reports an average energy efficiency of 134 kWh/sqm/year for its 71 commercial buildings, an average energy efficiency of 352 kWh/sqm/year for its 162 industrial buildings, and an average energy efficiency of 66 kWh/sqm/year for its 33 logistics buildings.

The Group plans to expand its measured energy reporting process across the entire portfolio (everywhere where Schneider Electric pays the energy invoice) in the next two years to get the full visibility of its actual energy consumption and efficiency efforts.

Levers to reach operational decarbonization are to first improve energy efficiency everywhere, then electrify buildings and processes, and finally switch to renewable energy.

2.2.1.9 Contribution to a more sustainable world

Schneider Electric has been an early adopter of transparent disclosures concerning sustainable revenues, consolidating revenues from offerings that promote higher efficiency and sustainability for customers, while excluding revenues from carbon-intensive segments and equipment containing SF_6. This metric serves as an important gauge of the Company's progress toward a low-carbon transition. It highlights how our offerings contribute to climate change mitigation by enhancing energy and resource efficiency for our customers. Additionally, it underscores Schneider Electric's dedication to continually improving its circular practices through the EcoDesign Way™ process and the end-to-end circularity program.

Reporting requirements under the EU Taxonomy Regulation

The implementation of the Taxonomy Regulation in 2020 has established an EU-wide classification system to identify economic activities deemed environmentally sustainable, aligning with the EU's overarching objective to integrate finance with sustainability targets. The dedicated Delegated Acts (DA) delineate, for six identified environmental objectives, the economic activities encompassed within the EU Taxonomy (eligibility). They also outline the screening criteria to assess their significant contribution to at least one environmental objective, while ensuring they Do No Significant Harm (DNSH) to the remaining objectives, and comply with minimum standards related to human rights, corruption, fair competition, and taxation (alignment).

In compliance with Article 8 of the regulation, the disclosure of the proportion of turnover, CapEx, and OpEx derived from products, systems, software, or services linked to sustainable economic activities is set to be progressively implemented across the fiscal years (FY) 2021 to FY 2024. For FY 2024, large undertakings are required to disclose these three KPIs for eligible and aligned activities related to all the six environmental objectives. Schneider Electric has been already reporting the eligibility and alignment of its economic activities across all six environmental objectives in its FY 2023 reporting, as a leader in sustainability, the Group is dedicated to transparent and consistent communication regarding its sustainable economic activities. The proactive reporting ensures KPI comparability, delivering the transparency sought by all stakeholders, with the results being audited this year at a limited assurance level.

Disaggregated data is disclosed in section 2.2.4 "Methodology elements on EU Taxonomy" on **pages 126 to 134.**

(1) Exceptions where no feasible fossil-free solution exist are allowed for up to 3% of the site's total energy consumption. The most common exception today is emergency diesel generators. 13 sites are claimed as Zero-CO_2 sites today under this exception.

The phased implementation of reporting mandates and their dynamic characteristics implies that the KPIs revealed in this report may undergo changes to align with evolving regulatory and reporting standards. Routine revisions of the DAs are anticipated to encompass omitted activities and fortify the technical screening criteria and DNSH (Do No Significant Harm) requirements for current activities, in accordance with technological advancements, EU policy priorities, or usability obstacles. Consequently, the proportion of Schneider Electric's eligible and aligned revenues is projected to rise incrementally, as the EU Taxonomy framework progresses toward full maturity and as companies enhance their data collection and reporting competencies.

There are notable challenges with the usability of the taxonomy. Specifically, certain provisions of the text are open to varying interpretations, and obtaining essential data to assess specific criteria is either unavailable or difficult. For instance, the Group faces difficulties in evaluating the alignment of its remote monitoring and predictive maintenance systems with technical screening criteria for activity CE 4.1. This is due to the lack of detailed data regarding the use of its systems or software by customers for managing engines powered by fossil fuels. While efforts are underway to collect this information, the Group has adopted a conservative approach to interpreting and calculating its activities' Taxonomy alignment in such instances. Consequently, the reported proportion of Taxonomy-aligned revenues may be lower than if comprehensive usage data had been accessible.

Read more on Schneider Electric's EU Taxonomy assessment methodology and the full list of activities eligible under the current EU Taxonomy on **pages 118 to 120**.

Schneider Electric's approach to the EU Taxonomy

Schneider Electric adopts a pragmatic approach to Taxonomy reporting to ensure company's focus their efforts on true actions to impact sustainability. While the Taxonomy is already fully implemented, it is essential to recognize it as a dynamic regulation with ongoing reviews of Technical Screening Criteria (TSCs), the addition of further activities to the framework, and anticipated changes to the Do No Significant Harm (DNSH) criteria.

Leveraging its experience in early-stage mapping of sustainable business activities, Schneider Electric is actively engaged with the European Commission, directly and through trade associations, as well as with the Platform for Sustainable Finance, participating in the drafting of economic activities and associated technical screening criteria supporting the environmental objectives defined in the Taxonomy.

Schneider Electric remains committed to actively participating in discussions aimed at enhancing the framework, focusing on expediting the completion of the framework with the inclusion of missing sustainable technologies, and enhancing the usability and practical implementation of the technical screening criteria. Furthermore, the Group will continue to engage with its peers through industry bodies to discuss the interpretation of the technical screening criteria.

2024 EU Taxonomy reporting covers all six environmental objectives

- Climate change mitigation (CCM)
- Climate change adaptation (CCA)
- Sustainable use and protection of water and marine resources (WTR)
- Transition to a circular economy (CE)
- Pollution prevention and control (PPC)
- Protection and restoration of biodiversity and ecosystems (BIO)

Climate environmental objectives | Non-climate environmental objectives

1. Schneider Electric's main eligible activities

Energy efficiency equipment and services in buildings	• Energy efficient building automation and control systems • Smart monitoring and regulation of electricity or heating systems • Zoned thermostats and devices for the smart monitoring of electricity loads or heat loads • Energy efficient cooling systems • Service plans related to building management and power metering systems • Technical consultations such as energy audits, simulations, and trainings
Low CO_2 mobility end segment	• Electric vehicle charging stations and grid reinforcement technologies • Electrical infrastructure for urban and suburban public transport • Port infrastructure for shore-side electrical power to vessels at berth and electrification and efficiency of ports' operations
Medium and low voltage equipment for electrical transmission and distribution	• Low voltage electrical products equipment, systems and services increasing energy efficiency • SF_6-free medium voltage switchgears and control gears • Communication and control technologies for the controllability and observability of the electricity system • Demand response and load shifting equipment, systems and services that increase flexibility of the electricity system and support grid stability • Transmission and distribution wiring devices that improve energy efficiency and Tier 2 transformers
Electrical and electronic equipment	• Manufacture of electrical and electronic equipment
IT/OT data-driven solutions and software	• Asset performance management • Remote monitoring and predictive maintenance systems • Lifecycle performance management software • Design and engineering software
Services and activities supporting the circular economy	• Repairing, refurbishing, or remanufacturing products that have already been used • Sale of spare parts beyond legal obligations • Product-as-a-service and other circular use- and result-oriented service models

Eligible activities
90% of revenue | 71% of CapEx | 49% of OpEx

2. Evaluation of eligible activities against alignment criteria

Alignment criteria	Conclusions of the assessment	Reference for details
1. Substantial contribution to environmental objectives? (Technical Screening Criteria)	• 44% of revenue not compliant with technical criteria • 5% of revenue not compliant due to exclusions (revenues from fossil sector, products with SF_6)	Section 2.2.4 page 118
2. Compliance with DNSH?		
• Climate change mitigation (CCM)	Compliant	Section 2.2.1 page 59
• Climate change adaptation (CCA)	Compliant	Section 2.2.1 page 59
• Sustainable use and protection of water and marine resources (WTR)	Compliant	Section 3.1.1.2 page 218
• Transition to a circular economy (CE)	Compliant	Section 2.2.3 page 101
• Pollution prevention and control (PPC)	14% of revenue not compliant	Section 2.2.2 page 93
• Protection and restoration of biodiversity and ecosystems (BIO)	Compliant	Section 3.1.1.1 page 216
3. Compliance with minimum safeguards?	Compliant	Section 2.2.4 page 118

Aligned activities (complies with all three criteria)[1]
28% of revenue | 22% of CapEx | 49% of OpEx

(1) Due to the impact of rounding on individual elements within this disclosure table numbers may not exactly sum to the Group total.

Calculation of Taxonomy-eligible and -aligned revenue

Schneider Electric identified several Taxonomy-eligible business activities, contributing to at least one of the six environmental objectives defined in the corresponding Delegated Acts. The list of those activities is provided in our methodological notes on pages 118 to 120.

In 2024, Taxonomy-eligible and -aligned revenues amounted to 90% and 28% respectively, representing EUR 34,328 million and EUR 10,737 million respectively out of EUR 38,153 million total 2024 consolidated revenue, as disclosed in the consolidated statement of income on page 504 of the 2024 Universal Registration Document. Schneider Electric's Taxonomy-eligible revenues saw a slight increase compared to 2023. The 1% rise, achieved without any new activities supporting environmental objectives this year, was driven by changes in Schneider Electric's offer portfolio and the revenue generated by these offers in our market dynamics.

There are four reasons for the difference between Schneider Electric's Taxonomy-eligible and -aligned revenue.

Firstly, challenges in evaluating the alignment of economic activities with the technical screening criteria for the manufacturing of electrical and electronic equipment (CE 1.2) have resulted in a conservative disclosure, where all revenues eligible under this activity have been reported as non-aligned (constituting 35% of total revenues). These challenges stem from ambiguities in certain terminology (e.g., "superior recyclability") and the lack of applicable requirements for certain criteria (e.g., no clarifications on how hardware can qualify as being designed for long lifetime). Schneider Electric is continuously enhancing its circular practices through its EcoDesign Way™ process and end-to-end circularity approach to further reduce the environmental impact of its products along its lifecycle. See more details in section 3.1 "Being efficient with resources" on page 216.

Secondly, SF_6-insulated switchgears are eligible but not aligned due to non-compliance with technical screening criteria for activity Manufacture of high, medium, and low voltage electrical equipment for transmission and distribution aimed at GHG emissions reductions (CCM 3.20). Notably, the exclusion of SF_6 switchgears from Taxonomy-aligned revenues is in line with the Group's methodology for calculating Schneider Impact revenues (SSI #1).

Thirdly, eligible revenues derived from activities with fossil fuel sectors are not aligned. This affects alignment under activities including but not limited to activity Manufacture of high, medium, and low voltage electrical equipment for transmission and distribution aimed at GHG emissions reductions (CCM 3.20). This exclusion is also in line with the Group's Schneider Impact revenues methodology.

Finally, the non-compliance to specific requirements, more stringent than current EU regulations, and outlined in the generic criteria for Do No Significant Harm (DNSH) regarding pollution prevention and control, contributes to 14% of Schneider Electric's total revenues being non-aligned. This non-alignment stems from exclusions based on two specific grounds.

- The EU Restriction of Hazardous Substances (RoHS) Directive. RoHS Directive grants exemptions for hazardous substances used, up to a certain threshold, in specific applications, where no alternative solutions are currently available and there is no risk of exposure to humans and the environment. These exemptions are not taken into account when assessing the generic criteria for Do No Significant Harm DNSH regarding pollution prevention and control.
- The Regulation concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH). This Regulation allows the use of substance identified in the REACH candidate list if communicated to customers, while the generic criteria for Do No Significant Harm DNSH regarding pollution prevention and control doesn't allow their usage except when no other suitable alternative substances or technologies were available.
- Regarding substances listed in Article 57 of Regulation (EC)1907/2006 but not identified under Article 59(1), the Group acknowledges the difficulty in obtaining material declarations and data from suppliers beyond tier one, as there is no legal obligation for suppliers to disclose the presence of these substances. As a result, the Group cannot fully quantify the impact of excluding products containing substances not yet on the REACH candidate list. The Group is gradually improving the traceability of product components beyond tier one and is working towards obtaining more detailed information, however achieving this will require legislative progress.
- Schneider Electric has dedicated significant resources to measure and enhance its proactive adherence to REACH and RoHS, extending these efforts beyond the EU as part of its environmental programs. The company is consistently working to replace hazardous chemicals present in its products, processes, and supply chain. In instances where substitution is not technically feasible, Schneider Electric ensures that the risks associated with these chemicals are under control across all lifecycle phases, thereby mitigating potential harm to the environment and people's health.

All other eligible activities comply with technical screening criteria, do not cause any significant harm to any of the other environmental objectives, and respect the minimum safeguards as specified in the respective Delegated Acts.

Read more about the calculation method of Taxonomy-eligible and -aligned revenue on **page 118**.

Read more about the DNSH checks performed on **page 120**.

Calculation of Taxonomy-eligible and -aligned CapEx and OpEx

In 2024, Taxonomy-eligible and -aligned CapEx amounted to 71% and 22% respectively, representing EUR 1,744 million and EUR 542 million respectively out of EUR 2,473 million total 2024 consolidated CapEx, as per EU Taxonomy definition.

To compute the Group's Taxonomy-eligible and -aligned CapEx, CapEx related to assets, processes, and business combinations associated with Taxonomy-eligible and -aligned activities were

calculated with a high level of granularity using allocation keys of eligible and aligned revenue per business and operations, except for CapEx from R&D and IFRS 16 long-term leasing of buildings, which have been qualified through the prism of CapEx for eligible and aligned individual measures.

The allocation keys methodology is considered a conservative approach as it is based on the current activity of each product line, which does not consider transformations driven by the product lines' investments in the calculation of Taxonomy-eligible and -aligned CapEx KPIs. Meanwhile, CapEx associated with product-related R&D projects are considered Taxonomy-eligible and -aligned under the activity CCM 3.6 (manufacture of other low carbon technologies). This is because each product-related R&D project of the Group enables a substantial carbon footprint saving through more efficient products and systems. Those improvements are measured with a lifecycle assessment (LCA) shared publicly in the Product Environmental Profile, aligned with ISO 14067 and verified by an independent third party. This is described more exhaustively in section 3.1.2.3 Leading with tranparency: Environmental Data Program and Product Environmental Profiles – subsection "PEP ecopassport PCRed4" page 225.

The difference between eligibility and alignment in revenue, as explained in the previous section, also applies to CapEx. In addition, the fact that CapEx based on IFRS 16, related to long-term leasing of buildings, is fully eligible but not aligned increases the difference between the Group's Taxonomy-eligible and -aligned CapEx.

In 2024, Taxonomy-eligible and -aligned OpEx amounted to 49%, representing EUR 979 million out of EUR 2,009 million total 2024 consolidated OpEx, as per EU Taxonomy definition.

To determine the Group's Taxonomy-eligible and -aligned OpEx, only non-capitalized costs related to R&D are analyzed for the establishment of the numerators of the OpEx KPIs. This includes non-capitalized costs relative to product-related R&D projects but also, among others, costs incurred in relation with support and platforming, costs of IT global applications dedicated to R&D, and costs relative to continuous engineering costs for quality, productivity, and obsolescence. As mentioned for CapEx, each product-related R&D project of the Group demonstrates a substantial carbon footprint saving and therefore the numerators of the KPIs correspond to OpEx directly associated to Group's product-related R&D projects. These OpEx are both Taxonomy-eligible and -aligned under activity CCM 3.6 (manufacture of low carbon technologies).

Read more about the calculation method of Taxonomy-eligible and -aligned capital and operating expenditures on **pages 118 to 120**.

2.2.2 Pollution mitigation (ESRS E2)

This chapter is split in two overarching sections, "2.2.2.1 Eliminating hazardous substances" and "2.2.2.2 Financial Effects". The former overarching section contains sub-sections on (1) Risk, Impacts, and Opportunities, (2) Policies, (3) Actions, (4) Targets, and (5) Metrics. The latter overarching section encompasses financial effects from material pollution-related risks and opportunities.

The scope of Schneider Sustainability Impact (SSI) and Schneider Sustainability Essentials (SSE), defining the Group sustainability targets and measuring sustainability performance in critical areas of focus, is more limited than the reporting perimeter of the sustainability and Sustainability statements (CSRD). SSI and SSE programs are part of the Group's 2021–2025 strategy and are therefore independent from the 2024 double materiality assessment. For more details about the reporting perimeter of SSI and SSE, please refer to the section 4.1 Methodology elements on the published indicators.

2.2.2.1 Eliminating hazardous substances

Impacts, risks and opportunities

Substances of concern and very high concern	
Negative Impact	**Threaten human health and/or the environment by using hazardous substances**

For more information on IROs please refer to section 2.1.2 "Long-term commitments and tools to measure progress" on **page 5**.

Long-term commitments

Within its Environmental Sustainability Policy, Schneider Electric sets operational goals related to chemical substances control and reduction:

- Continuously improve the environment management system and meet compliance obligations.
- Continuously protect the environment, preventing pollution, limiting emissions, and promoting biodiversity.
- Decouple our supply chain from natural resource consumption.
- Minimize the environmental and health impacts of our products, processes, solutions, and services over their lifecycle.
- Protect our employees, customers, business partners, and the planet against exposure to chemicals of concern.
- Communicate transparently on substances used in our products and their footprints.

Since 1950, chemical production has increased fiftyfold and is expected to triple from 2010 to 2050, with only a small number of the 350,000 chemicals in use fully assessed for safety. To minimize the potential harm to the environment and human health, Schneider Electric continues to prioritize the management and substitution of hazardous chemicals from its products, processes, and supply chain. This proactive approach is driven by a combination of policies, directives, and internal programs aiming at ensuring responsible sourcing, handling, and disposal of substances of concern and substances of very high concern.

Policies

- The Environmental Sustainability Policy addresses the Company's commitment to managing environmental impact, risks, and opportunities. It frames the Company's ambition to go beyond regulatory requirements and achieve voluntary sustainability commitments and targets. The policy is approved by the Chief Sustainability Officer and made externally available with yearly updates.
- Materials and Chemicals Directive: This directive defines the Company's rules and strategies for materials and chemical substances. It aims to ensure compliance with existing environmental regulations and anticipate new ones. The directive outlines commitments that directly address the requirements of the EU Taxonomy Appendix C for pollution prevention and control regarding the use and presence of chemicals.
- Global Environment Health and Safety Directive on Hazardous Substances Management (GEHSD001): This directive provides guidance for the implementation of hazardous substance management systems at each Schneider Electric site. It frames the process for chemical purchasing and selection for the plants.

The Schneider Electric Health and Safety Policy puts a strong emphasis on eliminating hazards and reducing risk, to prevent occupational accidents and illnesses, and connects with the goal of providing a safe working environment for all employees. This is achieved by engaging employees, encouraging the reporting of health, safety and environment observations and ensuring managers role model safety at every opportunity. All incidents are reviewed by the Health, Safety and Environment teams and investigated to ascertain the root cause and implement action plans when required. Sites have developed their own emergency plans which are tested to ensure the impact of an incident to people and environment is minimized.

Programs for managing SoCs and SVHCs

Schneider Electric has implemented a robust data collection process and tools to gather information on hazardous substances from its suppliers. A dedicated team reviews this data to ensure quality and adjust the level of verification required for specific suppliers, particularly where deviations have been detected.

The Group goes beyond the requirements of the European REACH (Regulation on the Registration, Evaluation, Authorisation and Restriction of Chemicals) and RoHS (Restriction of Hazardous Substances) regulations in committing to implement a proactive approach across its entire product portfolio and supply chain, regardless of geographic origin. It continuously works on substituting hazardous chemicals from its products, processes, and supply chain. When substitution is not technically possible, Schneider Electric ensures that risks posed by such chemicals are under control at all lifecycle stages to minimize potential harm to the environment and human health. For instance, Schneider Electric has developed new medium voltage switchgears without SF_6, one of the most potent and persisting GHGs. The company aims for substituting its SF_6-based offers with SF_6-free medium voltage technologies.

Furthermore, Schneider Electric engages with its suppliers on environmental initiatives, rolling out eco-responsible programs and working towards a more sustainable supply chain. The company collaborates with industry partners to find alternative solutions for substances of concern, participating in research programs to identify and implement substitutes.

Schneider Electric's rules and strategies for materials and chemical substances, managed at the corporate level, are defined in the Materials and Chemicals Directive. This directive aligns with Schneider Electric's broader Environmental Sustainability Policy and supports the Company's commitment to sustainability.

The objective of the directive is to ensure compliance with environmental regulations related to materials and chemicals and proactively anticipate future regulatory changes to secure the supply chain and maintain compliance. The directive emphasizes minimizing environmental and health impacts throughout the entire product lifecycle.

The Materials and Chemicals Directive applies to all Schneider Electric activities globally, including manufacturing sites, offices, and the distribution centers and is intended to be used in conjunction with the Company's global purchasing strategy, which addresses social sustainability aspects like conflict minerals. It ensures a consistent approach to managing resources used and resource outflows across the Company.

The directive provides detailed guidelines on materials and chemical substances, specifying prohibited substances, restricted materials, and preferred alternatives. It also outlines commitments aligned with the EU Taxonomy Appendix C for pollution prevention and control regarding the use and presence of chemicals.

The directive outlines specific commitments, including:

- EU-REACH (EC 1907/2006): Schneider Electric commits to complying with REACH restrictions, prohibiting the use of Annex XIV substances after their sunset dates, and avoiding the use of SVHCs in the candidate list and potential SVHCs whenever possible.
- EU-RoHS (2011/65/EU): The company commits to complying with the RoHS Directive for all product categories, avoiding RoHS exemptions whenever possible, and refusing to use exemption 8(b) related to cadmium in electrical contacts.

The directive also includes commitments to comply with regulations on Persistent Organic Pollutants (POPs), ozone-depleting substances, F-gases, and local substance regulations. Schneider Electric prohibits the use of halogenated flame retardants, injected PVC, and phenolic resin in new parts.

Finally, the directive emphasizes a materials strategy focused on increasing recycled plastics content, reducing thermoset polyesters content, increasing bio-sourced plastics content, minimizing thermoplastic waste, maximizing reuse, and promoting material circularity.

Substances of concern

The Group commits to avoid at the maximum the use of SoCs, when a risk of exposure throughout the product lifecycle is identified.

The concept of substance of concern is recent, and the electrical equipment manufacturing industry faces three main challenges towards developing a similar level of visibility than for substances of very high concern:

- No mandatory regulatory communication duty on substance of concern in the supply chain;
- No clear harmonized definition of substances of concern which allows to build an exhaustive list of substances;
- Limited availability on the market of tools that can be used to assess the presence of substances of concern.

Despite these challenges, Schneider Electric remains committed to proactively managing substances of concern and SVHCs, continuously improving its processes and systems, and collaborating with stakeholders to drive positive change. Obtaining material declarations and data from suppliers beyond tier 1 remains a challenge. Schneider Electric plans to gradually improve the traceability of components beyond tier 1 and make this information digitally available to customers. The Group can already provide visibility on a limited number of substances of concern present in its products.

Substances of very high concern (SVHC)

The Group commits to complying with REACH Annex XVII restrictions on a worldwide basis and to communicate transparently and report on the presence of SVHCs in all products, on a worldwide basis.

Schneider Electric has developed a proactive substitution strategy focusing on substituting SVHC, before their introduction in an authorization process (REACH Annex XIV before sunset date) instead of requesting for derogations to ECHA (European Chemical Agency) to continue to use it (REACH derogation process).

The Group commits to restrict globally the use of substances listed in RoHS and POPs (Annex I and II), except when under official exemption. As an example Schneider Electric managed in due time the substitution of the four phthalates required through an amendment of RoHS regulation in 2015 with a deadline in 2019. When no alternative solutions are available on the market, Schneider Electric continue to use substances under RoHS exemptions such as lead in metal alloys or electronics, (exemptions 6(a), 6(b) or 6(c) for metal alloys, and 7(a) or 7(c)-1 for electronics), while working with its suppliers on the development and test of alternative solutions.

The Global Environment team oversees the directive's implementation, with senior management and the Board of Directors actively involved in governance. A dedicated purchasing organization oversees supplier data collection, and a network of more than 60 trained Eco-referents are overseeing product analysis. The Procurement department supervises the application of the strategy in the supply chain.

Standardization engineers and research teams are working in collaboration with the Group's suppliers to propose alternative solutions to the design teams. A dedicated network is in place to share updates on the strategy, the roadmaps, the evolutions, and to follow key KPIs, and they are reporting on a monthly basis.

Schneider Electric ensures that its products comply with substances requirements through a robust data collection process and tools to gather and store information on hazardous substances from its suppliers at part level, and to extrapolate the compliance status of its products through its bill of material. Those compliance results are then communicated transparently externally on the product detail page of Schneider Electric websites.

The Materials and Chemicals Directive has been developed with input from key stakeholders, including employees, customers, suppliers, and regulatory bodies, ensuring that their interests and concerns are addressed. This directive also ensures compliance with ISO 14001 standards and other relevant environmental regulations and best practices. The Group's product compliance assessments are following IEC 63000 standard.

Finally, the directive is communicated to all relevant stakeholders through internal communications, training programs, and public disclosures, ensuring that those affected and responsible for implementation are well-informed. Tools are deployed to inform stakeholders and support them in compliance assessment.

Conflict minerals

Our Company is deeply committed to responsible sourcing and ensuring that our purchasing decisions do not contribute to conflict. This commitment is reflected in our comprehensive strategy, which includes updating our Procurement Terms and Conditions to clearly communicate our expectations to suppliers. Central to this strategy is our Conflict Minerals Compliance program, which is supported by our top leadership and 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.

We have a publicly available policy that addresses the sourcing of minerals from conflict-affected and high-risk areas. This policy underscores our dedication to responsible metal sourcing and is an integral part of our procurement practices.

To ensure the integrity of our supply chain, we have established formalized processes to track minerals and assess risks associated with conflict-affected and high-risk areas. This involves engaging with our suppliers to secure timely compliance evidence and participating in smelter outreach programs. Our efforts are further supported by collaborations with expert third parties to gather detailed information from our suppliers, ensuring that the minerals we use are recognized as conflict-free according to established international standards such as the Responsible Minerals Initiative (RMI) and the London Bullion Market Association (LBMA).

In addition, we have developed a robust risk management plan at the smelter or refinery (SOR) and supplier levels to mitigate or remediate any identified risks. This proactive approach helps us maintain a conflict-free supply chain and aligns with our long-term commitment to responsible sourcing.

Our ongoing initiatives to label our products as conflict-free demonstrate our dedication to this cause. By the end of 2024, the Group achieved significant progress, with 99% of identified smelters and refiners in our supply chain being designated as compliant with recognized third-party validation schemes. This achievement reflects our continuous efforts to work closely with our suppliers and monitor our supply chain to meet both regulatory requirements and our customers' expectations.

Through these comprehensive measures, our Company strives to contribute positively to global efforts in responsible sourcing and to ensure that our products do not support conflict in any form. For more information please refer to chapter 2.3.2.7 "Other action plans and targets on sustainable programs".

Actions and resources related to pollution

Actions related to pollution across the value chain (upstream and downstream)

Schneider Electric engages in a range of collaborative actions with its suppliers to be able to substitute hazardous substances to ensure compliance with regulations and exceeding industry standards.

Schneider Electric's Supplier Code of Conduct sets clear expectations for suppliers regarding their environmental and social performance. Suppliers are required to comply with all applicable laws and regulations, including REACH and RoHS. They are also expected to adopt best practices for substance management, prioritize the use of green materials, and minimize environmental impact throughout their operations.

Schneider Electric's Vigilance Plan (for more information please refer to section 2.1.1.1 Assessment mechanisms: Vigilance plan and ERM) 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. Schneider Electric uses a risk-based approach to prioritize suppliers for audits, focusing on those operating in high-risk countries or using high-risk technologies or processes. Non-conformances identified during audits are addressed through corrective action plans, guidance, and training. In cases of severe non-compliance, Schneider Electric may terminate the business relationship.

Schneider Electric has chosen to go beyond the requirements of the European REACH and RoHS regulations. It implements a proactive approach to compliance across its entire product portfolio and supply chain, regardless of geographic origin. 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.

Additionally, Schneider Electric discloses the existence of monitoring procedures for managing risks associated with the inclusion of harmful chemicals in products. To ensure product compliance and proactively manage the use of materials and substances, the Company has implemented a robust data management system. This system is continuously refined to adopt safer approaches and to efficiently meet the declaration requirements of the European Substances of Concern in Products database. This is achieved through direct links or structured data exchange formats such as IEC 62474 and IPC 1752.

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.

Finally, Schneider Electric incorporates sustainability criteria into its supplier evaluation process. Suppliers with strong environmental performance, including the use of green materials and responsible substance management, are prioritized in sourcing decisions.

In terms of downstream value chain, and particularly end of life, Schneider Electric is building a robust governance to drive compliance with local regulations, such as the Waste of Electric and Electronic Equipment (WEEE) Directive, the Batteries and Battery Waste Directive and Regulation. These EU legislations 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.

Actions related to substances of concern and very high concern

Continuous actions are carried out to remove halogenated flame retardants from plastics or to find alternative solutions to remove lead from metal alloys/electronics still exempted from the RoHS regulation. Schneider is an active member of an industrial consortium (REACH consortium) working on the substitution of substances of very high concern and led by CETIM (French Technical Center for Mechanical Industry). The following topics were treated in 2024 with proposals for substitution: PFAS, flame retardants, borates, lithium, and siloxanes.

The substitution of substances of very high concern is a continuous process.

Except for some specific cases (SF_6), a large part of the substitution actions are within the Group's supply chain and the efforts cannot be easily quantified. Substitution is often part of other actions (e.g., productivity, quality, supplier strategy) and cannot be isolated.

Schneider Electric's Vigilance Plan covers their own operations, suppliers, and subcontractors on a worldwide basis. The plan aims to prevent negative impacts on people and the planet within its value chain whatever the geographical location of our activities.

The key actions are part of Schneider Electric's 2021–2025 sustainability strategy, with specific targets set for 2025. The Vigilance plan is reviewed and updated annually to ensure continuous improvement and adaptation to new regulations and stakeholder expectations. SF_6 substitution is one of the key actions of this plan.

Schneider Electric is at the forefront of transitioning to SF_6-free medium voltage products, demonstrating leadership in this area. In addition, the Company is 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. A dedicated team (Technology Standardization Management) is in charge to propose "RoHS exemption free" electronic components and "lead free" metal alloys to design teams for incorporation in new projects. A strategic project is conducted with Accenture to identify and prioritize the substitution actions for the next 5 years, considering the substance of very high concern currently identified and the corresponding product revenues. As a member of the REACH consortium headed by CETIM, Schneider is engaged in substances of very high concern substitution evaluation, the last studies considered including PFAS, flame retardants, borates, lithium or siloxanes. Those macro synthesis include a regulatory watch, an evaluation of the existing substitutions and their criticity (pros/cons), a strategic analysis, but do not consider specific applications.

This substitution process is ongoing and integrated into broader initiatives such as productivity, quality, and supplier strategy, making it challenging to quantify the effort separately.

In addressing the impacts of harmful materials, Schneider Electric is committed to providing remedies for those affected. 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.

By actively participating in industry consortia and leading efforts to find safer alternatives, Schneider is mitigating the risks associated with harmful materials. This proactive approach includes continuous monitoring and improvement of supply chain practices to prevent exposure to hazardous substances. Furthermore, Schneider Electric's comprehensive strategy encompasses both immediate actions and long-term commitments to sustainability, ensuring that any material impacts are addressed responsibly and effectively.

The Group is defining its 2025–2030 plan to reduce substances of concern in its products, including financial resource allocation. Efforts are taken to ensure comprehensive reporting and transparency in this area.

Targets related to pollution

Pollution can refer to both pollution occurring on-site as well as pollution related to the end-of-life treatment of our products. Both may result in pollution of water, soil, and air, as well as pollution stemming from substances of concern, and from substances of very high concern.

Targets with regards to pollution on-site

With regards to pollution on-site, Schneider Electric is subject to the local regulatory frameworks.

Regarding end-of-life treatment and the related targets, Schneider Electric is subject to Extended Producer Responsibility (EPR) obligations in various regions of the world. EPR makes Schneider Electric responsible for the entire lifecycle of its products (batteries and packaging), including the post-consumer phase: the waste collection and recycling. In Europe, EPR provisions can be found, among other, in the EU "Waste Electrical and Electronic Equipment Directive" (WEEE Directive), the EU Batteries and Battery Waste Regulation and the EU Packaging Waste Directive (and soon to be published Regulation). These laws set targets for Member States for the collection, recovery, and recycling of in-scope products, batteries, and packaging. Member States then create producer requirements and waste schemes to meet these targets. By complying with local EPR requirements, Schneider Electric is ensuring that there is a financed system for the sound disposal of the products, batteries, and packaging waste and avoiding consumers landfilling it at the end-of-life. EPR also promotes the reuse of components, products, and packaging and the adaptation of design and production to increase circularity.

Targets with regards to SVHC and SOC

The targets concerning substances of very high concern in products are defined in the Materials and Chemicals Directive. The business units are assessing their product portfolio against the main regulations defined in the directive and store the results in a dedicated database, named "Check a Product".

Reports are available for Schneider Electric line of business to follow-up on their progress on compliance review of their products. They have the visibility on the coverage of their portfolio with compliance data and can leverage this information to build their analysis roadmap. They can also access compliance details (RoHS exemption, REACH SVHC to be declared) and identify the next actions needed in line with the Group's commitments (e.g., obsolete data that needs to be updated, substitution action to be launched with design team).

Schneider Electric's Sustainability Essentials (SSE) targets related to pollution include SSE #2, which focuses on substituting relevant offers with SF_6-free medium voltage technologies, and SSE #6, which aims to grow product revenues covered by the Green Premium program.

For more information on SSI and SSE please refer to section 1.1.2. "Long-term commitments and tools to measure progress" on **page 5**.

Schneider Electric aims for 100% of its products to comply with RoHS substance restrictions globally, whether or not exemptions are used. End of 2024, 76% of products globally (94.4% of revenue) are compliant with RoHS restrictions, among which, 48% are without directive exceptions. RoHS substances are considered either SVHCs or SoCs. For SVHCs not listed under RoHS, the goal is to identify and communicate their presence, which is already a challenging task. Additionally, Schneider Electric targets the removal of SVHCs under authorization (Annex XIV, a subset of the candidate list) before their sunset dates. Currently, 80% of our revenue comes from products meeting these three criteria: RoHS compliance, SVHC communication, and no SVHCs under authorization. For other SoCs not listed under RoHS or REACH SVHC, there is no target due to the lack of mandatory legal communication requirements in the supply chain).

Metrics on substances of concern and substances of very high concern

Considerations

Substances of very high concern

REACH regulation article 33 requests EU manufacturers or importers to declare the presence of SVHC above 0.1% at smallest article level in products put on the EU market. The real percentage or amount of SVHCs in products is not mandatory to disclose (cf official text below). This means that this information is not available in our database despite a strong supplier data collection process, recent compliance management tools, and a more than 15 years' experience.

Since 2012, Schneider Electric put in place a robust compliance declaration collection process and compliance management tools under the responsibility of a dedicated procurement team.

Our standard parts and materials database is currently covered by 39% full material disclosures (FMDs) and we have a strategy to highly increase this coverage in the future. In addition, our current compliance tool is not supporting FMD aggregation at product level. That's one of the reasons why we are in the process of changing our compliance tool in 2025. This being said, it is clear that a "Bottom-Up" approach to calculate the total amount of SVHCs that leave our facilities as products from Bill of Materials (BOM) analysis, which contains a detailed examination of the list of materials, components, and subassemblies required to manufacture a product, is not feasible automatically and, even would give a highly under-estimated result due to the low coverage of FMDs. Here a "Bottom-Up" approach would refer to collecting the exact amounts of SVHC via BOM at the lowest level – this is not feasible due to aforementioned limited coverage as well as due to technical limitations in the current tool, resulting in a highly manual exercise. As such, Schneider Electric has favored for the 2024 reporting year a conservative assessment to ensure best-possible coverage.

Substances of concern

There is currently no regulation which enforces SoC information sharing along a supply chain for articles. The only mandatory shared information on SoCs is through Safety Data Sheets (SDS) on substances and preparations. But there is nothing at article level. This means that, when a company manipulates internally substances or preparations, the SoC information is available, but when this company is buying articles for assembling, the SoC information is not shared (except in the case of FMDs which is not mandatory).

Compared with SVHCs, the coverage is much lower (no Regulatory Compliance Declarations) and there is currently no tool on the market which can assess a BOM (Bill of Material) against SoC presence (some tools propose a partial assessment mainly for CMRs "Carcinogenic, Mutagenic and Toxic for Reproduction", but not a complete assessment under the 13 hazard classes or hazard categories as classified in ESRS document Table 2 (page 213) referring to Part 3 of Annex VI to Regulation EC No 1272/2008).

As for SVHCs, another approach needs to be considered waiting for more FMDs, a new compliance tool with complete SoC assessment module, and a better coverage of corporate tools (PDM/CSM).

The situation for SoC is not specific to Schneider Electric but global for whole assembling manufacturing industry.

Main limitations and assumptions

The main limitations and assumptions in the reporting process stem from several factors. Data availability is restricted by the reliance on supplier declarations and voluntary Full Material Disclosures (FMDs), which are not always comprehensive. The current tools used for compliance do not support full data aggregation, necessitating significant manual effort for data extraction and analysis. This manual process involves opening each FMD to determine the percentage of Substances of Very High Concern (SVHC) and Substances of Concern (SoC) in parts, which is time-consuming and prone to inaccuracies. Additionally, assumptions must be made regarding average percentages and quantities due to incomplete data. These limitations highlight the need for improved tools and processes to enhance the accuracy and efficiency of the reporting.

Calculation methodology

The calculation methodology for reporting Substances of Very High Concern (SVHC) and Substances of Concern (SoC) involves several steps. For SVHCs, the process begins with identifying the SVHCs declared in products using the "Check a Product" (CAP) database. The next step is to determine the most impactful technologies or parts that contain these substances above 0.1% using the ERIS database, which holds supplier compliance declarations. The average percentage of SVHCs in these technologies or parts is then calculated from Full Material Disclosures (FMDs). This step is manual and involves opening each FMD to extract the relevant data. The yearly purchased quantities of these technologies or parts are obtained from the procurement database. These quantities are then multiplied by the average percentage of SVHCs to calculate the total amount. The substances are grouped by their hazard classifications to complete the reporting.

For SoCs, the methodology is similar but more challenging due to the lack of mandatory communication and tools for SoC management. The process involves identifying major chemicals used in production and their purposes, such as epoxy resins, oils, and cooling systems. The quantities of these chemicals are reported based on procurement data. However, comprehensive data on SoC emissions and their presence in products is limited, requiring assumptions and manual data extraction.

SOC and SVHC metrics

In the table below, Schneider Electric accounts for the amounts of substances of concern and very high concern that leave facilities as emissions, as part of products, as products, and as services, broken down per hazard class.

	Total SOCs that leave facilities					Total SOCs that are generated or used
	As emissions	As products	As part of products	As services	TOTAL	
carcinogenicity categories 1 and 2	0	23	0	0	23	0
chronic hazard to the aquatic environment categories 1 to 4	0	0	0	0	0	68,200
reproductive toxicity categories 1 and 2	0	2,528	0	0	2,528	0
respiratory sensitisation category 1	0	0	0	0	0	1,281,469
skin sensitisation category 1	0	0	0	0	0	1,637,117
TOTAL	**0**	**2,551**	**0**	**0**	**2,551**	**2,986,786**

	Total SOVHCs that leave facilities					Total SVHCs that are generated or used
	As emissions	As products	As part of products	As services	TOTAL	
carcinogenicity categories 1 and 2	0	1,734	0	0	1,734	0
endocrine disruption for human health	0	130	0	0	130	0
reproductive toxicity categories 1 and 2	0	97,184,045	0	0	97,184,045	76,612,556
respiratory sensitisation category 1	0	0	0	0	0	25,125
Persistent, Bioaccumulative and Toxic or Very Persistent, Very Bioaccumulative properties	0	7,925	0	0	7,925	0
TOTAL	**0**	**97,193,833**	**0**	**0**	**97,193,833**	**76,637,681**

2.2.2.2 Financial effects

Schneider Electric has put in place a comprehensive process to avoid environmental incidents related to the use of hazardous substances, but also to manage and report them in case they happen.

Managing hazardous substances in our sites

Schneider Electric has a Global EHS Hazardous Substances Management Directive (GEHSD 001) to provide global oversight for requirements related to hazardous substance management. This directive outlines best practices for managing hazardous substances, including establishing an approved chemical list, conducting chemical risk analyses, and implementing training programs on chemical safety and spill response. It also provides guidance on proper chemical storage, transfer, and disposal procedures to minimize environmental risks.

Reporting and managing observations and environmental incidents

The Group requires all facilities using, handling, transporting, or disposing of chemicals to have a system for reporting and managing environmental incidents. All significant environmental issues must be reported to the regional environment leader within 48 hours through using the reporting process defined by the region. A significant environmental issue is defined as an event that could pose a significant environmental risk, taking into account the frequency, quantity, hazard, and sensitivity of the event. Regional Schneider ElectricRE (Safety, Environment, and Real Estate) teams are responsible for defining a process for reporting environmental events for their region, leveraging on the Company-wide reporting tool to declare, escalate and keep track of environment, health, and safety observations and incidents.

Depending on the severity of the incident, the Global Environment team is also notified to ensure appropriate actions are taken.

All Schneider Electric sites with more than 50 employees (for manufacturing) and more than 500 employees (for offices) are certified under ISO 14001. This certification supports continuous improvement in tracking and addressing non-conformities related to environmental management.

Schneider Electric has confirmed that no major incidents or deposits linked to SoCs nor SVHCs occurred during the reporting year. Therefore, the reported CAPEX and OPEX in conjunction with major incidents and deposits linked to pollution are 0. If any incident had occurred, the CAPEX and OPEX incurred would be reported accordingly.

The Group is defining its 2025–2030 plan to reduce substances of concern and substances of very high concern in its products, including financial resource allocation. Efforts are taken to ensure comprehensive reporting and transparency in this area.

2.2.3 Resource use and circular economy (ESRS E5)

This chapter starts by addressing IROs (Impact, Risks, and Opportunities) related to resource use and circular economy, and the related policies and actions. Hereinafter two detailed sections follow, one on resource inflow and one on resource outflow. The chapter concludes by touching upon the financial effects.

The scope of Schneider Sustainability Impact (SSI) and Schneider Sustainability Essentials (SSE), defining the Group sustainability targets and measuring sustainability performance in critical areas of focus, is more limited than the reporting perimeter of the sustainability and Sustainability statements (CSRD). SSI and SSE programs are part of the Group's 2021–2025 strategy and are therefore independent from the 2024 double materiality assessment. For more details about the reporting perimeter of SSI and SSE, please refer to the section 4.1 Methodology elements on the published indicators.

2.2.3.1 Management of associated IRO in terms of resource use and circular economy

Impacts, risks and opportunities

Resource inflows	
Negative Impact	**Contribute to scarcity of resources through use of critical materials**
Positive Impact	**Incentivize suppliers to provide green materials***

Resource outflows	
Negative Impact	**Generate a significant outflow of materials**

For more information on IROs please refer to section 2.1.2. "Main sustainability impacts, risks and opportunities" on **page 43**.

* According to Schneider Electric, a green material has a lower environmental and social footprint, meaning low GHG emission, high recycled content, and minimized impact on people and the planet. For the 2021–2025 duration, the commodities in scope are thermoplastics, steel, and aluminium.

E5-1 Circular economy policies

Content of Global Environmental Sustainability Policy

Schneider Electric's Environmental Sustainability Policy focuses on **circular economy principles** and aims to reduce resource inflows and outflows.

In terms of resource inflow, the policy emphasizes sustainable resource management via resource sufficiency and efficiency, sustainable sourcing. Sustainable sourcing means sourcing renewable energy and sourcing materials with lower environmental impact like recycled materials or renewable materials.

For resource outflow, (recycled) resources the policy focuses on maximizing resource use, by ensuring material reuse and recycling, and ultimately avoiding waste.

Today, 80% of product revenues are covered by Green Premium™, ~19% of our revenue comes from software and services, and through continued growth of our ranges covered by the repacked and refurbished label, 22% of our product families have at least one circular option available. Circular options refer to Repacked by Schneider Electric or Refurbished by Schneider Electric.

For more information on Green Premium™, please refer to section 3.1.2.1 "Product Stewardship" on **page 221**.

Regarding **virgin resources**, the policy specifically addresses the transition away from these by promoting the use of recycled materials. Schneider Electric has set targets to increase the proportion of secondary resources in its products and packaging, thereby reducing reliance on virgin materials and supporting the circular economy.

Schneider Electric has a goal to reach 50% of green materials* in products from 2021–2025; as of fourth trimester of 2024, the percentage of green materials in our products is 38%. The company also has a goal to make 100% of primary and secondary packaging free from single-use plastic and using recycled cardboard from 2021–2025. Progress as of 2024 is at 74%.
For more information, please refer to SSI and SSE in chapter 2 section 1.1.2.2.

Regarding **sustainable sourcing practices**, the policy ensures that materials are procured responsibly and ethically.

Schneider Electric prioritizes the use of renewable resources, such as sustainably sourced wood and biobased materials, to reduce environmental impact and support long-term sustainability goals.

Schneider Electric relies on international recognized certification schemes to ensure renewable resources are sustainably sourced, such as Forest Stewardship Council (FSC) or Sustainable Forest Initiative (SFI) for wooden-based packaging.

Scope of Global Environmental Sustainability Policy

For all resource inflow and resource outflow related topics:

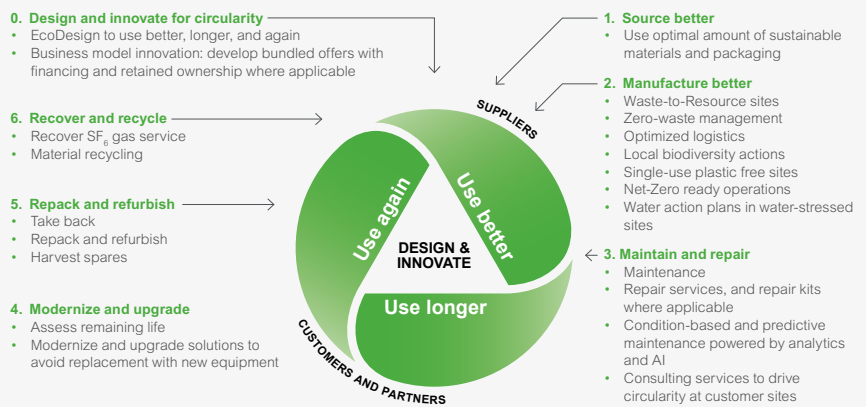
- The policy applies to all Schneider Electric operations, including manufacturing sites, offices, and the supply chain. It ensures a consistent approach to managing resource inflows and outflows across the Company. Exclusions are not specified.
- The Global Environment team oversees the policy's implementation and tracks non-conformities. Regular audits are conducted by internal governance teams. Senior management and the Board of Directors are actively involved in governance.
- The policy ensures compliance with ISO 14000 standards and other relevant environmental regulations and best practices.
- The policy is developed with input from key stakeholders, including employees, customers, suppliers, and regulatory bodies, ensuring that their interests and concerns are addressed.
- The policy is communicated to all relevant stakeholders via internal communications, training programs, and public disclosures, ensuring that those affected and responsible for implementation are well-informed.

Approach to circularity

Schneider Electric's circularity policy consists of the following strategic layers:

- "Design and innovate" consists of: 1) applying EcoDesign principles to product development (e.g., designing for reliability and lifetime extension), and 2) developing business innovation to offer development (e.g., moving from transactional sales to as-a-Service).
- "Use better" is about optimizing the use of resources, sourcing the materials with the lowest environmental impact, and manufacturing products efficiently. Example measures include sourcing materials with high recycled content and minimizing manufacturing scrap.
- "Use longer" involves providing services to keep products in use for as long as possible. This includes on-site and workshop repair, digitally enabled maintenance, as well as equipment modernization services and spare parts.
- "Use again" relates to recirculating products, parts, and materials in the economy. For example, take back, refurbishment, and resale of assets reaching end of use.

End-to-end circularity at Schneider: Use better, use longer, use again



There is a hierarchy to this approach. Value retention is the highest in the design and innovation phase, and cost to recover value increases as the product lifecycle journey matures. For example, it is far more efficient to optimize the use of copper during design and manufacturing ("use better") than it is to recover copper from products at the end of their use ("use again"), but both are required. Schneider Electric's approach is centered on maximizing value retention through the asset lifecycle.

The reduction in environmental emissions links directly to Schneider achieving its SSI #1 to #5 by 2025 and its Net-Zero target by 2030.

This policy is designed to prioritize strategies that avoid or minimize waste over waste treatment strategies.

This policy is reflected in the Company's initiatives to use recycled materials, reduce packaging, and implement efficient manufacturing processes.

The Group's commitment to product sustainability is a key aspect of its waste management policy. Schneider Electric designs products for longevity, using the best-in-class sustainable materials and ensuring ease of repair, upgrade, and recycling. This commitment helps prevent waste by extending product lifetime and reducing the frequency of replacements.

Following the above hierarchy, Schneider Electric prioritizes waste prevention by designing products that use fewer resources and generate less waste, incorporating recycled materials, reducing packaging, and optimizing manufacturing processes. This approach enhances resource efficiency and sustainability.

The company actively promotes the reuse of products and components through refurbishment programs, extending product lifetime and reducing the need for new resources. When products cannot be reused or refurbished, Schneider Electric promotes enhanced recyclability through material selection and dismantlability, it includes the identification of critical parts in our End of Life Instructions, together with associated actions to undertake to maximize product recyclability and therefore minimize the waste generated at the end of product's life.

Recycling is a critical component of Schneider Electric's waste management strategy. The company has established numerous Waste-to-Resource sites to convert waste materials into valuable resources, supporting the circular economy. The goal is to reach 200 sites with no landfill waste by 2025.

The number of sites with actual zero waste to landfill is currently 135. Schneider Electric prioritizes waste prevention, reuse, and recycling in its operations wherever possible. This approach maximizes circularity within its operations and minimizes its environmental impact. When those options are not available, other recovery options, such as energy recovery from waste materials, are considered. In the case where none of the aforementioned options are feasible, remaining waste will be disposed to the landfill. All waste, regardless of treatment type, are required to meet or exceed compliance with all relevant regulations.

E5-2 Actions and resources related to resource use and circular economy

Use of resources from technical and biological materials

Please refer to section *2.2.3.2 Resource inflows* and *2.2.3.3 Resource outflow* for comprehensive insights.

Schneider Electric has several actions related to resource use and circular economy. Thanks to these circularity initiatives and specifically the Green Materials and sustainable packaging programs, a higher rate of use of secondary raw materials has been achieved.

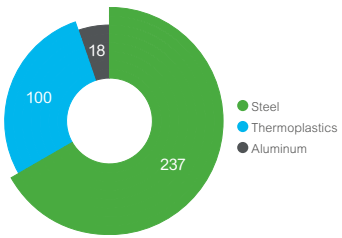
Similarly, the Green Materials program (SSI #4) enabled the Group to increase the percentage of green material content, including an increased percentage of recycled materials. The Sustainable packaging program (SSI #5) enabled the Group to increase the percentage of primary and secondary packaging free of single-use plastic and to increase the use of recycled cardboard.

A more granular breakdown of these actions can be found below:

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.

Volume and distribution of "green materials" (in kt)



Sustainable packaging: The company has made significant progress in its Sustainable Packaging program, with 74% of primary and secondary packaging now free from single-use plastics and using recycled cardboard, up from 63% in 2023 (SSI #5).

The goal is to achieve 100% sustainable packaging by 2025.

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 an ambition of 420,000 metric tonnes by 2025 (SSE #10).

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

Water efficiency and conservation program: Schneider Electric has implemented water conservation strategies and action plans at 90% of its sites located in water-stressed areas, up from 73% in 2023 (SSE #11). The ambition is to have 100% of these sites with water conservation plans by 2025.

Biodiversity program: The Company has deployed local biodiversity conservation and restoration programs at 84% of its sites, with a goal of reaching 100% by 2025 (SSE #8). According to the Schneider Electric's biodiversity footprint assessment, our No Net Biodiversity Loss is mainly driven by Schneider Electric scope 1 and 2 Climate reduction journey as described in the relevant pages of the URD. The additional investments are in the process to be informed in 2025, leveraging also our current investment journey with Livelihood Carbon Funds.

These programs are part of a broader effort to minimize the Company's impacts and dependencies on natural resources.

The above actions contribute to higher levels of resource efficiency. When products and materials are circulated in the economy at their highest value, the need for virgin materials is reduced. This leads to a reduction in metal and mineral extraction, with fewer resource needs for manufacturing.

This in turn leads to lesser environmental emissions and more space for nature regeneration and wilderness preservation. These efforts demonstrate the Company's commitment to sustainability and are part of efficient resource management.

Circular design

Application of circular design

The circular journey of Schneider Electric starts with the design phase, to ensure that every product and offer are using better materials and processes, are used longer, and are used again once they reach their first end-of-life. Here are some key points:

EcoDesign principles: The company integrates EcoDesign principles into their product development process, which includes assessing the environmental impact of products throughout their lifecycle and making improvements to reduce this impact.

Resource efficiency: This emphasizes the principle of frugal design using the optimal(1) amount of materials, materials with recycled content, materials made with renewable energy or technology resulting in lower environmental impact, and recyclable materials. This not only minimizes environmental impact but also supports the circular economy by keeping materials in use for as long as possible. Schneider Electric is also committed to efficient manufacturing, as outlined in the initiatives taken to reduce Scope 1 and 2 GHG emissions.

Product lifecycle management: Schneider Electric focuses on designing products that are durable, repairable, and upgradable. In addition to design features, Schneider also offers customers maintenance and lifetime extension services for assets that are deployed in the field. This approach extends the lifecycle of their products, reducing waste and the need for new resources.

Reuse before recycling: Before sending end-of-use products to recycling, Schneider investigates the potential to refurbish and resell products. This maximizes value retention.

End-of-life solutions: Schneider Electric has implemented take-back programs and recycling services to ensure that products are properly disposed of and materials are recovered and reused.

These initiatives are part of Schneider Electric's broader goal to achieve end-to-end circularity and promote sustainability across their operations and supply chain.

Application of circular business practices

Schneider Electric aims to maximize the environmental performance of its products. To achieve such ambition, the Group develops business models to extend the useful life of its products, and when no option is possible, take back the product, assess whether a second-life is possible, and ultimately ensure the product or components are recycled. The first focus, before considering end-of-life, is to prolong the lifespan of products.

Secondly, Schneider Electric creates value through its take back and recovery services which are crucial in enlarging the basked of refurbished products that it can offer. And thirdly, the Company recycles raw materials and substances. Specifically, Schneider Electric engages in the following circular business practices:

Value retention actions: Maintenance and repair: Schneider Electric designs products for durability and ease of maintenance, ensuring longer product lifecycles. These solutions, using up to 60% less materials than using brand new equipment, enable pull-through and constant payback, increase customer stickiness, and build long-term relationships.

Reverse logistics and closed loop systems: Schneider Electric has established reverse logistics systems to take back used products and reintegrate them into the production cycle.

Refurbishing: Schneider Electric has programs to refurbish products, which helps in reducing waste and conserving resources. These products are then resold. One example is how Schneider Electric gives its MasterPact MTZ circuit breakers a second life. Refurbished at the MasterTech plant in France, these circuit breakers are collected from customers at end-of-life, disassembled, diagnosed, upgraded, and tested before being put back on the market. A dedicated label has been created to promote the sale of refurbished products. Other ranges include UPS 1phase, MasterPact MTZ, variable speed drives, HMI, PLC, Motion and System Drives.

Component harvesting and upgrading: The company focuses on harvesting components from end-of-life products and upgrading them for reuse.

Value maximization actions: Product-Service systems: Schneider is exploring innovative circular offers, notably in Electrification as a Service and Energy as a Service through its AlphaStruxure joint venture with Carlyle. AlphaStruxure, Schneider Electric's joint venture with Carlyle, offers resilient and decarbonized energy with "Energy as a Service" (EaaS). EaaS is a financial and technical solution for deploying transformational on-site energy infrastructure projects – without the CapEx or complexity for the customer. AlphaStruxure finances and owns the system, taking on capital costs in exchange for predictable monthly payments, giving clients guaranteed pricing and performance outcomes. AlphaStruxure assumes the design, delivery, operation, and maintenance of the system over the entire lifecycle. AlphaStruxure's deep expertise and long-term accountability enables a right-sized, waste-minimizing, and service-optimizing approach that drives circularity for clients.

One such client is New York City's JFK International Airport's New Terminal One. Its EaaS microgrid achieves several superlatives. It's the largest airport microgrid in the US, featuring a revolutionary federated design (i.e., four microgrids in one) that can power 100% of the terminal's critical operations. Its 11.34 megawatt decarbonized electrical capacity is sourced from fuel cells, battery storage, and the largest rooftop solar array in NYC. AlphaStruxure's careful planning and service excellence will prolong asset longevity, minimize resource use, and propel decarbonization. That's how AlphaStruxure's EaaS drives circularity.

(1) Optimal amount of materials is referred to as the balance between using less while not compromising on durability.

End-of-life actions: Extended Producer Responsibility (EPR): Schneider Electric takes responsibility for the end-of-life management of its products where applicable. In compliance with the EU Waste of Electrical and Electronic (WEEE) Directive and Battery and the EU Battery Waste Regulation, Schneider Electric is working to ensure that through the implementation of a structured product assessment and the identification of available end-of-life solutions in each country, the products will be disposed of soundly by the consumers at end-of-life either through collective schemes or by sending back to Schneider.

Product circularity initiatives and take-back for recycling and refurbishment purposes are also being implemented at country level, such as a Weecycling partnership in France or with Circolektra in the Netherlands.

For products falling within the scope of the WEEE Directive, i.e. electrical and electronic products falling within the six open scope categories of the directive and not subject to exemptions, a circularity profile including detailed end-of-life instructions is systematically provided through the Schneider Electric websites.

Recycling: For the products and parts which cannot be reused as is, the Company sends them to be recycled, where critical raw materials like copper, silver, and magnets are extracted. The company also prioritizes incorporating materials with recycled content into its supply.

Systems efficiency actions: The Group engages in industrial symbiosis, partnering and investing with ecosystem players in order to raise the overall efficiency of the circular economy.

Schneider Electric works collectively with stakeholders to implement circularity in products and materials as described in the subsequent section.

Refurbished Products

Low Voltage

MasterPact MTZ

UPS

UPS 1phase

Industrial Automation and Control

Variable Speed Drives

HMI

PLC

Motion

System Drives

Refurbished products guaranteed by Schneider Electric

- **A label** dedicated to the sale and promotion of products from the circular economy, launched by Schneider Electric
- The **warranty of a circular product is identical to a new product**
- Refurbished products have a **higher environmental value,** by reducing carbon footprint and resource consumption

Take-back service

Take-back and recycling of your aging equipment and all related gas such as SF_6

Application in value chain

The company has taken several actions to engage with its upstream and downstream value chain, as well as its local network, to enhance the circularity of products and materials. Here are the key initiatives and collaborations:

Upstream engagement: Schneider Electric collaborates closely with its suppliers to improve transparency and reduce carbon footprints. This involves regular assessments and support to help suppliers meet sustainability targets. For instance, Schneider Electric's Zero Carbon Project (TZCP or SSI #3) contributed to reducing the operational CO_2 emissions of 1,000 top suppliers by 40% (vs. 27% in 2023). Please refer to section "2.2.1.3 Climate change results and financial effect" on page 74 for more information.

Downstream engagement: The company works with customers to promote the use of energy-efficient and sustainable products. Its circular offers help customers reduce waste and extend product lifecycles.

Retailers and other business partners: Schneider Electric partners with retailers and other business entities to facilitate the return and resale of used products. This includes take-back programs and reverse logistics systems.

Community engagement: Schneider Electric engages with local communities and authorities to implement recycling and upcycling programs. The Group also supports educational initiatives to raise awareness about sustainability and circular economy practices.

Government agencies: The company collaborates with government agencies to align with regulatory requirements and participate in public-private partnerships aimed at enhancing circularity and sustainability.

Organization of collaborations: Schneider Electric contributes by providing expertise in energy management and automation, developing sustainable products, and implementing circular business models. The Group also invests in R&D to innovate new solutions for circularity.

Industry platforms: Schneider Electric engages in knowledge sharing with multi-stakeholder groups such as the World Economic Forum, Trellis Network, Circular Electronics Partnership, and others to foster standardization in the circular economy. The company also has experts participating in Standardization committees like ISO and GIMELEC.

Roles of stakeholders:
- Suppliers: Provide data on carbon footprints, implement sustainability practices.
- Competitors: Share best practices, collaborate on industry standards.
- Retailers: Facilitate product returns, participate in recycling programs.
- Customers: Adopt sustainable products and services, participate in take-back programs.
- Local communities and authorities: Support local recycling initiatives, participate in educational programs.
- Government agencies: Provide regulatory support, participate in public-private partnerships.

These collaborative efforts are part of Schneider Electric's broader strategy to promote a circular economy, reduce environmental impact, and enhance sustainability across its value chain.

2.2.3.2 Resource inflows including resource use

This section gives a detailed assessment of Schneider Electric's resource inflows.

E5-2 Actions and resources

Schneider Electric's key actions on resource inflow are comprehensive and aligned with its circularity policy. These efforts are expected to significantly enhance resource efficiency, reduce environmental impact, and support the circular economy by 2025 and beyond.

Schneider Electric embeds its sustainability and decarbonization efforts into a group wide strategy, which operationally translates into the SSI and SSE metrics.

The Group defines precise actions (including scope of the action, time horizons, and expected outcomes) related to resources inflows for the following SSI/SSE:

- **SSI #4: Increase the green material content in products, focusing on thermoplastics, steel, and aluminum.** Schneider Electric launched first pilots on recycled thermoplastics in 2018 when the organization joined the Ellen McArthur Foundation and took commitment to double recycled plastics between 2018 and 2020. Starting from 2020, the SSI #4 allowed Schneider Electric to broaden the definition of thermoplastics, not limited to recycled content but also testing biobased content and alternative to flame retardants. Additionally, Schneider Electric initiated in 2020 a whole supplier's engagement program with metals suppliers to enhance and performance throughout the supply chain. Schneider Electric is targeting to reach 50% of Green Materials by 2025 on these specific commodities but plan to strengthen the definition and to expand drastically the scope of commodities for the 2026–2030 period.
- **SSI #5: Removing single-use plastics in primary and secondary packaging, and using recycled cardboard.** The Sustainable Packaging program started in 2017 with an initiative on sourcing sustainably wood and cardboard packaging according to existing certification standard such as PEFC and FSC. Since 2020, the SSI #5 focuses on recycled cardboard as well as on single-use plastic. Schneider Electric is expecting to reach 100% of recycled cardboard in both primary and secondary packaging systems and to phase out from single-use plastics by promoting packaging optimization, material substitution, and reusable packaging system.
- **SSE #10: Avoid primary resource consumption through "take-back at end-of-use" programs.** The program was initiated in 2017 when Take-Back program and EcoFit services started to be reported. By 2025, Schneider Electric is targeting to avoid 420,000 metric tonnes of primary resource consumption by refurbishing, remanufacturing, and effectively recycling products.

For more information on SSI and SSE, quantitative and qualitative information regarding progress of actions or action plans disclosed in prior periods please refer to section 1.1.2. "Long-term commitments and tools to measure progress" on **page 5**.

Cascading from SSI and SSE, Schneider Electric has implemented several key actions to manage resource inflows and optimize resource use.

The company is focused on increasing the use of green materials in their products, particularly thermoplastics, steel, and aluminum. According to Schneider Electric, a green material has a lower environmental and social footprint, meaning low GHG emission, high recycled content, and minimized impact on people and the planet (e.g., a thermoplastic sourced out of post consumer recycled content, a steel product manufactured out of an electrical arc furnace, an aluminum part produced out of a ASI-certified site with a carbon emission factor lower than 8 tonnes of CO_2eq/ton of aluminum). Currently 29% of resource inflows weight is covered by this Green Materials program, spanning key commodities, thermoplastics, steel, and aluminum.

Definitions of green materials

A GREEN METAL IS

Steel	Aluminum	Zamak
from Direct Procurement	from Direct Procurement	from Direct Procurement
Complies with at least one criteria below:	Complies with at least one criteria below:	Complies with the criterion below:
Steel product is sourced from • **Electric Arc Furnace** (EAF) • **Direct Reduced Iron** • **Blast Oxygen Furnace** (DRI-BOF) or **Hot Briquetted Iron** (HBI-BOF)	≤ **8 tCO_2eq/ton** of aluminum(2) ≥ **90% recycled scrap**(3)	≤ **3 tCO_2eq/ton** of alloy(6)
Steel product has a **Green Certificate**(1)	Aluminum product has a **Green Certificate**(4)	Alloy product has a **Green Certificate**(5)

(1) e.g., Responsible Steel.
(2) According to Aluminium Stewardship Initiative (ASI).
(3) According to EU green taxonomy.
(4) e.g., Aluminium Stewardship Initiative (ASI).
(5) e.g., Copper Mark.
(6) According to representative LCA study performed by International Zinc Association (IZA).

A GREEN THERMOPLASTIC IS
REACH / RoHS / POPs compliant(1)
AND

If plastic **compound** is	If plastic **compound** is	
Halogen Free(2)	still **Halogenated**(2)	
	PS FR and PVC	Other halogenated compound
Complies with at least one criteria below:	Complies with at least one criteria below:	Complies with at least one criteria below:
≥ 20% wt of **recycled** content(3) (6) OR ≥ 20% wt of **biobased** content(4) (6) OR **Green Flame Retardant and Additives** *For flame retardant plastic only*(5)	≥ 30% wt of **recycled** content(3) (6) OR ≥ 30% wt of **biobased** content(4) (6)	≥ 50% wt of **recycled** content(3) (6) OR ≥ 50% wt of **biobased** content(4) (6)

(1) Latest versions.
(2) According to EN 50642/IEC 63355 "Materials and Chemicals Directive" Halogen Free is a priority. Halogenated is only applicable if there is no halogen free technical solution on the market.
(3) According to ISO 14021 and EN 45557.
(4) According to EN 16785 or ASTM D6866.
(5) According to GreenScreen® used in TCO Certification.
(6) According to ISO 22095 for mass-balance chain of custody.

The company is committed to eliminating single-use plastics in primary and secondary packaging, opting instead for recycled cardboard. This covers all primary and secondary packaging spend for cardboard and plastics categories.

Schneider Electric avoids primary resource consumption through "take-back at end-of-use" programs, ensuring materials are reused and recycled. "Take-back at end-of-use" programs cover for example battery collection from UPS and ECOFIT services.

Further details on these programs can be found in the Resource Outflows section 2.2.3.3 on **page 119**.

Schneider Electric's initiatives to manage resource inflows and optimize resource use are designed to affect the entire scope of the Group's operations. These actions are integrated across all levels of the Company, ensuring a comprehensive approach to sustainability.

The key actions are aligned with Schneider Electric's long-term sustainability goals, including achieving Net-Zero emissions by 2050.

For more information on SSI and SSE and their time horizons, please refer to section 1.1.2. "Long-term commitments and tools to measure progress" on **page 5**.

The SSI and SSE targets related to resource inflows are set to be fulfilled by 2025. The Group is defining its next 5-year strategic program, including financial resource allocation regarding resource inflows targets.

SSI is reported on a quarterly basis, the performance of the SSE is reported annually. In the case of providing for and cooperating in the support of remedies for those harmed by actual material impacts, the Company undertakes the following actions regarding resource inflows and resource outflows:

- Schneider Electric actively engages in circular economy practices by implementing take-back and recycling programs, ensuring that end-of-life products are responsibly managed.
- The company collaborates with stakeholders to provide solutions for resource recovery and waste reduction, minimizing environmental harm.
- The company supports affected communities through initiatives that promote sustainable resource use and environmental stewardship, ensuring that any material impacts are addressed comprehensively and transparently.

E5-3 Targets related to resource inflows

A detailed overview of the resource-inflow related SSI (#4 and #5) and SSE (#10) can be found in the previous section on 'Actions and resources'. For a general overview on Schneider Electric's progress on SSI and SSE, please refer to section 1.1.2. For the methodology of SSIs please refer to section 4.1.1. The following section goes into detail on how the targets are connected to resource use and the circular economy.

Schneider has committed to increase the amount of green materials in its products to 50% by 2025 , as part of its Schneider Sustainability Impact program (SSI #4). Therefore, performance could be achieved, either through selecting material and/or supplier with a proven lower environmental footprint (e.g., proof of a material produced out of a 100% recycled content), or strengthening the traceability of sustainable initiatives in the value chain.

- Design with circularity in mind – the circular design actions are valued through the Environmental Data program, communicating the environmental performance of Schneider Electric's offers, with transparency, on aspects relating to durability, repairability, recycled content or recyclability.
- Schneider Electric Green Materials commitment includes thermoplastics and metals (steel and aluminum). Schneider Electric relies mostly on recycled content for thermoplastics, electrical arc furnace technology for steel manufacturing, and scrap-based aluminum production to minimize the use of primary materials while strengthening resilience across the supply chain.
  Further, the Company 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).
- "Retrofit of equipment with ECOFIT™-Schneider quantifies its circular economy efforts (repair, reuse, refurbish, and recycle) and targets to avoid 420,000 metric tonnes of primary resource consumption through "take-back at end-of-use" by 2025, cumulatively since 2017 (SSE #10). This program enables savings in waste, material, energy consumption, CO_2 emissions, and/or water.
- Schneider Electric's circularity approach is based on four layers: "design and innovation", "use better", "use longer" and "use again". Design relates to applying EcoDesign principles to product development, while innovation relates to offer development. "Use better" relates to optimizing the use of resources and sourcing materials with lowest environmental impact. "Use longer" involves providing services to keep products in use for as long as possible. "Use again" relates to recirculating products, parts, and materials in the economy. There is a hierarchy to this approach. Value retention is the highest in the design and innovation phase, and cost to recover value increases as the product lifecycle journey matures.
- Schneider Electric has an ambition to eliminate primary and secondary packaging free from single use plastic, using recycled cardboard by 2025 (Source: Schneider Sustainability Index). Here's how this initiative relates to reversing the depletion of renewable resources:
- Reduction in Plastic Waste: By eliminating single-use plastics, Schneider Electric reduces the demand for new plastic production. This helps decrease the extraction of fossil fuels, which are non-renewable resources used to produce plastics.
- Promotion of Recycling: Using recycled cardboard supports the recycling industry, which helps conserve trees and forests. Forests are renewable resources that play a crucial role in maintaining ecological balance and biodiversity.
- Lower Carbon Footprint: The production of recycled materials generally requires less energy compared to producing new materials. This reduction in energy consumption translates to lower greenhouse gas emissions, contributing to climate change mitigation.
- Sustainable Supply Chain: By committing to sustainable packaging, Schneider Electric encourages its suppliers and partners to adopt similar practices. This collective effort can lead to a broader impact on conserving renewable resources across the supply chain.
- Biodiversity Conservation: Reducing plastic pollution and promoting the use of recycled materials helps protect natural habitats and biodiversity. Healthy ecosystems are essential for the regeneration of renewable resources.

E5-4 Material resource inflows

Schneider Electric is actively working towards increasing the sustainability of its products and materials, ensuring responsible use of water, and managing its property, plant, and equipment with a focus on resilience and sustainability. The initiatives include increasing the use of green materials, phasing out single-use plastics in packaging, securing the supply of critical raw materials, and implementing water conservation strategies.

See below for further details.

Products and materials/Green Materials initiative

Schneider Electric aims to increase the green material content in itsproducts to 50% by 2025 (SSI #4).

The initiative covers about 29% of Schneider Electric's procurement volume, including:

- Thermoplastics (direct and indirect purchase)
- Steel (direct purchase)
- Aluminum (direct purchase)

Full definitions for the three commodities included in scope are provided above. There is no dedicated target at commodity level but only a global one set at 50% by 2025.

Other materials such as fabricated steel components, other non-ferrous metals (e.g., copper, silver, brass), and thermoset will be considered in future phases.

By the end of third quarter of 2024, 38% of materials in scope were qualified as "green".

Sustainable packaging

Schneider Electric is implementing a Sustainable Packaging program to ensure all cardboard used in packaging is recycled and all single-use plastics are phased out by 2025 (SSI #5).

This involves a cross-functional team reviewing packaging design and engaging with suppliers to deploy the roadmap.

Critical raw materials and rare earths

The supply risk of rare earth materials has been assessed, and strategic partnerships with key suppliers have been reinforced through long-term agreements and C-Level connections.

A procurement and planning hub in Singapore manages the direct supply of critical materials and strategic stocks, focusing on active electronics and copper cathodes.

Water

Schneider Electric assesses its impacts and dependencies on water-related ecosystem services, particularly due to metals and resources processing.

The Group aims to deploy water conservation strategies and action plans at 100% of its sites in water-stressed areas by 2025 (SSE #11).

By 2024, 90% of sites in water-stressed areas had implemented water conservation action plans.

Property, plant, and equipment

Schneider Electric's property, plant, and equipment are managed with a focus on sustainability and resilience.

The Group has implemented business continuity plans for critical factories and suppliers, particularly in response to energy supply risks in Europe.

Investments in property, plant, and equipment are aligned with the Group's sustainability goals, including energy efficiency and reducing carbon emissions.

The below table shows Schneider Electric's material resource inflow. Please note that in Schneider Electrics context biological material is understood as wood (further details can be found in below 'Methodology' section.

For calculating biological material and in partnership with our global packaging colleagues, Schneider Electric identified the main wood suppliers in each global region, asked them to confirm if the wood we buy is sustainable, and if so, whether they have a certification and whether the wood follows the cascading principle.

	2024	UOM
Overall total weight of products and technical and biological materials used during the reporting period	2,189,833	Tonnes
Percentage of sustainable sourced wood (biological material) used in manufacturing (including packaging)	0%	Percentage
The absolute weight of secondary reused or recycled components, secondary intermediary products, and secondary materials used to manufacture the undertaking's products and services (including packaging)	159,280	Tonnes
Percentage of secondary reused or recycled components, secondary intermediary products, and secondary materials used to manufacture the undertaking's products and services	7.27%	Percentage

Methodology

Overall total weight of products

Schneider Electric reports the total weight of products by consolidating information from procurement spend. Schneider Electric organizes procurement spend by assigning a category code (CATs codes) to each group of material purchases (e.g., metal stamping parts, battery, semi-conductors…). Available weights data for each category are used systematically. A complementary approach has been developed to calculate total global volume in the most accurate way recognizing that some extrapolation and assumptions are required.

Calculation approach

To calculate the weight of Schneider Electric's total weight of products (resources inflows) three parts are used:

1. For our raw material and fabricated components spend, 83% is covered by the weights we are provided from two tools that consolidate purchased material weights from global plants (RMI) and procurement plastic category managers (PUMA).
2. For the remaining 17% of raw materials and fabricated components spend, we used as much existing internal data about weights that was available and extrapolated to achieve 100% coverage.
3. For the electronics materials, we combined all the sources of weights in our internal systems together and assessed spend to weight ratios based on actual weights and spend. Then multiplied these ratios by the total spend to assess total weight.

Each part of the methodology is further developed below.

Boundary: We include all direct purchases in our boundary, so subcontracting, services, and software spend are excluded. For packaging, we include all direct packaging spend.

Part 1 – raw material and fabricated component spend using internally consolidated volume (45% of total spend)

- Weight (tonnage) data was captured from two tools. One is called Raw Material Impact (RMI) and used for our metals purchases and a second tool is called PUMA and used for plastics purchases:
  - RMI represents data inputted by the plants based on the weight of materials that are shipped to each location. We only use RMI data when we have captured over 90% of the weight globally in the tool from the plants and in some instances, we capture up to 100% of global volume. We continue to bring more plants into the tool to improve coverage each year and minimize extrapolation. For this year we assumed 95% coverage for all categories in line with the Procurement team's recommendation.
  - PUMA captures the volume for our plastics CATs code categories. We only use the commodity level volume data when we are able to capture over 90% of volume from the plants. For spend information in situations where we don't have volume data, we use a tool called PRISM that captures our total procurement spend (directly from purchases ERPs) to ensure we cover our full procurement.

Part 2 – raw material and fabricated component spend not included in RMI or PUMA (9% of total spend)

- These instances required CATs group by group analysis to assess the nature of the volume data that was available followed by a dedicated discussion with the procurement category managers to brainstorm the best way to extrapolate or find additional data.
- Nine categories required an individual analysis. four of these nine categories in total represented 6% of total spend.
- The Group created individual analysis files for those 4 categories and used existing weight per spend data per family for the remaining 3 categories to achieve 100% coverage.
  - For the four individual analysis, the Group downloaded the spend, quantity, and unit of measure at the family level from PRISM which is one level below the CATs code.
  - The Group analyzed the families where we had volume defined in our system based on the unit of measure and calculated ratios at the family level of volume as a percent of spend. We then extrapolated a volume assessment at the family level to cover 100% of spend.
  - For the D2 packaging category (which represents all the direct spend for materials we use to package products including wood, plastic, cardboard and other materials):
    - The Group had weight actuals for packaging from Europe. So, we calculated the known weight times the units purchased for these schneider part numbers.
    - The Group knew the total spend for the parts we had weight for, so we calculated the ton per Euro ratio.
    - Based on a PRISM download, we had the total spend by family globally for D2.
    - The Group applied the calculated ratios per family to the spend not covered by actual weights and combined the known and calculated total weights together.
    - The Group were able to assess an average ton per Euro for different material types because each of the parts from the known Europe data was linked to a family and the family was categorized by type of material (wood, paper, cardboard etc.).

Part 3 –Electronics materials and brand labeling (46% of spend)

- The Group gathered all existing electronics part weights into one system and analyzed them along with the spend per CATs category and family.
- In partnership with internal experts, we developed a method to assess the acceptable boundaries for weights in each category to remove any outliers from our internal data.
- The Group also moved families between CATs codes to best represent families with similar products together. This improved the accuracy of our extrapolation.
- The Group multiplied the known weights times the volume for those parts within a family and summed all the multiplied figures within a family together. We summed together the spend for all the products with known weights and then created a ratio of grams per Euro based on these known inputs.

- The Group know the spend total for each category, so we multiply the ratios per category by the total spend per category to get the total tonnage.
- The G8 category which represents electronic manufacturing services and is mostly made up of printed circuit board assembly (PCBA) in addition to products from other categories. Based on internal knowledge, the Group defined what percent of each category was appropriate and completed that calculation to assess the tonnage.
- To improve the calculation in the future, the Group developed a list of a few thousand parts that will be key to further enhance the accuracy of the gram per euro calculation that we use to extrapolate to 100% of the weight. The goal is to fill in these weights based on some research and some connections with suppliers to further improve the accuracy of the calculation.

Volume and percentage of sustainably sourced biological content (wood)

Schneider Electric developed the following definition of biological material:

"The biological materials content is the share of materials from living organisms that are sustainably sourced (b), whether they are raw materials (wood, cotton...), semi-processed (wood pellets) or processed (biofuels). In such cases, they must be kept in their initial state (E5-4.AR 24: the material must not be manipulated to alter its weight)."

According to the last sentence, only wood is falling into this definition in Schneider Electric's context (cardboard, paper, biobased oils, and plastics have been manipulated and their weight altered). Thus, the data collection for biological materials involves gathering information on the total amount of wood purchased worldwide.

Calculation approach

- In partnership with our global packaging colleagues, we identified the wood suppliers in each global region and asked them to confirm if the wood we buy is sustainable, and if so, do they have a certification and does the wood follow the cascading principle.
- The information from all the regional procurement outreach to the suppliers was consolidated by the global sustainable packaging lead and shared with the CSRD reporting team.
- The Group define the weight of wood that is sustainable based on what wood purchases we have with approved certifications.
- The overall coverage of wood spend will be defined by our PRISM reporting tool where wood is a set of category codes defined by the global packaging director.
- The actual weight of wood is calculated by using the weight actuals of packaging materials from Europe that we have. We also know the total spend for those purchases, so can create a ratio of weight / spend. The totals for weight and spend can be categorized by type of material, so we have resulting weight / spend ratios for different material types including wood.
- To calculate the total wood weights, the Group used the actual weights we had for wood and used the wood weight ratio times spend for the remaining global spend on wood.
- For the total sustainable wood weights, the Group used the defined information that came from our suppliers. The Group will continue to reach out to our suppliers to ensure we fully capture our sustainable wood spend.

Boundary: The boundary of our wood spend is scoped to our direct spend of wood used in our products or packaging.

Volume and percentage of recycled components

There are two contexts with which we use secondary recycled or reused materials in our manufacturing. The first is our green materials purchases (including thermoplastics, steel, aluminium and copper), the second is through recycled cardboard and paper purchases. The Group is working to expand the use of recycled materials and will add on additional recycled material purchases over time.

Calculation Approach

- Green materials – reported and audited as part of SSI#4
  - The Schneider green materials program covers four types of materials – direct steel, direct aluminum, direct copper and thermoplastics, representing approximatively 30% of total purchases volume. After careful evaluation, we defined specific requirements for steel and copper that substantiate the purchases as using recycled material:
    - Steel – For steel the purchase has to be produced in an electric arc furnace (meaning other technology routes such as Blast Oxygen Furnace would not contribute to recycled content even though most Blast Oxygen Furnance mills are using a portion of scrap).
    - Copper – The material has to be produced with over 50% recycled scrap according to suppliers declaration.
  - Steel and copper calculation:
    - Each producer provides their evidence to prove they are supplying green material. For each producer, we confirm what percent of the volume is covered and they share their documentation.
    - The Group knows the volume of materials in kilograms from our reporting source of record called PRISM broken down by supplier.
    - The Group converts the kgs to tonnes and then multiply the tonnage times the percentage of the volume that is confirmed as green material with the proper documentation.
    - For steel we assume 100% of the volume of direct steel coming out of an electrical arc furnace is recycled content. For copper we assume 50% when we confirm that suppliers have sent copper with >=50% recycled content copper.
    - We sum the total green material volume.
    - As per today, the Group is not tracking the recycled content in aluminium even though industry is developing circular loops. As a conservative assumption we set the volume of recycled aluminium to zero, aiming to further liaising with suppliers to get more primary data and strengthen our reporting for this commodity.
  - Thermoplastics calculation:
    - There are three scenarios where we calculate recycled thermoplastics weight. Suppliers define their plastics supply as:
      - 20% to 50% recycled content. In this situation, we use 20% recycled content.
      - Over 50% recycled content. We use 50% recycled content rule.
      - 20% recycled content in GF. We use 25% since most Schneider Electric compounds are 25% GF charged.
    - In each scenario we multiply the tonnage per supplier by the appropriate percent of recycled content and sum that together.
- Recycled paper and cardboard reported and audited as part of SSI #5
  - Through communication with the suppliers, we capture whether suppliers are sending us packaging made up of recycled materials. This is identified on a supplier by supplier and material by material basis. Most of the packaging with recycled materials are cardboard (over 90%), but we do purchase some recycled paper as well.
  - The Group knows the total spend on these materials per supplier and the percentage of the spend with each supplier that is with recycled content. We sum the total recycled content spend and multiply that by the ton per Euro ratios assessed from Europe actuals that was used to estimate total recycled content weight based on spend for the D2 packaging analysis completed for the total weight of materials indicator (see dedicated section above).

Boundary and future improvements: As the nature of our purchases evolve, we will update this figure and incorporate additional commodities (e.g. indirect metals, other non-ferrous metals…). We aim at improving the quality of recycled content reporting by relying more systematically on suppliers primary data (recycled content certificates). To foster automatization, we plan to consolidate recycled content directly from our Component Library that would gather the supplier's certificate, rather than using the SSI#4 KPI consolidation files. We aim to split the recycled content between post-consumer and post-industrial content.

Double accounting

Different authoritative sources were used for each data segment calculated. Additionally, the Group has established a robust methodology documentation on respective KPIs including defined boundaries. Schneider Electric calculated the KPIs ensuring they covered 100% of our spend. By separating the total spend in categories that required different calculation approaches, Schneider Electric was able to ensure it avoided double counting across categories.

2.2.3.3 Resource outflows related to products and services

This section gives a detailed assessment of Schneider Electric's resource outflow.

E5-2 Actions and resources

Schneider Electric's key actions on resource outflows are comprehensive and aligned with its circularity policy. These efforts are expected to significantly enhance resource efficiency, reduce environmental impact, and support the circular economy by 2025 and beyond.

Schneider Electric embeds its sustainability and decarbonization efforts into a Group-wide strategy, which operationally translates into our Schneider Sustainability Impact (SSI) and Schneider Sustainability Essentials (SSE) metrics.

The Group defines precise actions (including scope of the action, time horizons, and expected outcomes) related to resources outflows for the following SSI/SSE:

SSE #6: Grow our product revenues covered with Green Premium™

Schneider Electric integrates EcoDesign principles to enhance product sustainability and circularity. The company also leads with transparency through its Green Premium™ and Environmental Data programs, ensuring products meet high environmental standards. The expected outcome of these actions is an increase in product revenues from Green Premium™ offerings, promoting products that are environmentally friendly and sustainable. This initiative is ongoing, with continuous improvement and expansion of Green Premium™ product offerings.

"Everything as a Service" is a key element of Schneider Electric's end-to-end circularity strategy. By maintaining ownership of products and extending responsibility beyond the point of sale, Schneider Electric is driven to design durable, efficient products with continuous service support and optimal end-of-life management. Most new products are digital and connectable, enabling comprehensive lifecycle management and predictive maintenance. This shift supports customer-focused models like subscriptions, performance contracting, and leasing.

Schneider Electric's circular journey starts with eco-design, ensuring better materials and processes, longer product use, and reuse at end-of-life. Since 2015, the Company has integrated environmental considerations into product design through initiatives like the Green Premium label, and in 2023, it further enhanced its EcoDesign process to better manage environmental impacts throughout the product lifecycle and coordinate efforts across the value chain. Each of these actions reduce resource outflows while maximizing value retention.

SSE #9: Give a second life to waste in "Waste-to-Resource" sites

To address waste outflows, Schneider Electric has established and operates sites focused on converting waste into valuable resources. The company enhances recycling processes and complies with end-of-life regulations to maximize resource recovery. The expected outcome is a significant reduction in waste outflows and increased conversion of waste into valuable resources, supporting circular economy practices. The time horizon for this initiative is to increase the number of Waste-to-Resource sites from 135 to 200 by 2025.

Furthermore, Schneider Electric offers sustainability training for employees through the Sustainability School and "Act For Green" initiative as part of the ENGAGE program. The Sustainability School helps employees understand personal sustainability actions on various environmental and social topics, while "Act For Green" supports employees in pursuing local environmental actions. The Sustainability Essentials training deployed for all employees The "Act For Green" initiative, which aims at supporting all employees to pursue local environmental actions"

Schneider Electric was recognized as a Circularity Lighthouse by the World Economic Forum and McKinsey for its end-to-end circular approach across a broad portfolio of its energy and building automation solutions, achieved through EcoDesign, Waste-to-Resource sites, lifetime extension services, and a global network of refurbishment centers. As of Q4 2024, Schneider Electric had helped customers save and avoide 628 million tonnes of CO_2 since 2018. Please refer to our Quarterly Revenues financial information.

SSE #10: Avoid primary resource consumption through "take-back at end-of-use" since 2017 (metric tonnes)

Schneider Electric implements take-back and recycling programs to manage the end-of-life phase of products. Additionally, the Company provides refurbished products to extend their lifecycle and reduce the need for new resources. The ambition is the avoidance of 420,000 metric tonnes of primary resource consumption by 2025, through promoting the reuse and recycling of materials. This initiative has been ongoing between 2017 and 2025.

SSI #5: Primary and secondary packaging is free from single-use plastic and uses recycled cardboard

Schneider Electric is transitioning to packaging that is free from single-use plastics and uses recycled cardboard. This effort is supported by the Sustainable Procurement framework, which includes sustainable packaging, green materials, and compliance with REACH/RoHS and conflict minerals regulations. The expected outcome is the elimination of single-use plastics in packaging and increased use of recycled cardboard by 2025, reducing environmental impact and supporting sustainable material use. The time horizon for achieving 100% sustainable packaging is by 2025.

Our actions apply to all Schneider Electric operations, including manufacturing sites, offices, and the supply chain. It ensures a consistent approach to climate change adaptation, mitigation and energy management across the Company.

The key actions are aligned with Schneider Electric's long-term sustainability goals, including achieving Net-Zero emissions by 2050.

The SSI targets and the SSE targets on resource outflows are set to be fulfilled by 2025. Additional targets are being set regarding resource outflows for the next five-year strategic program between 2026 and 2030.

Schneider Electric is committed to addressing and remedying the impacts related to resource outflows from its products and services. The company actively engages in circular economy practices by implementing take-back and recycling programs, ensuring that end-of-life products are responsibly managed. Schneider Electric collaborates with stakeholders to provide solutions for resource recovery and waste reduction, minimizing environmental harm. Additionally, the Company supports affected communities through initiatives that promote sustainable resource use and environmental stewardship, ensuring that any material impacts are addressed comprehensively and transparently.

Read more on the progress of our actions taken as well as the SSI an in the section 1.1.2. "Long-term commitments and tools to measure progress" on **page 5**.

Based on the data retrieved so far, the resources outflows related to products and services are as follows:

Circular Certified and Take-Back initiatives account for a significant portion of OpEx, with allocations for headcount and the digital roadmap.

Additionally, EPR (Extended Producer Responsibility) compliance management expenses are also included in the OpEx.

The total allocation suggests that these outflows can currently be considered to be non-material.

E5-3 Targets related to resource outflows

Under the Schneider Sustainability Essentials programs, the Group has set two targets related to resources outflows.

The first one is Schneider SSE #6 – 80% of product turnover covered by Green premium products. This ambition aims at delivering products designed with sustainability in mind and meeting one of the following criteria : recycled content, durability, reparability, energy efficiency or free of SF_6.

The second one aims at avoiding 420,000 metrics tonnes of primary resource consumption thanks to take back services. This is Schneider SS#10.

Outside of the long-term climate commitments, Schneider Electric sets self-imposed environmental and social targets every five years. This is known as Schneider Sustainability Impact, and progress toward these targets is publicly shared each quarter. These targets include the following circularity targets: Increase green material content in our products, and Primary and secondary packaging free from single-use plastic, using recycled cardboard.

For a general overview on Schneider Electric's progress on SSI and SSE, please refer to section 1.1.2 on **page 5**. For the methodology of SSI, please refer to section 4.1.1 on **page 245**. This section explains how the targets are connected to resource use and the circular economy.

E5-4 Material Resource outflows

Schneider Electric's production process yields a wide range of products focused on electrical distribution, automation, and energy management. The company emphasizes the use of green materials, recycled content, and components with lower environmental impact to align with its sustainability goals. These efforts reflect Schneider Electric's commitment to innovation and environmental stewardship.

Key products and circular design principles

Electrical distribution products

Circuit breakers, switchgear, or UPS are designed for long-term durability and reliability. These products are built to withstand harsh conditions and extended use. They are also designed for easy disassembly, allowing for parts to be replaced or upgraded, thus extending their lifecycle. At the end of their life, components can be recycled, reducing waste and conserving resources.

Automation and control products

Programmable Logic Controllers (PLCs) and Human-Machine Interfaces (HMIs) are engineered for high performance and longevity. They are modular, which means they can be easily repaired or upgraded with new components, enhancing their reusability and reducing the need for complete replacements. This modularity also facilitates disassembly and recycling of individual parts.

Energy management solutions

Energy meters and monitoring systems are designed to optimize energy use, contributing to sustainability by reducing energy consumption. They are built to be durable and maintainable, with components that can be replaced or upgraded. At the end of their useful life, these products can be disassembled, and materials can be recycled or repurposed.

Key materials and circular design principles

Green materials

Schneider Electric uses a significant amount of recycled materials in its products, reducing the demand for virgin resources and minimizing environmental impact. Recycled thermoplastics and metals are chosen for their durability and ability to be recycled at the end of the product's life.

Critical raw raterials and rare earths

Metals such as copper, aluminum, and steel are essential for manufacturing electrical components and are selected for their recyclability. Schneider Electric ensures that these materials can be recovered and reused, supporting circularity.

Durability

Schneider Electric is committed to providing transparent and reliable information regarding the durability of its products. However, it is important to note that there is no universally accepted definition or standardized measure of "durability" within the industry. As such, we have leveraged our own understanding and methodologies to estimate and disclose the expected durability of our products.

In the absence of a standardized definition, we use the concept of Reference Service Life (RSL) to estimate the durability of our products. According to EN 50693:2019, 3.35, the RSL is defined as "the lifetime that may be expected according to a particular set (reference set) of conditions of use and that may be used to estimate the lifetime under other conditions of use". This approach allows us to provide a consistent and reliable measure of product durability based on specific usage conditions. Product group is one level of Schneider Electric offer pyramid. It represents a product offer segmentation corresponding to the common upstream and industrial marketing know-how and encompass all Schneider business from Home and Distribution (HD), Low voltage (LV) or Medium Voltage (MV).

Product Group	Average Durability of products in the Product Group in years
Process Automation Control	11.38
Variable Speed Drives	10.17
Human Machine Interface	10.51
Home & Distribution Connected Systems	10.00
Air Circuit Breakers	16.10
Low Voltage Equipment (IEC & NEMA)	20.00
Contactors	20.00
Low Voltage Products	10.00
Molded Case Circuit Breaker, Earth leakage and Switchgear	19.70
Home & Distribution Core Final Distribution	19.95
Eliwell	10.00
Medium Voltage Products	10.00
Industry Original Equipment Manufacturer Systems	10.18
Control, Relays and Signaling	11.83
Machine Solution	10.00
Low Voltage Functional Enclosure	20.00
Remote Operations	10.00
Home & Distribution Specialists	18.99
Home & Distribution Core Wiring Devices	19.85
Universal Enclosures	20.06
Speed Drives Systems	10.00
Industry Service	12.86
Automation Transfer Switch	20.00
Process Automation Solutions	10.00

Repairability

Schneider Electric's approach to establishing the repairability of its products involves modular design, condition-based maintenance, detailed documentation and support, design for disassembly, refurbishment programs, and the use of durable materials (recycled or biosourced for instance). These strategies ensure that Schneider Electric's products are not only easy to repair but also long-lasting, aligning with the Company's commitment to circular economy principles.

Recyclability

Schneider Electric is committed to improve the circularity of their products. To achieve this ambition Schneider must make sure the materials used in their products can be "used again". To do so, Schneider is working on improving the recyclability rate of their products by making sure materials can be easily split as well as integrating recycled material and cardboard.

	2024
Percentage of recyclable content in products	74%
Percentage of recyclable content in products packaging	70%

Description of methodologies

Schneider Electric established a comprehensive approach to calculate several disclosure requirements to ensure accurate and meaningful reporting. Below is an overview of our methodologies.

Durability calculation methodology

Given the lack of a standardized definition for "durability" within the industry, Schneider Electric has adopted the concept of Reference Service Life (RSL) to estimate the durability of products. According to EN 50693:2019, 3.35, the RSL is defined as "the lifetime that may be expected according to a particular set (reference set) of conditions of use and that may be used to estimate the lifetime under other conditions of use". This definition provides a consistent framework for assessing product durability based on specific usage conditions.

To calculate the RSL, Schneider Electric extracts data from our Product Information Management (PIM) database, which contains detailed information on the expected service life of our products. Schneider Electric organizes its products using an internal classification system known as PM0. This system categorizes products into four main levels: Product Line, Strategic Product Family, Product Family, and Product Group. Specifically, there are 75 Product Lines, 402 Strategic Product Families, 2,389 Product Families, and 16,800 Product Groups. The company has compiled RSL data for over 35,000 products and calculated an average RSL for each Product Line. This average RSL serves as a representative measure of durability for our products, allowing to benchmark and report on product longevity effectively. To make the data more digestible and manageable, it has been decided to report durability KPIs at the Product Line level. This approach allows to provide a clear and concise overview of our product portfolio while maintaining the granularity needed for detailed analysis.

Recyclable content methodology

Schneider Electric leverages the recyclability potential calculated during a product's lifecycle assessment to calculate the amount of recyclable content entering to the market. This assessment is based on the the total product weight. Both data points (product weight and recyclability potential) are managed within Schneider Electric's PIM system. Once we know the recyclability potential and the weight of the product, we are able to calculate the amount of recyclable product (in tonnes) we put on the market for a specific product (recyclability potential * weight).

Schneider Electric applies this methodology for all products with available information on recyclability.

Last, the value of each amount of recyclable content is multiplied per product by the sales of those specific products. It gives the total amount in tonnes of recyclable content Schneider provides to the market.

Product end-of-life waste management

Schneider Electric is dedicated to mitigating the adverse impacts of hazardous waste on the environment and health through its "Waste-to-Resource" program. This initiative focuses on ensuring visibility of hazardous waste handling and end-of-life treatment, adding value through material or energy recovery, and reducing waste volumes by implementing "best available techniques" (BAT) in industrial processes. These efforts aim to enhance resource efficiency, reduce chemical substance use, and lower emissions. In 2024, the Group set the ambition to reduce hazardous waste intensity by 30% in 2025 against the 2017 baseline.

Under the SSE #9 initiative, Schneider Electric has significantly advanced its efforts to convert waste into valuable resources. As of the latest reporting period, the Company has established 135 "Waste-to-Resource" sites, with an ambition to increase this number to 200 by 2025. These sites are pivotal in our strategy to manage product end-of-life waste effectively. Furthermore, sites are required to achieve 99% recovery for non-hazardous waste and 100% recovery for hazardous waste using the best local handling and treatment options. To emphasize the circular economy, waste-to-energy solutions are limited to 10% of waste, encouraging collaboration within internal supply chains and with external partners to innovate in reducing, reusing, and recycling waste.

Sites generating hazardous waste must ensure 100% proper handling and treatment, adhering to Schneider Electric's stringent requirements and local regulations. Waste is considered recovered if it is reduced, reused, or recycled, excluding landfill and incineration without energy recovery. The program also provides data on various environmental indicators, such as air acidification, ozone depletion, and water toxicity, allowing for a comprehensive assessment of environmental impacts across the Group's operations.

Each site is assessed under more than 240 indicators consolidated under the Environmental, Health and Safety Assessment (EHSA) and published to all Global Supply Chain sites in a global EHSA dashboard. Sites are also benchmarked based on "best available techniques", and documented and shared within Schneider ElectricRE (Safety, Environment and Real Estate) and CS&Q (Customer Satisfaction and Quality networks).

Schneider Electric has implemented robust take-back and recycling programs to manage the end-of-life phase of its products. These programs are designed to recover valuable materials and reduce the volume of waste sent to landfills. Through these initiatives, the Company has avoided the consumption of 334,364 metric tonnes of primary resources since 2017, with a goal of reaching 420,000 metric tonnes by 2025.

We also offer refurbished products that meet high-quality standards, extending the lifecycle of its products and reducing the need for new resources. This approach not only supports waste reduction but also provides cost-effective solutions for customers.

When it comes to compliance with end-of-life regulation, Schneider Electric adheres to stringent end-of-life regulations and standards, ensuring that all waste management practices are compliant with local and international laws. This compliance guarantees that waste is managed in a way that minimizes environmental impact and maximizes resource recovery.

The expected outcomes of Schneider Electric's engagement in product end-of-life waste management include a significant reduction in waste outflows, increased conversion of waste into valuable resources, and enhanced sustainability of its operations. By leveraging the Waste-to-Resource sites and other waste management initiatives, Schneider Electric aims to create a more sustainable and circular economy, reducing its environmental footprint and promoting resource efficiency.

2.2.3.4 Financial effects

At this time, we do not have the necessary information to fully respond to the disclosure requirement. We are currently in the process of gathering and verifying the relevant data. This involves gaining further visibility on quantifying financial effects from material resource use and circular economy related IROs. We anticipate having the required information by the end of 2025.

2.2.4 Methodology elements on EU Taxonomy

Regarding the calculation of the proportion of activities considered Taxonomy-eligible and -aligned in accordance with the Disclosure Delegated Act in revenue, capital expenditure (CapEx), and operating expenditures (OpEx), Schneider Electric provides the following additional details:

Calculation of Taxonomy-eligible and -aligned revenue

This calculation uses two combined approaches:
- Offer-based approach: Each line of the business's offers is reviewed against the EU Climate and Environmental Delegated Acts' definition of economic activities.
- End-segment approach: Revenues from offers that fit the economic activities description and are sold to Taxonomy-eligible end-segments (e.g., Green transport and Renewables) are reviewed.

There is no double-counting, as revenues assessed under the end-segment approach are not included in the offer-based approach.

As detailed in Annex 1 of the Delegated Act on Article 8, the denominator of Taxonomy-eligible revenue is equal to the net revenue recognized pursuant to IAS 1.82(a) after removal of intra-group transactions. At Schneider Electric, this represents EUR 38,153 million, as disclosed in the first line of the consolidated statement of income in the 2024 Universal Registration Document on page 504.

For 81% of revenues (excluding entities having their own reporting framework), eligibility calculation combines two approaches:
- For 80% of revenues, the eligibility and alignment calculation uses an offer-based approach (by nature of technology). Sustainability, marketing, and offer management teams of each line of business determine if products are in line with the definition of economic activities included in the Delegated Acts. This analysis is performed at product category level, allowing detailed segmentation between Taxonomy-eligible and -non-eligible revenues. Compliance with the technical screening criteria is also assessed by the offer technical experts at the product category level. For instance, building management systems (BMS) generally include energy efficiency systems, which are Taxonomy-eligible, and fire safety and access control systems, which are not. In this example, the analysis enables accounting for only energy efficiency systems installed as part of a BMS. An eligibility and an alignment ratio are then consolidated for each product line, which includes multiple product categories.
- For 1% of revenues, eligibility and alignment calculation is using an end-segment-based approach, whereby commercial teams indicate for each product line if it matches with the economic activities as described in the Delegated Acts and provide with the related amount of revenues generated from Taxonomy-eligible end-segments (Green transport and Renewables). Potential double-counting between the two approaches is avoided in applying the end-segment-based approach to only 1% of revenues issued from eligible businesses sold to end-segments supporting climate change mitigation, and the offer-based approach to the remaining 80% of revenues (excluding entities having their own reporting framework).

For the remaining 19% of revenues (related to entities having their own reporting frameworks), an offer-based analysis is conducted separately following a review of each entity's product line reporting.

In order to determine the amount of eligible and aligned revenue (numerator), the following assumptions are made:
- At the granularity level of product categories, data is based on net sales before rebate instead of net sales after rebate. Therefore, the eligibility and alignment ratios are calculated by dividing respectively the amount of eligible net sales before rebate by the total amount of net sales before rebate, and then applied to the net sales after rebate.
- At the granularity level of product categories, a non-significant share of revenues is not allocated per product category. The ratio of eligibility and alignment used for the rest of the product line is applied to those revenues, contributing to less than 5% of the total eligible revenues.
- End-segment sales data is based on net sales before rebate. A correction factor is applied to assess the value of net sales after rebate per end-segment.

A rigorous assessment of the compliance with the technical screening criteria is performed for each activity.
- Activity CCM 3.5 (manufacture of energy efficiency equipment for buildings): Schneider Electric's eligible revenues are split across eight technical screening criteria such that only the most efficient cooling systems qualify under CCM 3.5.i (cooling and ventilation systems rated in the highest two populated classes of energy efficiency) and only UPS with power chute capability qualify under CCM 3.5.m (energy-efficient building automation and control systems).
- Activity CCM 3.6 (manufacture of low carbon technologies): GHG emission savings are calculated using Schneider Electric's saved and avoided emissions methodology. This calculation method was audited by an independent third-party in accordance with ISO 14067:2018 standard.
- Activity CCM 3.20 (manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation): revenues from medium voltage switchgears with SF_6 gas, as well as revenues from fossil power generation and fossil fuel value chain are eligible but not aligned. Only transformers following the European tier 2 standard are considered aligned.
- Activity CE 1.2 (manufacture electrical and electronic equipment): challenges in assessing the alignment of economic activities with the technical screening criteria led to a conservative disclosure whereby all revenues eligible under this activity have been declared as non-aligned. Schneider Electric is continuously reviewing and improving its circular practices via its EcoDesign Way™ process and end-to-end circularity program to further reduce the environmental impact of its products. See more details in section 3.1.2.2, on page 221.
- Activity CE 4.1 (provision of IT/OT data-driven solutions and software): revenues from predictive maintenance systems and software are eligible but not aligned due to the impossibility to assess if those systems and software are used to monitor any type of fossil fuel engine.

See detailed proportion of turnover from Taxonomy-eligible and -aligned activities in the template required by EU Taxonomy Delegated Act on Article 8 on **pages 126 to 129**.

Calculation of Taxonomy-eligible and -aligned capital expenditure (CapEx)

As per specification of CapEx as detailed in Annex 1 of the Delegated Act on Article 8, the denominator of the Taxonomy-eligible CapEx KPI is equal to additions to tangible and intangible assets of the financial year 2024 (including IFRS 16 rights of use), considered before depreciation, amortization, and any remeasurement, including those resulting from revaluations and impairments for the financial year 2024 and excluding fair value changes. The denominator also covers additions to tangible and intangible assets resulting from business combinations that occurred during the financial year 2024.

At Schneider Electric, total tangible assets resulting from the above definition represents EUR 971 million over 2024, including EUR 955 million from additions, as disclosed in note 11 of the Group financial statements (page 532 of the 2024 Universal Registration Document), and EUR 16 million from business combinations.

The total covered IFRS 16 rights of use over 2024 represents EUR 587 million, including EUR 574 million from additions, as disclosed in note 11 of the Group financial statements (page 532 of the 2024 Universal Registration Document), and EUR 13 million from business combinations.

The total intangible assets resulting from the above definition represents EUR 915 million over 2024. This amount is split as follows: EUR 469 million from additions, as disclosed in the note 10 of the Group financial statements (page 530 of the 2024 Universal Registration Document), including EUR 358 million of capitalized R&D projects as disclosed in the note 10 of the Group financial statements, and EUR 446 million from business combinations.

As per specification of CapEx as detailed in Annex 1 of the Delegated Act on Article 8, all CapEx based on IFRS 16 related to long-term leasing of buildings are considered eligible. None of these are aligned since the Group rental real estate portfolio does not meet all Taxonomy-alignment criteria described in activity CCM 7.7 (acquisition and ownership of buildings). CapEx related to assets, processes, and business combinations associated with Taxonomy-eligible and -aligned activities were calculated with a high level of granularity using allocation keys of eligible, and respectively aligned, revenue per business and operations, except for R&D and IFRS 16 CapEx. The allocation keys methodology is considered as a conservative approach as it is based on the current activity of each product line, which does not consider the transformations driven by the product lines' investments in the calculation of Taxonomy-eligible and -aligned CapEx KPIs.

As described more exhaustively in section 3.1.2.2 on page 221, product-related R&D projects of the Group aim at and demonstrate a substantial carbon footprint saving through more efficient products and systems. Those improvements are measured with a lifecycle assessment shared publicly in the Product Environmental Profile, aligned with ISO 14067 and verified by an independent third party. Thus, 2024 R&D capitalized expenditures directly linked to capitalized product-related R&D projects are considered both eligible and aligned according to activity CCM 3.6 (manufacture of other low carbon technologies).

See detailed proportion of CapEx from Taxonomy-eligible and -aligned activities on **pages 130 to 133**.

Calculation of Taxonomy-eligible and -aligned operating expenditure (OpEx)

To determine the Group's EU Taxonomy-eligible and -aligned operating expenditure, only non-capitalized costs related to R&D are analyzed for the establishment of the numerators of the OpEx KPIs.

The denominator of the Taxonomy-eligible and -aligned OpEx KPI represents EUR 2,009 million over 2024, corresponding mainly to non-capitalized R&D costs of the Group for EUR 1,902 million presented before offsetting with the R&D tax credit for EUR 46 million, as disclosed in note 4 of the Group financial statements (page 526 of the 2024 Universal Registration Document). This includes non-capitalized costs relative to product-related R&D projects but also, among others, costs incurred in relation with support and platforming, costs of IT global applications dedicated to R&D, and costs relative to continuous engineering costs for quality, productivity, and obsolescence. The rest of the denominator corresponds to OpEx related to building renovation measures, short-term leases, maintenance and repair, and other expenditures relating to the day-to-day servicing of assets. The total of these categories represents less than EUR 110 million and is therefore considered non-material for Schneider Electric's business, and thus excluded from the OpEx analysis and the OpEx KPIs' numerators.

As described more exhaustively in section 3.1.2.3 on page 224 and mentioned for CapEx, product-related R&D projects of the Group aim at and demonstrate substantial carbon footprint savings. The Taxonomy-eligible and -aligned OpEx KPIs numerator corresponds to OpEx directly associated with the Group's product-related R&D projects: these OpEx are therefore both Taxonomy-eligible and -aligned under activity CCM 3.6 (manufacture of other low carbon technologies).

See detailed proportion of OpEx from Taxonomy-eligible and -aligned activities on **pages 134 and 135**.

Do Not Significantly Harm (DNSH)

As defined in Article 3 of the Taxonomy Regulation, an activity shall qualify as environmentally sustainable only if it does not significantly harm any of the other Taxonomy environmental objectives.

Schneider Electric's activities are subject to the specified DNSH requirements where the objective it belongs to is shown:

- Climate change mitigation (CCM)
- Protection of water and marine resources (WTR)
- Transition to a circular economy (CE)

As the Group's activities are linked to only 3 of the 6 environmental objectives, icons for the 3 remaining objectives are not shown.

For activities belonging to environmental objectives, as shown by the icons below, this means that they must not do significant harm to:

Climate change mitigation:
Schneider Electric relies on fossil fuel backup generators in few of its manufacturing sites. Those generators have been used in 2024 for backup power in sites in Mexico and India. Repair, refurbishment and remanufacturing centers do not rely on fossil fuel backup generators. More information in 2.2.1.2.

Schneider Electric has developed strategies to account for and reduce the GHG emissions of its activities along the value chain.

Read more about Schneider Electric's strategies and actions for GHG emissions reduction in section 2.2.1.3 on **page 72**, the Group's GHG footprint in section 2.2.1.5 on **page 84**, as well as the underlying methodology in section 4.4.1 on **page 281**.

This applies to activities belonging to objectives:

Climate change adaptation:
Schneider Electric has assessed physical climate risks that are material to its activity. The Group has put dependencies analysis at the heart of its risk management and performed a prospective climate risk and vulnerability assessment to identify and price the materiality of physical climate risks that may affect Schneider Electric sites, extended supply chain, and economic activities under different IPCC scenarios and different timelines (short, medium, and long term). In line with these assessments, the Group has implemented adaptation solutions consisting of several resilience initiatives.

Read more about the Group climate risk management and adaptation measures in section 2.2.1.2 "Climate risks, opportunities and impact management" on **page 60**.

This applies to activities belonging to objectives:

The sustainable use and protection of water and marine resources:
Schneider Electric regularly assesses water-related risks. In 2022, the Group conducted a water footprint analysis along the value chain, covering water consumption, scarcity, eutrophication, ecotoxicity, and acidification. Due to the nature of most of its industrial processes (manual and automatic assembly), water withdrawal of the Group's operations is considered limited.

The Group has implemented initiatives to preserve water quality and avoid water stress – read more about the Group's water management in the section 3.1.1.2 on **page 218**.

This applies to activities belonging to objectives:

The transition to a circular economy:
Schneider Electric assesses the availability of and, where feasible, adopts techniques that maximize the value of its resources, considering waste as a resource and ensuring its waste stays within a circular system.

Beyond avoiding landfill and looking at traditional recycling solutions, Schneider strives to move up the waste hierarchy and find "reduce and reuse" solutions for its resources.

Requirements related to construction and demolition waste management in low-carbon mobility infrastructures are not applicable to Schneider as the Group only operates as an electrical and automation solution provider in those projects.

Read more about the Group's transition to a circular economy in section 2.2.3 "Resource use and circular economy (ESRS E5)" on **page 101**.

This applies to activities belonging to objectives:

Pollution prevention and control:
Schneider Electric automated the reporting of its EU Taxonomy revenue and included a rule to remove from the taxonomy-aligned revenue the revenue from products that don't meet the criteria from the DNSH Pollution prevention and control, leveraging on product environmental data accessible in "Check a Product" (CAP) database. In 2024, this calculation rule has been updated to exclude from Taxonomy-aligned revenue, the revenue from products with substances part of the exemptions to the directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS). Product substances data are based on detailed data collection and tools that gather hazardous substance information from suppliers and assess product compliance through the bill of materials. Data availability is restricted by the reliance on supplier declarations and voluntary Full Material Disclosures (FMDs). Assumptions about average percentages and quantities are necessary. The non-compliance to specific requirements, more stringent than current EU regulations contributes to 14% of Schneider Electric's total revenues being non-aligned.

Read more about the Group's strategy to substitute hazardous substances in section 2.2.2.1 "Eliminating hazardous substances" on **page 93**.

On the manufacture, placing on the market, or use of chemicals, Schneider Electric provides the following precisions:

- Regulation (EU) 2017/852 of the European Parliament and of the Council of 17 May 2017 on mercury and repealing is not applicable to Schneider Electric as we do not use mercury in our products nor in our manufacturing activities.
- Regarding the directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS) and the Regulation concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), Schneider Electric's revenues coming from products with substances either listed in either the Annex II to RoHS or used in applications listed in RoHS Directive's exemptions are declared as non-aligned with the EU Taxonomy. None of Schneider products are using REACH restricted substances (Annex XVII) in the scope of the restriction and the Group follows the POP restrictions. The Group has deployed significant efforts to measure and further comply with those requirements, even outside of the European Union (i.e., beyond the scope of the regulation).
- Regarding substances listed in Annexes I or II to Regulation (EC) 1005/2009, Schneider Electric substituted 100% of ozone depleting substances from its offers on a worldwide basis.
- Regarding substances laid down in Article 57 of Regulation (EC) 1907/2006 and identified in accordance with Article 59(1) of that Regulation, except where it is assessed and documented by the operators that no other suitable alternative substances or technologies are available on the market and that they are used under controlled conditions, Schneider Electric declared as non-aligned all revenues coming from such products.
- Regarding substances laid down in Article 57 of Regulation (EC) 1907/2006, and not listed in Article 59(1) of that Regulation, the Group notes that obtaining material declarations and data from suppliers beyond tier 1 is particularly challenging and is not in a position to quantify the impact of excluding products using substances that may be included in the list of substances subject to authorization but not currently identified in the candidate list. The Group is progressively improving the traceability of the components of each product beyond its tier 1 suppliers, working towards obtaining more comprehensive information. However, achieving this objective will necessitate advancements in legislation.
- RoHS application scope in the EU Taxonomy can be seen as ambiguous. As such, RoHS exemptions, which are granted when there is no alternative solution available and no exposure for humans and the environment, were used as a proxy for exemptions to criteria (f) of the generic criteria for DNSH on pollution and prevention and control.

Other requirements are met and included in Schneider Electric Global Environmental Directives and all restrictions are applied globally.

Requirements related to pollution prevention and control on overground high voltage lines and noise, vibration, dust, and pollutant emissions reduction during construction and maintenance of low-carbon mobility infrastructures are not applicable to Schneider Electric as the Group only operates as an electrical and automation solutions provider in those projects.

This applies to activities belonging to objectives:

The protection and restoration of biodiversity and ecosystems: The Environmental Impact Assessment Directive (2011/92/EU) mandates project developers to conduct an Environmental Impact Assessments (EIA) for projects with significant impacts. Schneider Electric participates in both Annex 1 and 2 projects, but only as a contractor. Even if with this role, the Group is not subject to completing an EIA nor the biodiversity risk mitigation on low-carbon mobility infrastructures, it has integrated in 2023, Environmental, Social and Governance (ESG) risks into its project selection process for bidding. ESG risk analysis became part of the factors in Go/No-Go decisions. This ESG risk management process has been reinforced with the support of external risk management experts defining a clear governance. The process verifies project developers' Environmental and Social Impact Assessments (ESIAs) and mitigation actions.

In cases where Schneider Electric intends to build a new site, the Group may need to complete an EIA. However, due to the nature of the activities performed on Schneider Electric's sites, those projects are not likely to have significant effects on the environment and are not listed in the Annex I nor in the Annex II of the Directive 2011/92/EU. Schneider Electric Real Estate team is monitoring any new constructions or extension with their third-party to ensure that license to build which includes EIA where relevant are correctly undertaken by them. In 2024, 3 EIA have been completed and 4 are still ongoing.

Schneider Electric has defined a process to conduct Environmental Site Assessments (ESA) as part of its due diligence phase of new mergers and acquisitions, primarily to detect contamination of soil, ground water surface, water sediment, and soil vapor from known or unknown releases of chemicals, petroleum, or related wastes.

The VP Safety Environment and Real Estate, accountable for the EHS compliance of the entity under due diligence, has established an assessment framework and conducts the necessary checks in all due diligence processes as part of the Due Diligence team.

Schneider Electric requires a Phase I ESA to be performed on all global real estate transactions involving manufacturing properties and, other potentially higher risk sites including factories, distribution centers, or properties with prior industrial activity. The ESA is performed by an independent environmental consultant.

Schneider Electric's assessments and actions on biodiversity are detailed in section 3.1.1.1 "Biodiversity" on **page 216**.

This applies to activities belonging to objectives:

Minimum safeguards

As defined in Article 3 of the Taxonomy regulation, an activity shall qualify as environmentally sustainable only if it is carried out in compliance with the specific minimum safeguards detailed in the regulation. Schneider Electric takes reference from the *Final Report on Minimum Safeguards* by the Platform on Sustainable Finance as a guidance to report against minimum safeguards, which looks at four key areas: human rights, corruption, taxation, and fair competition.

Human rights

The company has established an adequate human rights due diligence process as outlined in the UNGPs and OECD Guidelines for MNEs.

For details, see our Vigilance plan as well as section 2.1.2 "Main sustainability impacts, risks and opportunities" on **page 43**.

Corruption

The company has anti-corruption processes in place.

For details, see section 2.4.1 "Zero-tolerance for corruption" on **page 192**.

Taxation

The company treats tax governance and compliance as important elements of oversight, and there are adequate tax risk management strategies and processes in place.

For details, see our Vigilance plan as well as section 2.1.2 "Main sustainability impacts, risks and opportunities" on **page 43**.

Fair competition

The company promotes employee awareness of the importance of compliance with all applicable competition laws and regulations.

For details, see section 3.3.2 "Compliance with competition law" on **page 241**.

The Group provides below a mapping of Schneider activities eligible under the current EU Taxonomy in order to provide a better understanding for its stakeholders.

Activity name and code as specified in the EU Climate, Environmental, and Disclosures Delegated Acts		Activity definition as specified in the EU Climate, and Environmental Delegated Acts	Corresponding business activities of Schneider Electric
CCM 3.1	Manufacture of renewable energy technologies	Manufacture of renewable energy technologies, where renewable energy is defined in Article 2(1) of Directive (EU) 2018/2001.	• Manufacture of technologies that are essential parts of the systems producing electricity from renewable energy sources: inverters, mounting frames, solar panels, other solar equipment, wind farm microgrid, and others
CCM 3.5	Manufacture of energy efficiency equipment for buildings	Manufacture of energy efficiency equipment for buildings.	• Building management systems (except fire safety and access control) • Power metering systems for buildings • Smart monitoring and regulation of electricity or heat in buildings, such as thermostats and controls for lighting systems • Cooling systems • Insulating products
CCM 3.6	Manufacture of low carbon technologies	Manufacture of technologies aimed at substantial GHG emission reductions in other sectors of the economy, where those technologies are not covered in CCM activities 3.1 to 3.5 of the Annex.	• UPS with an audited methodology to calculate GHG emission reductions
CCM 3.20	Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation	Manufacture, installation, maintenance, or service of electrical products, equipment, or systems, or software aimed at substantial GHG emission reductions in high, medium, and low voltage electrical transmission and distribution systems through electrification, energy efficiency, integration of renewable energy, or efficient power conversion.	• Transmission and distribution wiring devices for wiring electrical circuits • Low voltage electrical products, equipment, and systems • SF_6-free medium voltage switchgears and control gears that increase the controllability of the electricity system • Demand response and load shifting equipment, systems, and services • Communication, software and control equipment, products, systems, and services for energy efficiency • Manufacture of variable speed drives

(1) Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective;
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective;
N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.
(2) This figure is less than EUR 0.5 million
(3) EL – Eligible, Taxonomy-eligible activity for the relevant environmental objective;
N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

Activity name and code as specified in the EU Climate, Environmental, and Disclosures Delegated Acts		Activity definition as specified in the EU Climate, and Environmental Delegated Acts	Corresponding business activities of Schneider Electric
CCM 6.14	Infrastructure for rail transport	Construction, modernization, operation, and maintenance of railways and subways as well as bridges and tunnels, stations, terminals, rail service facilities, safety and traffic management systems including the provision of architectural services, engineering services, drafting services, building inspection services, and surveying and mapping services and the like as well as the performance of physical, chemical and other analytical testing of all types of materials and products.	• Equipment, projects, as well as modernization and maintenance services for rail transport infrastructure
CCM 6.15	Infrastructure enabling low-carbon road transport and public transport	Construction, modernization, maintenance, and operation of infrastructure that is required for zero tailpipe CO_2 operation of zero-emissions road transport, as well as infrastructure dedicated to transshipment, and infrastructure required for operating urban transport.	• Equipment, projects, as well as modernization and maintenance services for zero-emissions road transport, as well as infrastructure required for operating urban transport
CCM 6.16	Infrastructure enabling low-carbon water transport	Construction, modernization, operation, and maintenance of infrastructure that is required for zero tailpipe CO_2 operation of vessels or the port's own operations, as well as infrastructure dedicated to transshipment and modal shift and service facilities, safety and traffic management systems.	• Equipment, projects, as well as modernization and maintenance services for low-carbon port infrastructure • Equipment, projects, as well as modernization and maintenance services for electrification and efficiency of ports' operations
CCM 6.17	Low carbon airport infrastructure	Construction, modernization, maintenance, and operation of infrastructure that is required for zero tailpipe CO_2 operation of aircraft or the airport's own operations, and for provision of fixed electrical ground power and preconditioned air to stationary aircraft as well as infrastructure dedicated to transshipment with rail and water transport.	• Energy management equipment, projects, as well as modernization and maintenance services for low-carbon airport infrastructure
CCM 7.5	Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	Installation, maintenance, and repair of instruments and devices for measuring, regulation, and controlling energy performance of buildings.	• Service plans related to building management and power metering systems in buildings
CCM 8.2	Data-driven solutions for GHG emissions reductions	Development or use of ICT solutions that are aimed at collecting, transmitting, storing data and at its modeling and use where those activities are predominantly aimed at the provision of data and analytics enabling GHG emission reductions.	• Software and data-driven solutions aiming at improving efficiency in building design, planning, and construction
CCM 9.3	Professional services related to energy performance of buildings	Professional services related to energy performance of buildings.	• Technical consultations such as energy audits, simulations, and trainings • Energy management services • Energy performance contracts

Activity name and code as specified in the EU Climate, Environmental, and Disclosures Delegated Acts		Activity definition as specified in the EU Climate, and Environmental Delegated Acts	Corresponding business activities of Schneider Electric
WTR 1.1	Manufacture, installation and associated services for leakage control technologies enabling leakage reduction and prevention in water supply systems	Manufacture, installation, or provision of associated services for leakage control technologies that enable leakage reduction and prevention in water supply systems.	• Leakage control technologies for water supply systems
WTR 4.1	Provision of IT/OT data-driven solutions for leakage reduction	Manufacture, development, installation, deployment, maintenance, repair, or provision of professional services for IT or OT data driven solutions to control, manage, reduce, and mitigate leakage in water supply systems.	• Real-time network modeling and optimization • Leakage calculation, control and reporting
CE 1.2	Manufacture of electrical and electronic equipment	Manufacture of electrical and electronic equipment for industrial, professional, and consumer use.	• Electrical and electronic equipment
CE 4.1	Provision of IT/OT data-driven solutions	Manufacture, development, installation, deployment, maintenance, repair, or provision of professional services for design or monitoring of software and/or IT/OT systems, built for: remote monitoring and predictive maintenance; providing identification, tracking, and tracing of materials, products, and assets to support circularity of material flows or other objectives of the Taxonomy; lifecycle performance management software supporting the monitoring and assessment of circularity performance.	• Remote monitoring and predictive maintenance systems • Lifecycle performance management software
CE 5.1	Repair, refurbishment, and remanufacturing	Repair, refurbishment, and remanufacturing of goods that have been used for their intended purpose before by a customer.	• Repairing, refurbishing, or remanufacturing products that have already been used
CE 5.2	Sale of spare parts	Sale of spare parts beyond legal obligations.	• Sale of spare parts
CE 5.5	Product-as-a-service and other circular use- and result-oriented service models	Providing customers with access to products through service models, which are either use-oriented or result-oriented services.	• Software as a Service offers

Proportion of turnover from Taxonomy-aligned activities

Economic Activities	Code(s)	Turnover	Proportion of Turnover, year N	Substantial contribution criteria: Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	DNSH criteria ('Does Not Significantly Harm'): Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1	Category enabling activity	Category transitional activity
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
		Million Euros	Percent	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percent	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of renewable energy technologies	CCM 3.1	94	**0%**	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
Manufacture of energy efficiency equipment for buildings	CCM 3.5	336	**1%**	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	3%	E	
Manufacture of other low carbon technologies	CCM 3.6	0[2]	**0%**	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
Manufacture, installation, and servicing of HV, MV and LV electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation	CCM 3.20	6,888	**18%**	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	19%	E	
Infrastructure for rail transport	CCM 6.14	39	**0%**	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
Infrastructure enabling low carbon road transport and public transport	CCM 6.15	227	**1%**	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1%	E	
Infrastructure enabling low carbon water transport	CCM 6.16	39	**0%**	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
Low carbon airport infrastructure	CCM 6.17	34	**0%**	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	549	**1%**	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1%	E	
Professional services related to energy performance of buildings	CCM 9.3	1,323	**3%**	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	3%	E	
Manufacture, installation and associated services for leakage control technologies enabling leakage reduction and prevention in water supply systems	WTR 1.1	1	**0%**	N/EL	N/EL	Y	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
Provision of IT/OT data-driven solutions for leakage reduction	WTR 4.1	7	**0%**	N/EL	N/EL	Y	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
Provision of IT/OT data-driven solutions	CE 4.1	1,170	**3%**	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	3%	E	
Repair, refurbishment and remanufacturing	CE 5.1	21	**0%**	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		
Sale of spare parts	CE 5.2	-	**0%**	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	1%		
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	10	**0%**	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**10,737**	**28%**	**25%**	**0%**	**0%**	**–**	**3%**	**–**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**31%**		
Of which enabling		10,707	**28%**	**25%**	**0%**	**0%**	–	**3%**	–	Y	Y	Y	Y	Y	Y	Y	**31%**	E	
Of which transitional		–	–	–						Y	Y	Y	Y	Y	Y	Y	–		T

= not relevant.

Continued on next page

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(2) This figure is less than EUR 0.5 million.

Proportion of turnover from Taxonomy-aligned activities continued

Economic Activities	Code(s)	Turnover	Proportion of Turnover, year N	Substantial contribution criteria: Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	DNSH criteria ('Does Not Significantly Harm'): Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2.) turnover, year N-1	Category enabling activity	Category transitional activity
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
		Million Euros	Percent	EL; N/EL(1)	EL; N/EL(1)	EL; N/EL(1)	EL; N/EL(1)	EL; N/EL(1)	EL; N/EL(1)								Percent		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of renewable energy technologies	CCM 3.1	66	**0%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Manufacture of energy efficiency equipment for buildings	CCM 3.5	1,237	**3%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
Manufacture of low carbon technologies	CCM 3.6	600	**2%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
Manufacture, installation, and servicing of HV, MV and LV electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation	CCM 3.20	7,704	**20%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								15%		
Infrastructure for rail transport	CCM 6.14	22	**0%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Infrastructure enabling low carbon road transport and public transport	CCM 6.15	42	**0%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Infrastructure enabling low carbon water transport	CCM 6.16	3	**0%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Low carbon airport infrastructure	CCM 6.17	8	**0%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Data-driven solution for GHG emission reductions	CCM 8.2	80	**0%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Manufacture, installation and associated services for leakage control technologies enabling leakage reduction and prevention in water supply systems	WTR 1.1	4	**0%**	N/EL	N/EL	EL	N/EL	N/EL	N/EL								0%		
Provision of IT/OT data-driven solutions for leakage reduction	WTR 4.1	326	**1%**	N/EL	N/EL	EL	N/EL	N/EL	N/EL								1%		
Manufacture of electrical and electronic equipment	CE 1.2	13,237	**35%**	N/EL	N/EL	N/EL	N/EL	EL	N/EL								39%		
Provision of IT/OT data-driven solutions	CE 4.1	167	**0%**	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
Repair, refurbishment and remanufacturing	CE 5.1	6	**0%**	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
Sale of spare parts	CE 5.2	87	**0%**	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	2	**0%**	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**23,591**	**62%**	**26%**	**–**	**1%**	**–**	**35%**	**–**								**58%**		
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		**34,328**	**90%**	**51%**	**–**	**1%**	**–**	**39%**	**–**								**89%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		**3,825**	**10%**																
Total (A+B)		**38,153**	**100%**																

= not relevant.

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N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

Proportion of CapEx from Taxonomy-aligned activities

Economic Activities	Code(s)	CapEx	Proportion of CapEx, year N	Substantial contribution criteria: Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	DNSH criteria ('Does Not Significantly Harm'): Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, year N-1	Category enabling activity	Category transitional activity
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
		Million Euros	Percent	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percent	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of renewable energy technologies	CCM 3.1	2	**0%**	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
Manufacture of energy efficiency equipment for buildings	CCM 3.5	21	**1%**	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	4%	E	
Manufacture of other low carbon technologies	CCM 3.6	290	**12%**	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	16%	E	
Manufacture, installation, and servicing of HV, MV and LV electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation	CCM 3.20	163	**7%**	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	12%	E	
Infrastructure for rail transport	CCM 6.14	1	**0%**	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
Infrastructure enabling low carbon road transport and public transport	CCM 6.15	2	**0%**	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1%	E	
Infrastructure enabling low carbon water transport	CCM 6.16	1	**0%**	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
Low carbon airport infrastructure	CCM 6.17	1	**0%**	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	8	**0%**	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1%	E	
Professional services related to energy performance of buildings	CCM 9.3	40	**2%**	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1%	E	
Manufacture, installation and associated services for leakage control technologies enabling leakage reduction and prevention in water supply systems	WTR 1.1	0[2]	**0%**	N/EL	N/EL	Y	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
Provision of IT/OT data-driven solutions for leakage reduction	WTR 4.1	0[2]	**0%**	N/EL	N/EL	Y	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
Provision of IT/OT data-driven solutions	CE 4.1	13	**1%**	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	1%	E	
Repair, refurbishment and remanufacturing	CE 5.1	0[2]	**0%**	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		
Sale of spare parts	CE 5.2	–	**–**	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	0[2]	**0%**	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**542**	**22%**	**21%**	**–**	**0%**	**–**	**1%**	**–**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**35%**		
Of which enabling		541	22%	21%	**–**	0%	**–**	1%	**–**	Y	Y	Y	Y	Y	Y	Y	35%	E	
Of which transitional		–	–	–						Y	Y	Y	Y	Y	Y	Y	–		T

= not relevant.

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(2) This figure is less than EUR 0.5 million.

Proportion of CapEx from Taxonomy-aligned activities

Economic Activities	Code(s)	CapEx	Proportion of CapEx, year N	Substantial contribution criteria: Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	DNSH criteria ('Does Not Significantly Harm'): Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2.) CapEx, year N-1	Category enabling activity	Category transitional activity
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
		Million Euros	Percent	EL; N/EL[1]	EL; N/EL[1]	EL; N/EL[1]	EL; N/EL[1]	EL; N/EL[1]	EL; N/EL[1]								Percent		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of renewable energy technologies	CCM 3.1	1	**0%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Manufacture of energy efficiency equipment for buildings	CCM 3.5	71	**3%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3%		
Manufacture of low carbon technologies	CCM 3.6	4	**0%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Manufacture, installation, and servicing of HV, MV and LV electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation	CCM 3.20	184	**7%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								8%		
Infrastructure for rail transport	CCM 6.14	1	**0%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	0[2]	**0%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Infrastructure enabling low-carbon water transport	CCM 6.16	0[2]	**0%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Low carbon airport infrastructure	CCM 6.17	0[2]	**0%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	-	**-**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Acquisition and ownership of buildings	CCM 7.7	587	**24%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								18%		
Data-driven solutions for GHG emissions reductions	CCM 8.2	0[2]	**0%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Professional services related to energy performance of buildings	CCM 9.3	-	**-**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Manufacture, installation and associated services for leakage control technologies enabling leakage reduction and prevention in water supply systems	WTR 1.1	0[2]	**0%**	N/EL	N/EL	EL	N/EL	N/EL	N/EL								0%		
Provision of IT/OT data-driven solutions for leakage reduction	WTR 4.1	4	**0%**	N/EL	N/EL	EL	N/EL	N/EL	N/EL								0%		
Manufacture of electrical and electronic equipment	CE 1.2	344	**14%**	N/EL	N/EL	N/EL	N/EL	EL	N/EL								20%		
Provision of IT/OT data-driven solutions	CE 4.1	3	**0%**	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
Repair, refurbishment and remanufacturing	CE 5.1	0[2]	**0%**	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
Sale of spare parts	CE 5.2	1	**0%**	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	0[2]	**0%**	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**1,203**	**49%**	**34%**	**–**	**0%**	**–**	**14%**	**–**								**51%**		
A. CapEx of Taxonomy-eligible activities (A.1 + A.2)		**1,744**	**71%**	**56%**	**–**	**0%**	**–**	**15%**	**–**								**86%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities (B)		**729**	**29%**																
Total (A+B)		**2,473**	**100%**																

= not relevant.

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(2) This figure is less than EUR 0.5 million.

Proportion of OpEx from Taxonomy-aligned activities

Economic Activities	Code(s)	OpEx	Proportion of OpEx, year N	Substantial contribution criteria: Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	DNSH criteria ('Does Not Significantly Harm'): Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year N-1	Category enabling activity	Category transitional activity
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
		Million Euros	Percent	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percent	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of other low carbon technologies	CCM 3.6	979	**49%**	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	48%	E	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**979**	**49%**	**49%**	–	–	–	–	–	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**48%**		
Of which enabling		979	**49%**	**49%**	–	–	–	–	–	Y	Y	Y	Y	Y	Y	Y	48%	E	
Of which transitional		–	–	–						Y	Y	Y	Y	Y	Y	Y	–		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**–**	**–**														**–**		
Total (A.1 + A.2)		**979**	**49%**	**49%**	–	–	–	–	–								**48%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities (B)		**1,030**	**51%**																
Total (A+B)		**2,009**	**100%**																

= not relevant.

Whenever an economic activity contributes substantially to multiple environmental objectives, non-financial undertakings shall report under the most relevant environmental objective while avoiding double counting. In 2024, non-financial undertakings such as Schneider Electric must now also declare their turnover, CapEx, and OpEx that are eligible and aligned with multiple environmental objectives (i.e., without removing double counting when an activity contributes substantially to several objectives) to facilitate financial undertakings' reporting needs, by using the templates below:

Proportion of turnover from activities eligible and aligned with multiple environmental objectives

	Proportion of turnover/Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
	Percent	Percent
Climate change mitigation (CCM)	25%	51%
Climate change adaptation (CCA)	–	–
Protection of water and marine resources (WTR)	0[2]%	1%
Transition to a circular economy (CE)	3%	80%
Pollution prevention and control (PPC)	–	–
Biodiversity and ecosystems protection (BIO)	–	–

Proportion of CapEx from activities eligible and aligned with multiple environmental objectives

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
	Percent	Percent
Climate change mitigation (CCM)	21%	56%
Climate change adaptation (CCA)	–	–
Protection of water and marine resources (WTR)	0[2]%	0[2]%
Transition to a circular economy (CE)	1%	33%
Pollution prevention and control (PPC)	–	–
Biodiversity and ecosystems protection (BIO)	–	–

Proportion of OpEx from activities eligible and aligned with multiple environmental objectives

	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
	Percent	Percent
Climate change mitigation (CCM)	49%	49%
Climate change adaptation (CCA)	–	–
Protection of water and marine resources (WTR)	–	–
Transition to a circular economy (CE)	–	–
Pollution prevention and control (PPC)	–	–
Biodiversity and ecosystems protection (BIO)	–	–

(1) Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective;
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective;
N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.
(2) This figure is less than 0.5%.

Template 1 Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No

Row	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

2.3 Social information

This section presents comprehensive information on the European Sustainability Reporting Standards (ESRS) S1, S2, S3, and S4. These standards guide the reporting on own workforce, workers in the value chain, affected communities, and consumers and users. The alignment with these standards creates a robust framework to address the pressing social challenges of our time.

This section is divided in four sub-sections:

1. "**2.3.1 Great people make Schneider Electric a great company (ESRS S1)**" where the objective is to specify disclosure requirements that enable stakeholders to understand how Schneider Electric is organized to propose the best working experience possible, including material positive and negative impacts, mitigation efforts, and adaptation strategies. It covers working conditions, health and safety, equal treatment, and training and skills development.
2. "**2.3.2 Sustainable relations in the value chain (ESRS S2)**" where the objective is to provide information on how Schneider Electric impacts workers in the value chain, especially our suppliers' employees and contractors, and including actions to prevent or mitigate negative impacts. It addresses working conditions, health and safety, and forced labor.
3. "**2.3.3 Ethical relations with affected communities (ESRS S3)**" where the objective is to specify disclosure requirements related to the communities affected by the Group, and the ethical relations Schneider Electric has with them. It aims to help users understand the impacts, risks, and opportunities related to these specific relations.
4. "**2.3.4 Consumers and end-users (ESRS S4)**" where the objective is to specify disclosure requirements related to Schneider Electric's consumers and end-users. It aims to help users understand the impacts, risks, and opportunities related to the personal safety and the overall data privacy of these consumers and end-users.

2.3.1 Great people make Schneider Electric a great company (ESRS S1)

2.3.1.1 Overall strategy

Having committed employees is essential for the Company to perform well and align with the Group's strategy. Employee feedback from a yearly survey is gathered and utilized to create action plans throughout the organization. This process encourages leaders to work with their teams to develop these action plans, fostering the collaborative communication necessary to shape the future workplace.

The Group's employees

The Group's own workforce encompasses a variety of employment contracts, catering for the dynamic needs of the organization and its global operations. The Group distinguishes its own workforce between employees and non-employees. Employees are individuals who have an employment relationship with Schneider Electric in accordance with national law and practice, including all types of contracts: open-ended contract, fixed-term contract, and non-guaranteed employees. Part-time employees are also included in the scope of employees. Non-employees in Schneider Electric's own workforce include both individual contractors supplying labor ("self-employed people") and persons provided by Schneider Electric who are primarily engaged in "employment activities". The contractual framework includes open-ended contracts, which provide employees with enduring engagement and the opportunity to grow and evolve within the Company. Fixed-term contracts are utilized for project-based work, allowing for agility and adaptability in response to changing business requirements. Non-guaranteed hours contracts offer a flexible own workforce solution, enabling the Company to efficiently manage fluctuations in demand. Lastly, part-time contracts are available, supporting employees in achieving a harmonious work-life balance while contributing valuable expertise to the Company. This diverse contractual landscape enables Schneider Electric to maintain a robust and responsive own workforce, aligned with the Company's strategic objectives and operational excellence.

Link between strategy and impacts, risks, and opportunities

Ability to attract, develop, and retain talent

The Group's ability to attract, develop, and retain talent with critical skills is a cornerstone of its strategy and business model. As the Group navigates global reach and digital transformation, it emphasizes the creation of ideal working conditions to secure top talent in technology, software, services, sustainability, supply chain, and electronics. The Group's balanced multi-hub footprint is a strategic asset for talent attraction and retention, providing ample career development and opportunities for local and regional talents. In response to the rapidly evolving "next normal," the Group is accelerating the skill development of its employees and training leaders capable of cultivating human connections in a digital world. This focus on training and skills development is essential to reduce the risk of skill gaps and enhance organizational agility. The Group's strategic approach to workforce development is designed to continually innovate for customers and maintain a competitive edge in the industry.

The Group's strategy relies on its ability to attract talent at all levels, which is crucial for executing the Group's strategy and fostering innovation for customers. Mitigating the risk of skill gaps is essential for maintaining a competitive edge.

Developing services and solutions for customers to use resources more efficiently and reduce CO_2 emissions

The Group sees significant opportunities in developing services and solutions that assist customers and the value chain in using energy and resources more efficiently and reducing CO_2 emissions. Schneider Electric's Energy Management and Industrial Automation activities, such as energy audits, greener homes/buildings, eco-designed products and services, smart grid technologies, green transportation, energy and carbon management tools, digitalization, and real-time information computing capabilities, are central to this endeavor. In 2023, Schneider Electric's acquisition of EcoAct aligns with the Company's ambition to converge digitalization and sustainability. EcoAct's portfolio of net-zero and nature-based solutions, encompassing consulting, climate data tools, and carbon offset project development, enhances Schneider Electric's capacity to deliver comprehensive solutions that guide organizations through the net-zero transition and beyond.

The Group is mindful of the potential workforce impacts its strategy has. The Group recognizes the opportunities for job creation and the reskilling or upskilling of its workforce in alignment with its sustainability objectives. Through careful planning and execution of its transition strategies, the Group aims to balance its environmental commitments with the well-being and development of its workforce.

Risks and opportunities arising from impacts and dependencies on own workforce

Working conditions

The Group identifies operational risks such as strikes, loss of productivity, and resignations as potential risks. Legal risks include potential fines from lawsuits, duty of care infringement, and non-compliance with mandatory benefit requirements and workplace violations, which could lead to a loss of business. Reputational risks arise from NGO demands on freedom of association and media exposure. Social negotiations may increase operational costs. Conversely, the Group recognizes the opportunity to enhance its reputation and attract talent by maintaining decent working conditions, which is crucial for nurturing and retaining talent within the organization.

Employee health and safety

The Group is aware of the legal risks associated with potential fines due to non-compliance with health and safety regulations. Civil risks may emerge from potential claims by employees or customers, and reputational risks could result from any damage to the Group's image, particularly when incidents involve employees working on client sites.

Equal treatment and opportunities for all

The Group sees a business opportunity in increasing employee engagement, which can lead to improved productivity rates. Not investing in skills development poses a risk, as the organization may lack the necessary competencies to meet business needs. Being perceived as an ethical company enhances the Group's employer brand and aids in attracting and retaining talents. However, there is a legal risk associated with potential lawsuits arising from discrimination cases.

Training and skills development

Investing in training and skills development is seen as a key factor in employee attraction and retention, contributing to productivity improvement. The Group views strong training and career development programs as business opportunities that prepare a diverse and skilled talent pool, ready to meet future challenges.

Negative and positive impacts

Negative impacts

Poor working conditions (e.g., excessive working hours, poor work-life balance) are among the key issues that have been identified as potential negative impacts by the Group. These issues may lead to psycho-social risks, increased absenteeism, and injured workers.

The Group also recognizes the importance of health and safety in the workplace and has identified the Top 5 Hazards that pose potential risks to the psychological or physical integrity of its employees: falls, powered industrial trucks (PIT), machinery, road, and electrical hazards. Both negative impacts are considered as widespread or systemic considering the Group's activity sector and the hundreds of thousands of employees.

Positive impacts

The Group is dedicated to fostering an inclusive and caring environment, where our people—no matter who they are or where in the world they live— feel they belong and are valued. By prioritizing equal treatment and opportunities for all, the Group has observed positive impacts on the well-being of its workforce. This commitment to an inclusive workplace culture positively affects both employees and non-employees, contributing to a sense of belonging and enhanced morale across the organization.

Additionally, the Group actively invests in the training and skills development of its workforce, recognizing the direct correlation between these activities and the well-being and employability of its workforce. Through continuous learning opportunities and professional development programs, the Group empowers its workforce, enabling individuals to advance their careers and adapt to the evolving demands of the global market.

2.3.1.2 Working conditions

Impacts, risks and opportunities

Working conditions	
Negative Impact	**Affect the mental and physical health of employees**

The worldwide context with climate change challenges, geopolitical issues and technology has accelerated the need for employee care to make all stronger and more resilient. Schneider Electric firmly believes that well-being generates performance and performance generates well-being.

Well-being can be a unique competitive advantage if tackled properly and genuinely. Schneider has identified three main risks around those topics:

- Poor working conditions may result in psycho-social risks.
- Market research shows that well-being at work is on a persistent decline, hitting minority groups harder.
- Employee engagement, performance, and retention are at risk when employee well-being is deteriorating.

On the flip side, the opportunities are huge when inclusion and care are by design in all processes and behaviors:

- Figures on stress and psychological risks, from *Ecole du Stress* shows that for every 1 euro invested in well-being prevention programs and practices, a company saves 2.2 euros.
- A study from Forbes ("The Future of Work Depends on Supporting Gen Z") shows that overall, DEI and well-being are strong drivers of attraction and retention among all generations, especially the younger ones.

Schneider Electric defines its strategy taking into consideration those risks and opportunities, internal and external trends, insights and feedback from leaders and employees, and its desire to continue nurturing an inclusive and caring environment. Since 2020, the Trust Charter included a chapter on well-being and new ways of working, highlighting behaviors expected from managers and employees.

Working organisation

Policy

Global Family Leave Policy

As a caring, inclusive, and responsible employer, Schneider launched its Global Family Leave policy along with care leave in 2017. Through its policy, the Group supports employees with personal time at critical life stages and empowers everyone to manage their "unique life and work" to enable them to be at their best. While countries have flexibility to define eligibility and policy details per statutory and/or market requirements, the policy establishes a global minimum standard for paid leave.

In 2023, the Group globally deployed the updated Global Family Leave Policy for all employees, where parental and care leave were increased. Although the duration for bereavement leaves remained unchanged, the local adaptation was enhanced by adopting a flexible definition of "Immediate Family" in acknowledgment of the diverse cultures and religions displayed by the global workforce.

Schneider Electric's Global Family Leave Policy was recognized by the Brandon Hall Group in September 2023, receiving a Gold Award for Diversity, Equity, and Inclusion – affirming the Group's position as a caring, inclusive, and responsible employer.

Additional to the Group's Global Family Leave Policy and, in support of global standards and local empowerment, back-up family care benefits are offered in some countries to assist employees with family care needs when they experience disruption in regular care arrangements. In the absence of a Group-level back-up family care policy, the Group highlights examples of back-up family care benefits that are offered at the country level.

Globally, the Group also offers an Employee Assistance Program with coverage in over 90% of its operating countries which provides additional support and resources for mental well-being and family care.

Beyond the Global Family Leave Policy and Employee Assistance Program, some countries where Schneider Electric operates provide support in the form of on-site childcare facilities, childcare contributions, and breast-feeding and lactation benefits.

The policy is accessible to employees via the intranet and has been approved by the Chief Human Resource Officer, reviewed by the Senior Vice-President Total Rewards & Performance, with policy ownership by the Vice-President, Total Rewards & Performance Innovation & Strategy.

Global Family Leave

Care for employees and supporting their unique work and life

Parental *(primary)*	Parental *(secondary)*	Care	Bereavement
20 weeks paid	4 weeks paid	2 weeks paid	Enhanced local empowerment to support each employee's unique situation

Establishing Global Minimum Standards and Local Empowerment

Local adaptability is possible! Proofpoint: the definition of Immediate Family

Flexibility@Work Policy

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 (Eligibility is based on employee's role and requirements for on-site work and is determined by country/territory with additional input from managers. Some essential roles, e.g., Plant & Distribution Center blue-collar workers, and Field services engineers, due to role specifications are excluded from this two-day WFH policy. Recognizing that many critical roles need to be on site, this policy was adjusted to one day for the eligible Plant & Distribution Center specific roles). This global standard was introduced in response to feedback in the Group's 2020 global employee survey in which a large proportion of employees stated that they preferred a hybrid work model (mix of WFH and "work from office"). 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.

The policy is approved by the Group's Chief Human Resources Officer and owned by the head of the Inclusion and Care team who is responsible for its implementation across the organization. There are no applicable international standards to align the policy with.

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. Some examples of Schneider Electric countries raising the global standards with no fixed limit on the number of WFH days are Estonia, Finland, Latvia, Lithuania, Netherlands, Australia, New Zealand, Slovakia, Germany, and the UK, operating with a fully flexible, output driven philosophy.

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.

Action plan

Built on a foundation of trust and respect, Schneider Electric continuously implements and improves its policies, education, and practices to support employees and respect their unique lives and ways of working. 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. These numbers help the organization understand the impact of its policies and actions as well as help inform the future actions.

To support cultural awareness and understanding, as well as celebrate the uniqueness of the employees, the Group hosts events, webinars, communications, and more for Global Mental Health Day annually in October. In 2024, multiple sessions were organized where over 6,000 employees participated in the campaign.

A volunteer-based global mindfulness team holds annual events to support employees. These mindfulness practice sessions are held in multiple languages for the employees. In 2024, 93 mindfulness practice sessions were organized, in English, Spanish, and French by internal trainers.

In 2024, the "Digital Upskilling" program "Digital Boost" which aims at preparing Schneider Electric's workforce for its digital transformation was leveraged to educate employees about digital well-being. Over 38,000 employees leveraged the program to upskill themselves in 2024.

Mental health support

Mental health is a vital aspect of Schneider Electric's overall Inclusion & Care strategy. Schneider Electric integrated mental health into its global well-being's 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.

Support employees with cancer and chronic diseases

In 2023, Schneider Electric joined the #WorkingwithCancer foundation launched at the WEF in Davos, on January 17, 2023. An internal pledge was published in March with sponsorship from the CEO, in addition to participation in best-practice survey and data collection. In 2024, Schneider deployed a one-stop shop on benefits and education resources related to cancer in the top 12 Schneider Electric countries and organized a global awareness webinar on working with cancer gathering 1,000 employees.

Other examples of global and local practices

A new real estate workplace guidebook has been launched in 2024 including a dedicated chapter for inclusive and welcoming workplaces mandating key principles of inclusion and care (accessibility, healthy food, wellness room, health care on-site, gender-neutral lactation room, and more).

We also have dedicated programs to educate and support employees on new, smarter ways of working, mindfulness in the workplace and working in a hybrid world.

Schneider Electric has implemented many services at its sites throughout the world (gym facilities, concierge, creativity rooms, cultural events, mindfulness activities, back-up dependent care, lactation room, and more) to support all employee's mental load, energy recovery, and overall resilience.

Compensation and benefits

Policy

Schneider Electric ensures its diverse global workforce is treated in a fair and ethical way which affirms its position as an Impact Company. Its inclusive reward portfolio expands beyond pay and is a meaningful mix of compensation, benefits, development, and workplace environment. It is designed to cater to the diverse needs of our people, fostering inclusivity, empathy, support, and well-being with fairness and equity.

The Group offers a portfolio of benefits to care for employees' needs at each life stage. Its diverse and global workforce is provided with meaningful choices covering a holistic range of well-being, flexibility, and financial protections to provide peace of mind to employees and their dependents.

Schneider Electric aims to reward its global workforce based on the impact of their performance, potential, skills, and contribution to others' success.

Schneider Electric confirms that all compensation and benefits decisions and policies are based on the principles of inclusion and care and follow local statutory and collective agreements. The company ensures that all employee benefits are locally and globally compliant, as well as market relevant. As employee benefit plans vary significantly between countries due to different levels of social, tax, and legal regulations, Schneider Electric's benefits portfolio is primarily country-driven and aims at providing similar benefits within a country territory.

Schneider Electric is committed to delivering best-in-class compensation and benefits offerings to its employees in a fair and equitable way. Without this commitment, Schneider Electric risks its ability to achieve their objectives. The Group mitigates this risk by providing a meaningful mix of rewards programs to support the diverse needs of employees. The processes also contribute to the IROs (impacts, risks, and opportunities) mentioned in the beginning of this chapter.

The implementation of Group policies on compensation and benefits is overseen by global, regional, and local reward organizations.

Global compensation and benefit standards and policies are accessible to employees via the intranet and have been approved by the Chief Human Resource Officer, reviewed by the Senior Vice-President, Total Rewards and Performance, with policy ownership held by the Vice-President, Total Rewards & Performance Innovation & Strategy. In addition to the global standards and policies there are local procedures that ensure compliance with local laws and regulations.

Action plan

Job architecture and compensation process

Schneider Electric has a global job architecture to support HR processes and programs and to enable Schneider Electric to engage, develop, and move talent across different businesses and geographies. The job architecture aligns our organizational structure to market practices to ensure the reward package offered for a role is fair and competitive. This architecture serves as the foundation towards greater transparency on career development and progression.

Pay competitively and pay-for-performance

Schneider Electric employees are encouraged to seek, give, and receive feedback, empowering them to take ownership for driving their individual impact. Managers are encouraged to have routine meaningful conversations throughout the year that include coaching, feedback, and recognition with the constant revisit of goals and priorities. Individual performance is assessed in a fair manner based on the impact across all three dimensions:

- Individual achievements
- Behaviors in alignment with IMPACT Values
- Contribution to others' success

For most employees, compensation structures include fixed and variable (incentive) elements. Compensation programs and decisions are based on individual performance and behaviors, Company performance, and competitive market positioning in alignment with the Group's pay-for-performance philosophy.

Short-term incentive plan

The annual short-term incentive plan balances the overall Company performance and individual performance. It is designed to encourage and motivate employees to turn ambitious targets into action and embrace the power of teamwork. It aims to make an impact together and achieve our collectve ambition of becoming an industrial technology leader. The framework is built upon Schneider's commitment to fairly recognize employees who live our values and bring positive impact for the organization, their team, and customers. With a strong sustainability component included, annual short-term incentives for the Group's executives and 76,000 plan eligible employees reinforce Schneider Electric's commitment to be a trusted partner in sustainability and efficiency. Since 2011, sustainability performance criteria have been embedded in incentive goals for Group executives. They are directly linked to the Schneider Sustainability Impact (SSI) ambitions.

As of 2024, the key Group metrics to measure company performance consist of sales growth, profitability, cash conversion, customer satisfaction and sustainability impact.

From 2019, the weight of the sustainability criteria has increased from 6% to 10-20%, in the collective part depending on the employee annual short-term incentive plan type, highlighting further the importance of sustainability on Schneider Electric's business agenda. From 2022, Schneider has introduced a Customer First Performance Criteria in the collective performance goals.

To promote a strong sales culture where salespeople go above and beyond to help customers make the most of their energy and resources, bridging process and sustainability, Schneider Electric offers levels of differentiated reward for sales employees to enhance motivation and results focus.

Long-term incentive plan

Schneider Electric's long-term incentive plan offers share ownership opportunities to the Group's key talents and critical roles to align their rewards with the interests and expectations of Schneider Electric shareholders. Mirroring the framework for short-term incentives, a portion of the award is subject to the achievement of sustainability objectives. In previous years, the long-term sustainability performance was measured through the Schneider Sustainability External and Relative Index (SSERI). Since 2024, SSERI has been replaced by a new set of criteria focused on carbon emissions reduction.

Read more on the long-term incentive plan in section 4.2 of chapter 4 of the 2024 Universal Registration Document.

Global benefit standards

Schneider Electric regularly reviews compliance with its global benefit policies and principles to ensure that its inclusive global benefit standards are delivered for all employees. These policies and standards cover access to healthcare, retirement, and savings, paid and unpaid leaves, and insurance on accident and life.

One of Schneider Electric's underlying benefit objectives is to ensure all its employees are equipped to manage their basic health and well-being and to provide adequate security to both employees and their dependents. Health and well-being are embedded in the Schneider Electric people priorities and contribute to its sustainability mission. The Group is committed to provide employees access to a well-being at work program – translated into a dual standard of access to healthcare and well-being training programs. It also provides access to an inclusive and comprehensive standard of healthcare coverage (outpatient, hospitalization, key health risks/chronic conditions, maternity, children) defined by local regulations and employment agreements. Schneider also supports its employees with personal time off at critical life stages though Global Family Leave Policy. In addition, the Group commits to provide financial security to employee dependents, in the event of an employee's death, in the form of a minimum standard of life insurance coverage of at least a multiple equivalent to one year's salary. Ultimately, Schneider Electric aims to become the most sustainable and caring company in the world, fostering an inclusive and supportive environment for all.

Employee share ownership plan

The Worldwide Employee Share Ownership Plan (WESOP) is one of the Group's recurring key annual reward programs, offering employees across the world an opportunity to become owners of the Company, at preferential conditions.

WESOP is strongly ingrained in the Group's culture, as a cultural and reward differentiator with a positive impact on engagement, attraction, and retention.

Target

The Company has not imposed specific internal targets related to job architecture, pay-for-performance, short-term incentive plan, long-term incentive plan, and benefit standards. The targets related to adequate wage and equal pay are addressed in subsequent sections of the report.

Employee share ownership plan

Schneider Electric has strongly developed and reinforced its offer over the years to build a sustainable group of employee shareholders reflecting the workforce diversity, to create a strong feeling of belonging, and to link employees to the performance of the Company, and share in success. In that spirit, WESOP has become part of the Group sustainability commitments towards its 2025 roadmap (SSE #19).

In 2024, the Group successfully offered WESOP in 45 countries, achieving 60.4% subscription rate, increasing slightly compared to 2023 (58.5%). As of December 31, the employee shareholding represented 3.2% of Schneider Electric SE's capital and 5.8% of the voting rights. 79% of the Group employee shareholders were located outside of France, of which 13% are in China, 16% in India, and 7% in the US. This also includes employee shareholding as part of the long-term incentive plan allocations.

Responsible workplace

Employee engagement process

Engaged employees are key to enable the Company to be at its best and support the achievement of the Group strategy. Employees are invited to share their honest feedback through an annual engagement survey, which measures ten key drivers, including well-being, inclusion, recognition, and empowerment.

Through the information collected, the Company gains greater understanding of the views of employees, including areas of strength and improvement. Insights are used to inform action plans across the organization. Leaders are guided to co-create the actions with their teams, reinforcing the dialogue needed to shape the workplace of tomorrow.

This process also contributes to the impacts, risks, and opportunities mentioned in the beginning of this chapter.

Action plan

Supported by a global network of engagement partners and HR Business Partners, each year managers communicate results to their teams and formulate impactful action plans to drive change.

Participation

88%

121,805 responses (+7,184 since 2023)

Engagement

73%

engagement stable vs. 2023

Action plans

78%

of employees agree on the positive impact of action plans

Managers

43%

of managers have access to team level results

The survey includes two open ended questions, where employees can submit their comments on what makes them proud to work at Schneider Electric and what they identify as areas of improvement. This allows employees to share their views on any topic, including working conditions.

Through these comments, employees have expressed pride in delivering innovative and sustainable solutions for customers,

81%

feel they have the flexibility to modify their work arrangement when needed

80%

feel empowered to choose how best to complete their work

61%

say they receive appropriate recognition for their contributions and accomplishments

59%

find the collaboration is good between different teams

In 2024, several initiatives were implemented to further support managers following survey closure:

- Manager journey defined through three phases: Assess (understand team results), Huddle (share results and collaborate on focus areas), and Act (finalize and implement action plan).
- Refreshed Manager Report and Dashboard Toolkit, empowering managers to quickly share results with their teams.
- Action plan and communication templates for consistency and efficiency.
- Dedicated manager results dashboard, with guiding content and reminders of key next steps.

The Global Supply Chain organization provides a notable example of acting for impact through the implementation of a tailored leadership program, focused on nurturing the entrepreneurial spirit and growth mindset of managers. Evidenced by manager and employee feedback from the European division, this program is already making a difference with enhanced collaboration, empowerment, and communication.

Target

Schneider's ambition is to achieve 75% engagement score by the end of 2025 (SSE #24).

2024 highlights:

- High response rate of 88%, with a stable engagement score vs. 2023, at 73%.
- The two top scoring drivers indicate that employees feel empowered (80%) in their work, and benefit from flexible work arrangements (81%).
- Recognition (61%) and collaboration (59%) noted as two lowest scoring drivers requiring continued focus.

appreciation for Company well-being initiatives, and feeling supported by positive team experiences. Improvement opportunities were identified to further streamline processes, provide additional technical training, and reinforce clear communications for team collaboration and cohesion.

Social dialogue

Policy

Social dialogue and freedom of association are to be seen within the wider context of ethics and responsibility. As a Global company, Schneider Electric believes that its responsibility goes beyond compliance with local and international regulations and is therefore committed to conducting its business ethically, sustainably and in a responsible manner. As the Group's borders are expanding, its activities and impact being global, its social responsibilities are growing.

In the context of transformative growth, it is the Company's ambition to maintain the highest confidence and engagement from all employees, sharing vision and getting insights directly from employees, or through their representatives, depending of the legal framework, to ensure a fair two-way dialogue everywhere. Policies and agreements in place define the framework for this two-way dialogue.

In addition, social dialogue at Schneider Electric includes also the continuous listening culture with the annual survey "OneVoice", sent to all employees, allowing them to share their feedback on a voluntary basis, on key topics related to their workplace and experience appreciation.

In its **Trust Charter** (Schneider Electric's Code of Conduct), Schneider commits to follow all the requirements to build and sustain fruitful and mutually beneficial relationships between labor organizations and management, in accordance with local regulations, in every country where it operates. In its **Group Human Rights Policy**, Schneider Electric reaffirms those principles as the basis for a regular dialogue between management and employees. To that purpose, Schneider Electric respects the individual right of its employees to freely join, participate in, or quit labor organizations to assert and defend their interests.

Read more in section 2.1.1.3 of the 2024 Universal Registration Document on **pages 36 to 41**.

Read more on the Human Rights Policy in section 2.3.2.2 of the 2024 Universal Registration Document on **pages 171 and 172**.

Subsequently, Schneider Electric guarantees that any Employee wishing to do so, shall be protected against any internal measure limiting his or her freedom of association, such as discrimination of any kind, pay loss, or dismissal.

In case of any issue, employees are encouraged to report, using the internal reporting tool for unethical behavior or misconduct, called the "Trust Line".

Schneider Electric also values the importance of dialogue with freely appointed employee representatives, employee representative bodies (e.g., works councils or employee forums), or organizations (like trade unions), and supports collective bargaining. In addition, to provide multi-cultural social dialogue on transnational projects, the highest level of Leadership is engaged; as an example, the seat of European Works Council Chairperson is held by an HR Senior Vice-President, demonstrating Schneider's involvement in that two-way dialogue.

In addition to the above, the Group hardwires its principles in the way it manages social dialogue in countries. On transnational topics, engagement with employee representatives from European countries is described in the agreement signed in 2014. It contains engagement rules for the information, consultation and participation of Schneider Electric employees and representatives in Europe. This agreement describes the composition of the European Works Council, as well as the various roles of its members (Chairperson, Core Council, Secretary, plenary members) and the cadence of engagement, i.e. the yearly meeting with the plenary members, in addition to the quarterly meeting with the Core Council, as per circumstances. Each year, the level of participation from top leaders of the Company, as well as the strong participation rate of all employee representatives from Europe, demonstrates common interest in this dialogue.

Action plan

Concretely, social dialogue at Schneider Electric is managed at country level by HR leaders with the employee representative bodies and/or unions, in compliance with local legislation. Some examples of social dialogue management in key regions where the Company operates can be found below.

At transnational level, social dialogue is managed with the European Works Council which comprises employee representatives covering European Economic Area Countries, in addition to UK and Switzerland, as per agreement described above.

While changing the corporate form of its parent company, Schneider Electric SA, into a European company *(Société européenne)*, Schneider Electric negotiated then an **agreement** with employee representatives of European countries about the involvement of these countries' employees in the Company's decision-making process, thus reaffirming its intention to provide regular, efficient, multi-cultural, and innovative social dialogue at the European level, taking into account the voice of employees on the transnational projects of the Company related to its developments and economic, financial, and social strategies at European level.

In addition, 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 HR 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.

Social dialogue at European level

In the last years, Schneider Electric has significantly enhanced the intensity and the impact of social dialogue at European level, making live the ongoing agreement on the "information, consultation, and participation of employees in Europe", inviting top level of Management to contribute to social dialogue, present their Business strategy and make decisions, enriched by the employee representatives' insights and views.

More frequent meetings and workshops have been organized, giving members the opportunity to collaborate and be informed of such projects or decisions and to understand context, as well as to express proposals to supplement or improve them.

In this respect, new spaces for expression have been explored in order to strengthen contributions of the EWC members on strategic topics through active workshops for reflection and ideation, namely for the evolution of the Company's Core Values, reflection on the Group sustainability strategy, the deployment of the Global Senior Talent program and the reinforcement of sexual harassment prevention. The benefits of these workshops were several, starting with a better awareness on these topics by the members, and an opportunity to impact upstream on key programs and strategic decisions.

EWC members, during the 2024 Plenary meeting at the Headquarters in Rueil Malmaison, with special guest, an employee representative from Algeria.

Social dialogue in France

Schneider Electric is organized in France through more than 25 legal entities. However, with 75% employee coverage, Schneider Electric Industries and Schneider Electric France SAS set the tone for social dialogue in France mainly through the Central Works Council and the Group Committee.

During 2024, Schneider Electric kept deploying the implementation of the new collective agreement for the Metallurgy branch, the largest branch in France, effective from January 1, 2024, including discussions with unions on job classifications, working time, and leave policies. Schneider Electric negotiated also several collective agreements, among which, one to facilitate and anticipate job evolutions in the Group (management of jobs and professional backgrounds) and enable employees to develop their internal and external employability with measures such as trainings or external experiences.

Social dialogue in the United States

Regular two-way communication takes place with both union and non-union teams to provide key business updates and gather feedback from employees, to promote continuous improvement and increased employee engagement.

Ongoing communication is provided to employees through daily short interval meetings and regular Town Hall meetings on key competitive issues impacting the Company, focus areas, and priorities, as well as updates on improvements made from employee feedback.

Company officials meet with key international union leaders and local union leadership on an ongoing basis, and formally on an annual basis, to advise and discuss competitive issues impacting the Company's business, strategic focus areas, and to gather additional feedback from employees. In 2024, contract negotiations took place resulting in successful contract ratification.

Social dialogue in Mexico

In 2024, in addition to regular two-way communication with employees and their representatives, and in respect of Mexican laws, Schneider Electric concluded negotiations with a voting process involving 2,700 employees across two sites, while in parallel, salary negotiations were organized, benefiting 10,300 unionized employees across four sites. As per collective bargaining agreements, two new buildings have been built to further improve employee working conditions.

Social dialogue in China

Schneider Electric in China continues to drive a robust culture of social dialogue across 30 legal entities and 100 locations. In 2024, the Company intensified efforts to enhance employee experience and development through regular communications at all levels and comprehensive discussions relevant to various roles.

- Creative local activities have been conducted to promote the evolved Company Values (IMPACT Values) and multiple workshops facilitated for employees.
- Diversity, equity, and inclusion initiatives engage both early professionals and experienced experts with facilitations of multi-generational connections.
- Transparent discussions, career open day events, workshops, and talent mobility programs accelerate sustainable career development, fostering impactful dialogues about employees' future.
- Development remains a priority, with a focus on skill-based learning, offering customized courses for diverse business scenarios and targeted roles like Sales, Technical, Digital, and Supply Chain. Average learning hours reach 23, with 74% learned through digital channels.
- Externally, over 3,100 employees and their families collaborated in union-led social and environmental protection initiatives across nine cities, such as forest and marine conservations.

Social dialogue in India

Schneider Electric India has a strong culture of social dialogue with all employees (unionized and non-unionized) engaged in equitable industrial relations across its plants and associated establishments.

Industrial harmony has been achieved through a time-tested collective bargaining process involving unions or through worker representative committees (salary related issues, medical insurance, and benefits are discussed with unions/work committees).

In some of the plants where there are no recognized unions, this bargaining process is conducted with the elected representatives from within the employees who form committees such as Welfare (works committee). The Company also has strong engagement with other committees such as Health & Safety, Canteen, Sports, and Transport, including a special committee for women employees. In addition, the Prevention of Sexual Harassment Committee, which is fully compliant with the prevention of sexual harassment governance as per local laws, comprises employees and external women with specialist knowledge of the subject and with legal backgrounds. These committees provide a platform for employees to present their concerns, collective grievances, and workplace-related issues to management, and actions are initiated based on the recommendations of these committees. All employee engagement programs are run through these committees with the active participation of every employee.

The process of social dialogue also includes monthly employee communication at plant level, as well as through quarterly Town Hall communications on Company performance, strategy, and challenges, engaging employees on various cultural events, such as Health talk series, and encouraging them to participate in activities, such as go-green initiatives (tree plantation activities, Green Yodha initiatives).

Target and metric

The Group's ambition is to embark all employees in the transformative growth as everyone's engagement is key and social dialogue is a key enabler.

Each year, a survey is launched in the framework of the Decent Work program to identify the percentage of employees covered by collective bargaining agreements and those covered by employee representation, ensuring that a risk analysis is conducted locally for mitigation plan, where relevant.

Questions raised at regional level are about confirming their support to freedom of association and collective bargaining – with supporting evidence – and what are the key risks and how they address them.

Collective bargaining coverage and social dialogue

	Collective Bargaining Coverage	Social Dialogue
Coverage Rate	Employees – EEA	Workplace Representation (EEA only)
80–100%	Austria Belgium Czech Republic Germany Spain France Hungary Italy Norway Poland Portugal Sweden	Austria Belgium Bulgaria Croatia Czech Republic Denmark France Germany Hungary Ireland Italy Latvia Netherlands Norway Poland Romania Slovenia Spain Sweden
60–79%		
40–59%		
20–39%	Denmark	
0–19%	Bulgaria Estonia Finland Greece Croatia Ireland Lithuania Latvia Netherlands Romania Slovenia Slovakia	Estonia Finland Greece Lithuania Portugal Slovakia

A survey has been launched to HR Leaders of each Country belonging to the European Economic Area (EEA). Each legal entity within the scope of CSRD provided data on Employee Representation and existence of collective bargaining agreements. As per collected data from EEA countries:

- around 91% of our Employees at Schneider Electric are covered by collective bargaining agreements.
- around 98% of total employees are represented by Employee Representatives locally.

Low representation in some EEA countries is linked to countries with small headcounts. However, in all EEA countries where we operate, each country with more than 150 employees has at least one seat at the European Works Council (EWC) to represent and voice Employees' views (as per 2014 EWC agreement). In addition, as per same EWC agreement, UK and Switzerland have Employee Representatives at European Works Council.

At Global level, as per Global Human Rights Policy, SE protects freedom of association and values social dialogue with employee representatives, in respect of local rules. Global standards are being defined to go further in all the countries where we operate. Today, at global level, 78% of employees are covered by collective bargaining agreements and 60% of our employees are represented by unions to improve further the two-way dialogue with our employees. This comes in addition to our listening culture (One Voice annual employee survey), our internal whistleblowing platform on potential unethical issue (Trust Line) and existing Decent work program for our employees.

Adequate wage

Policy

Schneider Electric firmly believes that earning a living wage is a fundamental human right and an essential element of decent work. This commitment is included in our Human Rights Policy and Trust Charter, guiding our efforts to ensure that all employees receive at or above a living wage to meet their families' basic needs which include food, housing, sanitation, education, healthcare, clothing, transportation, and communication plus discretionary income for a given local standard of living.

Schneider Electric conducts 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). The company works with the expert consultant Fair Wage Network to ensure compliance. An external company provides limited assurance to ensure year-over-year compliance with this commitment. The SSE #20 reporting protocol is accessible to employees via the intranet and has been approved by the Senior-Vice President, Total Rewards and Performance.

Action plan

Collaborating with Fair Wage Network since 2022 allowed the Group 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 31, 2025.

As a part of 2024 ambition to comply with CSRD requirements on adequate wage, Schneider Electric has reviewed its methodology and focused its analysis on fixed compensation only.

Target and metric

As part of its commitment to SSE #20, the Group has conducted an analysis. Identified living wage gaps were closed during the year, ensuring all employees receive a living wage and that no new gaps emerged. At December 31st, 2024, no living wage gaps have been identified within the scope of SSE #20.

Read more on the methodology of SSE in section 4.1.2 on **pages 250 to 255**.

The definition of adequate wage used for CSRD metric is the same as the one mentioned in the Policy section above. As the sustainability statements (CSRD) scope differs from the one of SSE #20 (for more details, please see section 2.1.3 Basis of preparation), an adequate wage analysis has been conducted for some entities for the first time in 2024.

Within the sustainability statements (CSRD) scope, no living wage gap has been identified in the Group except in one legal entity in Asia, representing less than 0.2% of total employees and less than 0.5% of employees in Asia. This legal entity is a legacy from an acquisition and currently under an ongoing divestment strategy. Gaps will be addressed within the year.

Characteristics of Schneider Electric's employees

Gender	Number of employees (head count)	Average number of employees (head count)(1)
Male	104,291	103,437
Female	54,680	53,814
Other	13	10
Not reported	18	13
Total employees	**159,002**	**157,275**

Country	Number of employees (head count)	Average number of employees (head count)(1)
Australia	2,390	2,381
Brazil	1,544	1,527
Canada	2,590	2,553
China	16,378	16,463
Egypt	1,640	1,632
France	15,131	15,060
Germany	5,371	5,384
Hungary	2,375	2,368
India	22,663	22,202
Indonesia	2,890	2,808
Italy	3,310	3,300
Mexico	19,380	18,911
Philippines	3,189	3,142
Poland	2,483	2,474
Singapore	1,621	1,616
Spain	4,796	4,785
Sweden	1,282	1,269
Thailand	1,349	1,354
United Kingdom	4,710	4,688
United States	23,759	23,213

(1) The average number of employees is also presented in the note 24 of chapter 5 of the 2024 Universal Registration Document, on page 552. The difference between the 2 figures is explained by a different reporting scope (see 2.1.3 Basics for preparation on page 58 for more details) and by the exclusion here of temporary workers, in accordance with ESRS S1.

Description of methodology and assumptions used to compile data (Employee Headcount)

Methodology:

- the number of employee (headcount) is a simple count of all employees within the organization at the end of each reporting period.
- the average number of employee (headcount) is the average of the number of employee (headcount) at each month's end during the reporting period.

Assumptions:

- In the sustainability statements (CSRD), no distinction is made between active employees and those on leave (e.g., sick leave, maternity leave), unless otherwise specified.
- In TalentLink, the individual data record is tagged with the contract type, which helps distinguish them into Open-ended contracts, Fixed-term contracts, trainees, apprentices, and non-guaranteed-hour employees.
- In 2024, trainees, and apprentices are out of scope, so we exclude all known individuals tagged with contract type equal to the trainees, apprentices; and consider the rest are either Open-ended contracts, Fixed-term contracts or non-guaranteed-hour employees.

Contextual information to understand employee data

The company's significant revenue growth in the U.S. and Mexico leads to rapid headcount growth in this region. Strong growth was also recorded in India, the Middle East and Africa, South America, and Central and Eastern Europe to support business opportunities in these areas.

We have a workforce with a reasonably balanced age distribution: nearly 21% are below 30 years old, 59% are between 30 and 50, and 20% are above 50. In 2024, 19,815 employees left the company, resulting in a turnover rate of 12.6%. We observed an improved employee turnover rate compared to the last few years, thanks to intense retention activities and engagement programs that create a workplace everyone wants to be a part of.

Description of the methodology to calculate employee turnover

Methodology:

- **To calculate the Percentage of employee turnover:** divide the total Number of employees who have left the company by the average Number of employees (headcount) over the same reporting period.

Assumptions:

a. To calculate the average number of employee headcount over the reporting period

- In the sustainability statements (CSRD), no distinction is made between active employees and those on leave (e.g., sick leave, maternity leave), unless otherwise specified.
- In TalentLink, the individual data record is tagged with the contract type, which helps distinguish them into Open-ended contracts, Fixed-term contracts, trainees, apprentices, and non-guaranteed-hour employees.
- In 2024, trainees, and apprentices are out of scope, so we exclude all known individuals tagged with contract type equal to the trainees, apprentices; and consider the rest are either Open-ended contracts, Fixed-term contracts or non-guaranteed-hour employees.

b. To calculate the number of employees who have left the undertaking, sum the relevant employees

- Types of contracts included: open-ended contracts, fixed-term contracts, non-guaranteed hours employees.
- Types of contracts to be excluded: trainees, apprentices.
- In TalentLink, the individual data record system could track the critical events over the entire employee lifecycle. This system has an indicator to show employee's assignment status at a selected period. It can indicate if someone is active, suspended or inactive. For employee who have left the company, the system will capture the type of terminations and indicate the status as inactive.
- Only the Inactive assignment status are included to measure the number of employees who have left the company. Types of terminations included are as follows: Voluntary termination, Dismissal, Retirement, Death in service.

	Female	Male	Other	Not reported	Total
Number of employees (head count)	54,680	104,291	13	18	159,002
Number of permanent employees (head count)	49,242	96,377	13	17	145,649
Number of temporary employees (head count)	5,390	7,863	0	1	13,254
Number of non-guaranteed hours employees (head count)	48	51	0	0	99

2.3.1.3 Employee health and safety

Context

The world in which Schneider Electric operates is changing fast with many drivers such as digitalization, new technologies, connectivity of data, and ESG giving opportunities to positively impact health and safety. At Schneider Electric, health and safety is a value that will not be compromised, as it is one of the five Schneider Electric Trust Charter pillars. In addition, the Group has set ambitious 2025 health and safety targets.

As a pillar of corporate social responsibility, providing a safe workplace for employees is fundamental. Schneider Electric's ambition is to provide a safe and healthy environment for all its employees, so they can perform to their full potential, positively impact the safety of our customers, and return home safely.

The ambition is to enhance the safety maturity level by leveraging the employee engagement through our Safer Future program, digitalization, and visualization of data.

Impacts, risks and opportunities

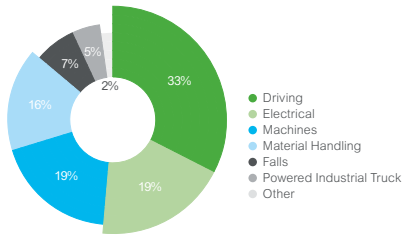
Health and safety	
Negative Impact	**Damage the physical integrity of employees**

Health and safety is one of the risk drivers of the ERM model, which is part of a formal corporate risk assessment, identifying Key Risk Indicators (KRIs) and implementing action plans to reduce risk. The focus of this model is to concentrate at global level, on risks that can result in serious or fatal accidents. This involves looking beyond the top 5 hazards and analyzing the controls preventing accidents from occurring and connects to Schneider Electric's High Potential Severity (HiPoS) program. Those hazards that have the potential to result in serious accidents have a deeper analysis by global experts, and the learnings are then shared with the full organization.

As well as driving specific actions, the ERM and HiPoS programs also contribute to the annual global Health and Safety Improvement program.

Regarding legal compliance risk, all Schneider Electric sites prepare a Health and Safety legal register, audit themselves against the required regulations, and implement actions to close the gaps. The full process is audited as part of the ISO 45001 Occupational health and safety management systems external certification.

Injuries based on the Top Hazards



Data from last 5 years.

Policy

Schneider Electric is committed to invest in its people and its workplace as stated in its Group Health and Safety Policy, which is reviewed each year and is fully aligned with ISO 45001 standard and is published externally. The implementation of the Health & Safety Policy is monitored by the Chief Compliance Officer.

Each employee plays a key role in identifying and mitigating hazards. This practice applies at Schneider Electric sites, at customer sites and while driving or traveling.

The Group values engagement at all levels and:
- Expects each manager to role model health and safety as defined in the Global Safety Strategy;
- Empowers employees to take ownership, for themselves and their team, of health and safety;
- Gathers the views of all employees, their representatives, and those working on the Group's behalf, through consultation, including their participation in reporting and resolving safety improvement opportunities;
- Recognizes employees who propose health and safety innovations or implement solutions; and
- Sustains relationships with suppliers, contractors, and customers under the condition that safety commitments are agreed and met.

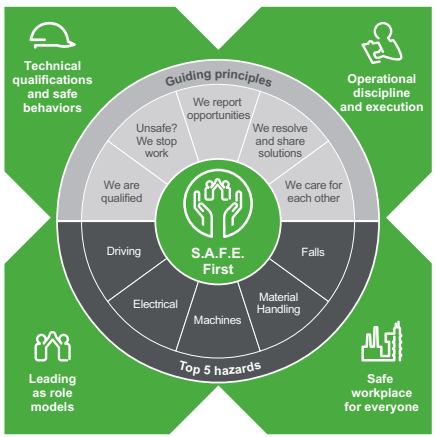
The Group provides a safe work environment for all and:
- Invests in resources and training to support Schneider's health and safety vision and goals;
- Complies to external legal requirements and internal directives;
- Embeds health and safety into its business practices and is an integral part of all major decisions, from acquisition, product development, the launch of a business and change management; and
- Is determined to eliminate hazards and reduce risks.

The Group communicates in an open and transparent manner and:
- Continually improves its health and safety systems by benchmarking, adopting best available techniques, and through continuous learning;
- Captures, analyzes, and communicates High Potential Severity (HiPoS) events, safety improvement opportunities, near misses, and incidents in a systematic manner;
- Creates global action plans and shares with all potentially impacted employees to prevent incident (re)occurrence; and
- Sets safety and occupational health goals and objectives, monitors performance, and reports progress internally and externally.

Action plan

The fundamentals of the Health and Safety action plan are based on the Health & Safety Policy, supported by the ERM program and is the framework for deploying the 2025 Health and Safety strategy "S.A.F.E. First":

- "S.A.F.E. First" is at core of the strategy, developed as a personal reminder to pause and reflect on safety before beginning any task. (Self-check, Activity check, Facility check, Environment check).
- Top five hazards, regularly reviewed to prevent serious accidents.
- Five guiding principles, set the expected Health and Safety behaviors.
- Four strategic priorities, which have been identified as strong levers to deliver the Schneider Electric Policy.



The Global Health and Safety action plan is connected to the four pillars of the Health and Safety strategy – technical qualifications and safe behaviors, operational discipline and execution, leading as role models, and safe workplace for everyone.

Schneider Electric has a strong Health and Safety governance in place with several instances of control to ensure the Health and Safety strategy is fully deployed.

Regular Health and Safety reports to executive level are created by the VP Global Health and Safety and presented to the executive level. The report includes Health and Safety performance vs. targets and Health and Safety program deployment update.

There is also a monthly Global Health and Safety steering committee to share Health and Safety performance vs. targets and Health and Safety program deployment, with the Regional and Organizational Health and Safety VP's.

The 2024 plan covered programs related to safe driving, reducing cut accidents, machine safety, and Health and Safety leadership training for frontline managers.

Local action plans, managed by each region, complement the global plan, and includes the improvements identified by the Environment Health and Safety Assessment (EHSA) deployment, the ISO 45001 implementation, and the safety culture assessment. The safety culture assessment has evolved into a program called "Safer Future", which includes a safety climate survey, which is internationally known as NOSACQ50. In 2024 this safety questionnaire has been deployed for the first time to all Schneider Electric employees globally. The results are analyzed at local and global level, helping to identify action plans to improve the safety culture maturity. The employee engagement in the 2024 safety survey was 46% which exceeded the 2024 ambition of 40%.

In 2024 Schneider Electric has deployed a new global safety software solution, which collects incidents, near miss, HiPoS, and safety observations, tracks actions related to incident audits and improvement programs. It is accessible by all Schneider Electric's employees, as well as contractors, and visitors, allowing them to fully engage in the safety program.

The Health and Safety intranet portal is used by employees to find Health & Safety directives, programs, valuable practices, hazard awareness information, and technical webinars calendar, allowing employees to enhance their health and safety competency.

Each quarter, Schneider Electric publishes key topics, "Quarterly H&S Spotlights", to raise awareness of workplace health and safety through training materials, posters, employee videos, and supported by a quarterly video message from Schneider Electric's top leaders. Schneider Electric engages employees by using the internal social media tool, "Engage", to post health and safety updates, interact with the community, and allowing Schneider Electric to collect feedback from employees. Schneider Electric also encourages employees to report safety opportunities, which are translated into risk reduction actions and engage employees in the health and safety program.

The implementation of improvement actions linked to safety opportunities is monitored. A risk reduction initiative has led to the drafting of a code of good practice for R&D and offices. This code describes the practical measures that R&D sites and offices must take to reduce risks. These measures will be incorporated into the Schneider Electric Safety Trust Standard, which will monitor compliance against safety standards through an internal audit program.

Annual Environmental Health and Safety Assessments (EHSA): To ensure successful implementation of the Schneider Electric Health and Safety strategy, annual EHSA are performed in industrial and customer-facing sites worldwide, by the site Health and Safety team and validated by the regional Health and Safety specialist. This assessment is a global process which measures compliance against Health and Safety directives and identifies improvement opportunities and recognizes excellence in manufacturing and logistics locations.

All Schneider Electric sites prepare a Health and Safety legal register, audit themselves against the required regulations and implement actions to close the gaps. The full process is audited every three years as part of the ISO 45001 which is implemented on all industrial sites and is externally audited by an accredited body. The key elements of certification to ISO 45001 includes annual site management review and internal site audit program, and external audit program at site and corporate level.

Management of hazardous substances is also audited as part of the ISO 45001. Engineering controls such as ventilation, enclosure of hazardous substances, and regular maintenance of equipment and extraction systems are control measures implemented to control the risk. Safety Data Sheets and other information on hazardous substances are made available to employees and included in the work area training. A new software tool to manage Safety Data Sheets and reduce risk associated with hazardous substances has been deployed to pilot countries in 2024. Health surveillance of workers exposed to hazardous substances are implemented to ensure the control measures are working and the employees are working in a safe and healthy environment. When the hazardous substances cannot be fully controlled with engineering controls personal protective equipment is provided to employees.

Global Risk Consultants perform loss prevention audits for industrial sites to ensure that the required standards for fire prevention and emergency planning are in place.

Targets and metrics

Health and Safety performance results

In 2020, Schneider set a five-year safety ambition related to SSE #14 to reduce the Medical Incident Rate (MIR) to 0.38 by 2025, from a 0.79 baseline in 2019. The MIR is the number of work-related medical incidents (including injuries and occupational illnesses) multiplied by one million hours (average hours of 500 employees working for one calendar year) divided by the total hours worked. Work-related injuries and occupational illnesses requiring medical treatment are included. Medical Incidents, where the injured party requires hospital treatment for more than 24 hours, are classified as serious.

Read more on the methodology of SSE in section 4.1.2 on **pages 250 to 255**.

In 2024, 197 medical incidents were recorded, translating to a MIR performance of 0.60, equivalent to a 24% progress of the 2021-2025 program. The 2024 MIR has increased by 17% compared to 2023, of which 4 of the Medical Incidents were classified as serious, without any employee fatalities. Of the 197 medical incidents three were work related ill health incidents, connected with industrial ergonomics.

As a result of all the health and safety programs deployed over the last 8 years, Schneider Electric has been very successful in reducing incident severity as measured by the Lost-Time Day Rate (LTDR) reduction to 9.1 lost days per incident, representing a reduction of 17% compared to 2020.

In addition, sustainability statements (CSRD) requirements cover a) Percentage of people in its own workforce who are covered by health and safety management system based on legal requirements and (or) recognized standards or guidelines, b) Rate of recordable work-related accidents for own workforce, c) Number of fatalities in own workforce as result of work-related injuries and work-related ill health, d) Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites.

Compared to the SSE, sustainability statements (CSRD) are including more sites and include only Schneider Electric employees, as defined by the text.

43% of employees are working in Schneider Electric sites with ISO 45001 certification and are covered by a health and safety management system. The rate of recordable work-related accidents for own workforce was 0.54, connected with 168 work-related accidents. There were no work-related injuries and work-related ill health fatalities in Schneider Electric's own workforce in 2024. One Schneider Electric contractor fatality occurred in India while a contractor was installing solar panels and fell through a roof skylight.

In 2024 we have developed a code of practice on R&D and Office Safety. This code of practice will be translated to the Schneider Electric Safety Trust Standard. This Safety Trust Standard will monitor compliance against these standards through an internal audit program.

Recognition and awards

Schneider Electric North America has won the Operational Excellence Achievement Award given to organizations with 50 or more locations achieving Occupational Excellence.

Schneider Electric UK & Ireland has been awarded the RoSPA Gold Medal (seven consecutive Golds) Award for health and safety performance and the RoSPA Fleet Safety Gold Medal (eight consecutive Golds) Award for managing occupational road risk.

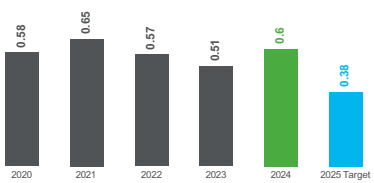
Schneider Electric India, China, and Thailand have been recognized for their safety performance delivering customer worksite projects.

Schneider Electric Canada has been awarded a partnership in injury reduction.

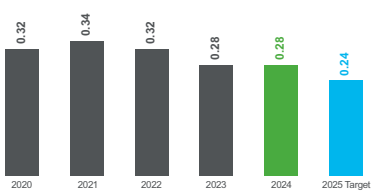
Schneider Electric Perú received an award from the insurance company RIMAC for its excellence in the category "Best Comprehensive Occupational Risk Management".

Employee safety participation trend

MIR historical trend



LTIR historical trend



Future evolution

Safety is a never-ending journey towards excellence. Schneider Electric's vision is for all employees and contractors to work in a safe and healthy workplace, so they can perform to their full potential, positively impacting safety for its customers, and therefore always returning home safely to their family.

This translates into the following health and safety two-year improvement plan aligned with the 2025 vision to:

- Strengthen health and safety knowledge, skills, and abilities of all employees and contractors.
- Equip all leaders to role model Health and Safety at every opportunity and encourage employees to speak up and engage in safety programs.
- Accelerate transformation with digitalization and data analytics, and promote local innovation to accelerate health and safety maturity.
- Develop and implement effective controls for high-risk activities and to sustain a safe workplace for everyone.
- Positively impact all stakeholders through effective communications.

The 2025 Global Health and Safety action plan will concentrate on – safety culture assessment results, office and R&D safety, code of practice deployment, and electrical safety enhancement.

2.3.1.4 Equal treatment

Impacts, risks and opportunities

Equal treatment and opportunities	
Positive Impact	**Improve employees' well-being and feeling of belonging**

With continuous global and local political, economic, and social challenges in the post-pandemic era, inclusion and care is needed more than ever. This, paired with the rising importance of ESG topics for organizations, stakeholders, and investors, puts Inclusion & Care at the forefront of Schneider Electric's business and people priorities.

We live in a more and more polarized world, where megatrends create more inequities as well as opportunities for just energy and digital transitions. There will be no energy and digital transitions without bringing everyone along. Companies must play their part in the inclusion of all in their ecosystem to reach their growth ambitions while reducing inequalities. The regulatory environment becomes more stringent, and the landscape is more and more different by geography. As an Impact Company, Schneider Electric must adapt to this context to remain a leader in ESG. This means expanding its inclusion and care by design journey to create impact for customers, people, and the entire ecosystem.

Inclusion & Care is a marker of Schneider Electric and can continue to be a unique competitive advantage if tackled properly and genuinely. Schneider has identified three main risks around those topics:

- Workforce diversity compared to the markets we serve – if our diversity is not mirroring the markets and customers we serve, we are at risk of not attracting and retaining the best talent and ultimately not meeting all customer needs.
- Employee engagement, performance, retention, and corporate reputation are at risk when all employees do not have the same opportunity to grow and advance because of a lack of fairness and equity in people processes.
- The regulatory environment becomes more stringent, and the landscape is more and more different by geography.

On the flip side, the opportunities are huge when inclusion and care are by design in all processes and behaviors:

- A Boston Consulting Group report shows that companies with more diverse management teams have reported 19% higher revenues due to innovation.
- A study from Harvard Business Review shows that employees reporting a feeling of belonging, where they feel included and cared for are 3.5 times more engaged.

Schneider Electric defines its strategy taking into consideration those risks and opportunities, internal and external trends, insights and feedback from leaders and employees.

Schneider Electric believes this leads to greater engagement, performance, and innovation, and creates access to the best possible talent pools around the globe.

Policies

DEI policy

In its Trust Charter, Schneider Electric articulates that it aims to offer equal opportunities to everyone, everywhere. The Group wants its employees – no matter who they are, or where they live in the world – to feel uniquely valued and safe to contribute their best, free from harassment, victimization, and discrimination of any kind.

The Group's DEI Policy recognizes that diversity comes in many forms; visible and non-visible, including cognition, experience, education, gender and gender identity, age, nationality, race and ethnicity, color, sexual orientation, disability status, religious, cultural, socio-economic background, life experience, location, and more. There are no applicable international standards to align the policy with.

In addition, Schneider Electric has targeted global polices around inclusion and care, including Global Family Policy Leave, Flexibility @ Work, Global Anti-Harassment and Discrimination, and Pay Equity.

The Group brings its ambition to life by empowering all employees to develop inclusive practices and behaviors, ensure fairness and equity in core people processes and policies, and advocate internally and externally for change with partners, such as UN Women through the GEF, and the WEF.

Governance

The implementation of Schneider Electric's strategy involves several different bodies and stakeholders, working hand in hand with the global team.

The Global Inclusion and Care team, reporting to the SVP Talent, Inclusion & Culture who also acts as the Chief Diversity Officer, defines the strategy and is accountable to deliver on Schneider Electric's transformation, working with the Group's Executive Committee and the Group Global DEI Board. Progress and results of the ambition are also reported to the Board of Schneider Electric (Human Capital & Remunerations Committee and Governance, Nominations & Sustainability Committee) on an annual basis. The team works in close collaboration with the HR Centers of Excellence (Talent Acquisition, Talent Management, Learning and Rewards), and the Sustainability, Compliance and Risk Management, Employee Communications, and Marketing and Employer Branding teams, as well as with the broader HR and Communication ecosystem.

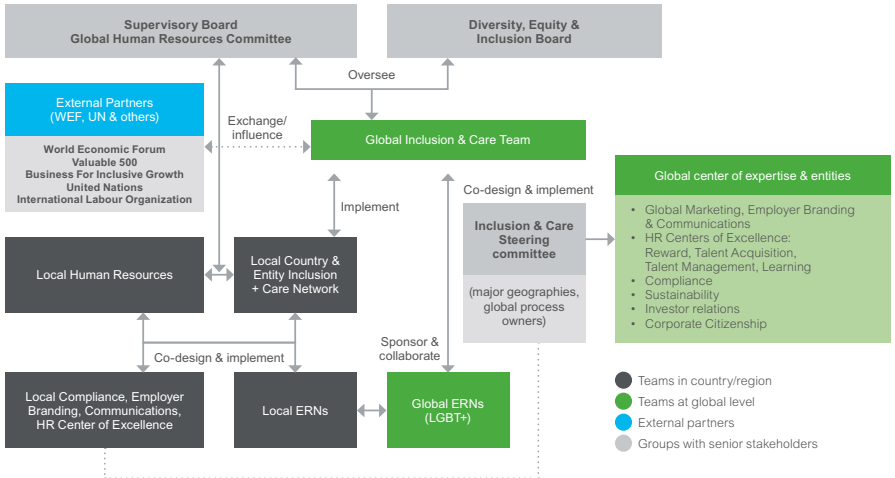
Schneider Electric's Global DEI Board is a group of top leaders from all the Group's markets, sponsored by the Executive Committee, which acts as a sounding board for the Global Inclusion & Care strategy, and as internal and external DEI champions. In 2024, the DEI Board met four times to discuss topics such as gender and pay equity, discrimination and harassment, and accessibility.

Schneider Electric entities develop local action plans based on the global strategy and employee feedback, while meeting local regulations and addressing country-specific needs.

To support the local focus, leaders, ambassadors, and champions have been appointed in more than 100 countries/zones and entities to develop and lead local action plans. This global network convenes bi-monthly to share progress and best practices.

Beyond this governance structure, all employees at Schneider Electric are held accountable through our IMPACT Values.

Partnering inside and outside the organization



Digital accessibility policy

At Schneider Electric, we are committed to inclusion and care of all so that everyone belongs and thrives. That includes ensuring equal access and usability of our digital assets for all individuals, including those with disabilities. We strive to meet worldwide accessibility standards, guidelines, best practices, and laws. This digital accessibility policy, launched in 2024, outlines our commitment to digital accessibility. It applies to all digital assets created, procured, or used by Schneider Electric, regardless of the platform or device on which they are accessed, and to all Schneider Electric employees, affiliates, contractors, and sub-contractors that are involved in the creation or modification process of digital assets.

The policy is aligned with Web Content Accessibility Guidelines (WCAG) and mentions the Americans with Disabilities Act (ADA), Section 508 of the Rehabilitation Act, the European Union Web Accessibility Directive, Revised Section 508 Standards, EN 301 549. The policy is approved by the Chief Human Resources Officer and the Chief Digital Officer of the Group and is managed by the Group's Global Accessibility Office. The Disability Inclusion and Accessibility Steering Committee along with external subject matter experts were involved in the drafting and reviewing of the policy.

Group Anti-Harassment & Anti-Discrimination Policy

Schneider Electric ensures that all employees, no matter who they are, or where they live in the world, feel uniquely valued and safe to contribute their best. It requires everyone feeling free from any type of harassment, victimization, and discrimination. Failure to maintain a responsible workplace may expose Schneider Electric to liability for harassment or discrimination claims from the person who has allegedly been harassed or discriminated or the alleged perpetrator for failure to protect employees against such conduct. Moreover, the Group could be exposed to reputational risk. Benefits of fostering a responsible workplace include a positive work environment, talent retention, enhanced Company reputation and reduced legal risks.

To uphold this, Schneider Electric maintains a "zero-tolerance" policy for workplace misconduct, a key focus of the Ethics & Compliance program. This program, overseen by the Chief Compliance Officer, is led by a dedicated HR Compliance team that defines and implements measures to prevent workplace-related issues. Locally, it is operationalized by Regional Compliance Officers under the supervision of their regional Ethics & Compliance Committees defining the local strategy.

Schneider Electric implemented in 2018 an Anti-Harassment Policy, serving as an employee manual to address and prevent misconduct violating the dignity of employees. 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 and sets forth clear rules and processes.

Harassment can involve bullying, sexual harassment, physical harassment (also called violence), discriminatory harassment, psychological harassment, verbal harassment and digital harassment. Discrimination occurs when someone is treated unfairly due to personal characteristics, such as disabilities, age, race, gender, religion, sexual orientation, marital status, and more. This policy is not aligned with any international standards due to the absence of a comprehensive global framework on the prevention of harassment and discrimination in the workplace. It is owned by the Group HR Compliance Officer and approved by Chief Governance Officer and Secretary General and Chief Human Resources Officer. It also reinforces employees' rights and responsibilities, notably regarding anti-retaliation. Managers and Human Resources Business Partners' roles have been highlighted as well as the possible reporting mechanisms.

At Schneider Electric, stakeholders may report potential violations of the Anti-Harassment & Anti-Discrimination Policy either by contacting an appropriate person in the Group and/or by using the Trust Line, Schneider Electric's whistleblowing system. In 2024, 51% of the closed, valid, and substantiated alerts reported through whistleblowing, concerned discrimination, harassment, and sexual harassment.

Read more on the Whistleblowing policy in section 2.1.1.3 on **pages 36 to 41**.

To build a common understanding and alignment, Schneider Electric also created a mandatory training entitled "Building an Inclusive and Caring Mindset" and assigned it to all employees as part of Schneider Essentials (mandatory for all) in 2024. 99.4% of employees completed the training. In addition, in 2024, the Group has deployed a "Prevent and manage harassment and discrimination" for Human Resources Business Partners and managers, and some specific trainings were deployed in line with local initiatives to prevent sexual harassment in specific countries (e.g. India, Germany, Austria, Switzerland).

To enhance workplace-related alert handling, the Group introduced updated e-learning in 2024 for its HR internal investigators, ensuring impartiality and consistent practices. The number of HR investigators was increased in 2024 to bolster investigation capabilities across all regions. Workshops have been also conducted for internal investigators in many geographies, and a pilot mediation program was launched in France. In addition, HR processes were strengthened through background check updates to the Personnel Management Security Policy, enhanced Hiring Guidelines with a focus on compliance (including re-hire processes), and the creation of a new Ethics & Compliance questionnaire for the Interview Guide Tool.

In 2024, a dedicated communication plan was carried out, promoting the Anti-Harassment & Anti-Discrimination Policy and raising awareness. In addition, Schneider Electric encourages the Speak Up mindset to allow employees and stakeholders to report any violations of the Group's ethical standards or any workplace-related concerns.

Pay Equity policy

The principles of fairness, equity, ethics, and transparency are fully embedded in the Company values. Employees are fairly compensated for their skills and contributions through reward policies and processes. Furthermore, Schneider Electric is committed in upholding a comprehensive compensation and benefits policy.

Read more on the compensation and benefits in section 2.3.1.2 on **pages 141 to 143**.

Schneider Electric has pledged to ensure fair compensation for equivalent work and has been overseeing pay fairness since 2015 using various methods and strategies. The company has made a pledge to Pay Equity under Schneider Sustainability Essentials (SSE #18), initiated in 2021 and set to continue until the end of 2025. Schneider Electric has committed to attain and maintain a pay gap below 1% by 2025 for both females and males as per the internal methodology. An external company provides limited assurance on Pay Equity to ensure year-over-year progress toward closure of pay equity gaps. The pay equity reporting protocol is accessible to employees via the intranet and has been approved by Senior Vice-President, Total Rewards and Performance.

Action plan

The Group's strategy is known as Inclusion and Care by Design. With this strategy the Group's ambitions are:

- Thriving individuals and teams: Schneider Electric is committed to making sure every individual feels respected and safe to be their unique self. Leaders coach and care with respect, empathy, and well-being in mind.
- Diversity at every level: Schneider Electric is committed to reflecting the communities in which it operates. The Group continues its efforts to hardwire equity and inclusion at all stages of its employee experience, ensure fairness in people processes and policies, and foster a culture of care and inclusion at all levels.
- Impact ecosystem: Schneider Electric is committed to driving change within its broader ecosystem and society at large, through advocacy and role-modeling. The Group works closely with its strategic partners and suppliers and invests in local actions through the Schneider Electric Foundation.

Creating a standard of inclusion and care for all

The Group's Values, and Trust Charter ensure all employees, managers and leaders are trained and held accountable to a standard of inclusion and care for all. Also, the Group believes that transparency leads to greater trust, and drives better outcomes for all; and has committed to more transparency in data, ambitions, partnerships, and initiatives. To support cultural awareness and understanding, as well as celebrate the uniqueness of the Group's global teams, the Group hosts events, webinars, communications, and more for International Women's Day, Pride Month, International Men's Day, Global Accessibility Awareness Day, and International Day of Persons with Disabilities.

Inclusion and respect building programs

Building on the opportunity, as per the study from Harvard Business Review, to create an environment where employees feel included and cared for, the Group introduced the following actions:

- Uncomfortable Conversations: In 2024, a global and regional series of webinars was conducted to have open conversations on topics such as people with a disability, anti-harassment, working with chronic diseases, amongst others to create awareness, and educate our employees, where 10,000+ employees participated.
- E-learning:
  - Building an Inclusive & Caring Mindset: A global e-learning created in 2024 that was mandatory for all employees within Schneider Electric Core. The training helped employees explore what it means to build an inclusive and caring environment and why it matters that everyone belongs and thrives to help Schneider win. Employees get a first-hand look of different situations that employees could be facing, how they can respond, or how to get support for oneself and colleagues in front of misconduct.
  - Unconscious Bias e-learning available to all employees to help understand what hidden bias means, explore clear steps to keep decision-making objective, and how to call out bias when seen and explore the importance of building a culture of respect, learn to recognize the different forms of harassment, and understand the actions to take (as employees and managers) when witnessing such conduct.
- Employee Resource Networks (ERNs): Employee volunteer-led networks, globally and locally, made up of individuals with similar backgrounds, experiences, characteristics and/or who share a passion or interest, play a key role in building an inclusive and equitable culture.

Diversity and equity, at every level

Schneider Electric desires to reflect the world we live in so that we can better serve our customers and clients. To ensure this, the Group aims to provide equal opportunities to all and makes talent decisions based on skills and qualifications for the role irrespective of any other identifying characteristics. This includes visible and non-visible dimensions of diversity, including cognition, experience, education, gender and gender identity, age, nationality and ethnicity, color, physical appearance, sexual orientation, disability status, religious, cultural and socio-economic background, life experience, location, and more, depending on local requirements.

Pay Equity strategy

In support of advancing Pay Equity, the Company executes a holistic strategy to improve and maintain fair compensation while preventing creation of new pay gaps.

Our Holistic Strategy

Process	Education and Awareness	Tools and Analytics	Governance	Advocacy

In execution of the holistic Pay Equity strategy, the Group closely monitors the salary offers of new recruits, salary adjustments from employee promotions, and other employee career movements. Continuous monitoring of pay equity status is made possible by Pay Equity Dashboard and its resulting analytics. Additionally, managers and HR professionals are trained to be unbiased and mindful of every pay decision they make. Prevention of new pay gaps is supported by the Group's "Fair Pay Simulator" which was deployed to HR in 2023. The simulator provides visibility to pay equity positioning, enabling better pay decisions for recruit offers, promotions, and other salary adjustments.

Since 2018, pay equity has been an integral part of the annual Global Salary Review processes, to address identified gaps. In the 2024 campaign, there have been notable enhancements to the user experience, specifically benefiting managers in relation to pay equity, further improving the process.

Pay equity advocacy is another key aspect of the Group's Pay Equity strategy. Schneider Electric leaders advocate internally and externally for fair and equitable pay which further reinforces the Group's commitment to fair pay.

Fair and equitable talent processes

To mitigate the risk where employees do not have the same opportunity to grow and advance because a lack of fairness and equity in people processes, Schneider Electric is committed to transparent and equitable access to career opportunities, growth and development to the fullest potential, and equal pay for equal work for all its employees worldwide, depending on the cost of living.

Talent decisions are based on skills, values, performance, and potential, and the Group counts on each leader to be fair and equitable when making a hiring or promotion decision to help advance its overall goal to create a skilled and diverse workforce for the future. To check and mitigate hidden bias in its main human resource programs, the Group has built in reminders and prompts for moments that matter, including performance and salary review processes.

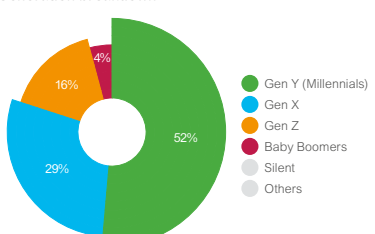
Fair and equitable pay is a core component of the Group's compensation philosophy, in line with the principle of equal pay for equal work.

Read more on the compensation and benefits in section 2.3.1.2 on **pages 141 to 143**.

Multi-Generation

For the five generations working at Schneider, the Group seeks to foster lifelong career development and knowledge exchange for and across all generations to boost learning and innovation. The Group is committed to creating new opportunities for the next generation through apprenticeships, internships, and its annual global student competition for innovation, Schneider Go Green. With tailored career development opportunities including Career Days, upskilling, coaching, development plans, and mutual mentoring the Group is harnessing the power of all generations. With this, Schneider Electric is equally committed to supporting talent in the later stages of their career to have meaningful and fulfilling development, and to recognize and leverage their unique expertise and experience to boost learning and innovation across generations.

Generation breakdown(1)



Origin, ethnicity, and nationality

Schneider Electric believes in a multi-local world with locally tailored solutions supported by teams across the globe to best meet its customers' needs with customization, quality, and speed. The Group's multi-hub model is key to delivering on this ambition with teams that represent diverse origins, nationalities, ethnicitie, locations, and cultural backgrounds. The multi-hub model focuses on attracting and developing local talents for global and local roles, and ensuring leadership reflects the backgrounds present in local markets. The opportunity for Schneider Electric to be the "most local of global companies" with a balanced multi-hub footprint to enable customer proximity, innovation, speed, and collaboration are key differentiators for long-term success.

- 91% of Country Presidents are either local or regional.
- 56% of employees are in new economies, of which 30% in leadership roles.
- 183 nationalities represented in our global workforce across 108 countries.

Disability inclusion and accessibility

Schneider Electric is committed to promoting and including people with disabilities throughout its operations worldwide. In March 2022 the Group established the Global Disability Inclusion and Accessibility Office, addressing the needs of people with disabilities through a strategy of Inclusion and Care by Design, for people with disabilities. This is underpinned by global awareness and education about what is the largest minority group in the world, consisting of 1.3 billion people.

The Group focuses on all dimensions of disability: visible, invisible, permanent, and temporary. These include physical motor or physical health, sensory, cognitive, and neuro diversities, and psychological, emotional, or behavioral.

The Group's approach of "accessibility by design" creates holistic disability inclusion through four pillars:

- Customer First design: Accessible product, software, and UI/UX design.
- People, processes, and tools: Accessibility by design in all processes (recruitment, procurement), platforms, and tools.
- Brand and communication: For all events and communication – internal and external, digital, physical, and virtual.
- Physical workplace: Accessible buildings and workplaces applying universal design principles, local legislation, and the International Accessibility Standards.

The Disability Inclusion and Accessibility Office governance consists of two executive sponsors, the Chief Human Resources Officer, and the Chief Digital Officer, along with a Steering Committee of six executives covering all aspects of the Group's aforementioned pillars.

Building awareness and education on disability, inclusion; and accessibility is a key element to moving the needle. Schneider Electric ran two global campaigns in 2024: Global Accessibility Awareness Day in May, and UN International Day of Persons with Disabilities in December.

(1) Percentage rounded up to the unit; the silent generation represents 0.01%; This pie chart is out of scope for the sustainability statements (CSRD) and excludes data for both the United States and Canada.

In 2024, to ensure equal opportunities, fairness, and a consistent experience for all and to mitigate the potential for bias, as part of the annual employee engagement survey, Schneider Electric conducted a Self-ID pilot. Without Self-ID data, Schneider Electric has to make assumptions about the employee population and the talent processes, and thus limiting the representation efforts to gender. The Self-ID pilot was conducted in 2024 in Canada, Mexico, and the US. The pilot countries constitute to a total of 32,253 employees out of which 17% employees self-identified as living with a disability, while 21% employees prefer not to answer.

LGBT+ inclusion

Schneider Electric recognizes the lesbian, gay, bisexual, transgender, and intersex people (LGBT+) community and its members. The Group aims to build awareness and advocate for the community and wants its employees to be allies, playing a decisive role in creating an open and safe community where individuals are comfortable bringing their whole authentic self to work. While Schneider Electric entities must align with the Company's strategy described throughout the DEI Policy, countries have the flexibility to adapt the policy at the country level according to local laws, market practice, perceived value to employees, and specific business requirements.

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. Across the globe, Schneider Electric has also made public statements of support to advance LGBT+ inclusion. By adopting these standards, the Group pledges to respect and stand up for the human rights of LGBT+ workers, customers, and members of the public; to support our LGBT+ employees, further build inclusion in the workplace, and to prevent discrimination, including workplace discrimination, against LGBT+ people.

In 2024, as part of the annual employee engagement survey, Schneider Electric conducted a Self-ID pilot in Canada, China, Mexico, and the US to better understand the employee demographics. The pilot countries constitute to a total of 47,556 employees out of which 11% employees self-identified as part of LGBT+ community, while 21% employees prefer not to answer.

Global strategic partnerships:

- United Nations GEF, a global multi-stakeholder initiative that brings together representatives from the private sector, Member States, United Nations entities, and civil societies, including youth organizations and networks, to accelerate progress for gender equality around the world.
- United Nations Women's Empowerment Principles (WEPs). Schneider Electric became the first multinational Group to achieve 100% commitment to the WEPs across its global leadership team. In 2024 the Group assessed itself against the WEP framework and is using those results to build continual improvement and advancement in ensuring women's empowerment.
- WEF Global Parity Alliance, a global, cross-industry community whose goal is to facilitate peer sharing between companies and showcase DEI best practices/ research, and WEF Good Work Alliance, a partnership to promote peer exchange between companies on Future of Work topics. In 2022, Schneider Electric endorsed the "Good Work Standards" a global, cross-industry partnership aiming to pave the way in building a healthy, resilient, and equitable future of work.
- The Valuable 500 (V500), a global business collective made up of 500 CEOs and their companies, innovating together for disability inclusion. Schneider Electric is committed to ensure that disability inclusion is on its senior leadership agenda, and that its commitment is shared with the business and the world. The Group is committed to reporting on the following five criteria: workforce representation, objectives, training, ERNs, and digital accessibility.
- ILO Global Business and Disability Network, a business-to-business support network promoting disability inclusion in the workplace.
- Business Disability Forum, trusted partners, working with business, government, and disabled people to improve the life experiences of disabled employees and consumers, by removing barriers to inclusion.
- Disability: IN, a leading nonprofit resource for business disability inclusion worldwide.
- Business for Inclusive Growth (B4IG) Working Group. B4IG is a partnership between the OECD and a global, CEO-led coalition of companies fighting against inequalities of income and opportunities. In 2022, Schneider Electric contributed to the publication of the group's Operational Recommendations on Ethnic Diversity & Inclusion.
- WeQual is on a mission to achieve 50/50 gender parity at the top of the world's largest companies.

Targets and metrics

Gender balance ambition[1]

Schneider Electric began its journey to becoming a gender-balanced organization more than 15 years ago and has identified increasing the share of women in its workforce and leadership as a business imperative. To support this aim, the Group has stated ambitions on increasing female representation in the overall global workforce and seeks to engage all genders in the journey.

In 2021, Schneider Electric renewed its commitment to gender balance with the SSI #8 aiming to increase gender diversity – with women representing 50% of all new hires, 40% of frontline managers, and 30% of senior leadership by 2025.

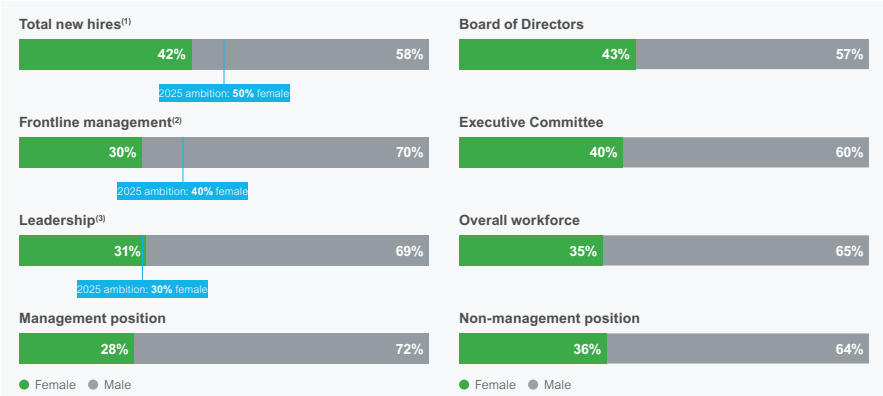
Read more on the methodology of SSI in section 4.1.1 on **pages 245 to 250**.

(1) From 2025 onwards, diversity targets shall not impact local incentives in countries or entities prohibiting the establishment of such targets.

In 2021, the baseline was 41/23/24 – with women representing 41% of all new hires, 23% of frontline managers, and 24% of senior leadership.

While significant progress has been made in the representation of women, especially on the Board and Executive Committee level, the Group recognizes that there is more work to do at all levels in the organization.

Breakdown of women in our workforce



(1) Total New Hires – all new hires in 2024. (SSI #8)
(2) Frontline management – junior and mid-level management whose direct reports are individual contributors only. (SSI #8)
(3) Leadership – Vice-Presidents and above, excluding direct reports to the CEO. (SSI #8)

Gender Distribution by Head Count

Gender	Number of leaders (Head Count)
Female	405
Male	946
Other	–
Not reported	–
Total Employees	1,351

Gender Distribution by Percentage

Gender	Number of leaders (Percentage)
Female	30%
Male	70%
Other	0%
Not reported	0%
Total Employees	100%

The two tables showcase the gender distribution in number of employees (head count and percentage) at top management level at Schneider Electric. This includes Schneider Electric Core entities and NIIEs like AVEVA, RIB, ETAP, and Luminous. Employees who are Vice Presidents and above, excluding direct reports to the Group CEO are considered as leaders. The data for calculation is extracted from Talent Link tool for the integrated entities and with an excel file for the entities that are not in Talent Link (NIIEs).

Non-IT Integrated Entities (NIIEs) that were acquired after 2021 are not part of the SSI #8 program. These entities include AVEVA, IGE+XAO, Lauritz Knudsen, Luminous, RIB Software, ProLeiT, and ETAP.

The trainees, apprentices, and VIEs are excluded for the first year of reporting 2024. The gender distribution at top management leader will show some variance when compared to the SSI #8 due to the inclusion of all these entities (SE Core and NIIEs).

Gender distribution in percentage of employees at top management level:
- Percentage of female employees at top management level = Female Employees at top management level / Total Employees at top management level * 100;
- Percentage of male employees at top management level = Male Employees at top management level / Total Employees at top management level * 100.

Anti-harassment and discrimination metrics

As part of the Speak Up mindset, and as developed in the Whistleblowing Policy, Schneider Electric employees have a responsibility to report potential unethical behaviors. To voluntarily report a potential violation of laws and regulations, and/or of the Group's Trust Charter and Group policies, whistleblowers can use all reporting channels available.

At Schneider Electric, internal stakeholders, may report concerns either by contacting an appropriate person in the Group (manager, HR business partner, Legal Counsel, or Compliance Officer) and/or by using the Trust Line, Schneider Electric's whistleblowing system. All the potential channels used should be, at the end, linked back to the Trust Line system as a consolidation tool of this type of information. The latter is available online globally, always, and protects the anonymity of the whistleblower (unless there is legislation to the contrary). 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. Overall, case management is a structured process led by Ethics & Compliance team.

Case Status	Number of incidents of discrimination	Number of complaints
Case filed	1,122	2,319
Case valid	683	1,371
Case substantiated	233	N/A

In 2024, Schneider Electric received a total of 2,319 reports (including 50 for AVEVA) concerning potential violations of laws, regulations, the Group's Trust Charter, and Group policies. Out of these, 1,371 reports were assessed as valid and proceeded to investigation (including 50 for AVEVA). On the other hand, no complaint was filed the National Contact Points for Schneider Electric in 2024. Focusing specifically on reported issues of discrimination, harassment, and sexual harassment, the Group received 1,122 potential violations (including 11 for AVEVA). Of these, 683 were determined to be valid (including 11 for AVEVA). Additionally, among the cases related to discrimination, harassment, and sexual harassment that were closed in 2024, 233 were substantiated following investigation, for which appropriate actions have been taken. All these elements are reviewed and analyzed by the Ethics & Compliance team to ensure an improvement on this matter and to ensure equal treatment for all within Schneider Electric.

Read more on the Whistleblowing policy in section 2.1.1.3 on **pages 36 to 41**.

At the end of the year 2024, the Group Schneider Electric has fines, penalties, and compensation for damages as result of incidents of discrimination amounting to 280,331 euros. These incidents are including harassment, sexual harassment and complaints filed.

Gender pay gap

As mentioned above, Schneider Electric has made a commitment to Pay Equity under SSE #18 to attain and maintain a pay gap below 1% by 2025 for both females and males as per the internal methodology. SSE #18 methodology differs from the gender pay gap definition in CSRD. The table below explains the main differences identified between the methodologies:

	SSE #18	CSRD
Methodology / Formula	Gap to be assessed for each gender based on the peer group. Peer group – employees in the same country, level (grade), and salary structure	Gap to be assessed as a difference of pay between genders. Calculation to be done through: – Unadjusted gap: pay gap assessed by gender; – Adjusted gap: pay gap assessed by gender, taking into account country and level (grade)
Calculation	Median	Mean
Scope of employees	Schneider Electric Core – Global Scope	Schneider Electric including Non-IT Integrated Entities – Global Scope
Scope of pay elements	Base Salary + Short-Term Incentives (at target) + Fixed Allowances (if applicable for a country)	Base Salary + Short-Term Incentives (actual) + Fixed Allowances (if applicable for a country) + Benefits in kind and in cash (estimates) + Long-Term Incentive

The unadjusted gender pay gap shows the difference of average pay level between female and male employees globally without considering their country of work, level (grade), salary structure, role, or other factors. The result is affected by the purchasing power parity in the countries, differences in pay levels for different jobs based on different responsibilities between employees in each geography. In 2024, the unadjusted gender pay gap was 22.1%.

The analysis of the gender pay gap for roles with comparable levels of responsibility has also been conducted. The data has been segmented by country and level (grade) to provide a more precise comparison of average pay levels between females and males.

Each group (country and level) has been assigned a respective weight depending on the headcount, and the results have been calculated into one global figure as a weighted average. In the reporting year of 2024, the calculated adjusted gender pay gap was 2.0%. The difference in the results is driven by the segregation of employees by country and level, as mentioned above. 0.02% of the population was not covered in the CSRD calculation as their gender differs from female or male.

Remuneration ratio

Annual Total Remuneration Ratio measures the ratio between the level of compensation of the highest paid individual and the median compensation of the employees.

Calculation methodology:

The compensation comparisons and pay ratio set out below were calculated based on CSRD guidelines. The calculation includes employees with active payroll on December 31, 2024, open-end contract, and fixed-term contract. For part-time employees, compensation was established on a full-time equivalent basis. For the benefits in cash and in kind, numbers are based on best possible estimates by grade and by country.

Compensation elements considered:
- 2024 fixed compensation;
- Variable compensation paid in 2024;
- Relevant bonuses and benefits (in cash and in kind) for 2024; and
- Value of the performance shares granted in 2024 at their fair value (IFRS) on the grant date.

In the year of 2024, the remuneration ratio was 95.

2.3.1.5 Training and skills development

Impacts, risks and opportunities

Training and skills development	
Positive Impact	**Improve employability of employees**

In today's landscape, the ability to attract, develop, and retain talent is paramount for ensuring the sustained success of companies. Business growth in markets around the globe, in conjunction with the rapidly evolving world, requires focused acquisition and accelerated skill development, especially in technical, digital, human, and commercial areas, of the workforce. Schneider is committed to preparing and executing a robust build, buy, borrow workforce and talent plan to optimize its its future readiness and create a culture with shared values for all employees.

Due to the current talent and skills scarcity in the market, the current VUCA (volatile, uncertain, complex, ambiguous) world and the unprecedented changes in the future of work, Schneider is not immune to talent and skills risks.

The risk of not attracting, developing, and retaining the best talent in the market, especially for critical skills, would have an impact in terms of:
- Cost of recruiting and onboarding;
- Gaps in critical skills to drive growth and innovation and to stay ahead of the competition;
- Succession pipeline for critical expert and leadership positions; and
- Schneider 's employer brand.

Policies and programs

At the same time, with the right policies and programs in place, these risks become opportunities for the Group to strengthen its brand as a leading employer and talent developer for everyone, everywhere. Similarly, they have the potential to positively impact Schneider Electric's employees by enhancing both their employability and well-being.

Signature policies and programs from the Group include:
- A robust talent management system to review annually the development plans for all employees, identify key talent such as experts and high potentials, prepare key successions and developments via local and global talent reviews, and make talent selections through People Committees (including for executive positions).
- An annual performance management and development approach with fair, transparent, and competitive rewards and development, supported by regular meaningful career conversations.
- A digital ecosystem powered by AI to enable access to development opportunities (internal mobility, project, and mentoring) via Open Talent Market (OTM).
- Learning and development programs for employees at different stages of their professional career and specific talent segments (e.g. Digital, AI, Software, Services, Electronics, Commercial, Supply Chain, and Sustainability), with a strong focus on digital and human skills, commercial excellence, leadership, technical, and functional expertise.
- A Global Flexibility@Work Policy and a balanced multi-hub footprint to enable its employees to have more flexibility and manage their unique life and work in the way that works best for them.

These key policies and programs ensure the investment in the attraction, upskilling, and development of talent at all levels, creating equitable opportunities and the environment for employees to learn and grow, while empowering them to own their career. Along this line, Schneider Electric has reflected this commitment through 2 of its 6 long-term sustainability goals - create equitable opportunities and harness the power of all generations - and formalized this in its Trust Charter (Schneider Electric's Code of Conduct) within the Trusted Teams chapter.

Governance

The Executive Committee regularly discusses the overall health of the global workforce, leadership pipeline, and succession strength for top positions, including during the monthly Executive Committee People Committee and the year-end global talent reviews with the CEO and Chief Human Resources Officer. In addition, the Executive Committee meets regularly to make critical selection and succession decisions and review specific talent attraction and development strategies, for example, expert talent, digital talent, and global top potential talent. This is supported by integrated HR information systems and analytics platforms which provide data and analysis in the areas of workforce planning and talent management. In addition, regional, business, and function People Committees also meet regularly to review talent in their perimeter.

Action plans

Schneider Electric believes that all employees are talent and empowers people to grow to their fullest potential, developing new skills and building careers for today and tomorrow, enabled by the Group multi-hub organization model. Establishing a strong brand as an employer, the promise to current and future employees is communicated in Employee Value Proposition "Impact starts with us", driven and anchored by a meaningful purpose. In addition, the Group invests in learning and development for the wider ecosystem, including universities and schools, partners, customers, and the wider community.

The Group has developed a two-pronged approach to talent development, in order to prepare the workforce of the future – for all employees and for specific target groups. Most activities are driven through an annual People Calendar, which is adopted globally to ensure that development is accessible to all employees.

- For all employees, the Group ensures there are tools and processes in place to set individual performance and development goals, and access learning and development opportunities for their current role, as well as preparing themselves for diverse career paths around the world. Curiosity and Mastery as two of our IMPACT Values set the tone for employees to be open to new challenges, embrace a learn everyday mindset, and proactively build their expertise through continuous upskilling for themselves, their teams, and their communities. In the OneVoice employee survey, 76% of employees responded favorably to being able to renew their skills through learning and development opportunities.
- For specific groups of talent, there are targeted skill acquisition and development programs to support Schneider Electric's commercial, digital, and leadership transformations and equip its blue-collar workers for the supply chain of the future. There is a strong focus on high potentials, expert talent, and employees at different career stages, including early career talent and those who are in a later stage of their career. An annual talent review process operates across the Group to help ensure key talents including high potential and technical and digital expert talent, is identified, recognized, and supported with targeted development paths and actions.

Schneider also places strong emphasis on the role and accountability of leaders and people managers in the Company. In today's uncertain and volatile world, the role of leaders is to deliver results, shape culture, build great teams and drive transformation, starting with the values and behaviors they demonstrate every day. The 2021 Culture & Leadership survey of around 2,000 Schneider leaders, started in 2017, validated steady progress on the overall Group leadership and culture transformation. Key strengths include strong ethics and integrity, sense of purpose, and customer focus, as well as a positive spirit and willingness to go above and beyond. The evolution of the Leadership Driver Score in OneVoice results shows a strong 14-point increase from 61% in 2012 to 75% in 2024.

The Group expects its leaders to act as role models and coaches of its IMPACT Values. Schneider Electric believes one of the most effective ways to help them meet these expectations is giving them timely feedback, which enables their continuous development, growth, and upskilling. With this in mind, Schneider developed Upward Feedback: an annual process through which eligible managers can request for feedback from their direct and/or functional reports. In 2024, over 8,500 leaders opted-in to participate in the Upward Feedback campaign.

In the Upward Feedback process, confidential feedback is provided to the manager via a short questionnaire that is modeled on IMPACT Values. Upon the completion of the exercise, managers receive individual reports that consolidate feedback from all survey respondents, which helps them develop a perspective on their perceived strengths, development areas, hidden potential and blind spots. This feedback is valuable input for any leader or manager to reflect on their leadership style and determine how to evolve it in the future.

The Group strives to provide a meaningful end-to-end experience for all employees from talent attraction and onboarding to performance management, rewards, and development. Schneider empowers all employees to grow to their fullest potential, deliver with impact based on the "what" and the "how", build sustainable careers, and refresh and learn new skills for today and tomorrow.

Attracting talent to shape the workforce of the future

Attracting talent at all levels is more crucial than ever before – not only in terms of enabling the delivery of the Group strategy, but also to continue to innovate for our customers and build a long-term pipeline of future talent that could join Schneider Electric.

In 2024, the focus has been on these key areas:

- **Building talent pipelines:** Schneider Electric builds talent pipelines through their Brand to Hire strategy, deepening the connection from the top of the funnel attraction phase all the way through to hire to deliver the talent and skills needed in support of our business strategy.
- **Refreshed tech:** A new talent acquisition ecosystem to simplify the overall candidate experience, migrate to more digital, borderless, and self-paced offers to attract talent, and create a more equal playing field for those interested in joining Schneider.
- **Data driven talent attraction strategies:** Schneider Electric is leveraging data and external talent intelligence to stay ahead in the competitive talent market. Strategic sourcing and talent intelligence efforts are complemented by the standardization of external market intelligence. These actions support our ambition to leverage predictive analytics to inform brand-to-hire strategies, ensuring the Company remains proactive and informed.
- **Delivering tailored and personalized candidate experience:** Schneider Electric realizes it cannot afford to lose even one candidate and has created a system that provides constant feedback so we can achieve our ambition of an exceptional hiring process. This focus was rewarded with the Candidate Experience Award (CandE) from the Talent Board across all regions, recognizing the priority placed on the experience.

Building strong early connections and enhancing our brand appeal are key elements of Schneider Electric's strategy to cultivate a robust talent pipeline for the future. By consistently nurturing candidates and creating talent pipelines in our Candidate Relationship Management platform, we are strategically preparing to attract and engage top talent as they move forward in their careers.

As part of SSI #10, our five-year goal is to double the growth in the early-career "next generation" pipeline. This will be accomplished through Schneider Electric's Brand to Hire strategy, shifting from traditional methods to more digital, borderless, and self-paced approaches to promote fairness and attract those interested in Schneider Electric and sustainability. Our updated University strategy will balance global programs, strategic university partnerships, and country-specific initiatives to achieve this.

Key initiatives in 2024:

- **Schneider Global Student Experience:** This digital program offers e-learning modules and project simulations, connecting students with Schneider Electric. Securing record engagement with 9,600 registrations, a 175% increase from 2023.
- **Schneider Go Green:** This annual competition invites business and STEM students to propose innovative solutions. The 2023 winners visited our Le Hive Office, toured the Innovation Hub and Smart Home showroom, networked with leaders, and attended the Innovation Summit and Paris Marathon.
- **Early career development programs:** These programs include graduate programs, internships, apprenticeships, and co-ops, supporting early career talent through comprehensive training paths.
- **Targeted university initiatives:** These initiatives include virtual career fairs, office tours, Innovation Summit tours, speaking engagements, networking opportunities, and mentoring relationships. In 2024, the Group held their first global open week in 2024 reaching 6,200 students outside of the traditional on-campus approach.

These initiatives aim to attract and develop talented individuals who align with our IMPACT values and the skills we need to deliver the Group's strategy.

Amplifying a culture of growth and impact

Schneider Electric's approach to performance management is anchored by the Group's Employee Value Proposition "Impact starts with us" and it is a key enabler to its collective success and demonstration of its IMPACT values. At the heart of this culture is the belief that everyone is a talent and has the potential to be an Impact Maker, translating their goals into real actions through meaningful discussions, feedback, coaching, and recognition.

The Group's robust process of setting individual performance and development goals set clear expectations for individual and collective performance. The performance management framework assumes positive intent, meaning Schneider trusts that its employees aim to make an impact. Impact is not measured solely by activity, but the outcomes which benefit customers, the business or team.

Employees' overall impact is assessed considering the following three dimensions equally:

- Individual behaviors aligning with IMPACT Values
- Individual achievements
- Contributions to others' success

Schneider Electric employees are encouraged to seek, give, and receive feedback, empowering them to take ownership for driving their individual impact. Managers are encouraged to have regular, agile and meaningful conversations throughout the year with coaching, feedback and recognition while re-visiting goals and priorities. Managers set team goals aligning with the collective team priority to win as a team and achieve together. In 2024, 99.4% of eligible employees(1) completed a performance and development review.

(*)This includes employees whose employment status is active (or suspended, which is country specific), who are on permanent/ fixed term contract type, who are information workers and those who were hired on or before 30 Sept 2024, in addition to country or entity specific conditions.

Enabling sustainable careers

The Group recognizes that its people are the driving force fueling Schneider's profitable growth and empowers them to grow to their fullest potential by developing new skills and building careers for today and tomorrow. In line with the conviction that all employees are talent and the aim to provide equitable development opportunities for all, Schneider Electric considers that all employees should take ownership of their own unique career development, supported by their managers and enabled by digital tools. The Group encourages employees to build a sustainable T-shaped career by striking the balance between deepening their expertise in different domains and broadening their skillset through experiences in diverse contexts to increase their impact. This will help them keep themselves relevant and marketable in a rapidly changing world.

To empower and engage employees with this approach, Schneider Electric held its fourth edition of "Career Days" for all employees in 2024. Under the theme "Unleash your skills for growth and impact" more than 100 events took place with employees participating from over 100 countries; getting inspired by diverse career stories, unleashing the power of networking and mentoring, having career conversations, learning about different roles, skills, and industry trends, and being equipped with tools and resources to develop, grow, and shape their future. 94% of employees surveyed were positive about the program, highlighting that it helped them to reflect about their career aspirations, encouraged them to own their career, and inspired them to build a more sustainable career. The Career Days theme, design, and activities are shaped every year by considering both the strategic people priorities and the feedback from Schneider Electric employees provided in the annual engagement survey and in the targeted Career Development survey.

Schneider Electric harnesses the power of all generations by fostering lifelong learning, upskilling, and development for everyone – from fresh graduates to senior talent. In this respect, the Group has several career development programs in place for groups of talent, supporting employees at all stages of their career and ensuring a strong pipeline of talent for the future.

(1) This includes employees whose employment status is active (or suspended, which is country specific), who are on permanent/ fixed term contract type, who are information workers and those who were hired on or before 30 Sept 2024, in addition to country or entity specific conditions.

In addition to career programs for early talent, in 2021 Schneider launched its Senior Talent program with the firm belief that employees who are near or at the later stages of their professional careers ("senior talent") bring unique expertise, experience, and wisdom to the business. The Senior Talent program recognizes this contribution and empowers them to continue making an impact on the Company while taking ownership and designing the next stage of their careers. The program is anchored in career conversations resulting in a robust development plan linked to their unique career aspirations and supported by different offers including new contractual opportunities, upskilling, knowledge transfer, pivoting, recognition, care, and personal planning among others.

Since its launch, the Group has started to observe the positive impact of the program, which is being progressively deployed and scaled globally in waves.

The commitment and progress are measured through SSE #23 which aims at providing meaningful development programs for at least 90% of employees in the later stages of their career by 2025.

The program was recognized by the OECD in their brief on Career paths and engagement of mature workers.

To learn more about the program see the Senior Talent white paper and section 3.2.5 "Future Ready program" on **page 239**.

Boosting expertise and knowledge across the organization

Schneider Electric strongly believes that its position as an industrial tech leader in providing digital energy and automation solutions for efficiency and sustainability is driven by the innovative contributions of its skilled and expert employees. The Electrifier program has been designed to develop and recognize our experts across the Company.

The Electrifier program recognizes employees with remarkable achievements, expertise, and leadership, offering them opportunities to contribute to strategic business drivers in realms such as technology, innovation, strategy, supply chain, digital, and operations, while empowering them to make the most of their careers. The program is structured around four business streams (Create, Sell, Supply, Service), 28 Domains of Competencies, and is articulated around three levels of expertise: Electrifier, Senior Electrifier, and Fellow Electrifier. This setup was designed with the objective of bolstering the core of our business, while pioneering advancements on Electricity 4.0, Industry 4.0, and our Sustainability Solutions.

The Electrifier program offers a streamlined application process along with a tailored development plan, career prospects, and an evolving reward system in tune with market dynamics. A design that cultivates a vibrant, glocal community dedicated to transforming innovation into influential business outcome.

Our Open Innovation Platform enables our Electrifiers to collect all kinds of innovation ideas, connects Electrifiers together to turn these ideas into reality, and inspires our leaders to make a visible impact together.

The Group actively promotes a learning and teaching culture by developing its internal trainer capability to foster curiosity and a Learn Everyday culture. The purpose of the community is to equip internal trainers with the right best practices and tools to develop and facilitate training, including digital tools for creating more engaging learning experience. A Global Virtual Internal Trainer Conference was organized in October with the purpose of recognizing, developing, and connecting internal trainers. 2024's two-day conference theme was "Fostering Curiosity on the Learning Journey". A panel of 12 internal speakers and two external speakers delivered a total of 14 sessions which offered extensive learning and sharing among the peers internally and opportunities to learn from external experts. There are currently over 4,500 identified internal trainers who collectively delivered over 14,100 sessions in 2024, accounting for 85.5% of formal training.

Schneider Electric's Communities at Work (C@W) program is a robust network of over 250 communities of practice, designed to foster cross-team collaboration and dismantle silos across departments and locations. These dynamic hubs facilitate efficient and intuitive knowledge exchange, providing valuable resources to swiftly enhance expertise in specific domains. By connecting employees and offering opportunities for networking, and boosting employee engagement, C@W nurtures a positive work culture. Furthermore, the program accelerates innovation by uniting diverse individuals, fostering problem-solving and efficiency through collaborative efforts. This comprehensive approach not only supports personal growth and increased productivity but also exemplifies Schneider Electric's dedication to cultivating a vibrant and supportive work environment.

Upskilling for today and tomorrow at scale

The Group recognizes the development of critical skills needs to be accelerated, especially for select technical, digital (including AI), human, and commercial skills required to accelerate our organization growth. Roles requiring digital and human skills are growing due to the acceleration of AI, automation, and digitization. Purposeful renewal of skills is necessary to ensure sustainable careers and a resilient, future-ready business. To support this ambition, Schneider 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.

Below are some of the Group's key targeted upskilling programs to support commercial, digital, and leadership transformations and also upskill its blue-collar workforce in the supply chain.

Key programs focused on critical skill upgrading include:

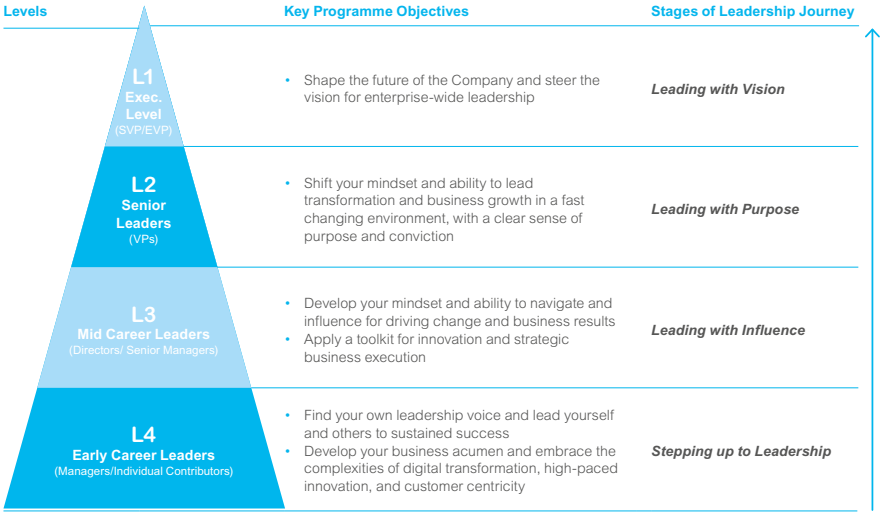
Program title	Target audience	Program description and desired business benefit	Quantitative and Qualitative Impact of the program
Skill Up @ Scale for sales	All sales employees (~17,400 sales employees). **Completion and progression so far:** SkillUP has been globally deployed across Schneider Electric at the end of 2024. 49.2% of the learners had completed a minimum of 1 module of digital learning in the platform.	• Customer-centric commercial transformation is a key pillar of Schneider Electric to drive sustainable and profitable growth, and the development of high impact sales skills is a crucial element of this transformation. • Consultative Selling Approach (CSA) is a blended digital learning curriculum to enable sales teams to build trusted advisor relationships with business decision makers, which was launched in 2021, and has been widely adopted by the business. • Building on the CSA learning, in October 2023 the Group launched Skill UP, a fully digital learning platform, embedded in the CRM tool aimed at promoting learning in the flow of work. In 2024, the platform was expanded to deliver learning in 9 languages for global deployment. • 8 programs are offered under the newly launched Skill UP program, including Consultative Selling Approach, Successful Account Management, Sprint Selling, Sprint Negotiations, Coaching for Consultative Selling, High Stakes Consultative Dialogues, Opportunity Reviews, and Sprint Prospecting.	SkillUP has been globally deployed across Schneider Electric with the below deployment outcomes: • 72% of the Sales employees are connecting to SkillUp platform for learning and upskilling opportunities. • 8,211 Sales personnel have completed atleast 1 program in the platform. • Total Courses completed – 12,200. • Total platform utilization time – 361,000 Hours • Learners have a measurable Skill Improvement of +5 pts from 61% to 66% • NPS for the various courses in the platform range from 24% to 36% • At a program level, internal data analysis on employee performance has showed that ~12% of CSA program participants exhibited a noticeable improvement in their performance rating in comparison to those who did not join the program. The intended impact of the Skill UP is to upskill sales learners to best position topics such as Digitization, Sustainability, and Services. Direct business impact will be monitored in 2025.
CoMET – Competency Management for Global Supply Chain	11,000+ Global Supply Chain employees in 200 sites. **Completion and progression so far:** Global Supply Chain employees: • 11 modules are deployed 4 of which are new in 2024. • ~85% employees in scope had completed the assessment. • 3,200 experts are certified.	CoMET aims to bridge the gap between global business strategy and employees' skill development requirements. Translate the organizational skill demands into robust skill development plans for employees, facilitating their success in their respective roles. This is achieved through an end-to-end process of mapping the required skill sets to specific job roles and conducting skill assessments of employees in those roles. The assessment outcome is personalized learning and development plans that enable employees to upskill in the identified development areas. Through CoMET, the Group also certifies experts in specific skills within the different sites. Under a clearly defined governance structure, these experts can assist in developing and certifying other individuals to become experts in specific skills. Through this approach, the sites become more autonomous and efficient in cultivating their expert network.	Digital competency: • Since launch in 2022, employees reaching medium digital competency level increased from 10% to 45% through skill assessments and personalized development plans • 500+ digital experts certified Technical competency and product knowledge: • Technical and product experts certified in 200 sites

Key programs focused on critical skill upgrading include:

Program title	Target audience	Program description and desired business benefit	Quantitative and Qualitative Impact of the program
Transforming Schneider Leaders	All people managers in Schneider Electric from early career leaders to Executive level. **Completion and progression so far:** **5,300+** leaders trained through digital experience and in **50+** intakes/ classes.	In 2016, Transforming Schneider Leadership (TSL) was designed to support a strategic shift towards the digitalization of energy management and industrial automation, with the intent to develop leaders as architects of transformation. TSL was to serve as a strategic enabler in the overall transformation. • A system of leadership programs across four levels from earlier career leaders to executive level was built, to enable Schneider Electric to lead through disruptive change by "humanizing leadership", developing leaders to think and act differently, challenge the status quo effectively, and bring about organizational change. Partnering with a renowned international Business School, the program was delivered at scale from 2017 onwards, continuing during Covid in a virtual format, and finalized at the end of 2023. The program delivery was tailor made to best fit each level. For example, using purely digital learning to reach thousands of high potentials at L4 level and intensive experiential learning and coaching in groups for higher levels. **Outlook 2024 and beyond:** With increasing external disruptions, and in line with a renewal of the Group's ambition and strategy, Schneider Electric recognized a need to further accelerate the TSL programs. In 2024, the Group launched a new program with a new partner called "Leading Next Frontier", keeping what was perceived as successful, but adopting adjustments. The program shift can be described as a balanced mix of management and leadership content integrated with a deeper understanding of Schneider Electric relevant local markets. The goal is to develop organizational agility and resilience, instilling curiosity and an entrepreneurial mindset, resilience, and adaptability. The program offers tools "that work", allowing leaders to build strong networks, and lead their teams in an inspiring and empowering spirit.	Since the program launch in 2017, 5,300+ leaders were trained. Perceived value/ satisfaction was 4.4 - 4.9 across all program levels and cohorts. The feedback from the impact survey conducted in 2024 on a sample of 1,000 TSL graduates confirmed positive impact: • 87% agreed that TSL "changed my leadership for the better at Schneider Electric" • 91.8% agreed they "benefited from the program as a person" • 80.2% agreed "their work during and after the program has made a difference at Schneider Electric". More specifically, they agreed that the program helped them: lead with more courage (78%); lead with more care (81%); enhance their resilience (74%); increase their ability to influence (76%); build closer relationships (74%); manage, diverse groups (82%); and build a broader network (79%). Beyond these participants' self-reported data, a 2023 data analysis revealed: • More promotions: participants of L3 and L4 between 2019 and 2022 received significantly more promotions within one year of completing the program than members of an identified control group • More lateral career steps: Senior leaders (L2 and L1, typically VPs and SVPs) made more lateral career steps; 20% of L2 graduates made a sideways career step compared to just 11.9% of the control group With INSEAD Business School, the TSL program has won a gold and two silver medals at the 2019 Brandon Hall Group Awards as well as a silver in the EFMD Awards.

Key programs focused on critical skill upgrading include:

Program title	Target audience	Program description and desired business benefit	Quantitative and Qualitative Impact of the program
Digital Upskilling for all employees	All white-collar employees (95,000+ employees) **Completion and progression so far:** 49% completed assessment. Post assessment, 18,000+ employees completed 83,000+ trainings around the 6 digital skills and mindset to acquire further knowledge and skills on digital.	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.	• Schneider Electric's employees are aware of new technology and tools, and are more open using them in their work and instilling the right behaviors in a digital environment (e.g., Generative AI tools, Data management, Cybersecurity, Efficiency and collaboration tools, understand digital strategy) • Global recognition of the Group's upskilling solution, with a Gold Award by Brandon Hall Group, strengthened Schneider Electric's employer branding around its commitment to upskilling employees on critical skills. • The Digital Skills dashboard created value for line managers and leadership, assisting in targeting actions for upskilling. • Even though the program was primarily targeting white-collar employees, it had been extended to support the digital upskilling for the blue-collar employees. In 2024, 34,000+ blue collar employees completed 128,000+ trainings to build and expand their fundamental knowledge around the 6 digital skills and mindset.
Digital Upskilling for Digital Experts and R&D	Digital Upskilling for Digital experts and R&D (22,000+ employees) **Completion and progression so far:** Usage rate: • 9700+ employees (~ 43% from the targeted scope) started using the solution to upskill • 83,000+ hours of learning and 9800+ courses completed in 2024.	As part of our Upskilling@Scale strategy, the Group offered access to Coursera to 22,000 of its employees with a key focus on the acceleration of upskilling of its digital and tech talent. Upskilling of this population on critical digital skills is key for Schneider Electric to fully leverage technology investments and realize our digital strategy. This program is in collaboration with Coursera, offering access to over 10,000 courses from renowned universities and institutions and providing a depth of knowledge in data and technology.	• Employees building critical skills in areas of: AI, data cybersecurity, architecture, and software development • Gradually building a culture of creating time and space to learn and stay updated with new digital skills



A digital ecosystem to enable development opportunities for all

Schneider Electric invests in its people, providing equal opportunities and a supportive environment for all employees to learn, develop their skills and advance their careers. 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. Through OTM in 2024, employees were given visibility to over 15,000 open positions, 4,000 mentoring relationships were formed, and 2,000 employees worked on internal "gig" projects. An average of 23,000 employees visit the platform each month.

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. Schneider Electric also continues to invest in providing MLL connectivity to shop floor employees either through the "Digital Learning Corner" (a computer or kiosk installed in their facilities) or from their mobile phones, providing equal opportunities for all employees to learn and develop.

Schneider Electric also offers a broad catalogue of online courses and webinars that provides customized learning experiences with targeted contents to partners and customers. It is accessible via free registration at mySchneider Partner Portal (an extranet). The mySchneider Partner Portal is deployed worldwide with more than 1.4 million registered users who consumed more than 380,000 courses since its launch.

Targets

In line with its ambition to build a highly-skilled workforce enabled by technology, the Group has set some ambitious targets to be achieved by 2025:

- **SSI #10: Double hiring opportunities for interns, apprentices, and fresh graduates.** Schneider Electric is doubling its commitment to the next generation of talents. To build a sustainable flow of talent, the Company continues to invest in student programs such as interns, co-ops, apprentices, and VIEs (Volunteers for International Experience). Moreover, the Company is prioritizing the development of recent graduates across critical functions including Sustainability, Supply Chain, Technical, Leadership, and Sales.
- **SSE #21: Increase 4x the number of employee-driven development interactions on the Open Talent Market (OTM).** Schneider Electric has democratized development through an OTM, and by 2025 will grow the skills in the workforce through digitally enabled engagements. These engagements include projects (internal gigs), mentorships, and new positions. By leveraging AI, the Company empowers employees and creates more connections that support development across departments, countries, and functions.
- **SSE #22: >90% of employees undergo digital upskilling through the Digital Citizenship program.** Schneider Electric accelerates digital upskilling for their employees with a holistic approach by:
  - Ensuring foundational digital skills for all through different initiatives : Digital Boost check and learn, Digital open days, digital upskilling for workers, and targeted development programs for key digital roles in domains like data and AI or cybersecurity, among others.
  - Enabling digital experts to build the necessary skills to thrive in today's rapidly competitive and changing business digital world, through specific digital expert offers and certifications partnering with top notch learning platforms.
  - Embedding digital transformation at the core of the different streams and domains of expertise of its expert program Electrifier.
- **SSE #23: Access to meaningful career development programs for >90% employees during later stages of their career.** With five generations working globally, the Group recognizes personal aspirations and specific needs within each group. Having a multi-generational approach drives engagement, productivity, and innovation in a constantly changing world. The Group has identified opportunities to further engage its talent pool near or at the later stages (senior talents) of their professional journey via robust career plans, recognition, and knowledge transfer. The Senior Talent program empowers experienced talents to design their next career stage while fostering lifelong career development by leveraging meaningful career conversations and personalized offers. This program is deployed globally with the support of local ambassadors who adapt the global framework to local needs and share best practices with the working community.

Read more on the methodology of SSI in section 4.1.1 on **pages 245 to 250**.
Read more on the methodology of SSE in section 4.1.2 on **pages 250 to 255**.

2.3.2 Sustainable relations in the value chain (ESRS S2)

2.3.2.1 Overall strategy

Impacts, risks and opportunities

Working conditions (in the value chain)	
Negative Impact	**1. Affect the mental and physical health of value chain workers** **2. Risk detriment to physical health of value chain workers (injuries, diseases, or death)** **3. Enable poor working conditions in the value chain due to lack of dialogue**

Health and safety (in the value chain)	
Negative Impact	**1. Damage the physical integrity of workers in the value chain**

Forced labor (in the value chain)	
Negative Impact	**1. Jeopardize fundamental human rights and damage the physical or psychological integrity of workers in the value chain**

The analysis of key risks, impacts, and opportunities is conducted each year as part of the Enterprise Risk Management (ERM) process, the Vigilance risk assessment, and a strategic review. Various inputs are factored in these annual assessments:
- Interviews with internal experts and leaders;
- Reports from audits conducted at risky suppliers;
- Alerts raised through our Trust Line alert mechanism;
- Internal audits on the Human Rights Policy;
- Reviews of available business and human rights literature (such as reports from the International Labor Organization (ILO), or from the Business and Human Rights Resource Center); and
- Engagement with peers, multi-stakeholder initiatives, institutions or NGOs (such as the Responsible Business Alliance (RBA), the Copper Mark, or Human Resources Without Borders).

The analysis of key opportunities takes place notably during the creation of a new SSI.

It shows the following impacts:
- Forced labor and other labor rights abuses in the value chain, in particular for migrant workers.
- Non-decent working conditions in the value chain, in particular concerning health and safety, excessive working time, or wages below local living wage levels.
- Mental health risks, which are increasing as anxiety levels rise about the future of work and life amid disruptions globally.
- Safety of customers and end-users due to quality offer risk.
- Discrimination and harassment in the workplace, augmented by the risk of population displacement due to climate impact is a growing risk.
- Continued employability may be jeopardized as the disruption of office and factory work by new digital technologies could lead to poor working conditions in the value chain, ultimately affecting the mental and physical health of workers.

Context

Global supply chains drive the economic engine of the world. However, the workers powering this engine often do not receive the fair share of their contribution, especially when it comes to rights and benefits in the areas of working conditions, wages, job, or social security.

The variation among geographies, in socio-economic context, cost of non-compliance, and governance, affects the conditions extended to the workers. The detrimental impact of these malpractices is not only limited to the individual worker but has a significant multiplier effect on the physical and psychological well-being of their families, creating a systemic risk in the society at large.

With this realization, the demand for corporate accountability and respect for human rights has grown steadily over the past decade. The publication of the United Nations Guiding Principles (UNGPs) on business and human rights in 2011 marked a turning point and clearly put forth the role of states and corporations in respecting human rights in their value chain and facilitating access to remedy.

However, according to the ILO, over 28 million people were still in forced labor in 2021, an increase of about 3 million since 2016. In addition, the increasing number of armed conflicts, the impacts of climate change, and ongoing technological disruptions increasingly put people employed in global value chains at risk. This could make our societies fragile, affect business resilience, and impede our collective capacity to rapidly transition to a society that respects its planetary boundaries and minimum social foundations.

In response to these challenges, Schneider Electric has built over the years an extensive framework of policies, processes, and special interventions, that the Company is continuously improving based on the learnings acquired along the way.

Description of supply chain

Owing to the location, size and nature of the Company's operations, its supply chain is impacted by climate change, resource scarcity, and human rights issues across the world. While the impact of Schneider Electric's own operations is relatively limited, the footprint of its wider supply chain is more significant as millions of more workers are involved in the upstream value chain than employed in the Company and affected by the evolving trends.

Geographical spread of the supply chain

The supply base of the Company is spread across four major geographical regions, almost in an equal manner, namely:
- North America
- Europe
- China
- International region, consisting of IMEA sub-region (India, Middle East, Africa) and EAJPS sub-region (East Asia, Japan, Pacific, South America)

Sectoral spread of the supply chain

Schneider Electric purchases various goods that will become part of the finished products: raw materials such as copper, steel, plastics or aluminum; electrical and electronic components, and fabricated components. The Company also purchases indirect/services which are not related to the products but supporting the operations of the Company. Each of these four purchases categories imply specific risks for the workers in their supply chains described below:
- Raw materials: a diverse set of raw materials companies, involved in primary or secondary processing of the materials. The workers in this value chain are primarily working in a factory/heavy manufacturing setup along different stages of raw material processing up to finished goods and involved in managing distribution centers and warehouses. The workers in this category are often exposed to extreme work environments, including working in high temperatures, noise, and vibration, and working with heavy equipment or chemicals. The workers in this category are at risk of physical injury and other occupational health and safety concerns due to prolonged exposure to extreme work environment.
- Electrical and electronic components: the companies in this category are often working in manufacturing units involved in the assembly of various sub-electronic components and associated manufacturing processes. These include a variety of semi-conductor modules, passive components, displays, connectors, cords, relays, etc. The distributors form an important category of suppliers in this segment as well. The workers involved in this segment often work in closed, artificially lit environments, doing repeated actions over a prolonged period. The machine and equipment used are relatively smaller in size, hence closer attention is required during the work. The nature of operations may also include occasional exposure to harmful emissions associated with chemicals used or processes and musculoskeletal impact of repeated actions over prolonged period.
- Fabricated components: the fabricated components are parts manufactured using raw materials or semi-finished materials by deploying a variety of processes. These operations involve working with a variety of machines in a manufacturing setup. This segment also employs exposure to high noise, vibration, surroundings and use of machines doing a variety of mechanical operations. The health and safety impact due to continued exposure to such work conditions and physical injury are key concern areas owing to the nature of operations.
- Indirect procurement and services: these are often companies which provide the services, equipment or infrastructure that are critical for Schneider Electric in discharging its operations. The companies in this segment come from a variety of contexts including software, hardware, marketing and communications, travel, legal etc. Due to the diverse context, the workforce involved is a mix providing generic services such as housekeeping to highly specialized services such as advisory, and segments across manufacturing or commercial activities.

2.3.2.2 Policy framework guiding sustainability in the value chain

Human Rights Policy

Schneider Electric Trust Charter is the Group's Code of Conduct. Through the Trust Charter, Schneider Electric is taking a strong position on what values it stands for with a focus on several human rights topics that serves as a basis for the relative policy.

Schneider Electric's Global Human Rights Policy was last updated in 2022 and approved by the Group's Chairman. It is articulated around three principles.

1. Schneider Electric is committed to fully respecting and applying laws and regulations in all countries where it operates.
2. Schneider Electric is committed to fostering and promoting human rights throughout all its operational sites and subsidiaries worldwide.
3. Schneider wishes to support human rights beyond its borders, leveraging its large network of partners and stakeholders to promote the implementation of actions that will ensure the respect of people's rights.

The Human Rights Policy's objective is to define the Group's position on human rights along its value chain, including forced labor, health and safety, or working conditions. The Group both states in the document that "to the best of its knowledge, it refrains from working with business partners that are using forced or compulsory labor in their operations" and that it "is committed to ensuring that human rights are respected not only in its own operations but throughout its value chain. The Group considers that a company should seek to provide decent work not only to its own employees but the same should be extended to its value chain".

It also states Schneider Electric's commitment to provide or support remedy in case the Group has caused or contributed to a negative impact. The Human Rights Policy serves as a set of rules applicable to its daily operations for Schneider Electric and its employees.

The policy is available in eight languages and applies to all Schneider Electric affiliates. It is applicable to all Schneider Electric permanent or temporary employees working on Group premises. It also aims to inspire external stakeholders. The policy provides a framework and gives guidance to employees and teams on how to behave in their daily operations or when facing a specific situation.

Schneider Electric's Human Rights Policy is available publicly on **www.se.com**

Alignment with international standards and frameworks:

Schneider Electric endorses the following principles or 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 ILO Declaration on Fundamental Principles and Rights at Work.
- The UNGPs on business and human rights which precisely define the roles and responsibilities of States and businesses on these matters. Schneider Electric is committed to these Guiding Principles and to the United Nations Convention on the Rights of the Child.
- The Institute for Human Rights and Business (IHRB) Dhaka Principles for migrations with dignity.

The procedures implemented by Schneider Electric, notably its Vigilance plan and Ethics & Compliance program, ensure that the Group adhere to the EU Taxonomy "minimum safeguards" requirements referred to in Article 18 of Regulation (EU) 2020/852.

Specific internal standards and guidelines complement the policy:
- The migrant workers guidelines, guided by the "Dhaka Principles for migrating with dignity". The document provides a frame to help Schneider Electric's 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.

Schneider Electric Supplier Code of Conduct (SCoC)

The Supplier Code of Conduct (SCoC) is the policy instrument dedicated to the organization's supply chain, which illustrates the expectations from suppliers, on business conduct. The Supplier Code of Conduct covers full range of expectations from human rights, ethical conduct, environmental management, occupational health and safety, material and resource use, engagement with sub-suppliers, and access to remedy. On the human rights topics, it includes explicit reference to child labor, human trafficking, modern slavery, forced labor as unacceptable practices.

Read more on the Trust Line in section 2.1.1.3 on **pages 36 to 41**.

The SCoC is included in the contractual obligations with the suppliers. It is part of the family of documents in the Trust Charter of the Company.

Schneider Electric Supplier Code of Conduct is available publicly on **www.se.com**

This policy-level commitment is the guiding source for various programs implemented by Schneider Electric with its suppliers in its value chain.

Supplier Guidebook

To sensitize all current and potential suppliers about expectations and various stages of collaboration with Schneider Electric, a Guidebook is documented. Initially launched in 2016 and updated regularly, the document articulates expectations for suppliers on sustainable development in the following five areas: environment, fair and ethical business practices, sustainable procurement, labor practices, and human rights, and subsequently dwells on various stages for approval, qualification, and performance evaluation of the suppliers.

Governance

A Duty of Vigilance Committee, set up in 2017 and chaired by the Executive Vice-President, Global Supply Chain (Executive Committee member), has the oversight of the human rights issues on in the value chain. The Committee's objective is to provide a discussion on strategic orientation and prioritize initiatives and the resources allocated to their implementation. This Committee also reviews the actions in progress and their results and defines decisions on next steps for action.

Read more on this Committee in section 2.1.2.1 on **page 43**.

In addition to this Committee, all sustainability initiatives implemented with upstream supply chain partners are headed by the Vice President of Sustainable Procurement, who is responsible for consolidating the various actions in a concerted strategy and accountable for driving the impact with supply partners and procurement department. Also, in 2023, a Vice President for Human Rights was nominated in the Corporate Citizenship department, reporting to the Chief Corporate Citizenship Officer. His role is to oversee the Group's human rights due diligence, and design appropriate measures to prevent, mitigate, or remediate human rights impacts in the Group's value chain.

The performance of upstream sustainability programs, implemented with suppliers is included in the procurement scorecard review and evaluated monthly with the Global Procurement Committee, the apex leadership team of Global Procurement function, led by the Chief Procurement Officer (CPO). This provides a platform to timely discuss the performance, any bottlenecks or challenges, and support needed from concerned Procurement teams.

Additionally, the performance of the upstream sustainability programs is also part of the monthly performance evaluation under the broader Global Supply Chain umbrella, which includes interventions with other stakeholder groups as well. This platform provides visibility to the Company's executive leadership on various initiatives, facilitating more open collaboration and harmonization between various teams working on different topics.

Mechanisms like these help in fostering an open and collaborative approach towards value chain sustainability and help in identifying the early warning signals and proactively plan for remediation measures.

Beyond internal governance, the Group is engaged in various coalitions to advance human rights in its value chain:
- Schneider Electric's CEO is a commissioner at the Business Commission to Tackle Inequalities (BCTI).
- Multiple Schneider Electric leaders are taking part in the World Business Council for Sustainable Development (WBCSD) Equity Action working group.
- Schneider Electric is a Patron of the United Nations Global Compact (UNGC) Decent Work initiative and committed to the targets under Forward Faster initiative on Living Wages.
- Taskforce on Inequality & Social Financial Disclosures (TISFD).
- The RBA since 2018, to focus on decent working conditions in the supply chain, with peers from different industries.
- Joined the Hello Accelerator with Ashoka and Ikea to advance the situation of migrants in Europe.
- Entreprises pour les droits de l'Homme (EDH – Businesses for Human Rights), a leading French association of businesses providing its members with tools and advice on implementing the UNGPs.
- Ressources Humaines sans Frontières (RHSF – Human Resources Without Borders) since 2017. The Group is part of their project "Lab 8.7" that gathers companies to work on preventing the risks of child, forced labor, and more broadly indecent labor in supply chain.
- Participation in the Copper Mark initiative.

2.3.2.3 Integration of sustainability in the procurement process

Onboarding new suppliers: Supplier Approval Module

Schneider Electric has incorporated the sustainability evaluation criteria at the stage of onboarding of new suppliers. This ensures that any new supplier entering the Company supply chain is screened for sustainability, and in case any issues of concern are identified, they are resolved before further onboarding can be processed. This ensures a degree of control over the suppliers who become part of the value chain.

The journey of a new supplier starts with the Supplier Approval Module (SAM), when a supplier's capabilities are assessed to assure alignment with Schneider Electric's expectations. This process has a dedicated evaluation on labor, ethics, environment, and occupational health and safety, in addition to other operational elements. It is a questionnaire-based evaluation combined with on-site audits, if required by Schneider Electric auditors. For all new suppliers, it is mandatory to undergo this evaluation and only approved partners can proceed to the next stage of functional and technical audits required for business qualification. If a supplier fails to qualify SAM, the potential business discussions will be stopped.

General Procurement Terms & Conditions

All existing Schneider Electric suppliers must abide by the General Procurement Terms & Conditions, as part of contractual obligations. The instrument applies the principles and guidelines of ISO 26000, and the rules defined in the ISO 14001 standard to all suppliers. As part of the obligations, the suppliers, when entering business relation with Schneider Electric, commit to respect all national legislations, Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) regulation, Restriction of Hazardous Substances (RoHS) directives, and, more generally, the laws and regulations relating to the prohibition or restriction of use of certain products or substances. The suppliers are also expected to report the presence and country of origin of all conflict minerals supplies in accordance with the requirements of the US DoddFrank Act of 2010, known as the "Conflict Minerals" law. In this context, Schneider Electric has a "conflict-free" objective.

Additionally, the Terms & Conditions were updated in 2023 to include participation in the supplier-specific sustainability initiatives implemented as part of Schneider Sustainability Index, which included the initiatives around decarbonization, resource, and circularity and human rights.

Consult and download Schneider General Procurement Terms and Conditions from the Suppliers page on **www.se.com**

2.3.2.4 Risk-based approach to sustainability in supply base

In addition to the new suppliers, Schneider Electric has almost 50,000 legacy suppliers spread across different regions of the world.

While SAM ensures that all new suppliers are screened for ESG concerns and if identified are resolved before resuming the onboarding, there is a special process and family of interventions dedicated to the issues of human rights with the existing suppliers, having ongoing business relationship with the Company.

These interventions are implemented at three levels:

1. The foundational level, which aims to secure the industrial hygiene and focus on high-risk segments owing to the industrial sector or geography of operations. This includes the Duty of Vigilance Program, which is implemented with the high ESG risk suppliers and ensures regulatory and ESG compliance at site level.
2. However, to ensure that the focus is not only on basic levels of compliance and that supplier partners constantly improve their operational practices in the spirit of continuous improvement; all the strategic suppliers are mandated to implement ISO 26000 guidance and improve their sustainability profile.
3. Schneider Electric believes in being a pioneer and this spirit is extended to expectations from our supply partners as well. To ensure we can anticipate the potential trends, risks, and issues before they become mainstream, an aspirational intervention is deployed via the Decent Work Program. The requirements of this program take inspiration from the Decent Work agenda of the ILO and harmonizes with the priorities of several other international initiatives such as UNGC, SDGs (Sustainable Development Goals), and EU Commission. It also informs itself

with concurrent discussions on emerging human rights issues. The program requires companies to implement preventive controls within their organizational framework (policies and processes) thus reducing the likelihood of occurrence of malpractices, and providing a secure and sanitized (both physically and psychologically) work environment, creating a positive influence, and enhancing overall worker well-being.

2.3.2.5 Vigilance plan for suppliers and contractors

Duty of Vigilance with suppliers

Read more on the Vigilance Plan in section 2.1.2.1 on **page 43**.

The Sustainability Matters on the conditions of workers in the value chain and on forced labor in the value chain are material issues identified in the Schneider Electric materiality analysis. The Company has deployed a robust governance and supplier engagement framework to perform a risk analysis to screen and mitigate the risk of workers in upstream. The Company's supply chain is exposed to varying levels of risks depending on the environmental, social, and ethical contexts of the countries in which they operate. These country-related risks are one of the important factors in customizing risk profile of suppliers.

To evaluate and mitigate the sustainability risk from its global suppliers, Schneider Electric conducts a risk evaluation of its entire supply base on an annual basis. This evaluation covers sustainability risks and specific parameters such as the type of industrial process used by the suppliers, their technology, and the geographic location. This allows the Group to factor in risks that may arise from a country's specific situation (social, political, etc.). These parameters are compiled in a third-party independent database (RBA methodology, ex-EICC, of which Schneider Electric has been a member since January 2018). Schneider Electric's entire Core network of about 50,000 tier 1 suppliers is processed through this methodology and is refreshed every year with the new supplier baseline to identify high risk suppliers.

The non-high-risk suppliers are deemed appropriate for remote/self-assessment, via an ESG questionnaire. The supplier responses to the questionnaire are evaluated by a team of specialists. Upon identifying any response, which requires further deep dive, the team engages with the suppliers for clarifications. Post the clarification, if the need is felt, on-site audits may be triggered. For the suppliers who are classified as high risk, on-site audit by Schneider Electric auditors is conducted.

The Duty of Vigilance (SSE #17) program has a mandate of on-site audit of 1,000 high risk suppliers between 2021 and 2025; 3,000 medium-risk suppliers are evaluated based on desktop review and followed up by on-site audit, in case of any high concerns. The annual target is 200 on-site audits and 600 remote evaluations per year for non-high-risk suppliers between 2021 and 2025. This SSE #17 has been achieved with 4,050+ suppliers at the end of 2024, therefore one year in advance. In 2024, 240 on-site audits were performed, and 564 suppliers answered to the self-assessment questionnaire.

Read more on the methodology of SSE in section 4.1.2 on **pages 250 to 255**.

To implement the key tenets with the suppliers in scope, Schneider Electric follows the RBA ESG criteria, which includes worker rights, environment management, occupational health and safety, and its inclusion in the governance of the Company. This common set of requirements is used to evaluate supplier performance via on-site audits. The high-risk suppliers of Schneider Electric are subjected to on-site audit, conducted by specialized auditors. 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 which is shared with the supplier to develop a corrective action plan and implement the measures. For the most serious non-conformances, each case is escalated to the CPO.

An analysis of the 209 "top priorities" raised in 2024 shows the following issues are the most recurring:

- Labor standards (61% of top priority non-conformance issues):
  - lack of respect of working time and resting days (time measurement systems are often insufficient). Corrective action can be wages for regular and overtime hours correctly calculated and paid to all workers.
- Health and safety (30% of top priority non-conformance issues):
  - insufficient fire alarm and protection systems. Corrective action can be appropriate controls for worker exposures to chemical, biological, and physical agents.
- Environment and management systems (9% of top priorities):
  - insufficient waste management and pollution prevention systems.

In case of any findings in vigilance, the supplier needs to implement the corrective actions, and then get a revised on-site audit done. Once all non-conformances are resolved the risk status can be lowered. However, to ensure continuous monitoring and continuity of the controls, the supplier is revisited in a fresh audit cycle after 3 years. As of 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.

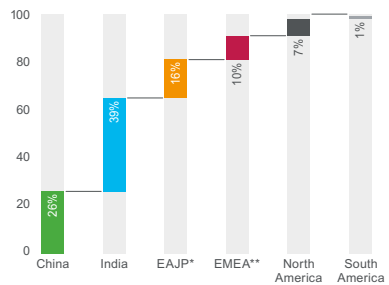
Schneider Electric adopts an active approach helping suppliers resolve any issue by sharing good practices and providing them with guidance and training. Closure of non-conformances are checked mainly through an on-site check a few months after the audit. When non-conformances are not resolved (mainly top priorities), escalation to the CPO 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.

As part of this Duty of Vigilance program, 14 Batteries suppliers have been audited since 2018, and we continue the engagement with the battery suppliers, also for the EU battery regulation.

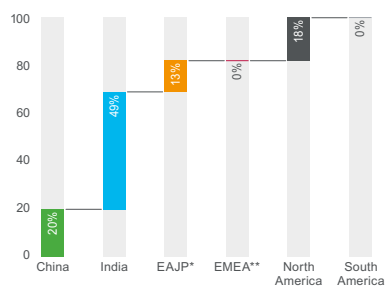
Self-assessments

In 2021, a specific self-assessment questionnaire was developed, building on the experiences of on-site audits performed during previous years. Among the questions asked, the core ones aim to check whether the suppliers are compliant on mandatory subjects of labor, human rights, environment, and health and safety. The two main goals of this assessment are to help the supplier to reflect on its compliance to vigilance standards, and for Schneider Electric to identify whether on-site audits may be necessary. During 2024, 564 suppliers submitted answers.

% Risky suppliers identified in 2024 by geography

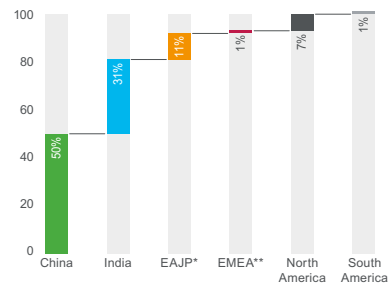


% Audits carried out in 2024 by geography



% Non-conformances in 2024 by topic

% Non-conformances in 2024 by geography



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

Impact

From the beginning of the program in 2017 to the end of 2024, about 1,250 suppliers had been audited on-site, and 14,800+ non-conformances were raised, and subsequently remediated. The 240 on-site audits performed in 2024 have allowed Schneider Electric to raise 2,400+ non-conformances. Out of these non-conformances, 209 are assessed as "top priority" and are given very specific attention during the re-audits of the suppliers. Schneider Electric's objective is to close 100% of all types of non-conformances identified, whatever their priority level.

Overall, the resolution of non-conformances identified since the program's inception in 2017 has supported the improvement of the working conditions for almost 400,000 employees.

Duty of Vigilance with project contractors

Schneider Electric's products and solutions 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 they 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 the 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 that are 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, the 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.

2.3.2.6 Continuous improvement based on the ISO 26000 standard

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.

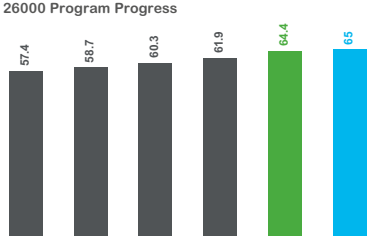
ISO 26000 is a voluntary guidance for companies and provides a framework for organizations to operate in a socially responsible manner, considering the interests of various stakeholders, including employees, customers, suppliers, communities, and the environment. As it is not a management standard, Schneider 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.

ISO 26000 Program Progress



2.3.2.7 Other action plan and targets on sustainable programs

Decent Work program

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

The scope of the program includes strategic suppliers across direct (also known as production) and indirect (known as non-production) procurement. The initiative adopts the approach of a development program, acknowledging that the program 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 that is rolled out via SSP-SRM – Schneider Electric's supplier relationship portal. A specifically trained team of associates from Global Procurement Services (GPS) lead the

launch of the initiative. The suppliers are required to respond to the questions and upload evidence to support the responses. All responses and accompanying evidence are evaluated to meet the minimum criteria of decent work. These responses and documents are assessed by specially trained reviewers. The reviewers come from within Schneider Electric as well as third-party agencies who specialize in business and human rights. In cases where the supplier actions do not meet the minimum requirements, feedback is given, and corrective actions need to be implemented by the suppliers in a timely manner. Upon rectification, the information needs to be resubmitted along with the evidence for the re-evaluation. To better engage suppliers and identify the common areas of improvement for deploying more effective supplier capacity building initiatives, the responses were analyzed. Below is the summary of the most frequent gaps identified during the year.

There is a high level of engagement with constant training, capacity building, and communication with suppliers 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.

Most frequent Non-conformances

Key pillars of the Decent Work program include:	
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.

Decent work criteria comparison with other initiatives

Key Pillars	Schneider DW	ILO	UNGC	EU Com	SDGs	SA8000
Employment opportunities	Yes	Yes	Yes	Yes	Yes	Yes
Adequate earning and productive work	Yes	Yes	Yes	Yes	Yes	Yes
Decent working hours	Yes	Yes				Yes
Stability and security of work	Yes	Yes				Yes
Social dialogue and workspace relations	Yes	Yes	Yes			Yes
Fair treatment	Yes	Yes	Yes		Yes	Yes
Safe work	Yes	Yes			Yes	Yes
Social protection	Yes	Yes				Yes
Purchasing practices	Yes		Yes			Yes
Balancing work and family life	Yes	Yes			Yes	
Disciplinary practices						Yes
Management system						Yes

Abbreviations
ILO – International Labour Organization **UNGC** – UN Global Compact **EU Com** – European Commission
SDGs – Sustainable Development Goals **SA8000** – Social Accountability 8000

Schneider Electric has taken an overall ambition to ensure 100% of its strategic suppliers achieve compliant status in the program by end of 2025 (SSI #6). This ambition is split into annual targets. Against the target for 60% compliance to be achieved by end of 2024, 63% of strategic suppliers achieved the compliant status.

Read more on the methodology of SSI in section 4.1.1 on **pages 245 to 250**.

Social Excellence program

In addition to the above-mentioned engagement, the Company has initiated 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 a program, focused on upstream, can be developed and deployed. While the program is still in exploratory stage, it will provide invaluable 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 the risk. These include:

- Traceability workstream: this 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 2024, as part of the Geography workstream, the Company initiated the use of "Worker Voice" surveys, with a pilot in Vietnam, and organized feedback sessions with the suppliers involved in 2024. The use of this tool will be expanded in coming years.

In addition to the above, Schneider Electric also implements programs in accordance with country-specific requirements.

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).

The Company accepts all third-party certifications by organizations such as: the National Minority Suppliers Development Council (NMSDC), Women's Business Enterprise National Council (WBENC), the National Gay and Lesbian Chamber of Commerce, and Disability: IN.

The suppliers are required to successfully complete Schneider Electric's supplier evaluation and onboarding process to demonstrate their capabilities prior to being invited to a competitive bid. Once invited to the bid, suppliers are only awarded business based on the strength of their bid submission.

Supplier communication and engagement

The Company follows a customized communication plan for full spectrum of policies and programs to the suppliers. The Schneider Electric Supplier Platform is the preferred mode of communication with the suppliers. Additionally, several other avenues of engagement are deployed as deemed effective. These include:

- Inclusion of the sustainability requirements, and Supplier Code of Conduct in the contractual instruments.
- Webinars and thematic digital connect sessions.
- 1-1 communications, keeping specific suppliers in the loop, procurement colleagues to inform, train, and schedule engagement on various programs.
- Dedicated training and capacity building sessions are organized for suppliers, in group as well as 1-1 settings for ISO 26000 and Decent Work Program

Conflict Minerals program

Regarding Conflict Minerals and Extended Minerals (Cobalt & Mica), Schneider Electric is working with an expert third party to analyze the collected information (CMRT & EMRT) from its suppliers, to identify the source of the minerals in question and ensure they are recognized as "conflict-free" within established international standards such as the Responsible Minerals Initiative (RMI), the London Bullion Market Association (LBMA), and others.

The data collection campaign includes all the 5 due diligence steps recommended by the OECD. Supplier CMRTs are collected twice a year, and in case of non-conformant or non-audited, smelters or refiners are identified, and suppliers are contacted to work on the removal of those SoRs from the supply chain.

All strategic suppliers are required to provide updated CMRT and perform due diligence. Additionally, suppliers delivering products containing Mica or Cobalt are required to complete the EMRT (Extended Minerals Reporting Template).

2.3.3 Ethical relations with affected communities (ESRS S3)

2.3.3.1 Context

Impacts, risks and opportunities

Affected Communities	
Negative Impact	**Violate rights of local communities**

There is increasing research and evidence on the potential impacts of energy transition-related industries on local and indigenous communities. In line with its Human Rights policy and its Vigilance plan, Schneider Electric is therefore seeking to better understand and minimize the impacts that its activities could have on communities throughout its value chain.

ESRS S3 defines "Affected communities" as "People or group(s) living or working in the same area that have been or may be affected by a reporting undertaking's operations or through its upstream and downstream value chain. Affected communities can range from those living adjacent to the undertaking's operations (local communities) to those living at a distance. Affected communities include actually and potentially affected indigenous peoples".

Schneider Electric has identified 6 categories of potentially affected communities, which excludes people working at Schneider Electric (described in S1), or in its value chain (described in S2).

- Local communities living adjacent to Schneider Electric's sites.
- Local communities living adjacent to Schneider Electric's direct suppliers' sites.
- People living adjacent to logistics and distribution centers.
- People living around mines in Schneider Electric upstream supply chain, including indigenous people.
- People living adjacent to waste management sites, downstream Schneider Electric value chain.
- People living around customer projects, in particular in the extractive industries sector and power generation.

2.3.3.2 Policy

The affected communities topic is governed by Schneider Electric's Human Rights Policy, specifically the section "1 Local communities and Indigenous people". Through this policy, the Group commits to build an understanding, and engage with communities potentially affected by its activities in its value chain, and to minimize impacts on populations, whether local or indigenous communities.

The policy also states that, in situations where Schneider Electric has caused or contributed to a negative impact, the Group commits to provide or help provide remedy to those harmed. In case negative impact may have occurred, the Trust Line, Schneider Electric's internal and external alert system, can be used by communities potentially affected by Schneider Electric's activities throughout the value chain to raise concerns and alerts.

Read more on the **Trust Line in section 2.1.1.3 on pages 36 to 41.**

Schneider Electric's Human Rights Policy is available publicly on **www.se.com**

The affected communities topic also falls under the Group's ambition set forth in the Vigilance plan, to be a role model in its interactions with customers, partners, suppliers, and communities on ethics and the respect and promotion of human rights. At a later stage, some specific policy may be drafted to further structure the framework.

The strategic part of the Human Rights policy as well as the measurement and its full deployment is led by the Corporate Citizenship department, composed of Human Rights experts supported by Human Resources and Global Supply Chain departments as well as countries, the Internal Audit team, and Compliance functions.

Read more on the Human Rights Policy in section 2.3.2.2 on **pages 171 and 172**.

Read more on the Vigilance Plan in section 2.1.2.1 on **page 43.**

The Duty of Vigilance Steering Committee, chaired by the Executive Committee member in charge of the supply chain and composed of senior leaders who represent key internal stakeholder, is responsible for overseeing the topic of affected communities.

To better understand the topic of affected communities and its specific issues, the Group is engaged in various coalitions, allowing to gain insights into perspectives of affected communities:

- The United Nations forum on Business and Human Rights;
- The United Nations Global Compact (UNGC) Decent Work initiative and Forward Faster initiative on Living Wages;
- The Taskforce on Affected Communities of the French UNGC;
- The Responsible Business Alliance;
- Responsible Steel;
- The Copper Mark.

Schneider Electric participates several times a year in initiatives, conferences, or working groups organized by these different organizations.

Besides its participation in these coalitions, the Group has not yet engaged directly with affected communities. Schneider Electric is still investigating which communities and what engagement would be relevant.

2.3.3.3 Impacts and risks

The table below presents, on a 1 to 4 scale, a simplified view of the human rights risks identified for each affected community. In this report disclosures will focus on the most material risks, that is those rated 3 and 4.

	Around Schneider Electric sites	Around suppliers' sites	Around logistics and distribution	Around mines	Around end-of-life management sites	Around customers' projects
Proximity to Schneider Electric and leverage	Med	Low	Low	V. Low	Low	Med
Communities' economic, social, and cultural rights (adequate housing, adequate food, water and sanitation, land-related and security-related impacts)	2	3	1	4	3	3
Communities' civil and political rights (freedom of expression, freedom of assembly, impacts on human rights defenders)	1	1	1	4	1	3
Particular rights of indigenous peoples (free, prior, and informed consent, self-determination, cultural rights)	1	2	1	4	1	3

This table reflects a gross impact measurement carried out by Schneider Electric's Human Rights and Vigilance experts, using the *severity x likelihood* scoring methodology.

Internal assessment used to guide scoring:
- Vigilance Risk assessment for Schneider Electric's 30 largest sites carried out in 2020.
- Ongoing Vigilance Risk Assessment of communities living around customers' projects sites (see below section communities living around customer project sites).

External reports used to guide scoring:
- Transition Minerals Tracker: 2024 Analysis, Business & Human Rights Resource Centre.
- 2024 Top 10 Business & Human Rights Issues in 2024, Institute for Human Rights and Business.
- Sustainable and Responsible Critical Mineral Supply Chains, International Energy Agency.
- The Global E-Waste Monitor 2024, United Nations Institute for Training and Research.

2.3.3.4 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.

Read more in section 2.3.2 on **page 170**.

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

Risks related to raw material extraction and transformation in Schneider Electric upstream supply chain are difficult to evaluate precisely because they are located far upstream, which makes data difficult to obtain. For this reason, the evaluation of risks is mostly based on external reports.

According to the Transition Minerals Tracker 2024 Analysis, key impacts on communities around mines include:
- Attacks against human rights defenders,
- Land rights,
- Personal health,
- Impacts on livelihoods,
- Impacts on indigenous rights,
- Clean, healthy, and sustainable environment,
- Access to water and
- Water pollution

Schneider Electric's approach is to evaluate those risks 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%.

Read more on the methodology of SSI in section 4.1.1 on **pages 245 to 250**.

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. This study will also allow Schneider Electric to investigate the existing certifications and coalitions for these raw materials. The impacts of the mining industry being far upstream and the leverages to act being thus limited, the Group's strategy is to work with other actors to improve the social and environmental conditions of mineral extraction through certifications and coalitions.

In addition to aiming for more certification of its raw material procurement, Schneider Electric is accelerating its circularity strategy to limit the consumption of raw materials, and thereby potential associated risks.

2.3.3.6 People living adjacent to waste management sites, downstream Schneider Electric value chain

According to the Global E-Waste Monitor 2024, 14 billion kilograms of e-waste was estimated to be disposed of as residual waste in 2022, the majority of which is landfilled globally. The non-treatment of this waste therefore has significant consequences in terms of soil and water pollution and impacts on biodiversity. Moreover, 18 billion kilograms of e-waste was estimated to be handled in low- and lower-middle-income countries with no developed e-waste management infrastructure, mostly by the informal sector. The lack of adequate infrastructure can therefore also impact the health of individuals who find themselves managing this waste through the informal sector.

In the downstream value chain, Schneider Electric is actively working to secure compliance with local regulations, including the WEEE Directive (Waste from Electrical and Electronic Equipment) and the Batteries and Battery Waste Regulation. These EU laws incorporate Extended Producer Responsibility (EPR) provisions, compelling Schneider Electric to prevent products within scope from ending up in landfills at their end-of-life.

Also, our electrical and electronic equipment products include end-of-life instructions, offering customers guidance on safe management and disposal when they become waste.

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

Ongoing customer projects

Since 2021, Schneider Electric extended its Vigilance risk assessment to cover local communities residing close to sites where the Group is implementing projects for customers. This analysis was conducted remotely through interviews with customer project managers. These projects can be, for example, the building of an electrical switchgear station to distribute electricity, either to a grid or to large private users. Depending on the profile of the end-customer, these projects necessitate the on-site coordination of several types of contractors. Relationships with local communities, when relevant, are usually handled by the main contractor, or by the end-customer.

To identify the main sites presenting potential risks, Schneider Electric has pre-selected customer projects based on the combination of two criteria – country risk and customer activity. 40 customer projects have been selected for a review.

Projects reviewed can be grouped into three categories, each reflecting the type of involvement of Schneider Electric, and the mitigation capabilities of Schneider Electric.
- Type 1: Schneider Electric provides switchgear and/or industrial equipment, is also the main contractor for the project, and is present on site. Mitigation actions can be decided and implemented by Schneider Electric.
- Type 2: Schneider Electric provides switchgear and/or industrial equipment, but it is not the main contractor. Mitigation capabilities are limited.
- Type 3: Schneider Electric provides software and control, and is mostly working remotely, being present on site only for final testing and commissioning. Mitigation capabilities are very low.

As of end 2024, 30 projects have been reviewed and results can be summarized as follows:

Type 1: 2 projects - Schneider Electric operating as the main contractor
- Renovation of medium voltage electrical substations.
- Very large city, dense urban area.
- Sites already existing, limited surface (1 building).
- Limited civil work (refurbishing) in a closed area.
- Almost no impact on population living nearby (two-days street closing).

Type 2: 19 projects - Schneider Electric as on of the suppliers to a large contractor or customer
- 9 projects are medium voltage equipment ex-works delivery: no presence on customer site.
- 2 projects are reinforcements of safety systems on existing mining sites.
- 4 projects are very large new projects on land.
  - 3 are for a customer expanding a refinery
- Large civil work on previously unoccupied land.
- End-customer and local authorities are in charge on site.
  - 1 is for a customer building an irrigation network for agriculture.
- Location in a semi-desertic area – no population living on site.

- 4 projects are new Data Centers

Type 3: 9 projects
- Projects are mostly software systems, that do not involve any on-site work as there is no hardware to deliver and install.

Although this analysis is done on a limited sample, it points to the following conclusions:
- A large majority of Schneider Electric projects are having limited impact on local communities as they are either:
  - Not located close to any populated area;
  - Taking place on already built facilities;
  - Delivered ex-works to the client, with no on-site involvement from Schneider Electric; and
  - Involve software offers only, that are entirely delivered remotely.
- 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.

Focus 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.

Customer projects process

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. 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 that process, to reinforce its compliance to the highest ethical, environmental, and human rights standards, following the 8 International Financial Corporation Standards (IFC).

An early analysis to identify environmental and human rights risks that the project may create for the ecosystems and communities potentially affected was added to the Customer Project Process. This risk assessment can be reinforced by an expert third-party report whenever needed. The risks are prioritized and escalated through the selection process to ensure that any decision is consistent with the highest ethical and human rights standards, and that any project execution plans for the adequate prevention and mitigation actions to be implemented. Below is a summary of this process:

2.3.3.8 Opportunities

Beyond mitigating the negative impacts linked to its value chain, Schneider Electric also seeks to have a positive impact by implementing various programs on employment, education, training, entrepreneurship, women empowerment, infrastructure improvement, access to green energy, and non-discrimination (based on ethnicity, gender, religion, etc.). The absence of such initiatives by Schneider Electric could lead to adverse consequences, such as the perpetuation of inequality, a lack of opportunities for marginalized communities, and a deterioration of living and working for the individuals concerned.

Read more on these programs in section 3.2 on **page 227**.

2.3.4 Consumers and end-users (ESRS S4)

2.3.4.1 Personal safety of consumers and end-users

Context

Schneider Electric deeply values the trust that customers and employees place in its products and services to ensure their safety and protect their property. Learning from events in other industries, Schneider Electric understands the importance of quality to customers and the potential brand damage that can result from a loss of trust and perceived quality. Consequently, Schneider Electric has elevated its already high standards to set a new benchmark for quality in the industry. Continuous quality improvement is now a central element of the organization's strategy and is fundamental to achieving its overall business purpose and mission. Recognizing the benefits of delivering superior quality, the Group has accelerated its Company-wide quality transformation.

Impacts, risks, and opportunities

Personal Safety of consumers and end-users	
Negative Impact	**Trigger physical harm or property damage**

Schneider Electric operates globally with a wide-ranging portfolio of customer solutions. The corresponding complexity of the product portfolio and supply chain brings with it risks and opportunities for quality. Many of the Group's solutions serve mission-critical industries where product quality and safety are a critical topic. Consumers and end-users subject to product usage risks and defaults in implementation resulting in physical harm or property damage are mainly panel builders, system integrators, IT solution providers, electricians, digital and service providers, specifiers, and end-users. All these consumers and end-users are mentioned as well in the General Disclosure section (please refer to the section ESRS 2).

Product malfunctions or failures could result in Schneider Electric incurring liabilities for tangible, intangible damages, or personal injuries. The failure of a product, system, or solution may not only pose a risk to the physical integrity or property of our customers, but it can also entail costs related to the product recall, result in new development expenditure, and consume technical and economic resources, on top of brand or reputational damage. Schneider Electric's products are also subject to multiple quality and safety controls governed by national and supranational regulations and standards. Maintaining compliance with new or more stringent standards or regulations could result in capital investment. At the end of the day, these quality controls pretend to impact positively all the consumers and end-users mentioned above. Risks identified by Schneider Electric about product, project, system quality, and offer reliability can be:

- Design-related safety, compliance, and quality concerns
- Manufacturing and logistic problems
- Field execution and services related
- Software security and quality
- Supplier and supply chain related

The risk on design-related safety and quality concerns can specifically have negative impacts on the consumers in the middle of the value chain, such as electricians or panel builders. The above-mentioned risks could significantly impact the Group's financial performance. The business reputation of Schneider Electric could also be negatively impacted. Indeed, the Group has been impacted by 23 approved product recalls in 2023. With the quality transformation, Schneider Electric has focused on correcting and preventing the reoccurrence of quality issues, seeing a substantial reduction in the number of safety-related product recalls to 5 in 2024, and established the visionary goal to eliminate product recalls by 2025 (SSE #15).

The full understanding of the different risks that can occur to our consumers and end-users is also frequently done throughout the year thanks to a deep analysis of all the product recalls Schneider Electric is receiving. This continuous analysis enables us to drive our activities and our quality guidelines in the direction of a proper personal safety of our consumers and end-users.

Schneider Electric Quality Policies

In 2023, the Group elevated our commitment to quality though a new Quality Policy, stating:

"We rise to a new challenge! Meeting quality, product safety, and reliability requirements is our baseline at Schneider Electric; but we aim for more! Our customers expect nothing less than continuous improvement and innovation beyond expressed needs, to set new industry standard. Quality, product safety, and reliability demand the active engagement of all, without exception because the quality of our solutions is the safety of our customers."

The policy of Schneider Electric is to only propose products, solutions, and services which are safe when properly used for their intended purpose or for other reasonably foreseeable purposes. In this sense, Schneider Electric Quality Policies contribute to a continuous effort from our Company to avoid any product usage risks and defaults in implementation resulting in physical harm or property damage.

At Schneider Electric, the "Customer Satisfaction and Quality network" covers all layers, functions, global supply chain, operations, and lines of businesses.

Schneider Electric's Quality Policies are available to all stakeholders including consumers and end-users on **www.se.com**

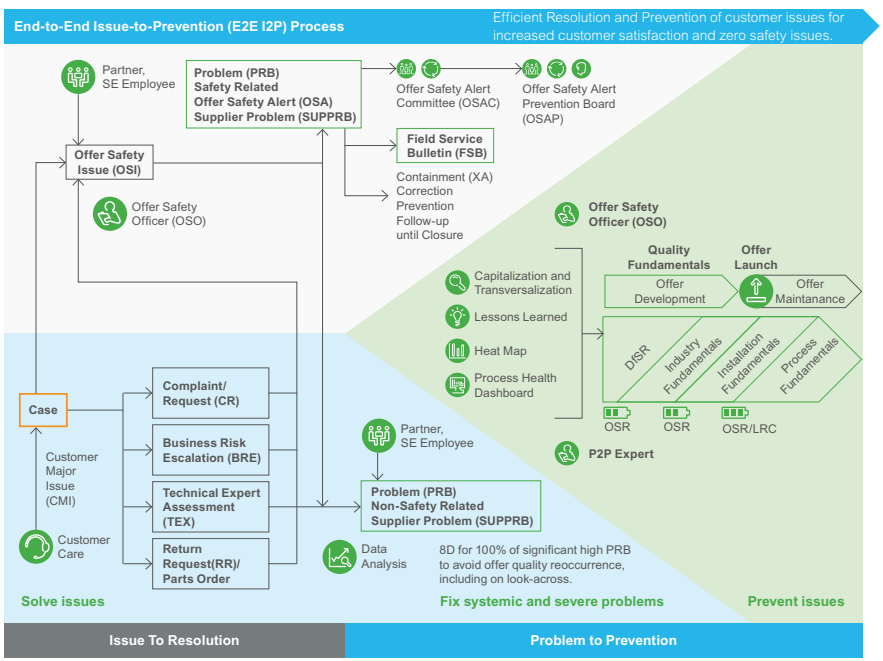
Identifying, addressing, solving and preventing safety quality issues

In line with the Quality Policy, it is the obligation of Schneider Electric to notify customers of any known safety issues caused by its offer that may result in bodily injury or property damage, and include instructions for immediate remedial actions, even after the end of the useful life of the offer.

To address this requirement, Schneider Electric has implemented several quality directives that require the application of systematic processes to properly address potential offer safety issues discovered inside or outside Schneider Electric.

These processes are to be used for all offers sold or manufactured by Schneider Electric:

- Quality Directive "Managing Customer Safety Risks". This directive requires the application of Schneider Electric's systematic processes to properly address potential offer safety risks of bodily injury or property damage discovered inside or outside Schneider Electric. These processes are to be used for all offers sold or manufactured by Schneider Electric.
- Quality Procedure "Offer Safety Review". The overall objective of offer safety is to reduce the risk arising from the use of Schneider Electric's products, solutions, or services throughout their lifecycle. Offer safety reviews are conducted by Offer Safety Review Committees and are used to focus attention on safety and help ensure that offers are safe when properly installed (based on safety manual), maintained and used for their intended purpose and other reasonably foreseeable use or misuse.
- End-to-End "Issue to Prevention" (E2E I2P) process. E2E I2P is designed to identify, address, and solve quality issues affecting the customer, and to understand and correct the root causes at the source of the issues and learning from that understanding to prevent the reoccurrence of similar issues in the future.



When our consumers and end-users are using the Customer Care service, a short satisfaction survey is proposed to evaluate their trust in our structures and processes, and to raise their concerns or needs and have them addressed. Contact information of our Customer Care service is available in the different communication and packages that we are continuously sharing with our consumers and end-users.

How the process works

Within the End-to-End Issue to Prevention process, and in line with the Quality Directive "Managing Customer Safety Risks", Schneider Electric has defined and implemented a robust process for managing safety issues related to its offers.

Any occurrence, or near-miss situation, of bodily injury or property damage which is potentially attributable to any Schneider Electric offer must be reported as an Offer Safety Issue (OSI) within 24 hours of awareness by any Schneider Electric employee, or partner. Reporting an OSI does not imply liability or acknowledgment of a safety risk caused by an Schneider Electric product, but it does guarantee that the potential safety issue will be analyzed and eventually confirmed as a safety risk by the appropriate experts. The process emphasizes that concerns about sensitivity, confidentiality, or potential recovery costs should not delay reporting. If anyone feels pressured not to report an OSI, they should use the Schneider Trust Line.

Once an OSI is confirmed as a safety risk by the appropriate experts, the Offer Safety Alert process is triggered. A Problem Leader is appointed to form a team to address the issue, involving various departments such as Line of Business, Offer Management, Field Services, Legal, and others. The team identifies the potentially affected products and customers and prepares a communication strategy to effectively reach all customer categories.

The Problem team immediately implements the urgent actions needed to contain the issue, and then submits to the Offer Safety Alert Committee (OSAC) the risk analysis, the draft customer safety notification, and the proposed remediation action plans. Based on these key elements, the OSAC will give a "Go" or No-Go" decision. In case of a "Go" decision, the Problem team will proceed to notify the potentially affected customers and to implement the remediation action plans.

If the OSAC gives a "Go" decision, the Problem team then refines the remediation plan, including finalizing and approving the Product Safety Notice, Customer Letter, and supporting documents. The team must also ensure the supply chain readiness for the remediation actions execution and must define an internal communication plan for various stakeholders.

Once the remediation plan is kicked off, Remediation Action owners are appointed in each one of the Front Office organizations in the relevant countries. They are responsible for sending the Safety Notice to customers as soon as possible after the OSAC "Go" decision, and tracking customer acknowledgments. The Customer Containment Action owner keeps the containment action open until completion and submits it for Country President approval. The Country President reviews the containment action closure data and evidence, before approving its closure.

The Problem Leader schedules regular OSAC follow-up meetings and a closure meeting once all actions are completed and validated.

This comprehensive process ensures that safety issues related to Schneider Electric offers are promptly reported, analyzed, contained, and remediated, with clear communication and coordination among all involved parties.

Putting the Quality Strategy into Action

Quality strategy

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. In each of those lifecycle phases, the key principles are applied. In 2024 the Group made significant progress in the Quality transformation.

Building a quality culture, the Group emphasizes the role and responsibility of every employee from the front line to the CEO for Quality as highlighted in the new Quality Policy. 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 radical week-long Quality Improvement workshops wherein thousands of employees learned the Quality Fundamentals through hands-on kaizen-style implementation.

Quality Management System and internal audit

Strengthening and simplifying the Quality Management System (QMS) processes and internal audit. To ensure complete implementation and disciplined adherence to processes, the Group is significantly strengthening the quality of the Internal Audit program. This program will now cover both system audits and process audits simultaneously, evolving internal audits into valuable tools for continuous improvement and risk mitigation. Furthermore, Schneider Electric has enhanced collaboration with certification bodies to ensure adherence to globally recognized quality standards and to increase the value of audits beyond mere compliance.

The scope of audits within the QMS has expanded to encompass compliance, strategic alignment, process optimization, and continuous improvement. This approach adds value by uncovering insights that drive meaningful changes and contribute to the overall success of the organization. In highlighting the Group's commitment to continuously improving the QMS, fostering collaboration with external stakeholders, and leveraging audits as powerful instruments for driving positive change, we demonstrate our dedication to excellence.

Quality in 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; the Customer Satisfaction and Quality (CS&Q) function puts a strong focus on stopping any launches that do not comply to quality standards. In addition, roles and responsibilities were better defined and the number of resources focused on design quality has greatly increased.

Recognizing the importance of software and firmware, Schneider established a new Software Quality Leader position and created Software Quality Fundamentals based on Development, Security, Operations, and Agile development principals.

Quality in industrialization and launch

Through the process improvement efforts, 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 would enable the Group to bring together the 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.

Roles and responsibilities were redefined, and the resources refocused on industrialization quality will continue to expand. This adoption of the highest applicable standard positions Schneider Electric for even more proactive identification, prioritization, and mitigation of product and process risks. This "zero-defect" and data-driven program aims to ensure our products achieve 100% first time right and on-time flawless launches. The resulting safety, robustness, quality, and cost optimization strives to exceed our customers' expectations.

Quality throughout the supply chain

Demonstrating its zero compromise on safety and regulatory requirements, the Group rigorously sustains a living Potential Failure Mode and Effects Analysis process whereby the most important risks are identified, and in 2023 a breakthrough level of risk elimination or mitigation actions were taken across the supply chain.

The Group pursues a twin strategy of "back to basics" while it accelerates and leverages its digitization. The "quality basics" were developed and are being deployed or strengthened across the Group. To deploy the quality basics special radical change events (kaikaku) were held to immediately implement quality basics in all regions and products, implementing the basics on hundreds of manufacturing and distribution center lines across the Company.

The radical change events serve to build quality capability in participants and organizations, further strengthening the Group quality culture.

To further the quality culture and accelerate transformation, the Group developed a Quality Index to measure quality-centric behaviors and outcomes for all plants and distribution centers. The new Quality Index provides transparency and focus to the quality transformation; recognizing leading plants for their quality and identifying any lagging plants to allocate regional or global resources for success.

Shifting from reactive to proactive quality, the Group has strengthened its change management processes wherein changes to the supply chain are now evaluated early and at key milestones, and their potential risk and quality gaps are closed before the start of production, preventing potential problems from ever occurring.

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 the Quality Fundamentals, addition of software supplier qualifications, and counterfeit component programs. Second, the Group is standardizing on widely known APQP process with external suppliers for new project offers. 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. Finally, in support of the strategy, the Group continues to invest in building quality expertise, most recently expanding battery and electronics competencies.

The Group continued the implementation of digital solutions for real time process control and statistical process control, traceability, and other digital capabilities to over 500 manufacturing lines. Leveraging Schneider Electric's formidable Smart Factory capabilities, the Group is innovating ways to digitally build-in quality. From process quality assurance and control to reducing administration, the Group has identified hundreds of applications for Artificial Intelligence (AI) and Machine Learning.

Quality in projects and field services

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 so 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 improved 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.

Quality improvement

Schneider Electric's "Issue to Prevention" process continues to deliver valuable insights to root causes of problems and their responding improvement opportunities. The process was further strengthened through the implementation and verification of corrective and preventive actions, and by creating a mechanism to share learning horizontally across the Group.

All these actions cover all layers, functions, global supply chain, operations, and lines of businesses.

Target

Through the combined effects of the enforcement of the Offer Safety management process and the deployment of the actions described above, the Group made progress setting a new standard for the industry by declaring its ambition to drive toward zero recalls by the end-2050 horizon. This ambition is materialized by the implementation of the SSE #15.

Read more on the methodology of SSE in section 4.1.2 on **pages 250 to 255**.

2.3.4.2 Data privacy

Impacts, risks and opportunities

Data Privacy of consumers and end-users	
Negative Impact	**Risk private and sensitive information leaks**

Schneider Electric strongly supports the fundamental rights to data privacy and protection and believes that the global implementation of a digital strategy must reconcile economic objectives and respect for fundamental human rights, including the right to protection of personal data and privacy. Our Data Privacy Policy is designed to reflect the fundamental principles of privacy and personal information protection.

Schneider Electric provides connected solutions to consumers to make their homes sustainable and to manage their home and electric vehicle energy consumption and production. Some of these solutions involve information relating to consumers' lifestyle which, in case of a security incident leading to their disclosure, could potentially have a material negative impact on the private life of consumers. A data breach of this kind could affect the trust vested in the Company by its customers, have an adverse impact on its reputation and expose the Company to fines including GDPR fines for non-compliance with the security obligation under article 32 of GDPR (up to 4% of the global annual turnover). The Company has no track record of this risk to consumers' private life having materialized. Schneider Electric cybersecurity and data protection policies, processes, and measures are designed to minimize its likelihood.

To be transparent to consumers about data protection, the Company engages with them through various touch points. Consumers browsing the Company's website can access the online data privacy policy and cookie notice of the Company for information about online data processing activities. For specific information about data processing activities (processing purposes, data categories, data sharing…) carried out in the framework of connected product offers, consumers can consult the related privacy notice, prepared considering internal Privacy Notice Guidelines.

Additionally, consumers can contact Schneider Electric to exercise their data protection rights at the email address: Global-Data-Privacy@schneider-electric.com or on a web form available in the online privacy policy (country rollout in progress). They can also raise questions on data processing or data protection or make a claim at this email address: DPO@schneider-electric.com or this post mail address: DPO, 35 rue Joseph Monier CS30323, 92506 Rueil-Malmaison – France. Our CCC (Customer Care Centers) are also available for customer requests.

Various mechanisms are available to collect and address consumers' concerns related to a data protection risk. Schneider Electric has put in place a Trust Line, where anybody can report a violation of our Trust Charter, our policies, or the law.

The Trust Line can be accessed at **https://www.se.com/ww/en/about-us/sustainability/responsibility-ethics/trustline/**

Schneider Electric has implemented a process where anybody can report security vulnerabilities or incidents so they can be addressed by our SOC, which operates 24/7/365.

Reports can be made externally to **https://www.se.com/ww/en/work/support/cybersecurity/report-an-incident.jsp**

Internal reporting channels are also available. Potential data breaches are considered as Priority 1 incidents which are investigated, assessed, and remediated in accordance with our Cybersecurity Incident Management Policy by teams involving security and privacy contacts. Also, as indicated above, internal processes are in place to collect and then address individual rights requests and claims by consumers in a timely manner with relevant teams and the support of privacy contacts in countries and the DPO Office.

Description of policies

Policies

The Company's Trust Charter, Data Golden Rules, Data Privacy Policy, Binding Corporate Rules (BCR), cybersecurity policies, and internal standards and procedures provide the foundation for our global commitment to the protection of consumers and end-users' data privacy and protection. They address key data privacy and protection controls such as:

- Data Privacy Principles of purpose limitation, fairness and lawfulness, proportionality, data quality, individual rights protection, security, and storage limitation (Data Privacy Policy, BCR, Privacy by Design Guidelines).
- Data sensitivity (Data Classification Policy, Data masking Standard).
- Vendor management (Data Privacy Policy and Supplier Security Management Policy).
- Data retention limitation (Data Retention and Data Deletion Policies).
- Accountability (Data Privacy Policy, Digital Certification Procedure).
- Security (User Access Management, Password & Authentication Requirement, Network Security, Back-up and Recovery and other cybersecurity policies).
- Data breach management (Cybersecurity Incident Management and Crisis Simulation policy).
- Data localization and Cross-border data transfers (Data Privacy Policy, BCR, In progress: Data Residency Policy).

The Company's overarching General Information Security Policy and all supporting security policies are in line with broadly recognized standards and regulations such as ISO 27001, NIST Cybersecurity Framework, ISA/IEC 62443).

The Data Privacy Policy has been drafted and updated in 2024 taking into consideration the General Data Protection Regulation (GDPR), California Consumer Privacy Act (CCPA), and Personal Information Protection Law (PIPL).

The Company's Privacy by Design Guidelines, reference document for developers of product offers, have been drafted in consideration of multiple recognized frameworks, including GAPP – Generally Accepted Privacy Principles (2009), ISO 29100:2011 – Information technology – Security techniques – Privacy framework (2011), OECD – Privacy Framework (2013), APEC – Privacy Framework (2015), Council of Europe – Convention 108+ (2018), and regulations including the General Data Protection regulation (GDPR), California Consumer Privacy Act (CCPA) and Personal Information Protection Law (PIPL).

The Company closely follows regulatory and standards evolutions and trends. It is:

- A founding member of the ISA Global Cybersecurity Alliance and a member of both the Paris Call and Cybersecurity Coalition.
- A signatory of the Cybersecurity Tech Accord and works with partners towards addressing supply chain security.
- An active contributor to the WEF's Cybersecurity Center, sitting at the advisory board of its Oil and Gas group to strengthen resilience across the industry, leveraging collective intelligence and expertise.
- A Gold Member of the IAPP, International Association of Privacy Professionals.
- An active contributor to the CEDPO – Confederation of European Data Protection Organizations- and AFCDP-*Association Française des Correspondants à la Protection des Données (French association of Data Protection)*.

Governance

Cybersecurity and data protection policies are foundational to the Group's security and data protection posture as they are compulsory for all employees and contractors. These policies are made available to employees on the Company intranet in a policy dedicated platform. The Company's internal Data Privacy Policy is also accessible in a link available at the bottom of the Company intranet and in a Data privacy dedicated page. Company policies set management's tone and provide requirements for secure behaviors (people), practices (processes), and environment (data and technology) throughout the Company.

The Company's data governance ecosystem revolves around a network of Data Officers, coordinated by a Chief Data Officer, and Data Privacy Champions in geographies and functions, who are responsible for implementing the Company's Data Golden Rules and Data Privacy Policy within their perimeters. A Group Data Protection Officer (Group DPO), a DPO Office, and a network of privacy contacts in key countries advise on data privacy obligations and monitor compliance.

A central body governs the Company-wide cybersecurity portfolio, coordinating the execution of strategic and operational initiatives, and orchestrating a broader community of security practitioners distributed across businesses and territories.

Action plan

Schneider Electric has been building its data protection program around various processes including:

- The Digital Certification process, which requires each digital asset used or provided by the Company to be assessed in light of security and privacy controls before going live as required by a Digital Certification Policy and Procedure;
- Processes for the management of individual rights requests via central contact points from where requests are dispatched to appropriate owners and answers prepared in coordination with the DPO network under an internal procedure. A request collection form and a workflow management tool (One Trust) is being rolled out (2024-2025);
- A procurement process requiring the conclusion of Data Protection Addendum with suppliers processing personal information on behalf of Schneider Electric;
- A data processing register which inventories data processing activities;
- Process and organization to identify, investigate, manage, log data breaches, and to notify impacted parties; and
- A maturity matrix which enables to follow progress in the management of personal information protection.

Moreover, the Company Offer Creation Process/Offer Lifecycle Management provides product specification requirements, including Cybersecurity and Privacy, into system requirements to guide and control the product design. The Secure Development Lifecyle (SDL Policy) requires that products embed data privacy and protection controls into our product offers. Privacy by Design Guidelines and Requirements provide references for developers to translate privacy principles into interface and architecture designs. Once the development lifecycle concludes, the product offers undergo various risk-based assessments, which include the Formal Cybersecurity Review (FCSR), Mobile Apps Governance and the Digital Offer Certification (Digital Certification Policy).

Additionally, processes are in place to report data breaches. Their investigation and remediation are managed by SOC and cybersecurity and privacy teams under the Company's Cyber Incident Management Policy.

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 in particular for a governance model, data privacy awareness, the inventory of data processing activities, the provision of privacy notices, the identification of activities requiring DPIAs and their performance and supplier DPAs. A maturity assessment of each country is performed bi-annually to measure progress. A new version of the Data Privacy Playbook will be released by the end of 2024 and deployed in 2025. The current maturity assessment model was reassessed in Q4 2024 with the objective of implementing a revised model 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").
- In order to facilitate the exercise of their data protection rights by consumers, Schneider Electric is implementing a web form which will be available on se.com 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.

2.4 Governance information (ESRS G1)

This section presents comprehensive information on the European Sustainability Reporting Standards (ESRS) G1. This standard guides the buisness conduct. The alignment with this standard creates a robust framework to address the pressing governance challenges of our time.

This section is divided in three subsections:

1. "**2.4.1 Zero-tolerance for corruption**"
2. "**2.4.2 Supplier Relationship Management and late payment prevention**"
3. "**2.4.3 Cybersecurity**"

2.4.1 Zero-tolerance for corruption

2.4.1.1 Context

Corruption is illegal and refers to the abuse of entrusted power for private gain. It damages ecosystems by eroding trust and confidence, which are crucial for sustainable economic and social relationships. Additionally, corruption poses threats to the rule of law, democracy, and human rights. It undermines good governance, fairness, and social justice, distorts competition, hampers economic development, and jeopardizes the stability of democratic institutions and the moral fabric of society. In recent years, global anti-corruption regulations have been strengthened. Many countries now have stricter controls and impose sanctions for misconduct to combat corruption effectively.

2.4.1.2 Impacts, risks and opportunities

	Corruption and bribery
Risks	1. **Debarment from public tenders or public funds** 2. **Potential legal proceeding, prosecutions, sanctions and fines** 3. **Reputational damage**
Opportunities	1. **Strengthen legal compliance and public reputation** 2. **Reinforce stakeholder engagement and loyalty**

Engaging in corruption exposes organizations to legal proceedings, prosecutions, and sanctions for companies and individuals. Companies accused or convicted of illicit behavior may then suffer a serious public relations backlash and expose themselves or individuals to being debarred from public tenders/public funds. They may also be subverting local social interests and/or harming local competitors while the cost of funding corruption may be perceived by investors as a hidden "tax" or illegal overhead charge, thereby increasing costs for companies, and further down the chain, their customers.

Schneider Electric's exposure to corruption risk materializes through various negative factors, in particular:

- Pressure on Schneider Electric's own employees to participate in corrupt practices, potentially leading to personal judicial consequences, and a decline in employees' morale and engagement; and
- Pressure on suppliers, channel partners, and contractors to participate in corrupt practices, pay bribes to secure contracts or payments.

Moreover, the Group faces significant legal and reputational consequences associated with corruption, including:

- Legal consequence: potential fines related to non-compliance with laws and regulations, such as December 9, 2016, French law known as the Sapin II law, which could result in fines of up to EUR 500 million.
- Reputational consequence: reputational damage with media exposure, potentially impacting stakeholder trust and brand perception.

To meet the legal obligations specified by the Sapin II law, the Company launched a risk mapping exercise focusing on corruption risks in 2018. In 2024, this risk assessment was updated as part of the new Ethics & Compliance risk mapping.

The process at regional level was as follows:

- **Step 1** – each region defined its local risk universe considering local specific risks.
- **Step 2** – each region assessed its gross risks and effectiveness of its local mitigation measures, generating a mapping of regional net risks. In addition, a global risk mapping was consolidated at Group level.
- **Step 3** – each region defined action plans to reduce the risk exposure. In addition, a set of global action plans was established at Group level.

Separate from the risk assessment carried out in 2024, Schneider Electric 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. To this end, Schneider Electric focuses on "at-risk" employees in third party-facing roles and therefore are involved in activities representing potentially a risk exposure from a compliance standpoint. They are identified through job activities based on risk assessment results, Internal Audit recommendations, and whistleblowing cases. The list is reviewed yearly to update job codes and add new ones if needed, based on HR reviews and new risk identification. The 2024 list contains 474 different job codes categorized into various job families. 85% of the affected population is distributed across the following key job families: Customer Projects & Services, Finance, Sales, Procurement, and Marketing. Other job families include Digital Innovation & Technology; Environment/Sustainable Development; General Management; Human Resources; Industrial/Manufacturing; Supply Chain Planning; Logistics; Customer Satisfaction & Quality; Technical; and Utilities/Facilities.

By contrast with those risks, there is competitive advantage in approaching this proactively. Companies can experience significant improvements when they hold themselves to high standards of integrity. The primary benefits range from increasing employee satisfaction, improving workplace culture, maintaining legal compliance, and strengthen public reputation. It can also reinforce the engagement and loyalty of customers, partners, suppliers, and local communities.

Multiple studies indicate that companies that have anti-corruption measures significantly increase profits compared to companies that do not. Indeed, such an approach will attract customers, investors, employees, and suppliers who are concerned about risks as well as those who value integrity. It is then translated directly into tangible benefits, including risk reduction, cost savings, and sustainable growth.

2.4.1.3 Governance

As stated in the Trust Charter and Anti-Corruption Policy, Schneider Electric has zero tolerance for corruption and is committed to comply with all applicable anti-corruption laws. This commitment is demonstrated by strong and continuously developing Anti-Corruption actions, which are part of the Ethics & Compliance program. The Ethics & Compliance program is led by the Ethics & Compliance department, under the authority of the Chief Compliance Officer, to ensure its efficiency through a dedicated Compliance Program team in close collaboration with the Anti-Corruption Controls and the Fraud Examination teams.

The Compliance Program team is made of a central team, covering Policy, Awareness, Learning & Change Management; Compliance Operations; and Risk & Control, and is locally operationalized by Regional Compliance Officers under the supervision of their regional Ethics & Compliance Committees defining the local strategy, and supported by a community of Ethics Delegates, Schneider Electric's network of trusted ambassadors locally.

Schneider Electric's Board of Directors oversees the maturity level and effectiveness of the governance and organization, risk management systems, processes and controls, and communication and training through the Audit & Risks Committee.

2.4.1.4 Policy

Schneider Electric published and rolled out a revised Anti-Corruption Policy in 2021 meeting the requirements of the French Sapin II law, to take into account results of the Ethics & Compliance risk mapping, including potential negative factors faced by Schneider Electric businesses and operations, and to provide employees with examples illustrating situations they may face. The policy considers the results of the risk assessment conducted with key internal stakeholders across all Group processes, as well as benchmarking actions to understand the expectations of external stakeholders, ensuring it is appropriately aligned. Furthermore, in countries where legislation requires it, work council reviews have been organized to take into account social dialogue.

This policy acts as a handbook for all Schneider Electric employees and affiliates to be consulted when in doubt about the appropriate behavior to adopt. It is not intended to address every issue one may encounter, but it provides appropriate examples of corruption risks and offers guidance to resolve many ethical dilemmas. The policy aims to mitigate the risks identified in section 2.4.1.2 Impacts, risks, and opportunities. In case of serious doubt about the behavior of a third party or an employee which will be potentially contrary to the provisions of the Policy, it sets out the process to report the concerns through the whistleblowing system. This policy will undergo an update in 2025 to take into account the 2024 risk assessment results and to align it with the requirements of the United Nations Convention against Corruption.

Schneider Electric's Anti-Corruption Policy is available publicly on **www.se.com**

To reinforce the Anti-Corruption Policy, Schneider Electric has established specific policies and procedures on Conflict of Interest and Gifts & Hospitality. Both policies were updated in 2023, accompanied by extensive digitalization, simplification, and clarification of the processes. These enhancements were made with a particular focus on providing practical examples to facilitate comprehension. To ensure that employees grasp the modifications effectively, a range of informative and explanatory resources have been made readily accessible, communicated through various channels, and explained in various awareness sessions.

2.4.1.5 Action plan

Management commitment

Group management demonstrates unwavering commitment to anti-corruption efforts through their actions and initiatives. The Anti-Corruption Policy was updated in 2021 and signed by Jean-Pascal Tricoire, the then Chief Executive Officer & Chairman, and Hervé Coureil, Chief Governance Officer & Secretary General. Management regularly releases informative videos, which are extensively communicated to all employees, and which highlight the Company's zero-tolerance policy towards corruption, emphasizing the importance of integrity and ethical decision-making at all levels of the organization.

The program is supervised at Board level, by the Executive Committee through the Group Function Committee, and through dedicated committees, notably for the anti-corruption controls program. These committees also approve certain program actions, including risk mapping. Management has also made some call for actions to all middle- and first-line managers through dedicated communication channels.

Awareness

Through its internal communications, Schneider Electric aims to provide employees with essential baseline information on the Company's commitment to integrity. 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. The objective was to effectively communicate updates on the anti-corruption program, enhance employee awareness of corruption risks, and equip them with the necessary tools to address them, encouraging them to seek help whenever needed. Schneider Electric also regularly shares videos and other communication assets on integrity-related subjects to its employees.

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. The event saw over 6,000 employees actively participating and engaging in discussions. A recording of the session will be available throughout 2025.

Schneider Electric communicates externally to stakeholders about its commitment to integrity and the execution of the anti-corruption program. This communication is carried out through a dedicated webpage and specific external channels. Additionally, the Company actively engages with various extra-financial rating organizations by responding to their questionnaires on anti-corruption related matters.

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, are 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%

percentage of at-risk functions employees that have completed the anti-corruption training programs vs. 98.5% in 2023); this percentage is out of scope for the sustainability statements (CSRD)

Third-parties due diligence

Third-party relationships may create risks for companies, including corruption exposure and impact on brand and reputation. Conducting third-party due diligence is important to make informed decisions and avoid potential compliance, regulatory, and reputational issues. To this end, 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 the 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. Guidelines aim to cover the very first steps of identifying potential targets, what to look out for in data-rooms, when and how to interview personnel at the target entity, and finally how the Group plans to integrate the acquired entity through dedicated Trust Standards.

Schneider Electric is also a third party for its clients and is subject to evaluation as such. The Group regularly responds to questionnaires and other additional requests regarding the Company's compliance policies, programs, trainings, governance, and audit controls. To respond to those requests, the Group has a dedicated internal platform – called Trust Center.

Whistleblowing

At Schneider Electric, stakeholders may report potential violations of the Anti-Corruption Policy either by contacting an appropriate person in the Group and/or by using the Trust Line, Schneider Electric's whistleblowing system. In 2024, 11% of the closed, valid and substantiated alerts reported through whistleblowing, concerned a violation of the Anti-Corruption Policy. Additionally, for the reporting year 2024, Schneider Electric was not convicted for any violation of anti-corruption and anti-bribery laws.

Read more on the Whistleblowing Policy and grievance mechanisms in section 2.1.1.3 on **page 39.**

Anti-corruption accounting controls

Schneider Electric implemented enhanced accounting control procedures to prevent corruption. In 2022, a cross-functional program was launched, involving Accounting, Internal Control, Digital, Ethics & Compliance, Procurement, Sales, and Marketing teams. The program focused on digitizing preventive and detective controls, with sponsorship from Executive Committee members. Priorities were determined based on the 2021 Ethics & Compliance risk assessment, covering areas like Gifts & Hospitality, Travel & Expenses, Sponsorship, Donations, Business Agents, Marketing Development Funds, and Performance Bonuses.

Monitoring, audit and continuous improvement

Schneider Electric continuously assesses and updates our processes and action plans related to the prevention and detection of corruption. This involves a comprehensive approach that considers various factors such as risk assessment results, internal control, audit, and whistleblowing findings, and aligning with the expectations of relevant authorities. By integrating insights from these sources, the Group ensures that our actions plans are robust, adaptive, and aligned with evolving regulatory requirements, thereby reinforcing our dedication to combating corruption and upholding the highest standards of integrity. Annually, the Group conducts comprehensive evaluations of the action plans to gauge their effectiveness. Through in-depth result analysis, the Group gains valuable insights that inform our continuous improvement efforts.

In addition, the anti-corruption program is part of the Group's Key Internal Controls (KICs) and the Group's Internal Audit program with specific tasks related to anti-corruption. Schneider Electric also continued to execute in 2024 the central monitoring of key anti-corruption processes such as Business Agents, Conflict of Interest, and Anti-Corruption training results. The outcome of these controls is regularly shared with key stakeholders to ensure continuous process and design improvements.

For more details on Key Internal Controls and Group Internal Audit, please refer to sections 3.2 and 3.3 of the 2024 Universal Registration Document on **pages 361 to 370**.

2.4.1.6 Anti-corruption target and metric

Anti-corruption target

Schneider Electric aims to have 100% of its employees trained in Ethics (Trust Charter and Anti-Corruption for eligible employees) and Cybersecurity as part of SSE #13 commitment. By the end of 2024, SSE #13 achieved a 98.7% completion rate.

Read more on the methodology of SSE in section 4.1.2 on **page 250**.

Metric on prevention of corruption and bribery

In addition to this specific target, Schneider Electric is following the CSRD metric on prevention of corruption and bribery. This metric enables the Group to highlight the ins and outs of the anti-corruption and anti-bribery training programs offered and required for many Schneider Electric's employees. This metric is used to evaluate performance and effectiveness and to avoid any potential legal proceeding, prosecution, sanction, or fine. For this CSRD metric, we have a focus on at-risk functions employees, managers, and any other own employees. Moreover, in contrary to SSE #13 ambition, the CSRD analysis was performed for Schneider Electric core entities and as well as for some non-IT integrated entities like AVEVA, RIB, ETAP, and Luminous. The analysis is also pinpointing different aspects of the anti-corruption and anti-bribery training programs like the training coverage, the frequency of the trainings, and the topics covered in these trainings. As a focus point, this analysis shows that 96.9% of the functions-at-risk have completed these training programs. See below a summary of the analysis regarding this metric on anti-corruption and anti-bribery training programs:

Anti-corruption and bribery training

	At-risk functions	Managers	Other own employees
Training coverage			
Total	72,756	14,898	84,964
Total receiving training	70,535	11,609	11,190
Frequency			
How often training is required	Annually	Annually	Annually
Topics covered			
Corruption	✔	✔	✔
Facilitation payments	✔	✔	✔
Conflict of interest	✔	✔	✔
Gifts and hospitalities	✔	✔	✔
Business agents	✔	✔	✔
Policies dedicated	✔	✔	✔
Speak up mindset	✔	✔	✔

2.4.2 Supplier Relationship Management and late payment prevention

2.4.2.1 Context

Schneider Electric's focus is not only on achieving business results but also on the impact its activities generate along the value chain. The contribution of Company's upstream supply chain is significantly higher than its own operations when it comes to the environmental and social impact stemming from commercial activities.

Sustainability alignment with suppliers are the corner stone of ethical sourcing, minimizing environmental impact, creating social value, and fostering long-term business resilience. By prioritizing sustainability in our operations and open communication with suppliers, we enhance supply chain transparency, reduce risks, and contribute to overall sustainability of the industry.

2.4.2.2 Glocal supply chain

Schneider Electric is the most local of global corporations, with a presence in over 100 countries and a uniform revenue footprint across major geographies. While this provides a balanced market position, it also results in a supply base that is distributed across the world. In 2024, Schneider Electric sourced goods and services from more than 50,000 suppliers, across more than 75 categories, amounting to a spend of approximately EUR 18.5 billion. This diverse supply base represents a unique combination of mature companies operating on a global scale, and small and medium scale enterprises serving local or niche markets and categories, providing simple assembly to complex manufacturing activities.

Deeply committed to advance the United Nations Sustainable Development Goals (UN SDGs), and delivering solutions for sustainability and efficiency, Schneider Electric is in a unique position to influence and support its supply chain partners across the world to embrace more sustainable social and environmental practices.

2.4.2.3 Impacts, risks and opportunities

Supplier relationship management	
Negative Impact	**Compromise suppliers' financial stability**

Owing to the size, scale, and nature of the Group's operations, its operating environment can have a direct negative impact on the overall financial stability of all its suppliers, and is directly impacted by climate change, resource scarcity, and human rights issues across its global supply base. By engaging suppliers in specific, through timebound programs, the company can create concerted actions which deliver tangible results.

The business ethics that Schneider Electric is continuously implementing have also the purpose of helping to avoid some risks like suppliers' financial instability. Additional key risks identified by the Vigilance risk assessment include human rights (in particular, safety at work, decent workplace, and labor standards), GHG emissions (especially coming from the transformation of raw materials into components and their transport), and pollution risks linked with some specific purchases categories.

By taking a combined approach to proactively managing upstream supplier risks through Schneider Electric's vigilance plan, while also driving ambitious sustainable development programs and processes, Schneider Electric secures the impacts on its business resilience and increases its attractivity to customers, investors, or new talents.

2.4.2.4 Sustainable procurement framework and strategy

Schneider Electric has deployed a Sustainable Procurement framework, which institutionalizes mechanism to proactively screen, identify, and mitigate sustainability risk from suppliers and embed preventive controls into the procurement processes. This ensures sustainability is embedded in the routine operational activities of all procurement team working around the world.

The framework also identifies thematic areas across ESG spectrum, where Schneider Electric has impacts and can play an industry transforming role. Collaborating and engaging with supply partners to develop maturity on climate action, circularity, and human rights, and challenging status-quo allows us to unlock newer areas of growth. The Group's ambitious sustainability roadmap leads its partners to define the next wave of evolution of industry, making them fore-runners who shape the future. This pursuit of sustainability helps identify new and several hidden avenues of efficiency, operational improvement, and creating and capturing new markets, which provide competitive advantage and positively correlate with financial performance. All engagements within Schneider Electric and its supply base establish that sustainability is good for business and has to be looked at as an opportunity.

Sustainable procurement framework 2021 – 2025

Vision: **Collaborate** with global supplier network for an inclusive and carbon neutral world, where ecosystems and resources are preserved, and people get access to economic opportunities and decent lives.

Environment				Social			Governance
The Zero Carbon Project	**Green Materials**	**Sustainable Packaging**	**REACH/RoHS**	**Conflict Minerals/Cobalt**	**Decent Work**	**Social Excellence**	
Reduce CO_2 emissions from top 1,000 suppliers' operations by 50% (SSI #3)	Increase green material content in products to 50% (SSI #4)	100% packaging uses recycled cardboard and no single-use plastic (SSI #5)	Continued adherence and compliance to regulations governing hazardous materials and conflict minerals		100% of strategic suppliers provide decent work to their employees (SSI #6)	Deploy a "Social Excellence" program through multiple tiers of suppliers (SSE #12)	• Supplier Approval Module (SAM) & Quality Mgt (SSQM) • Sustainable Development, Environment, Ethics & Compliance Terms & Conditions • Quarterly Business Review • Trust Line • Sustainability throughout our Procurement Excellence System

ISO 26000:	Improve sustainability profile of suppliers though leading ESG practices (strategic suppliers)
Duty of Vigilance:	4,000 suppliers assessed under Vigilance Program **(SSE #17)**
Supplier Code of Conduct:	Summarizes the most fundamental requirements from Schneider Electric towards its Suppliers

2.4.2.5 Policy

The Group's global procurement mission is aligned with our strategy of delivering customer value through transformation of energy management. Schneider Electric does this by contributing to top line and bottom line growth, while establishing a leadership position in sustainable sourcing. Key priorities of quality, innovation, cost, cash, and sustainability are supported by our people, our tailored, connected, sustainable Supply Chain and Digitalization. As a key part of our end-to-end supply chain, we count on our suppliers to be strong contributors across all aspects of performance.

Schneider Electric embeds sustainability at every stage of supplier lifecycle. It starts with the mission of the global procurement organization, which embodies sustainability in its core. In addition to top line growth and bottom-line impact, sustainability in sourcing operations is one of the three key enablers for procurement function and firmly institutionalized.

Schneider Electric is following a specific policy called Schneider Procurement Policy Book that participate in both our company and our suppliers' financial stability. This policy is validated by the VP Procurement Quality & Process Excellence. Our Chief Procurement Officer is the most senior level in our organization that is accountable for the implementation of this policy. Procurement function is accountable for the suppliers' selection and overall performance. Yet, some specific responsibility is shared with and with support from the related organizations and specific functions (R&D, Quality, Legal, etc.…), who play a key role in elaborating the relevant information and expectation to our suppliers. Therefore, the interaction with our suppliers involves several types of internal stakeholders, and every relation must be handled within the Relationship framework established by Procurement, whatever is the size of the suppliers.

The objective of this Schneider Electric Procurement Policy Book is to describe Schneider Procurement Policy and Guidelines. The policy aims as well to mitigate the risks and negative impacts identified in section 2.4.2.3 and work fairly with our suppliers. The application scope of the Schneider Electric Procurement Policy Book covers all Procurement activities: Direct Procurement, Indirect Procurement, Business Unit Procurement. Policy and guidelines including in this Schneider Electric Procurement Policy Book must be followed by all members of Procurement organization. As well, this apply to the organizations within Schneider Electric who are in relationship with our suppliers.

Our Schneider Electric Procurement Policy Book includes several elements, including our way to manage sustainability with our suppliers, our policy for suppliers that are also key Schneider Electric customers, our payment means and terms, our Procure-to-Pay Schneider Electric rules, as well as our Supplier Guidebook.

Moreover, supply chain finance, also known as supplier finance or reverse factoring, is a set of solutions that optimizes cash flow by allowing businesses to lengthen their payment terms to their suppliers while providing the option for their large, small, and medium suppliers to get paid early. This supply chain finance process is also presented and explained in the Schneider Electric Procurement Policy Book.

Overall, this Schneider Electric Procurement Policy Book is for internal purpose within the Group, and publishing this Book outside Schneider Electric is forbidden. However, some of the guidelines mentioned in this Procurement Policy Book are external documents and are available to our suppliers through our official website. This the case for our Supplier Guidebook, our Terms & Conditions (T&Cs), and our Supplier Code of Conduct.

To sensitize all current and potential suppliers about expectations and various stages of collaboration with Schneider Electric, a Guidebook is documented, initially launched in 2016 and updated regularly. The document articulates expectations for suppliers on sustainable development in the following five areas: environment, fair and ethical business practices, sustainable procurement, labor practices, and human rights, and subsequently dwells on various stages for approval, qualification, and performance evaluation. Consult and download Schneider's Supplier Guidebook on the Suppliers page on **www.se.com**

The objective of our Supplier Guidebook is to give in one simple document to our suppliers, a good overall view of how to do sustainable business with Schneider Electric by explaining our organization model, our commitments towards them, and our expectations. Our supplier leaders need to make sure that this Supplier Guidebook has been communicated to our suppliers. The implementation of this Supplier Guidebook is also the result of a collaboration with all our suppliers to ensure a sustainable relationship with all of them.

The foundation of Schneider Electric's sustainability ambition is its own Supplier Code of Conduct. It is the mother document of all supplier relationships and lists out the basic expectations with its suppliers across, but not limited to, environment, human rights and decent work, fair business practices, sustainability procurements, and occupation health and safety. The document also provides access to remedy by means of Trust Line, which is the ethics hotline of Schneider Electric. Any partner can access this help line to raise concern associated with ethical or sustainability standards with respect to business association. The Supplier Code of Conduct is also included in General Terms & Conditions, and in all other contractual documents.

Consult and download Schneider Electric Supplier Code of Conduct from the Suppliers page on www.se.com

For more information on policies regarding supplier sustainability, social programs, and governance, see section 2.3.2 on **page 170**.

2.4.2.6 Action plan

Vendor Query Management (VQM)

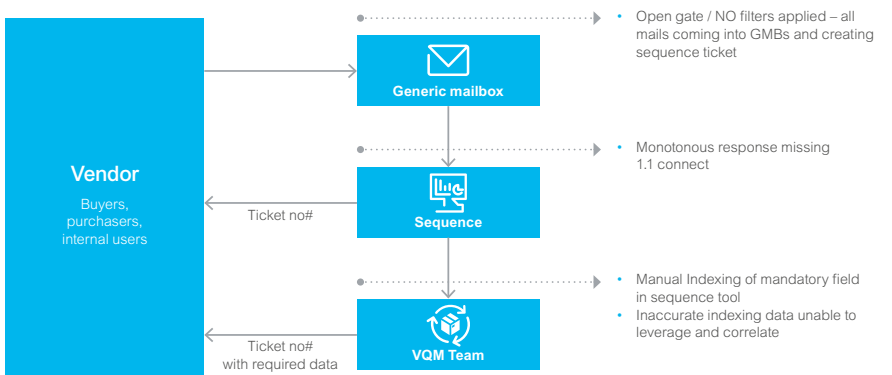
For more than 10 years, the Vendor Query Management (VQM) system aims at ensuring transparent and effective communication with all our external suppliers, to support in the best possible way any queries from them. Accessible through personalized email addresses specific to each country, VQM is managed by multilingual and global teams. VQM team exists on top of our Schneider Supplier Portal (SSP) and is accessible to all Outside Group (OG) suppliers.

VQM uses a ticketing tool named "Sequence": a ticket number is created for each vendor request, which is used to follow both externally (vendors) and internally the resolution of the request. VQM team coordinates with various stakeholders (Procurement, Accounting, etc...) the needed answer, both to get an update of the situation and resolved the issue if any.

Each month, VQM handles approximately 20,000 queries, allowing our suppliers, including SMEs, to raise concerns regarding potential late payments, account statements, or balance confirmations. The average resolution time is 2 days. See below the VQM data process:

Existing progress flow of VQM managed via sequence

VQM flow via Sequence Tool



Supplier collaboration steps

The following is outlined in detail in the Supplier Quality Excellence Guide published and communicated to our suppliers. Schneider Electric deploys a fourth-step process comprising of a Supplier Approval Module (SAM), Supplier Qualification Module (SQM), Supplier Performance Module (SPM), and Supplier Development Process (SDP) to qualify new and legacy suppliers for continued business association, where sustainability performance is a key evaluation criteria.

Consult and download the Supplier Quality Excellence Guide on www.se.com

Supplier Approval Module (SAM)

The journey of a new supplier starts with the SAM, when a supplier's capabilities are assessed to assure alignment with Schneider's expectations. This process has a dedicated evaluation on labor, ethics, environment, and occupational Health and Safety (L&EHS), in addition to other elements. It is a questionnaire-based evaluation combined with on-site audits by Schneider Electric auditors. For all new suppliers, it is mandatory to undergo this evaluation and only approved partners can proceed to the next stage of functional and technical audits required for business qualification. The existing process is using a scoring method for the supplier L&EHS performance based on which supplier can proceed to the next stage of the assessment (quality, procurement, etc.), or can be put on hold until an improvement is confirmed in their score.

Supplier Qualification Module (SQM)

Post the successful approval module the suppliers undergo supply qualification, which evaluates the technical feasibility with respect to the supplies, and after successful completion the supplier can begin the commercial association by supplying products to Schneider Electric.

Supplier Performance Module (SPM)

During the commercial stage, the performance of the supplier is constantly evaluated by the SPM. Different functional teams evaluate different performance parameters, including sustainability as one of the pillars, and the overall performance has an impact on the nature of business relationship (strategic or non-strategic).

Supplier Development Process (SDP)

Also, during the commercial stage there is a collaborative process to drive systemic and sustained improvements on identified gaps to reach specific expectations.

Schneider Supplier Portal – Supplier Relationship Management (SSP-SRM)

The results of approval and performance evaluation are available in real time on the Schneider Electric supplier portal (SSP-SRM) and are accessible to global supply chain community, making supplier interactions/decisions more fluid and preventing any supplier with poor sustainability performance from entering the supply base.

The supplier's performance is tracked by Schneider Electric supplier leaders on a monthly or pluri-annual basis depending on the severity of the risks and classification of the supplier. All business reviews with suppliers and internal functional business reviews with department Executives cover sustainability performance as a key criterion of evaluation.

The Schneider Supplier Portal (SSP) is a tool enhancing collaboration within our Supplier Ecosystem. By digitizing supplier interactions, we aim to foster a transparent and accurate exchange of information between our suppliers and Schneider Electric. The SSP offers a comprehensive suite of features, including Supplier Single Sign-On (SSO), Supplier Qualification, e-Sourcing (RFx/Auctions), and Contract Management, facilitating a seamless Source to Contract process. Additionally, it streamlines Order & Delivery, Forecast Management, Inventory Management, and Invoicing & Payment under the Procure to Pay framework. Our commitment to Supplier Relationship Management is further demonstrated through Performance Management, Supplier Development initiatives, and robust Risk Management practices. The portal also enhances communication through Master Data Management, Online Feedback Collection, and a centralized onboarding process, all supported by tools such as the Supplier 360° Cockpit and a Gen AI Chatbot. For more information, please visit the Supplier Guide Book on the Group's website.

2.4.2.7 Targets and metrics

Paid On Time (POT) golden target

At Schneider Electric, we are committed to enhancing our supplier management practices, particularly in ensuring timely payments. From here, a Key Performance Indicator (KPI) the Group is following is the "Paid On Time" (POT). POT is measured as the percentage of payments made within agreed purchasing payment terms per legal entity for OG vendors (Paid on or before due date to be considered as "paid on time").

As of December 2024, our POT metric was 80%, which is a significant improvement from the 71% recorded when we began tracking this KPI in January 2022. The target was set to 85% for 2024. The scope of this KPI includes all operational group (OG) suppliers, with specific exclusions for entities outside of Schneider Electric's direct oversight, such as Eurotherm, Lauritz Knudsen, and Solar.

During the year 2024, we have focused our improvement on significantly reducing our blocked invoices, thanks to some on-time actions and structural process improvement to reduce further inflows. An invoice can be blocked when 3 ways match is not met between the Purchase Order, the Good Receipt, and the Invoice. By continuing our work, we will be able to mechanically improve our POT and have a positive impact on the deadline we are paying after the due date.

Payment practices metrics

At Schneider Electric, we are committed to ensuring timely and efficient payments to our suppliers. We understand the impact of late payments and have implemented processes to track and address delays root causes.

The Schneider Procurement Policy Book mentions clearly our payment means and terms. This section of the Schneider Procurement Policy Book aims to describe what is in place within our Group to ensure payments are made in due dates, therefore prevent late payments, including for SMEs.

Payment terms and means are part of the process that is ensuring the payment to our suppliers is done in due time. It is the responsibility of all functions who are part of the Procure to Pay (P2P) process to ensure that payments are made in due time and to follow the process and controls to block any fraud attempt.

Payment term is one of the parameters of the relationship between a supplier and Schneider Electric's entities. The payment terms are negotiated in duly respect with the law of each country and payment term negotiation in compliance with payment policy is under the full responsibility of the buyers and supplier leaders. Schneider Electric is also following specific rules to ensure the payments to our suppliers are done in due time. These rules are called PGS rules for Platinum, Golden, and Silver rules.

The actual optimum payment terms are the following for main regions linked to PGS rules:
- Europe: 60 days
- China, NAM (North America): 90 days
- Rest of the World (see table below)

Payment Terms

International	Payment Term (days)
Australia, MSME (Micro, Small, and Medium Enterprises) India	45
Indonesia, Malaysia, SAM (South America), non MSME India, Turkey	75
Philippines, Singapore, South Korea, Thailand, Taiwan, Vietnam	60
Japan	90

Potential deviation from these payment terms may result from either the result of a negotiation or internal Schneider willingness, including for SMEs, Start-up, etc.

In each region / market, we have "champions" animating the implementation of the standard Payment Terms. The GSC Procurement Business Finance team is animating this community of "champions" by delegation of the Chief Procurement Officer.

When compiling the necessary information to provide transparency on Schneider Electric's payment practices metrics, different approaches were used. Indeed, the Group wants to give as much visibility as possible regarding the average number of days to pay its suppliers and the percentage of Schneider Electric's payments that are aligned with standard payment terms. Therefore, these indicators have been calculated depending on the actual date that can be used: from the invoice date and from the received invoice date.

Regarding the metrics on the percentage of payments aligned with standard terms, another differentiation has been done. Indeed, you can count the percentage by compiling the number of invoices concerned or by compiling the amount of all these invoices.

Moreover, the information for these 2 CSRD indicators has been split per "size" of suppliers. This categorization was done by using rating agencies classification like the one from Bureau van Dijk (BvD). As a result, see below the results of these 2 CSRD indicators:

Average Number of Days to Pay Suppliers

Supplier Type	Invoice Date Approach	Received Invoice Date Approach
"Large" Suppliers	61	44
"Medium" Suppliers	70	50
"Small" Suppliers	77	55
"Unknown" Suppliers	70	45
Total Suppliers	66	46

% of Payments Aligned with Standard Terms – Number of Invoices Approach

Supplier Type	Invoice Date Approach	Received Invoice Date Approach
"Large" Suppliers	79%	98%
"Medium" Suppliers	82%	97%
"Small" Suppliers	89%	99%
"Unknown" Suppliers	75%	96%
Total Suppliers	79%	97%

% of Payments Aligned with Standard Terms – Amount of Invoices Approach

Supplier Type	Invoice Date Approach	Received Invoice Date Approach
"Large" Suppliers	70%	95%
"Medium" Suppliers	71%	93%
"Small" Suppliers	70%	93%
"Unknown" Suppliers	71%	93%
Total Suppliers	70%	94%

Currently, our top reasons for late payments are:

1. Late received invoices: frequently observed scenario is that suppliers are sending their invoices with significant delay vs document issue date from which payment terms are calculated, that results in receiving invoices close to or after their due dates. Another scenario observed is suppliers not sharing invoices through official invoice reception channels so that they do reach accounting department allowing us to process payments timely. In both these cases invoices reaching the official reception channel are already past due.
2. Very short payment terms, especially 14 days and below. While those cases might be limited, they are creating a challenge to address payment process in such short timelines.

We are tracking all unpaid invoices thanks to an online Tableau dashboard, connected to our ERPs eco-system, to ensure the fastest resolution possible.

For the full year 2024, Schneider Electric counts ten outstanding legal proceedings related to late payments, regardless of the triggering event.

2.4.3 Cybersecurity

2.4.3.1 Impacts, risks and opportunities

Cybersecurity	
Negative impacts	1. **Risk health and safety impacts on people through industrial accidents** 2. **Damage the natural environment through industrial accidents** 3. **Risk theft of intellectual property and/or customers' sensitive data**

2.4.3.2 Policy

As per the context of Schneider Electric, the negative impacts identified in the Double Materiality Analysis (DMA) as industrial accidents pave the way for damage to customer assets and business disruption. A potential consequence is as well the theft or loss of intellectual property and/or customers' sensitive data. To address these potential consequences, a set of policies has been established. The aim is to define control requirements that reduce the potential impact of these consequences while also fostering and enhancing trust with customers, authorities, and partners.

Cybersecurity policies are fundamental to the Group's security posture, mandating secure behaviors, practices, and environments for all employees and third parties with access to our network or IT systems. These policies are directly approved by upper management (Group CISO and above), who pay special attention to effective cybersecurity due to its impact on the organization's financial success and Schneider Electric's reputation as a trusted partner for sustainability. These policies are the backbone of our cyber posture and provide guidelines and directions to ensure secure behaviors and practices across the Company.

They are stored in a centralized repository accessible to all employees and contractors with access to our IT assets and systems. They are communicated regularly through various channels, such as newsletters and online trainings, ensuring that all employees and relevant third parties with access to our network or IT systems are informed.

Policy Owners, in collaboration with the Communications team, ensure that employees understand what a policy is, why it is important, the differences between policies, directives, guidelines, and procedures, and where to find them.

In addition to corporate commitment, our Executive Committee and Board of Directors play a crucial role in ensuring a seamless implementation of the Group's security policies. A central body governs the Company-wide cybersecurity portfolio, coordinating strategic and operational initiatives and orchestrating a community of security practitioners across businesses and territories. The Policy Owners and the Governance team are responsible for conducting frequent reviews and driving improvements or updates as needed. These updates are conducted annually to reflect the evolving threat landscape, regulations, and industry practices, with each review validated by the Senior Vice-President & Chief Information Security Officer (CISO) or even at Executive Vice-President level (responsible for the overall strategy and direction of the operations, functions, or businesses).

Additionally, the Company's overarching General Information Security Policy and all supporting cybersecurity, product security, and data protection policies aim to comply with recognized industry's standards and frameworks such as ISO/IEC 27000 series, NIST Cybersecurity Framework, ISA/IEC 62443, as well as regional regulations like the European Union Network Information Security (NIS2) Directive.

Furthermore, Schneider Electric has received several recognitions for its cybersecurity, product security, and data security performance.

Schneider Electric public cybersecurity principles and whitepapers can be found in the Cybersecurity and Data Protection Posture page on **www.se.com**

2.4.3.3 Action plan

To maintain and demonstrate this commitment on Cybersecurity strategy, we have 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.

Our 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. Cyber scoring facilitates internal communication of cybersecurity reports with executives, explaining the effectiveness of our security program within the business context. Each month, leadership receives a dashboard that helps identify pain points and mitigation actions. This methodology is also deployed with subsidiaries to encourage and sustain acceptable levels of maturity across the extended enterprise, enabling continuous benchmarking of performance against peers and real-time monitoring of the Company's exposed digital footprint. Our external certificates can be also found in our Cybersecurity and Data Protection page.

ISO 27001 demonstrates our ongoing commitment to manage our high value assets securely in compliance with regulations.

CREST Certification for Penetration testing acknowledges Schneider Electric's product security teams for their skills and proficiency when it comes to testing the resilience and security of the Company's products and systems.

Our global Secure Development Lifecycle process and central office is certified to Maturity Level 4 of the TÜV Rheinland Cyber Security Management (CSM) certification, as well as the ISASecure® SDLA certification.

Schneider Electric's Vulnerability Handling & Disclosure process is certified with ISO/IEC 30111:2019 and ISO/IEC 29147:2018 standards. This affirms our commitment to address vulnerabilities affecting our products and protecting our customers.

Schneider Electric was certified mature based on international information security standards such as ISO 27001, NIST Cybersecurity Framework and Cybersecurity for ICS, PCI-DSSs and GDPR.

2.4.3.4 Targets

As part of our objectives for 2025, defined in the General Information Security Policy, Schneider Electric commits to manage cybersecurity potential consequences such as customer damage, business disruption, and intellectual property theft and loss. To do this, Schneider Electric aims to ensure that 100% of our employees are trained annually on cybersecurity (SSE #13), underscoring our dedication to maintain a robust security culture across the organization.

Additionally, we strive to be in the top 25% in external ratings for cybersecurity performance (SSE #16), reflecting our ongoing efforts to benchmark our security practices against industry standards and continuously improve our cybersecurity posture. This target is publicly accessible and serves as transparent evidence of our cybersecurity maturity, providing assurance to our customers.

Both methodologies are described in two reporting protocols (SSE #13 and SSE #16), which are primarily shared internally on a monthly basis with KPI pilots, Senior Vice-Presidents sponsors, the Sustainability team, and the Executive Committee, serving as the KPI approver. These protocols may also be shared with other collaborators upon request, such as local sustainability leads, ensuring a comprehensive understanding and implementation of our cybersecurity commitments.

SSE #13: At the end of 2024, SSE #13 achieved a 99.3% completion rate.

SSE #16: From a baseline of 520 in January 2018, we scored in Advanced with an average of 782 for 2024 and ending the year with 790.

Read more on the methodology of SSE in section 4.1.2 on **page 250**.

Requests	Schneider Electric received and handled 536 requests related to cybersecurity, product security, and data protection in 2024, stemming from customers and authorities.
Maturity	The Group averaged a score of 782 with BitSight during the course of 2024. It has 35 sites ISO 27001 certified(1). Our global product penetration testing labs are CREST certified(2). 8 internal audits were conducted in 2024. Schneider Electric received a score of 3.3 in a 2024 annual NIST maturity assessment by a top consultancy.
Training	Its mandatory training has been performed by 99.3% of employees in 2024. On top of the annual mandatory training, the Group deploys role-based cybersecurity training for its admins, HR, R&D, and customer-facing employees. 99% as average of the customer-facing employees obtained their "Cyber Badge" in 2024 with end of the year completion of 98%.
Industrial security	1 Cyber Leader per site monitors alerts and vulnerabilities and supports incident response. 100% of sites are monitored in real-time for physical and digital penetration. Since 2022, every new line is ISA/IEC 62443-3-3 & 2-4 Security Level 2 compliant.
Supplier risk management	Out of ~52,000 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. Exposure-based Cybersecurity and Data Privacy Terms & Conditions for all new suppliers.
Vulnerability management	Throughout 2024, the Group's Vulnerability Management process has been certified ISO/IEC 30111:2019 and ISO/IEC 29147 2018. Security notifications are published, in response to vulnerabilities reported, on Schneider Cybersecurity Notification Portal(3).
Cyber defense	Security Operations Center (SOC) operates 24/7 across Schneider's worldwide digital and operational landscape. In 2024, the Group did not experience any cybersecurity incident impacting materially its financial statement. 100% of high severity incidents are contained and debriefed at the highest level of the Company. Schneider Electric leads periodical crisis simulations with its critical infrastructure clients and authorities.

(1) For more information, visit the "Cybersecurity and Data Protection Posture" page on www.se.com
(2) Read the press release "Schneider Electric's Global Security Labs receive CREST pen-test accreditation" on www.se.com
(3) Access Schneider Cybersecurity Notification Portal from www.se.com

2.5 Tables

2.5.1 Disclosure Requirements presentation table

As per the ESRS guidance, the disclosure of material information in the report is pertinent to the material impacts, risks and opportunities following the respective disclosure and application requirements related to each sustainability matter. Material information is disclosed according to its significance, completeness, and capacity to meet the decision-making needs of the users.

Disclosure Requirement	Section	Page
BP-1 – General basis for preparation of sustainability statements	2.1.3 Basis for preparation	58
BP-2 – Disclosures in relation to specific circumstances	2.1.3 Basis for preparation 2.5.4 Disclosure requirements incorporated by reference	58 211
GOV-1 – The role of the administrative, management and supervisory bodies	2.1.1.2 Integrated and transverse governance of sustainable development	31
GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	2.1.1.2 Integrated and transverse governance of sustainable development	31
GOV-3 – Integration of sustainability-related performance in incentive schemes	2.1.1.2 Integrated and transverse governance of sustainable development	31
GOV-4 – Statement on due diligence	2.5.3 Declaration in terms of due diligence	210
GOV-5 – Risk management and internal controls over sustainability reporting	2.1.2.1 Assessment mechanisms: Vigilance plan and Enterprise Risk Management	43
SBM-1 – Strategy, business model and value chain	2.1.1.1 Schneider Electric activities and business model	30
SBM-2 – Interests and views of stakeholders	2.1.1.3 Trust with stakeholders	36
SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	2 Sustainability statements (CSRD)	29
IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	2.1.2.2 Double materiality assessment 2.2.1.2 Climate risks, opportunities, and impact management	48 60
IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement	2.5 Tables	204
MDR-P – Policies adopted to manage material sustainability matters	2 Sustainability statements (CSRD)	29
MDR-A – Actions and resources in relation to material sustainability matters	2 Sustainability statements (CSRD)	29
MDR-M – Metrics in relation to material sustainability matters	2 Sustainability statements (CSRD)	29
MDR-T – Tracking effectiveness of policies and actions through targets	2.1.1.2 Long-term commitments and tools to measure progress	5
E1-1 – Transition plan for climate change mitigation	2.2.1.2 Climate risks, opportunities, and impact management	60
E1-2 – Policies related to climate change mitigation and adaptation	2.2.1.2 Climate risks, opportunities, and impact management	60
E1-3 – Actions and resources in relation to climate change policies	2.2.1.2 Climate risks, opportunities, and impact management	60
E1-4 – Targets related to climate change mitigation and adaptation	2.2.1.2 Climate risks, opportunities, and impact management	60
E1-5 – Energy consumption and mix	2.2.1.4 Energy consumption and mix	80
E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	2.2.1.5 Gross Scopes 1, 2 and 3 and Total GHG emissions	81
E1-7 – GHG removals and GHG mitigation projects financed through carbon credits	2.2.1.6 GHG removals and GHG mitigation projects financed through carbon credits	85
E1-8 – Internal carbon pricing	2.2.1.7 Internal carbon pricing	87
E2-1 – Policies related to pollution	2.2.2.1 Eliminating hazardous substances	93
E2-2 – Actions and resources related to pollution	2.2.2.1 Eliminating hazardous substances	93
E2-3 – Targets related to pollution	2.2.2.1 Eliminating hazardous substances	93
E2-4 – Pollution of air, water and soil	2.2.2.1 Eliminating hazardous substances	93
E2-5 – Substances of concern and substances of very high concern	2.2.2.1 Eliminating hazardous substances	93
E5-1 – Policies related to resource use and circular economy	2.2.3.1 Management of associated IRO in terms of resource use and circular economy	101
E5-2 – Actions and resources related to resource use and circular economy	2.2.3.1 Management of associated IRO in terms of resource use and circular economy	101
E5-3 – Targets related to resource use and circular economy	2.2.3.2 Resource inflows including resource use	106
E5-4 – Resource inflows	2.2.3.2 Resource inflows including resource use	106
E5-5 – Resource outflows	2.2.3.3 Resource outflows related to products and services	113
S1-1 – Policies related to own workforce	2.3.1 Great People making Schneider Electric a great company (ESRS S1)	137
S1-2 – Processes for engaging with own workers and workers' representatives about impacts	2.3.1.2 Working conditions, sub-section "Social Dialogue"	144
S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns	2.1.1.3 Trust with stakeholders , sub-section "Whistleblowing Policy and grievance mechanisms"	39
S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	2.3.1 Great People making Schneider Electric a great company (ESRS S1)	137
S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	2.3.1 Great People making Schneider Electric a great company (ESRS S1)	137
S1-6 – Characteristics of the undertaking's employees	2.3.1.2 Working conditions, sub-section "Characteristics of Schneider Electric's employees"	147
S1-8 – Collective bargaining coverage and social dialogue	2.3.1.2 Working conditions, sub-section "Social Dialogue"	144
S1-9 – Diversity metrics	2.3.1.4 Equal treatment	152
S1-10 – Adequate wages	2.3.1.2 Working conditions, sub-section "Adequate wage"	147
S1-14 – Health and safety metrics	2.3.1.3 Employee health and safety	149
S1-16 – Compensation metrics (pay gap and total compensation)	2.3.1.4 Equal treatment, sub-section "Gender Pay Gap"	160
S1-17 – Incidents, complaints and severe human rights impacts	2.3.1.3 Employee health and safety	149
S2-1 – Policies related to value chain workers in the value chain	2.3.2.2 Policy framework guiding sustainability in the value chain	171

Disclosure Requirement	Section	Page
S2-2 – Processes for engaging with value chain workers about impacts	2.3.2 Sustainable relations in the value chain (ESRS S2)	170
S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns	2.3.2 Sustainable relations in the value chain (ESRS S2)	170
S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	2.3.2 Sustainable relations in the value chain (ESRS S2)	170
S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	2.3.2 Sustainable relations in the value chain (ESRS S2)	170
S3-1 – Policies related to affected communities	2.3.3.2 Policy	181
S3-2 – Processes for engaging with affected communities about impacts	2.3.3 Ethical relations with affected communities (ESRS S3)	180
S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns	2.3.3 Ethical relations with affected communities (ESRS S3)	180
S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	2.3.3 Ethical relations with affected communities (ESRS S3)	180
S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	2.3.3 Ethical relations with affected communities (ESRS S3)	180
S4-1 – Policies related to consumers and end-users	2.3.4 Consumers and end-users (ESRS S4)	185
S4-2 – Processes for engaging with consumers and end-users about impacts	2.3.4 Consumers and end-users (ESRS S4)	185
S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	2.3.4 Consumers and end-users (ESRS S4)	185
S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end- users, and effectiveness of those actions	2.3.4 Consumers and end-users (ESRS S4)	185
S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities impacts, and managing material risks and opportunities	2.3.4 Consumers and end-users (ESRS S4)	185
G1-1 – Business conduct policies and corporate culture	2.4.1 Zero-tolerance for corruption	192
G1-2 – Management of relationships with suppliers	2.4.2 Supplier Relationship Management and late payment prevention	196
G1-3 – Prevention and detection of corruption and bribery	2.4.1 Zero-tolerance for corruption	192
G1-4 – Confirmed incidents of corruption or bribery	2.4.1 Zero-tolerance for corruption	192
G1-6 – Payment practices	2.4.2 Supplier Relationship Management and late payment prevention	196

2.5.2 Regulations correspondence table

Other EU legislation	ESRS	Disclosure Requirement	Datapoint	Name	Section	Page
SFDR	ESRS 2	GOV-1	21 d	Board's gender diversity	2.1.1.2 Integrated and transverse governance	31
SFDR	ESRS 2	GOV-1	21 e	Percentage of board members who are independent	2.1.1.2 Integrated and transverse governance	31
SFDR	ESRS 2	GOV-4	30; 32	Statement on due diligence	2.5.3 Declaration in terms of due diligence	210
SFDR	ESRS 2	SBM-1	40 d i	Involvement in activities related to fossil fuel activities		
SFDR	ESRS 2	SBM-1	40 d ii	Involvement in activities related to chemical production		
SFDR	ESRS 2	SBM-1	40 d iii	Involvement in activities related to controversial weapons		
SFDR	ESRS 2	SBM-1	40 d iv	Involvement in activities related to cultivation and production of tobacco		
EU Climate Law	E1	E1-1	14	Transition plan to reach climate neutrality by 2050	2.2.1.2 Climate risks, opportunities, and impact management	60
Pillar 3 + Benchmark Regulation	E1	E1-1	16g	Undertakings excluded from Paris-aligned Benchmarks	2.2.1.3 Climate change results and financial effects	72
SFDR + Pillar 3 + Benchmark Regulation	E1	E1-4	34	GHG emission reduction targets	2.2.1.3 Climate change results and financial effects	72
SFDR	E1	E1-5	37	Energy consumption and mix	2.2.1.4 Energy consumption and mix	80
SFDR	E1	E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	2.2.1.4 Energy consumption and mix	80
SFDR	E1	E1-5	40 to 43	Energy intensity from activities in high climate impact sectors	2.2.1.4 Energy consumption and mix	80
SFDR + Pillar 3 + Benchmark Regulation	E1	E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions	2.2.1.5 Gross Scopes 1, 2 and 3 and Total GHG emissions	81
SFDR + Pillar 3 + Benchmark Regulation	E1	E1-6	53 to 55	Gross GHG emissions intensity	2.2.1.5 Gross Scopes 1, 2 and 3 and Total GHG emissions	81
EU Climate Law	E1	E1-7	56	GHG removals and carbon credits	2.2.1.6 GHG removals and GHG mitigation projects financed through carbon credits	85
Pillar 3	E1	E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks	2.2.1.8 Financial effects	88
Pillar 3	E1	E1-9	66a	Disaggregation of monetary amounts by acute and chronic physical risk	2.2.1.8 Financial effects	88
Pillar 3	E1	E1-9	66c	Location of significant assets at material physical risk	2.2.1.8 Financial effects	88
Pillar 3	E1	E1-9	67 c	Breakdown of the carrying value of its real estate assets by energy-efficiency classes	2.2.1.8 Financial effects	88
Benchmark Regulation	E1	E1-9	69	Degree of exposure of the portfolio to climate- related opportunities	2.2.1.8 Financial effects	88

Other EU legislation	ESRS	Disclosure Requirement	Datapoint	Name	Section	Page
SFDR	E2	E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil		
SFDR	E3-1	9	9	Water and marine resources		
SFDR	E3	E3-1	13	Dedicated policy		
SFDR	E3	E3-1	14	Sustainable oceans and seas		
SFDR	E3	E3-4	28 c	Total water recycled and reused		
SFDR	E3	E3-4	29	Total water consumption in m^3 per net revenue on own operations		
SFDR	E4	E4.SBM-3	16 a i	Disclosure of activities negatively affecting biodiversity sensitive areas		
SFDR	E4	E4.SBM-3	16 b	Material negative impacts with regards to land degradation, desertification or soil sealing have been identified		
SFDR	E4	E4.SBM-3	16 c	Own operations affect threatened species		
SFDR	E4	E4-2	24 b	Sustainable land / agriculture practices or policies		
SFDR	E4	E4-2	24 c	Sustainable land / agriculture practices or policies		
SFDR	E4	E4-2	24 d	Policies to address deforestation		
SFDR	E5	E5-5	37 d	Non-recycled waste		
SFDR	E5	E5-5	39	Hazardous and radioactive waste		
SFDR	S1	S1.SBM-3	14 f	Risk of incidents of forced labor		
SFDR	S1	S1.SBM-3	14 g	Risk of incidents of child labor		
SFDR	S1	S1-1	20	Human rights policy commitments	2.3.2.2 Policy framework guiding sustainability in the value chain	171
SFDR	S1	S1-1	21	Due diligence policies on issues addressed by the fundamental ILO Conventions 1 to 8	2.3.2.2 Policy framework guiding sustainability in the value chain	171
SFDR	S1	S1-1	22	Processes and measures for preventing trafficking in human beings		
SFDR	S1	S1-1	23	Workplace accident prevention policy or management system	2.3.1.3 Employee health and safety	149
SFDR	S1	S1-3	32c	Grievance or complaints handling mechanisms	2.1.1.3 Trust with stakeholders	36
SFDR		S1-14	88 b + 88 c	Number of fatalities and number and rate of work- related accidents paragraph	2.3.1.3 Employee health and safety	149
SFDR		S1-14	88 e	Number of days lost to injuries, accidents, fatalities or illness		
SFDR/Benchmark Regulation	S1	S1-16	97 a	Unadjusted gender pay gap	2.3.1.4 Equal treatment	152
SFDR	S1	S1-16	97 b	Excessive CEO pay ration	2.2.3.1.4 Equal treatment	152
SFDR	S1	S1-17	103 a	Incidents of discrimination	2.3.1.4 Equal treatment	152
SFDR/Benchmark Regulation	S1	S1-17	104 a	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines		
SFDR	S2	S2.SBM-3	11 b	Significant risk of child labor or forced labor in the value chain	2.3.2.2 Policy framework guiding sustainability in the value chain	171
SFDR	S2	S2-1	17	Human rights policy commitments	2.3.2.2 Policy framework guiding sustainability in the value chain	171
SFDR	S2	S2-1	18	Policies related to value chain workers	2.3.2.2 Policy framework guiding sustainability in the value chain	171
SFDR	S2	S2-1	19	Non-respect of UNGPs on Business and Human Rights principles and OECD Guidelines	2.3.2.2 Policy framework guiding sustainability in the value chain	171
SFDR + Benchmark Regulation	S2	S2-1	19	Due diligence policies on issues addressed by the fundamental ILO Conventions 1 to 8	2.3.2.2 Policy framework guiding sustainability in the value chain	171
SFDR	S2	S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	2.3.2.5 Vigilance plan for suppliers and contractors	174
SFDR	S3	S3-1	16	Human rights policy commitments	2.3.2.2 Policy framework guiding sustainability in the value chain	171
SFDR	S3	S3-1	17	Non-respect of UNGPs on Business and Human Rights principles and OECD Guidelines	2.3.3.2 Policy	181
SFDR	S3	S3-4	36	Human rights issues and incidents	2.3.3.3 Impacts and Risks	181
SFDR	S4	S4-1	16 c	Policies related to consumers and end-users	2.3.4.1 Personal safety of consumers and end-users 2.3.4.2 Data privacy	185 189
SFDR	S4	S4-1	17	Non-respect of UNGPs on Business and Human Rights principles and OECD Guidelines	2.3.4.1 Personal safety of consumers and end-users	185
SFDR	S4	S4-4	35	Human rights issues and incidents	2.3.4.1 Personal safety of consumers and end-users	185
SFDR	G1	G1-1	10 b	United Nations Convention against Corruption		
SFDR	G1	G1-1	10 d	Protection of whistle- blowers		
SFDR	G1	G1-4	24 a	Fines for violation of anti- corruption and anti-bribery law	2.4.1.5 Action plan	193
SFDR	G1	G1-4	24 b	Standards of anti- corruption and anti-bribery	2.4.1.5 Action plan	193

Grey lines = not material for Schneider Electric.

2.5.3 Declaration in terms of due diligence

Due Diligence Mapping	Section	Page
Embedding due diligence in governance, strategy and business model	2.1.1.2 Integrated and transverse governance of sustainable development	31
	2.1.2.2 Double materiality assessment	48
	2.2.1.1 Climate-related governance	59
	2.2.1.2 Climate risks, opportunities, and impact management	60
	2.3.1.1 Overall strategy	137
	2.3.2.1 Overall strategy	137
	2.3.4.1 Personal safety of consumers and end-users	185
Engaging with affected stakeholders in all key steps of the due diligence	2.1.2.1 Assessment mechanisms: Vigilance plan and Enterprise Risk Management	43
	2.1.2.2 Double materiality assessment	48
	2.2.1.2 Climate risks, opportunities, and impact management	60
	2.2.2.1 Eliminating hazardous substances	93
	2.2.3.1 Management of associated IRO in terms of resources use and circular economy	101
	2.3.1.1 Overall strategy	137
	2.3.1.2 Working conditions	139
	2.3.1.3 Employee health and safety	149
	2.3.1.4 Equal treatment	152
	2.3.2 Sustainable relations in the value chain	170
	2.3.3.2 Policy	181
	2.3.4.1 Personal safety of consumers and end-users	185
	2.3.4.2 Data Privacy	189
	2.4.1.4 Policy	193
	2.4.2.4 Sustainable procurement framework and strategy	196
	2.4.2.5 Policy	197
	2.4.3.2 Policy	201
Identifying and assessing adverse impacts	2.1.2.2 Double materiality assessment	48
	2.2.1.2 Climate risks, opportunities, and impact management	60
	2.3.1.1 Overall strategy	137
	2.3.2.1 Overall strategy	170
	2.3.3.1 Context	180
	2.3.4 Consumers and end-users (ESRS S4)	185
Taking actions to address those adverse impacts	2.2.1.2 Climate risks, opportunities, and impact management	60
	2.2.2.1 Eliminating hazardous substances	93
	2.2.2.2 Financial effects	100
	2.2.3.2 Resource inflows including resource use	106
	2.2.3.3 Resource outflows related to products and services	113
	2.3.1.2 Working conditions	139
	2.3.1.3 Employee health and safety	149
	2.3.1.4 Equal treatment	152
	2.3.1.5 Training and skills development	161
	2.3.2.5 Vigilance Plan for suppliers and contractors	174
	2.3.3 Ethical relations with affected communities (ESRS S3)	180
	2.3.4.1 Personal safety of consumers and end-users	185
	2.3.4.2 Data Privacy	189
	2.4.1.5 Action plan	193
	2.4.2.6 Actions and resources	198
	2.4.3.3 Action plan	202
Tracking the effectiveness of these efforts and communicating	1.1.2 Long-term commitments and tools to measure progress	5
	2.2.1.2 Climate risks, opportunities, and impact management	60
	2.2.2.1 Eliminating hazardous substances	93
	2.3.1.2 Working conditions	139
	2.3.1.3 Employee health and safety	149
	2.3.1.4 Equal treatment	152
	2.3.1.5 Training and skills development	161
	2.3.2.5 Vigilance plan for suppliers and contractors	174
	2.3.3.8 Opportunities	184
	2.3.4.1 Personal safety of consumers and end-users	185
	2.3.4.2 Data Privacy	189
	2.4.1.6 Anti-corruption target and metric	195
	2.4.2.7 Targets and metrics	200
	2.4.3.4 Targets	203
	4.1 Methodology elements on the published indicators	244

2.5.4 Disclosure requirements incorporated by reference

Disclosure Requirement / Datapoint	Section	Page of the 2024 Universal Registration Document
GOV-1-21-c – Information about member's experience relevant to sectors, products and geographic locations of undertaking	4.1.1.2 Biographies of the Chief Executive Officer and Board members	403
GOV-1-22-a – Information about identity of administrative, management and supervisory bodies or individual(s) within body responsible for oversight of impacts, risks and opportunities	4.1.1.1 Board members	400
GOV-1-22-a – Information about identity of administrative, management and supervisory bodies or individual(s) within body responsible for oversight of impacts, risks and opportunities	4.1.3.1 Audit & Risks Committee	431
GOV-1-22-a – Information about identity of administrative, management and supervisory bodies or individual(s) within body responsible for oversight of impacts, risks and opportunities	4.1.3.2 Governance, Nominations & Sustainability Committee	433
GOV-1-22-b – Disclosure of how body's or individuals within body responsibilities for impacts, risks and opportunities are reflected in undertaking's terms of reference, board mandates and other related policies	4.1.5 Internal regulations of the Board of Directors	440
GOV-1-22-b – Disclosure of how body's or individuals within body responsibilities for impacts, risks and opportunities are reflected in undertaking's terms of reference, board mandates and other related policies	4.1.2.1.1 Roles and duties of the Board of Directors	423
GOV-1-22-b – Disclosure of how body's or individuals within body responsibilities for impacts, risks and opportunities are reflected in undertaking's terms of reference, board mandates and other related policies	4.1.3.1 Audit & Risks Committee	431
GOV-1-22-b – Disclosure of how body's or individuals within body responsibilities for impacts, risks and opportunities are reflected in undertaking's terms of reference, board mandates and other related policies	4.1.3.2 Governance, Nominations & Sustainability Committee	433

Disclosure Requirement / Datapoint	Section	Page of the 2024 Universal Registration Document
GOV-1-23 – Disclosure of how administrative, management and supervisory bodies determine whether appropriate skills and expertise are available or will be developed to oversee sustainability matters	4.1.1.4 Skills and diversity, sub-section "Skills within the Board"	414
GOV-1-23 – Disclosure of how administrative, management and supervisory bodies determine whether appropriate skills and expertise are available or will be developed to oversee sustainability matters	4.1.1.2 Biographies of the Chief Executive Officer and Board members	403
GOV-3-29-a – Description of key characteristics of incentive schemes	4.2.3.1.2 Compensation policy of Mr. Olivier Blum as Chief Executive Officer	400
GOV-3-29-b – Description of specific sustainability-related targets and (or) impacts used to assess performance of members of administrative, management and supervisory bodies	4.2.3.1.2 Compensation policy of Mr. Olivier Blum as Chief Executive Officer	431
GOV-3-29-e – Description of level in undertaking at which terms of incentive schemes are approved and updated	4.1.2.1.1 Roles and duties of the Board of Directors	433
GOV-3-29-e – Description of level in undertaking at which terms of incentive schemes are approved and updated	4.1.2.2 Board of Directors activities in 2024	440
GOV-3-29-e – Description of level in undertaking at which terms of incentive schemes are approved and updated	4.1.3.3 Human Capital & Remunerations Committee	423
GOV-5-36-c – Description of main risks identified and their mitigation strategies	3.4 Key risks and opportunities	371
GOV-5-36-d – Description of how findings of risk assessment and internal controls as regards sustainability reporting process have been integrated into relevant internal functions and processes	3.2 Organization and management	361
SBM-1-40-a-i – Description of significant groups of products and (or) services offered	Integrated report	26
SBM-1-40-a-ii – Description of significant markets and (or) customer groups served	Integrated report	22 – 25
SBM-1-40-b – Total revenue	5.1 Consolidated statement of income	504
SBM-2-45-a-i – Description of key stakeholders	4.1.7.1 Composition	450
IRO-1-53-c – Description of process used to identify, assess, prioritise and monitor risks and opportunities that have or may have financial effects	1.2 Megatrends and Driving Trends	51
IRO-1-53-c – Description of process used to identify, assess, prioritise and monitor risks and opportunities that have or may have financial effects	3.3 Risk management mechanisms	366
MDR-T – Tracking effectiveness of policies and actions through targets	2.1.1.2 Long-term commitments and tools to measure progress	71
MDR-T – Tracking effectiveness of policies and actions through targets	2.4.1 Methodology elements on the published indicators	310
E1-GOV-3-13 – Disclosure of whether and how climate-related considerations are factored into remuneration of members of administrative, management and supervisory bodies, Explanation of climate-related considerations that are factored into remuneration of members of administrative, management and supervisory bodies	2.4.1 Methodology elements on the published indicators	310
E1-4 – Targets related to climate change mitigation and adaptation	2.1.1.2 Long-term commitments and tools to measure progress	71
E1-4 – Targets related to climate change mitigation and adaptation	2.4.1.1 Indicators from the Schneider Sustainability Impact	311
E1-MDR-A-68 – Actions in relation to material E1 substainability matters	2.1.1.2 Long-term commitments and tools to measure progress	71
E2-3 – Targets related to pollution	2.1.1.2 Long-term commitments and tools to measure progress	71
E2-3 – Targets related to pollution	2.4.1.1 Indicators from the Schneider Sustainability Impact	311
E2-MDR-A-68 – Actions in relation to material E2 substainability matters	2.1.1.2 Long-term commitments and tools to measure progress	71

Disclosure Requirement / Datapoint	Section	Page of the 2024 Universal Registration Document
E5-2-19 – Actions and resources in relation to resource use and circular economy – Resources inflows including resource use	2.1.1.2 Long-term commitments and tools to measure progress	71
E5-3 – Targets related to resource use and circular economy	2.1.1.2 Long-term commitments and tools to measure progress	71
E5-3 – Targets related to resource use and circular economy	2.4.1.1 Indicators from the Schneider Sustainability Impact	311
E5-MDR-A-68 – Actions in relation E5 to material substainability matters	2.1.1.2 Long-term commitments and tools to measure progress	71
G1-MDR-A-68 – Actions in relation to material G1 substainability matters	2.1.1.2 Long-term commitments and tools to measure progress	71
S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	2.1.1.2 Long-term commitments and tools to measure progress	71
S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	2.4.1.1 Indicators from the Schneider Sustainability Impact	311
S1-MDR-A-68 – Actions in relation to material S1 sustainability matter	2.1.1.2 Long-term commitments and tools to measure progress	71
S1-MDR-A-68 – Actions in relation to material S1 sustainability matter	2.3.2.5.3 Actions for multi-generational empowerment	304
S1-MDR-A-68 – Actions in relation to material S1 sustainability matters	2.4.1.1 Indicators from the Schneider Sustainability Impact	311
S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	2.1.1.2 Long-term commitments and tools to measure progress	71
S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	2.4.1.1 Indicators from the Schneider Sustainability Impact	311
S3-4-AR 35 – Initiatives or processes whose primary aim is to deliver positive impacts for affected communities are designed also to support achievement of one or more of Sustainable Development Goals	2.3.2 Delivering social impact for a fair transition	293
S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	2.1.1.2 Long-term commitments and tools to measure progress	71
S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	2.4.1.1 Indicators from the Schneider Sustainability Impact	311
S4-MDR-A-68 – Actions in relation to material S4 sustainability matter	2.1.1.2 Long-term commitments and tools to measure progress	71
S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	2.1.1.2 Long-term commitments and tools to measure progress	71
S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	2.4.1.1 Indicators from the Schneider Sustainability Impact	311

Context and commitments

At Schneider Electric, sustainability is central to our strategy. As the world faces urgent environmental challenges, including biodiversity loss and climate change, companies must take decisive action and adopt a comprehensive approach to efficiently use the Earth's resources.

"At Schneider Electric, we act responsibly to minimize impacts and dependencies on nature."

We understand that the planet's health is closely tied to the well-being of communities and economies worldwide. As biodiversity declines at an alarming pace, protecting our natural resources is essential for both our operations and the livelihoods of many.

Our commitment to Environmental, Social, and Governance (ESG) principles goes beyond merely complying with regulations like the Corporate Sustainability Reporting Directive (CSRD); it reflects our dedication to reducing our reliance on natural resources.

Central to our sustainability strategy is a focus on ecodesign and the circular economy, which we see as vital for protecting biodiversity while addressing climate change. Our innovative approaches enable us to rethink product lifecycles, creating solutions that are both resource-efficient and sustainable in the long term.

Our Environmental Data Program serves as a cornerstone of our initiatives, providing a comprehensive framework to measure, categorize, and compare the environmental attributes of our products. By offering up to 35 environmental data points across categories like materials, energy efficiency, and environmental footprint, we ensure transparency and empower customers to make informed decisions.

Looking ahead, we are committed to accelerating our progress. In 2024, Schneider Electric reported a year-over-year reduction in CO_2 emissions across all scopes, showcasing the effectiveness of our strategies. We recognize the importance of driving innovation and collaboration, engaging with partners, governments, and NGOs to foster meaningful policy evolution and societal transformation in the face of climate change.

Xavier Denoly
Senior Vice President Sustainable Development

3 Sustainable impact for all | Beyond CSRD

In this section

3.1 Being efficient with resources

3.1.1 Minimize the Group's impacts and dependencies on nature

3.1.1.1 Biodiversity

Context

A sustainable future for people and economies will only be possible if nature, climate, and people are valued in an integrated way. Climate change is among the main drivers of biodiversity loss, and at the same time climate change cannot be addressed without solutions from nature. If temperature rises above 1.5°C from pre-industrials level, climate change will likely become the dominant cause of biodiversity loss in the coming decades.

The World Wide Fund for Nature (WWF) 2024 "Living Planet Report"[1] points out that rising temperatures are already driving mass mortality events, as well as the first extinctions of entire species: it shows an average 73% drop in monitored wildlife populations between 1970 and 2020. Every degree of warming is expected to increase these losses and the impact they have on people. The first report of the World Economic Forum's (WEF) New Nature Economy Report series (2020), Nature Risk Rising, highlighted that USD 44 trillion of economic value generation – over half the world's total GDP – is potentially at risk as a result of the dependence of business on nature and its services[2].

Contributing to implementing the proposed five main transitions from the WEF Nature Economy Report II could create USD 3 trillion annual business opportunities and 117 million jobs by 2030[3]. Pollination, water quality, and disease control are three examples of the services an ecosystem can provide. As nature loses its capacity to provide such services, the economy could be significantly disrupted. This report found that many industries have significant "hidden dependencies" on nature in their supply chain and may be more at risk of disruption than expected.

The urgency to accelerate corporate action on biodiversity management is also reflected in the increase in disclosure requirements. With increased expectations from investors and stakeholders for companies to be aligned with the Kunming-Montreal Global Biodiversity Framework (GBF), the Taskforce on Nature-related Financial Disclosures (TNFD) piloting phase was officially launched in Q3 2023[4] to facilitate transparency and consistency in disclosures.

While the Group has aligned its targets with GBF's mission: "To halt and reverse biodiversity loss by 2030", it will continue to monitor evolving international standards and best practices especially as the science-based targets for nature, guided by the Science Based Targets Network, continue to mature. The Group has designed a program that is guided by science and follows the mitigation hierarchy[5] – prioritizing actions to avoid, minimize, restore, and regenerate impacts across its value chain. Schneider Electric will continue to grow its Biodiversity program with strong governance and commitment across the business.

Risks, impacts, and opportunities

When considering this "climate-nature nexus", Schneider Electric recognizes the inability to mitigate – or adapt to – the impacts of climate change without protecting, restoring, and enhancing the global stocks of nature. Schneider Electric assesses periodically (in 2020 and in 2023) its impacts and dependencies on the four realms of nature defined by TNFD (land, ocean, freshwater, and atmosphere), and five main drivers of nature change: climate change, resource exploitation, land and sea use change, pollution, and invasive alien species. The Group's biodiversity impacts are indirectly caused by its carbon emissions, and its dependencies are concentrated upstream of the Group's supply chain – specifically, water-related ecosystem services, due to metals and resources processing.

As the Group expands its efforts to manage its impacts along its value chain, it also recognizes significant opportunities to enhance the resilience of its supply chain through better partnerships with suppliers and enhancing visibility on environmental measures. The Group's commitments and early actions on biodiversity continues to support its reputation as a leader in its sector.

The Group's commitment to biodiversity

In 2021, Schneider Electric committed to no net biodiversity loss in its own operations by 2030. This was underpinned by five key actions. Internal guidelines define the rules applicable for the Schneider Sustainability Essentials (SSE) ambitions and best practices are shared across sites for continuous improvement.

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.

Consult Schneider's commitments to act4nature international on **www.se.com**

Biodiversity footprint measurement

As committed in 2021, Schneider Electric will run a biodiversity footprint assessment every 3 years. Its baseline was published in 2020. The second biodiversity footprint assessment was run in 2023. Schneider Electric ran its second biodiversity footprint assessment in 2023. The study allowed the Group to be more granular in its data and have a first view to what extent the actions undertaken since 2021 are supporting the footprint reduction.

The evolution of Schneider Electric's upstream footprint is mainly driven by our climate roadmap with green materials and sustainable packaging commitments. Land use accounts for almost 30% of "cradle-to-gate" impacts. As the Group was able to accelerate our climate commitment in our Scope 1 (operations emissions), these results are reflected in the biodiversity footprint too. Climate change remains an important driver for Schneider Electric's biodiversity footprint, however engaging on targets related to other pressures remains key to contribute to reversing biodiversity loss.

A key learning is that addressing one issue may negatively impact another, e.g., moving from single-use plastic to cardboard-based packaging is decreasing one climate change driver while increasing the land conversion risk. Such conclusions invited the Group to go further on the knowledge and granularity of its targets setting.

In addition to understanding its Corporate Biodiversity Footprint, Schneider Electric works to understand the inherent risk linked to its sites' locations. This is why it used the Integrated Biodiversity Assessment Tool (IBAT[1]) in 2021 to capture such information. The IBAT report enables users to assess the biodiversity-related features of multiple operational sites for risk management and strategy setting. In particular, the report is relevant for Global Reporting Initiative (GRI) standard GRI 304: Biodiversity.

For each operational site, the report provides the counts of protected areas and Key Biodiversity Areas (KBAs) within a 1-kilometer radius. The results of the "IBAT Multi-site Report, 2021" include all Schneider sites and show that, within a 1-kilometer radius:

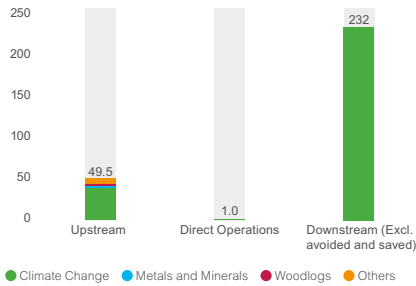
- 21% of its sites are in proximity of a protected area as defined by the International Union for Conservation of Nature (IUCN), of which:
  - 8% are in category 1a, 1b, and 2 (just six sites are in proximity of a category-1-protected area);
  - 29% are in category 3 or 4;
  - 31% are in category 5 or 6; and
  - 2% are not applicable, not assigned or not reported.
- 3% of the Group's sites are in proximity of a KBA (defined by IBAT as either "Alliance for Zero Extinction" or "Important Bird and Biodiversity Areas").

Among the sites in proximity of a protected area, 33% are either industrial sites (characterized by discrete industrial processes such as assembly lines) or distribution centers (warehouses and logistics); the remaining 66% are office buildings. All results are made available to sites, so that they can better understand the local threat to biodiversity and restoration potential.

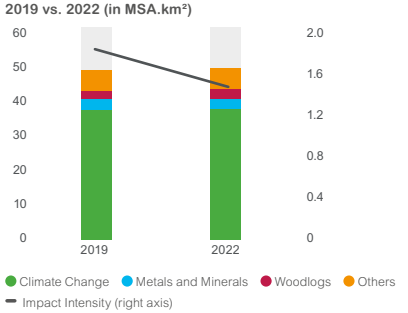
Find our IBAT Multi-site Report generated under license 26614-25299 from the Integrated Biodiversity Assessment Tool on 15 December 2021 on **www.ibat-alliance.org**

For the second action, Schneider has committed to no net loss biodiversity loss from its operations by 2030. It also set the ambition of having 100% of eligible sites with biodiversity conservation and restoration programs by 2025.

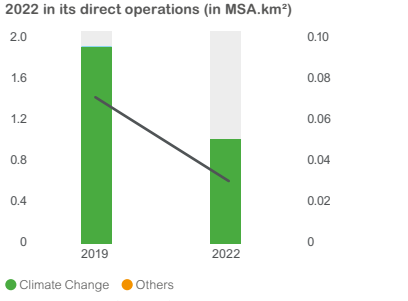
Schneider Electric's 2022 terrestrial dynamic footprint by scope (in MSA.km²)



Schneider Electric's upstream dynamic terrestrial impacts 2019 vs. 2022 (in MSA.km²)



Schneider Electric's dynamic terrestrial impacts 2019 vs. 2022 in its direct operations (in MSA.km²)



(1) WWF 2024 Living Planet Report.
(2) Nature Risk Rising: Why the Crisis Engulfing Nature Matters for Business and the Economy Report, World Economic Forum.
(3) Article "Biodiversity loss poses a fundamental risk to the global economy", World Economic Forum.
(4) Taskforce on Nature-related Financial Disclosures (TNFD) website.
(5) Article "Net positive and the Mitigation Hierarchy", The Biodiversity Consultancy.

(1) https://www.ibat-alliance.org

Based on the outcome of the second Biodiversity Footprint Assessment, Schneider Electric is on track to achieve its target of "no net loss in its direct operations by 2030". The study also allowed Schneider Electric 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.
- **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).
- Use 100% of sustainable primary and secondary packaging by 2025 (SSI #5).

As part of the Schneider Sustainability Essentials (SSE) program, Schneider Electric committed to engaging employees and partners in deploying biodiversity conservation and restoration programs at 100% of its sites larger than 2,000 m^2. To meet this ambition, 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, Schneider Electric achieved 84% performance, up from 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, river and ocean clean-ups in Egypt and Italy, and ecological corridors in Brazil.

3.1.1.2 Water withdrawal, discharge and stress

Water-related risks monitoring

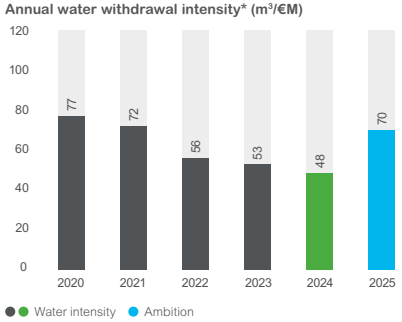
Schneider Electric regularly assesses water-related risks. In 2022 the Group conducted a corporate water footprint assessment across the full value chain, covering water consumption, scarcity, eutrophication, ecotoxicity, and acidification. The assessment showed that direct water use and indirect energy 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.

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.

In 2024, Schneider Electric continued to prioritize water conservation by monitoring water stress levels at its sites and implementing water conservation strategies at main sites. The Company aims for 100% of its water-stressed sites to have water conservation action plans by 2025 (SSE #11), ensuring continuous improvement in water efficiency and management.

In 2024, water management and performance information were disclosed in the CDP Water Security program, and Schneider was scored an A-.

Annual water withdrawal intensity* (m^3/€M)



* Scope of sites is GED 001 scope; Scope of total revenues is the Group's revenue

Water withdrawal

The Group also measures water withdrawals from various sources, including the 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-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 ambition, continuing to prioritize water conservation efforts.

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.

3.1.1.3 Pollution mitigation

Conditions of use and release into the soil

Schneider Electric's facilities are predominantly situated in urban or industrial zones. The Group's operations do not involve extraction or land farming. In 2024, Schneider's manufacturing sites conducted their routine annual review of pollution risks as part of the ISO 14001 monitoring process. No incidents of spills or discharges leading to soil pollution were reported in 2024. Hazardous materials and their associated wastes are managed in strict compliance with regulations and effective pollution prevention measures. For instance, these measures include storing materials on impervious surfaces and ensuring that stormwater is kept separate from chemicals and wastes.

Discharge into water and air

As Schneider Electric primarily functions as an assembler, its discharges into air and water are minimal. The Group's manufacturing sites are meticulously monitored in accordance with local regulations and the ISO 14001 certification. Discharges are tracked locally as mandated by current legislation. In 2024, there were no spills or discharges that resulted in water or air pollution.

Emissions of nitrogen oxides (NOx), sulfur oxides (SOx), and particulate matter are monitored at site level where applicable, in line with legal requirements, with these emissions being verified through ISO 14001 audits.

Schneider Electric is dedicated to preventing air pollution and mitigating adverse health impacts from volatile organic compound (VOC) emissions. The Group aims to reduce VOC emissions from industrial activities by 10% every three years. VOC emissions, primarily linked to production, have decreased from 29 kilograms per million euros in 2017 to 8.5 kilograms per million euros in 2024. The Group collaborates with its industrial sites that contribute the most to VOC emissions, which together account for over 90% of the Group's total VOC emissions.

At these sites, environment, health and safety, and industrialization teams work together to ensure strict adherence to usage conditions and to identify and mitigate health and environmental risks. These top VOC-emitting sites also explore opportunities to reduce and phase out the use of certain chemicals in industrial processes wherever possible.

Additionally, emissions of chlorofluorocarbons (CFCs) and hydrochlorofluorocarbons (HCFCs) are monitored locally in accordance with applicable regulations. These emissions are primarily due to the operation of air conditioning systems and are not directly related to Schneider's industrial activities.

Noise, odors, and light

All Schneider Electric sites comply with local regulations regarding noise and odor. Given the nature of its activities and distribution model, the Group does not have any significant external light pollution.

3.1.1.4 Environment management systems

Schneider Electric's commitment to implementing an environmental management system is driven by a global network of over 600 managers and experts. These professionals are responsible for overseeing the environmental management of the sites, countries, product design, and marketing efforts. At the core of the Group strategy is the Integrated Management System (IMS), which standardizes and streamlines the deployment of various management systems across our plants, distribution centers, and large offices. The IMS includes compliance with ISO 14001, ISO 50001, ISO 9001, and ISO 45001 standards. Each site undergoes periodic audits, either externally by Bureau Veritas every three years or internally, to ensure adherence to these standards. Specifically, ISO 14001 certification is crucial for maintaining robust environmental governance and supporting continuous improvement in environmental performance.

Schneider Electric certifies all industrial and logistics sites with more than 50 employees and all large tertiary sites with more than 500 employees within two years of their acquisition or creation. For sites that do not meet the criteria for ISO 14001 certification – industrial and logistics sites with fewer than 50 employees, tertiary sites with fewer than 500 employees, and newly acquired or created sites – an environmental management system may be implemented on a voluntary basis, though it is not tracked at the corporate level. This approach ensures that the Group maintains high environmental standards across our operations while allowing flexibility for smaller or newer sites.

In addition to ISO 14001, our IMS also includes ISO 45001 certification, which focuses on occupational health and safety. Key elements of ISO 45001 certification include annual site management reviews, internal site audit programs, and external audit programs at both site and corporate levels. This certification is currently in place for 211 locations, including 176 manufacturing and logistics sites and our headquarters.

As of the end of 2024, 263 sites were certified to ISO 14001, covering approximately 79% of our Group's scope based on site surfaces, 73% in terms of energy consumption, and over 84% in terms of water usage, waste generation, and Volatile Organic Compounds (VOC) emissions.

The environmental reporting scope and targets are based on all ISO 14001-certified sites. Environment reporting metrics, detailed on chapter 2.2.2 Environmental information on page 59, include energy consumption, Scopes 1 and 2 CO_2 emissions, waste generation, water usage, and VOC emissions.

Environmental risk management and prevention require more than just the appointment of technical environment experts. Robust governance with key stakeholders across the entire organization is critical to achieve and maintain success in the numerous areas surrounding environmental risk and prevention.

The Group has therefore established the following engagement programs:

- The Company-wide Look at Environmental Assessment and Risk Review program (CLEARR), which focuses on historical and current potential environmental site risks, and surveys new and existing selected manufacturing sites each year.
- Environmental due diligence reviews of mergers, acquisitions, and disposals, at any site where chemicals are or have been used. Any environmental risks or liabilities identified are addressed through proper risk management activities.
- Third-party services assess the risk profiles of key sites in relation to certain external risks such as fires, earthquakes, floods, and other natural disasters. This process is combined with the business continuity planning efforts to gauge related risks and anticipate possible steps which would be required.
- Risks and mitigation actions are presented to the Board Audit & Risks Committee.

3.1.1.5 Energy management programs

Schneider Electric measures its Energy program in a variety of ways. Two such ways are energy productivity and energy efficiency.

On the one hand, energy productivity is the amount of output the Group produces vs. the amount of energy consumed (turnover/MWh), and the goal is to increase this value by both increasing the Group's business performance while simultaneously reducing the energy consumed in its operations. Schneider Electric has been a member of Energy Productivity 100 (EP100), a Climate Group initiative, since 2017. Schneider's target is to double energy productivity by 2030 against the 2005 baseline, which means doubling the economic output from every unit of energy consumed within 25 years. In 2024, the Group achieved 153% energy productivity compared to 2005 (against a 2030 target of 100%). By achieving its EP100 commitment 8 years early (in 2022), Schneider Electric demonstrates the feasibility of decoupling business growth from energy consumption. Simultaneously it tangibly illustrates Schneider Electric products, solutions, and services are a core foundation to energy saving opportunities.

Energy efficiency, on the other hand, uses linear regression models to predict how much energy the Group would consume based on various inputs (production, weather, worked hours, etc.) vs. the actual energy consumed. The goal here is to reduce energy consumption compared to predicted value by driving energy efficiency in its operations.

Despite being low consumers of energy compared with other industries, due to its discrete and assembly-based industrial processes, Schneider has had a clear obsession with efficiency since long before its EP100 commitment.

The Group monitors energy efficiency across its 200+ largest energy-consuming sites, which together account for over 90% of the Group's total measured energy consumption. In Schneider Electric operations, site energy experts along with Schneider's Sustainability Business consulting team work together to report and analyze energy consumption, identify energy saving opportunities, and deploy actions. Since 2005, the Group has fixed annual objectives for energy efficiency each year. Schneider met or exceeded its energy efficiency goals during the previous four Company programs (2009 – 2011, 2012 – 2014, 2015 – 2017, and 2018 –2020), by achieving 10%, 13%, 10%, and 10%, respectively. In 2021, the Group renewed its commitment to improve energy efficiency by another 15% between 2019 and 2025, tracked under SSE #5. 15.8% were achieved in 2024, totaling over 50% reductions between 2009 and 2024.

Schneider Electric utilizes its EcoStruxure™ architecture to achieve energy savings across its smart factories, distribution centers, and offices. Five of Schneider's Smart Factories have been recognized as 4th Industrial Revolution (4IR) Advanced Lighthouses by the World Economic Forum (WEF). Through its Smart Factory and Distribution Center (DC) programs, the Group has implemented advanced manufacturing technologies in over 120 smart factories and distribution centers over the past six years. In offices, Schneider Electric's EcoStruxure™ solutions, such as Building and Workplace Advisor, help minimize energy consumption and emissions, reduce costs, and enhance employee experience and comfort.

3.1.1.6 Waste-to-resources

When products and materials are circulated in the economy at their highest value, the need for virgin materials is reduced. This leads to a reduction in with metal and mineral extraction, fewer resource needs for manufacturing. This in turn leads to lesser environmental emissions and more space for nature regeneration and wilderness preservation.

The reduction in environmental emissions links directly to Schneider achieving its SSI #1 to #5 by 2025 and its Net-Zero target by 2030. Circularity is a non-negotiable for Net Zero. While most efforts to tackle the crisis have focused on a transition to renewable energy, complemented by energy efficiency, these measures can only address 55% of emissions. The remaining 45% of emissions come from the production and consumption of products. Beyond this corporate level, circularity principles also guide product sustainability, for example eco-design and Environmental Data Program; efficient manufacturing, for example, waste to resource sites; and component and material securitization, for example, copper circularity.

3.1.2 End-to-end Circularity

3.1.2.1 Product stewardship

Schneider Electric's vision is to decouple business growth from resource extraction. Leveraging the goal of circularity is to design out waste and pollution, keep products and materials in use, and regenerate natural systems. It proposes a framework in which outputs from every stage of the lifecycle become inputs to another, offsetting the need for new materials and energy-intensive manufacturing activities.

The company adopts end-to-end circularity to (1) drive circularity concepts as a core part of offer creation, product design, and manufacturing; and (2) keep products, parts, and materials in circulation at their highest functional value as long as possible.

Strategic layers:

- Design innovation: (1) applying eco-design principles to product development, e.g., designing for reliability and lifetime extension, and (2) business innovation to offer development, e.g., deciding a go to market strategy between transactional sales and as a service.
- Use better: is about sourcing the best-in-class sustainable materials and manufacturing products efficiently. Example measures include sourcing materials with high recycled content and minimizing manufacturing scrap.
- Use longer: involves providing services to keep products in use for as long as possible. For example, on-site repair and maintenance, as well as equipment modernization services.
- Use again: relates to recirculating products, parts, and materials in the economy. For example, take back, refurbishment, and resale of retired assets.

3.1.2.2 EcoDesign for Schneider Electric

At Schneider Electric, every product or solution fulfills strict environmental performance. The Group has embraced a circular approach throughout the lifecycle of its products and aims to design products with minimal material footprint and maximal lifetime value. Implementing a circular model that minimizes waste requires interventions across the value chain – innovative design, materials, service business models, reuse and redistribution processes, collection, and more. R&D is needed to design products that use fewer virgin resources, bring additional CO_2 or resource efficiency for customers, have longer lifespans, and lower end-of-life impacts, such as SF_6-free products.

Circularity is a key enabler and lever to climate change mitigation and biodiversity preservation. With circularity in mind, the Group can maximize the value retention of everything it produces through the products' lifetime. The circular journey of Schneider Electric starts with the design phase, to ensure that every product and offer are using better materials and processes, are used longer, and are used again once they reach their first end-of-life: this is EcoDesign for Schneider Electric. Environmentally conscious design (or eco-design) is defined in the standard International Electrotechnical Commission (IEC) 62430:2019 – Environmentally conscious designas the design of products or services that aims to minimize the environmental impact throughout a product's lifecycle.

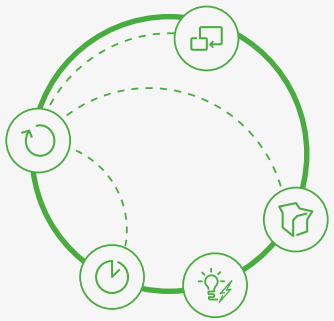
Over the past two decades, Schneider Electric has been investing in improving the sustainability of its products and completed +3000 life cycle assessments, leading the organisation to have a better understanding of its environmental hotspots. In 2015, to respond to customers' growing demand for products 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, as shown with the five EcoDesign categories below. 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.

EcoDesign Circularity

Recirculation
Ensure products, parts and materials have multiple lives.

Life time Extension
Extend lifetime of products, parts through design and services.

Energy Efficiency
Optimize Energy Efficiency during product use. Ability to deliver energy efficiency for customers.



Materials & Substances
Optimize: Focus on using less. Focus on alternative materials acting for circularity, low carbon and people and ecosystem safety.

Packaging & Operations
Focus on alternatives packaging solutions to optimize resources and minimize waste generation. Other benefits occuring at SE operations.

EcoDesign allows businesses to implement Schneider Electric environmental global commitments into new product development processes, therefore ensuring that Schneider Electric offers participate actively to its long-term commitments. While the EcoDesign Way™ Scorecard is still being used in projects, Schneider Electric has revamped the EcoDesign assets in 2023 to further accelerate positive impacts products and services could have on the environment. In 2023, the Group structured the EcoDesign strategy while developing multiple assets to better support all Design and R&D teams.

EcoDesign in business strategy

Each business unit defined its sustainability targets and roadmap to reflect operationally the resources required to achieve a decarbonization plan. The Human Resources department performed a thorough assessment to ensure each business unit was correctly staffed to foster EcoDesign. It includes roles and responsibility descriptions and upskilling plans. The Group has implemented EcoDesign metrics into the Offer Life Cycle Management to ensure all projects are incentivized to track the environmental footprint of their projects and report their performance on carbon and materials footprint. Mandatory deliverables at key milestones of the Offer Life Cycle Management have been updated to strengthen the EcoDesign requirements.

EcoDesign assets

The Group has launched in 2023 the EcoDesign Training Path, a set of 20 training modules, accessible for the entire R&D community, to raise awareness, train, and upskill the engineer in charge of new product development. The EcoDesign Training Path includes several training levels, from basic to expert and covers a wide range of topics such as the EcoDesign principles, lifecycle assessment (LCA), green materials, communication rules, and standards. The central team of the different business units are tracking the deployment of the different EcoDesign Training Path modules to ensure a good appropriation by the R&D team and therefore building a common knowledge to foster Sustainable Innovation DNA across the Company.

EcoDesign Training Path Overview

Introduction
- The EcoDesign BOOST to define the list of your most recommended learnings according to your role and your knowledge.
- Sustainable communication

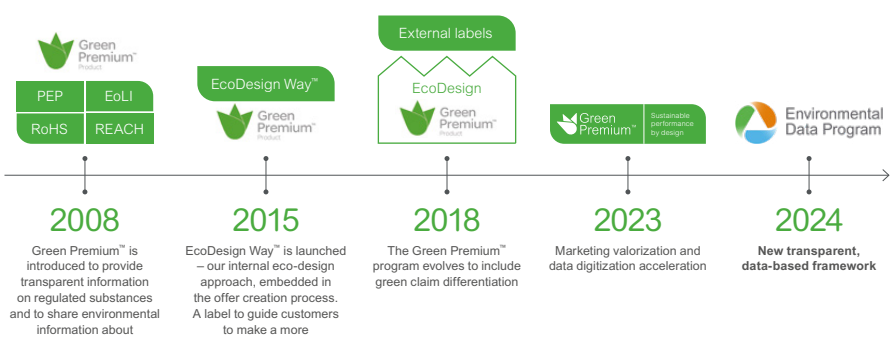
Basic
- EcoDesign principles
- Life Cycle Analysis Principles

Advanced
- Environmental data
- Overview of external labels & certifications
- EcoDesign calculator
- How to design a sustainable packaging?
- How to design products with Sustainable Materials?
- How to achieve recyclability performance?
- How to optimize product energy consumption?
- How to extend lifetime of our products?
- Green supply chain

Expert
- How to perform & verify a Product Environmental Profile (PEP)?
- Life Cycle Analysis (LCA) & Product Environmental Profile (PEP) advanced
- How to anticipate regulations & standards?
- How to perform conformity assessment?

In 2023, the Group has developed the EcoDesign Carbon calculator, an online tool based on LCA methodology and datasets to allow non-environmental experts to model their projects' environmental footprint, identify hotspots, and estimate their first reduction potential. The EcoDesign Carbon Calculator, focusing on a Climate Change indicator at first (other environmental indicators could be activated at a later stage), intends to be used at an early stage of the Offer Life Cycle Management. It relies on available Product Environmental Profiles (PEPs) and allows users to simulate different scenarios by using an extrapolation function. Multiple scenarios can be compared to identify the best design opportunity for the project team.

The EcoDesign Carbon Calculator has been built thanks to a partnership with start-up, Altermaker, specialized in the development of IT solutions for LCA, with support of pilot project teams who tested the tool. The EcoDesign Carbon Calculator does not intend to replace a full LCA tool, but rather to educate the whole project team on the order of magnitude of the carbon footprint of their product or service, raising their awareness on the environmental footprint accountability, developing their ownership toward Schneider Electric's environmental commitments, and thereby actively contributing to identify more opportunities.



3.1.2.3 Leading with transparency: Environmental Data Program and Product Environmental Profiles

Complementing the EcoDesign initiative, for the last 15 years, Schneider Electric operated the Green Premium™ program to transparently communicate the environmental value of a product to customers, with both qualitative and quantitative data. The Green Premium™ label means that a product follows the EcoDesign principles, and:

- Is compliant with RoHS (Restriction of Hazardous Substances) and REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals) regulations;
- Has an estimated LCA; and
- Has clear end-of-life instructions.

In 2015, the Green Premium™ label added other environmental criteria. For example, the Green Premium™ label signals circularity business models, such as "take-back" programs. An example of a take back program is for customers who have purchased one of the Uninterruptable Power Supplies (UPS) to have access to complementary recycling when the battery in the product reaches its end of useful life. In 2023, this service collected more than 16,000 tonnes of batteries globally for recycling.

In 2018, external labels such as Byggvarubedömningen (or BVB), Cradle to Cradle or SundaHus have been added as a criteria for Green Premium™ product eligibility.

Lastly, in 2024, Schneider Electric decided to go one step further regarding product sustainability transparency by launching the Environmental Data Program and retiring the Green Premium™ label.

The Environmental Data Program is the way Schneider Electric measures, categorizes, and compares the environmental attributes and footprint of their products. The program uses a fact-based methodology to provide up to 35 environmental data points to Schneider Electric products.

The data are classified in five categories covering the entire product lifecycle (materials and substances, energy efficiency, lifetime extension, repack and remanufacture, and environmental footprint) and are available on Schneider Electric's digital platforms.

Learn more about the Environmental Data Program on mySchneider webpage on **www.se.com**

This detailed product environmental information goes beyond existing regulatory requirements in response to customers growing expectations.

End of 2024, 70% of Schneider product turnover (90 000 Commercial references) was made with product disclosing more than 14 environmental data attributes, easily accessible on the online product pages.

A greater number of customers, regulators, and standards bodies request quality and detailed environmental data. Many building standards and local regulations demand or promote offers providing Environmental Product Declarations (EPDs).
An environmental footprint is a product or solution-related measurement that provides quantitative information based on LCA (according to ISO 14040-44 standard). It enables the assessment of multiple environmental impact indicators, including the carbon footprint, for all product or solution lifecycle stages. The scope of this assessment is also referred to as "cradle-to-grave". Environmental footprint assessment is a mandatory requirement in the Environmental Data Program. Schneider Electric relies on PEPs to fulfill this requirement. A PEP is defined as a product-oriented "summarized" version of a full LCA. It relies on Product Category Rules (PCR) or Product Specific Rules (PSR), as specified by the ISO 14025 standard related to EPD.

At Schneider, there are two types of PEP available:

- **Certified** – a Type III environmental declaration in compliance with ISO 14025. The certified PEP is externally reviewed by an accredited verifier and published by a program operator according to the rules provided by this operator (for example, PEP ecopassport®).
- **Internal** – the internal PEP follows the exact same rules as the certified one. However, an internal PEP is reviewed internally and therefore cannot be registered through an independent program operator. A process of accreditation for internal verifiers guarantees the adequate level of internal PEP verifications. Verifiers check PEPs from lines of business other than their own, thus ensuring independence. Internal PEPs comply with the ISO 14021 self-completed declaration. In 2024, more than 2,300 valid PEPs were publicly available online, covering all of Schneider's product lines, and more than 80% of product lines are covered by an ISO 14025 Type III declaration.

Digitization of PEP data

Since 2008, when the Green Premium™ program incorporated the mandatory requirement related to the availability of a PEP, Schneider Electric has published PEPs at product family level. In 2021, the Group launched a pilot project to extrapolate PEP data from product-family level to product-level, to produce more granular PEP data and start sharing them with a few strategic customers. Sharing more granular PEP data enabled those few customers to enhance the accuracy of their respective carbon accounting and develop services for their own customers to help them purchase more sustainable products based on quantitative environmental impact data. With this initiative, Schneider Electric strengthened the relationship with strategic clients, being positioned in the top suppliers thanks to sustainability efforts. In 2024, the PEP digitization program, which uses artificial intelligence (AI) and a dedicated software, enabled the Group to extrapolate and digitize quality data on more than 100,000 products to date.

Thanks to the Group's investment in those dedicated tools and processes and a strong project coordination involving central functions and all divisions, it is now possible to share PEP data at product level with more customers, external databases, and design firms and software, to position Schneider Electric as a key player of the sustainable transformation of building, infrastructure, and industry, and drive this transformation with quantitative data issued from LCAs.

Schneider Electric position on LCA and product carbon footprinting

Schneider Electric embarked on the LCA journey more than 20 years ago, with the aim of being transparent towards its stakeholders on the environmental impacts of its offers, considering the full lifecycle and a wide set of environmental impact indicators, beyond product carbon footprint. The Group has advocated for LCA since then, to comply with existing, recent, and future regulations (e.g., the EU CSRD and Taxonomy, and the Netherlands Environmental Performance of Buildings regulation), to meet customers' demand for LCA data and to deploy wise eco-design strategies assessing and avoiding environmental impact tradeoffs.

The Group also advocates for strategies to improve the supply chain representation in LCA and the comparability of LCA among industry, at various levels from EU and international standardization to cross-industry initiatives such as the PACT (Partnership for Carbon Transparency) Pathfinder Framework project led by the WBCSD (World Business Council for Sustainable Development), and the need for a single and public LCA database, to ensure LCA practitioners in the industry can leverage their individual supply chain data and at the same time use identical LCA datasets (LCA raw data for materials, processes, energy supply, etc.).

PEP ecopassport PCRed4

In 2021, Schneider Electric made a major contribution to the development of the new Product Category Rules (PCR) of the PEP ecopassport® association (PCRed4 issued in September 2021), which are:

- Compliance with the EN 50693:2019 standard: Product category rules for life cycle assessments of electronic and electrical products and systems – currently being mirrored in the IEC TC 111 Working Group 15 (IEC 63366);
- Full alignment with the EN 15804+A2 standard: Sustainability of construction works – Environmental product declarations – Core rules for the product category of construction products;
- Integration of key elements of the EU Product Environmental Footprint, such as mandatory impact indicators, end-of-life formulae, and quality ranking;
- Alignment with ISO 14067:2018: Greenhouse gases – Carbon footprint of products – Requirements and guidelines for quantification, integrating the latest requirements of the French regulatory texts from RE2020.

The application of PCRed4 enables electrical and electronic equipment manufacturers to produce EPDs in accordance with the best-known international standards, thus fostering cross-region and cross-industry recognition. Schneider aims to use this new PCR document to influence and strengthen the environmental footprint practices of the sector through standardization (TC 111 Working Group, ZVEI initiative) and regulations (Sustainable Product Initiative of the European Commission, Green Taxonomy). Officially from 2023, all PEPs published by the Group are compliant with PCRed4.

With all these data efforts, Schneider Electric strives to provide quantified environmental footprint information systematically and seamlessly to customers to differentiate its sustainable offers, and therefore, be a change agent towards a low-carbon and circular economy.

Context and commitments

Since the early 2000s, Schneider Electric has adopted a sustainable approach with the Schneider Sustainability Impact, measuring progress quarterly across environmental, social, territorial, and governance dimensions. This success has driven the Group to explore future environmental and climate scenarios while prioritizing inclusion through 5 key priorities defined by the Corporate Citizenship team.

“At Schneider Electric, we prioritize a fair transition, promoting social well-being and planetary health together.”

Schneider Electric’s first priority is ensuring that the company and its partners uphold human rights for everyone, including decent work standards and a social label for products. Following the update of its Human Rights Policy in 2022, Schneider published guidelines to protect the dignity of migrant workers.

Currently, about 1 in 5 youth aged 8-16 are out of school (UN, 2022). As an Impact company, Schneider is dedicated to equipping future generations with essential skills. The Youth Impact through Learning initiative had a successful 2024, marked by increased graduates from Schneider Electric Schools and exceeding objectives in Youth Entrepreneurship Programs. In India, our partnership with GIZ has effectively deployed energy management training programs, contributing to our goal of training 1 million individuals in energy management by 2025. The new Reconversion Pass has been added to our PASS program, reflecting our commitment to continuous improvement, alongside the accelerated expansion of the Senior Talent Program globally.

Approximately 567 million people in sub-Saharan Africa lack electricity (WHO). Schneider is committed to ensuring access to clean energy and electrical safety, enhancing individual development worldwide. This year, the Access to Energy initiative (SSI #9) exceeded its 2025 ambition, and we will redefine our five-year roadmap to increase our impact.

Innovation is key to empowering future leaders. Schneider believes that directing capital and expertise toward social innovation through impact investing is crucial for a just transition. In 2023, we launched the GIEF II fund, focusing on investments in sub-Saharan Africa to drive positive change.

Finally, this year marks the 25th anniversary of Schneider’s foundation, showcasing employee engagement across North America, India, and the Pacific. We are proud to have exceeded the number of voluntary contribution days, highlighting our employees’ dedication to making a difference.

Gilles Vermot Desroches
Chief Citizenship Officer & Senior Vice President Institutional Affairs

3.2 Delivering social impact for a fair transition

3.2.1 Improving lives through access to green electricity

3.2.1.1 Context

Today, more than 1.5 billion people have limited access to reliable electricity. In 2022, 685 million people had no electricity[1]. Despite significant progress in recent years, as SEforAll puts it, “electricity access is growing, but not for everyone”.

In Sub-Saharan Africa, colossal additional efforts are required to achieve universal access:

- Around 571 million people do not have access to electricity. Hundreds of millions more have only limited or unreliable electricity.
- The pace of electrification is not sufficient relative to population growth, and the COVID-19 pandemic has slowed progress even further.
- Based on the pace of electrification vs. population growth, in 2030, around 560 million people would remain without electricity, which would be 85% of the unelectrified world population.

Asia-Pacific is approaching universal electrification, thanks to ambitious government programs. Nevertheless, the grid can be unreliable or insufficient for productive use in remote areas where it must be supplemented with renewable energy solutions.

Access to green electricity offers a chance to live a better life, because it can have a positive multiplier effect on all socio-economic dimensions of the individual or community: livelihood, health, education, security, and empowerment of women, while fighting against climate change by replacing fossil solutions.

3.2.1.2 Access to Energy Initiatives

Access to Energy’s purpose is to bring green and reliable electricity to populations in emerging markets, both as a fundamental right and a means for social and economic development, by providing a safe, clean, affordable, reliable, and sustainable energy offer. At Schneider, this is called Electricity for Life and Electricity for Livelihood.

In 2024, Schneider has exceeded its 2025 ambition of bringing green and reliable electricity to 50 million people, cumulatively since the start of the program in 2009.

- **Electricity for Life** means providing access to green electricity to off-grid communities. These communities need energy as a fundamental right to meet essential needs in homes (such as lighting, communication, and education).
- **Electricity for Livelihood** means providing access to green electricity to communities with unreliable grids to support economic development and poverty reduction. For example, it empowers farmers by ensuring food security through irrigation, food storage, and processing, enabling self-transformation.

The Access to Energy social business works in synergy with the Youth Education & Entrepreneurship program and the Impact Investment funds, in a virtuous circle of providing products and solutions, capacity building, and support to startups.

3.2.1.3 Key segments

Access to Energy social businessfocuses on the following key segments: healthcare, education, agriculture, and livelihood.

Clean and reliable energy for rural schools and healthcare facilities

Solar solutions in healthcare facilities leads to marked improvements in outpatient visitation rates. This initiative not only transforms healthcare accessibility but also empowers the community by ensuring reliable energy for essential medical services. Meanwhile in schools, it provides a reliable power source, ensuring uninterrupted learning and enabling digital learning, thereby creating a more sustainable and resilient learning environment.

In 2024, more than 2000 schools and health clinics in remote and rural areas of South Asia and Africa have been equipped with access to clean and reliable electricity through Schneider Electric’s Homaya Hybrid and Homaya Pro solutions, benefiting students in schools, and medical staff and patients in health clinics.

Clean energy for sustainable agriculture and livelihoods

Providing clean, reliable, and affordable electricity has a positive impact on the environment and farmers’ livelihoods, leading to a more sustainable and resilient future. This helps reduce reliance on fossil fuels and promotes socio-economic development for farmers. Schneider has a range of clean energy solutions for irrigation and agro-processing applications.

Recently, Schneider has developed and implemented an innovative, efficient, reliable, and low-cost integrated **“Climate Smart Village Solution”**, which, in addition to maintaining the high-capacity utilization of solar pumps that increases the area under irrigation for farmers, also powers agro-processing units and other livelihood applications. Even more, this solution can be integrated to ensure reliable power to households, streetlights and various community loads. In 2024, Schneider Electric has provided these integrated Climate Smart Village Solutions in two villages in the eastern part of India.

(1) Tracking SDG 7: The Energy Progress Report 2024, produced by the International Energy Agency (IEA), the International Renewable Energy Agency (IRENA), the United Nations Statistics Division (UNSD), the World Bank, and the World Health Organization (WHO).

3.2.2 Investing for high social impact

3.2.2.1 Context

Schneider Electric is committed to contributing to a transition towards a fairer and more inclusive society, in line with the United Nations Sustainable Development Goals (UN SDGs). According to the UN, achieving these goals requires the mobilization of USD 5 to USD 6 trillion every year, calling for a major reorientation of capital towards sustainable activities. Impact Investments are part of the solution to bridge this financial gap. They are "investments made with the intention of generating a positive, measurable social and environmental impact alongside a financial return" (GIIN[1]).

The ambition of Schneider Electric's Impact Investing practice is to fund and support high social and environmental impact initiatives in the domain of clean energy services, to create a better future for all.

3.2.2.2 Group Impact Investing policy

All impact investing activities aim to leverage Schneider Electric competencies toward a fair and inclusive transition, by creating and facilitating coalitions with different stakeholders. As such, they follow strict management rules to generate high social impact while protecting the assets under management:

- Investing minority stakes in partnership with recognized players;
- Providing efficient pro bono support through our network and expertise, to deliver the best social impact and minimize risk;
- Ensuring alignment with the Schneider Electric ecosystem;
- Ensuring respect of ethical business practices; and
- Since 2024, ensuring alignement with OPIM[2], impact management principles designed by the GIIN to reinforce impact funds' strategies.

3.2.2.3 Governance

Each investment vehicle has its own governance structure generally composed of at least two bodies:

- A Board of Directors or a Supervisory Board in charge of ensuring compliance with all legal and ethical regulations. In most cases investors are represented on this Board.
- A Management Investment Committee, either fully independent or composed of investors, according to the legal structure. They ensure compliance with investment policies and are regularly updated on investment financial and impact performance.
- In some cases, an Advisory Committee, a Strategic Committee, or an Impact Committee to help with setting up and managing investment and impact strategies and policies.

All investment vehicles are supervised by independent auditors.

3.2.2.4 Actions and impacts

Schneider Electric is a pioneer in the Corporate Impact Investment space, having launched its first investment vehicle, Schneider Electric Energy Access (SEEA), as early as 2009. With the strong belief that access to clean energy services is a fundamental right and key development lever, the Company has since initiated or participated in five vehicles to accelerate a just energy transition.

Each vehicle has a different geographical scope of operation, but all 58 portfolio companies focus on impact generated by energy. They operate in the sectors of safe and clean energy services, affordable and energy-efficient housing, healthcare, digital and financial inclusion, environmental protection, and education. They also contribute to the creation of new jobs and the generation of revenues for underprivileged populations, thereby participating in the overall development of communities.

As such, between 2009 and 2023, Schneider Electric impact investments have enabled portfolio companies to have a positive impact on 38 million people, contributing to the creation of 7,306 direct jobs, the renovation of 81,000 m² of homes, the recycling of 220,000 tons of waste, and the prevention of 10 million tons of CO_2 emissions.

Find more information about our Impact Investing 2024 highlights on YouTube

2009 – SEEA	2011 – Livelihoods I	2015 – E3 Capital	2020 – SEEA Asia	2023 – GEIF II
Solidarity-driven fund	(2017 & 2021 Funds II & III) Carbon Funds	Access to clean and reliable energy	Energy transition and entrepreneurship	Energy impact fund
Total funding amount:	Total funding amount:	Total funding amount:	Total funding amount:	Total funding objective (closing on going):
€7M	€250M	€75M	€21M	€60-80M
Investment amount from SE:	Investment amount from SE:	Investment amount from SE:	Investment amount from SE:	Investment amount from SE:
€3M	€35M	€21.5M	€6.3M	€20M
Region: Europe	**Region:** Worldwide	**Region:** Sub-Saharan Africa	**Region:** South and SE Asia	**Region:** SubSaharan Africa
Co-investors: SE employees, MESE and impact funds	**Co-investors:** Corporates	**Co-investors:** Development finance institutions (DFIs)	**Co-investors:** DFIs and asset management companies	**Co-investors:** Impact funds, family offices and institutional investors

(1) Global Impact Investing Network.
(2) Operating Principles for Impact Management.

3.2.2.5 Examples of portfolio projects

SEEA: inclusive economy and energy poverty

Enogrid

Financed by SEEA, Enogrid is a French social company dedicated to the development of local and sustainable energy through collective self-consumption.

The company promotes this decentralized form of energy production by providing producers with training and support in implementation, as well as an operational monitoring platform. It also encourages collective self-consumption by associating producers with nearby consumers, grounding the energy transition in local and concrete initiatives for the citizens.

Since its creation in 2018, Enogrid has supported the implementation of 420 projects and contributed to generate 12,600 MWh of clean energy and avoid the emission of 351 tons of CO_2.

Confident in Enogrid's team and its position in a new and fast-growing market, SEEA decided to support the continued expansion of the company with a follow-on investment in 2024.

SEEA Asia: access to clean and reliable energy

Carbon Masters

Financed by SEEA Asia, Carbon Masters is an Indian company ensuring access to safe and clean energy with bio-compressed natural gas.

The company structures and helps the development of the entire biogas value chain. It receives organic waste generated by municipalities, processes it for biomethanation in plants owned and/or managed by the company, and distributes two resulting products to end-users: bottled Bio-CNG and organic fertilizers. This complete waste-to-energy solution meets several needs of the region: energy poverty, lack of waste management, poor income opportunities, low soil fertility, and high-carbon emissions.

As of December 2024, Carbon Masters has contributed to over 37,800 tons of CO_2 avoided, created a total of 57 decent jobs and impcted a total of 26,900 beneficiaries directly with its products.

Gaia and E3 Capital: access to energy in Africa

Nuru

Financed by both Gaia Energy Impact Fund and E3 Capital fund, Nuru is a Congolese (DRC) company providing access to clean, safe, and reliable energy with off-grid solar mini-grids.

The company contributes to the electrification of large towns of the country by constructing and operating hybrid mini-grids with digital management and prepayment solutions. Its clients stem from individual households to small businesses and institutions, in a country with a 21.5% electrification rate.

With affordable prices and reliable energy, the company improves the lives of millions, in line with Schneider Electric's commitment to provide access to clean energy to 50 million people. Since the start of its activities and as of September 2024, it has created 109 jobs, benifiting approximately 15,000 people, and avoiding the emission of around 560,000 tons of CO_2eq.

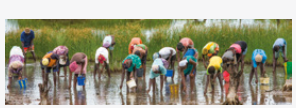
Livelihoods: Carbon Fund and social impact

Océanium

Financed by the Livelihoods Carbon Fund, the Senegalese non-governmental organization (NGO) Océanium aims to reduce net carbon emissions by restoring disappearing mangroves in coastal areas of the region.

The NGO employs local communities to plant trees in mangrove land damaged by deforestation and poor climate conditions. These rich ecosystems guarantee soil fertility and fresh water sources by maintaining low water salinity. Losing them jeopardizes food security and habitability of the region.

Since 2008, 8,000 hectares of mangrove land have been restored by 100,000 inhabitants from 250 local villages. This led to the reappropriation of the mangrove by the communities, the revival of productive fishery and agriculture, and an expected 500,000 tons of CO_2eq captured by the 80 million planted trees by 2028.



3.2.3 The Schneider Electric Foundation

3.2.3.1 Context and goals

Today's younger generation is uniquely positioned as the first to experience the direct impact of climate change and certainly the last one with the capability to take decisive action and make a real difference.

More and more, the youth is already heavily involved in just transition initiatives led by civil society, but also through their career choices, volunteering, involvement in NGOs, and more.

To successfully secure a sustainable future for humanity, younger generations express the same need for guidance, training, and recognition. The Schneider Electric Foundation's goal, under the aegis of *Fondation de France*, is to support and empower them to get involved and innovate, so that they can take their rightful place in the world of tomorrow. The Foundation goes about fulfilling this objective every day, all over the world, through concrete initiatives and programs.

3.2.3.2 Group policy

The Group's first Philanthropy Policy was implemented in 2023 and reviewed in 2024. Available in eight languages, its objective is to define Schneider Electric's position on philanthropy, its priorities, and its principles of action, in line with the 17 UN SDGs. It provides a coherent and consistent framework and process enabling Schneider Electric entities and employees to contribute and act.

In 2024, the EUR 4 million annual budget of the Schneider Electric Foundation was invested in more than 110 projects, supporting 245,695 youths with a key engagement of the Schneider Electric community, contributing with 17,206 days of volunteering.

This commitment is being amplified with an additional EUR 33 million from Schneider Electric's entities and employees giving back in their communities. In total, more than EUR 37 million has been invested to help local communities worldwide.

3.2.3.3 Governance

Fondation de France is a non-profit organization that, since its creation in 1969, has been the bridge between donors, founders, and field structures in order to support projects across a range of general interest areas. It supports other foundations (977 in 2024) whose operations are governed separately, but who are legally part of *Fondation de France*. It is responsible for ensuring that their actions comply with its by-laws. The Executive Committee of the Schneider Electric Foundation determines the key focuses of its initiatives and the projects it supports.

Since 2019, the composition of the Schneider Electric Foundation's Executive Committee is as follows:

- Ten members: five from Schneider Electric (including the CEO, two members of the executive committee and two representatives of the employees) and five external experts.
- One observer from *Fondation de France*.

Its missions are the following:

- Define the strategic directions of the Foundation.
- Validate the activity report and financial report.
- Decide on the allocation of budgets by program.
- Validate commitments exceeding EUR 200,000.

One to two Executive Committee meetings are organized each year.

Lastly, the Foundation's Selection Committee meets every month and is composed of:

- General Delegate;
- Corporate Philanthropy Director; and
- Program Director, Youth Education & Entrepreneurship.

3.2.3.4 Key actions driven by the Schneider Electric Foundation

Schneider Electric's global presence allows it to have a greater reach and impact on underserved communities. The Group believes in contributing through different initiatives such as the Schneider Electric Foundation programs and initiatives. Through charity and donations, teaching and lending its time, the Company and its Foundations will support local organizations and stimulate communities. Six main actions are driven by the Schneider Electric Foundation:

1. Developing access to education and entrepreneurship for the youth with the Youth Education & Entrepreneurship program deployed globally.
2. Developing volunteering and social mentorship as a key contribution to the success of youth projects and initiatives.
3. Acting as a corporate citizen by supporting international causes with the Tomorrow Rising Fund.
4. Strengthening its impact thanks to Schneider Electric Sister Foundations (North America, India, Australia).
5. Support innovation with emblematic projects.
6. Measuring the impact of all the programs.

3.2.3.5 Youth Education & Entrepreneurship program deployed

Context and goals

Today's young people are forward-thinking and creative. We need to empower them with the necessary skills and support to create a life aligned with their dreams and aspirations. Education, technological, social innovation, and entrepreneurship are all essential ingredients to ensure that these initiatives are relevant and effective. They should be equipped to bring the biggest possible impact and appropriate responses to the needs of beneficiaries.

The Youth Education & Entrepreneurship program aims to give all young people the means to build solutions for a better life, contribute to a fairer, low-carbon society, and transform the world.

By funding projects, sharing its expertise, volunteering employees' time, and collaborating with its partners on the ground, Schneider Electric is empowering younger generations and the broader community to achieve a better future through sustainable development.

The Schneider Electric Foundation promotes volunteering activities, through the VolunteerIn association, and mentorship as key contributions to the success of youth projects and initiatives through the mobilization of Schneider Electric employees. One of Schneider Electric's objectives is to skill and empower one million young people in energy management by 2025, to train 10,000 trainers and support 10,000 entrepreneurs.

Governance

The program follows the rules and governance of the Schneider Electric Foundation and *Fondation de France*.

The program is led by zone representatives and in-country leaders who correspond daily. A global coordinator sets up regular meetings to support the zone representatives and guarantee the progress of the program in each zone. Every quarter, the zone representatives use a centralized tool to report on the impact of the program, and data is reviewed by an external auditor. With rare exceptions, all projects benefit from monitoring by employees of Schneider Electric entities operating in the countries concerned.

Actions

The program is divided into **three main areas:**

1. **Support access to qualitative jobs through vocational and entrepreneurship training in the energy field,** key drivers of socio-economic and sustainable development across generations.
2. **Learn new skills for the future, technical and soft,** linked to the energy transition, giving younger generations the boost they need to succeed and build the world of tomorrow.
3. **Create the right ecosystem to spread entrepreneurial spirit and encourage innovation,** enhancing younger generations to define their future and take part in social and environmental challenges.

Celebrating 25 years of impact

For a quarter-century, the Schneider Electric Foundation has led the way in promoting positive initiatives contributing to a just transition, with many innovations being spearheaded by youth globally. In celebration of its 25th anniversary, the Foundation is honoring the next generation by investing in their future, our future.

Gilles Vermot Desroches, Senior Vice President of Schneider Electric Corporate Citizenship and Institutional Affairs and General Delegate of the Schneider Electric Foundation declared: "The younger generation is playing an influential role in how we shape tomorrow's innovative solutions. From the outset, our Foundation has valued the contribution of youth, and therefore, considers the importance of supporting young people to nurture both future generations and our planet."

Youth Innovation for a Sustainable Future

Marking an important milestone, the "Youth Innovation for a Sustainable Future" call for projects aims to empower youth-serving NGOs, in partnership with Ashoka. A total of 25 social entrepreneurs across the globe – South and North America, Asia-Pacific, Europe, the Middle East, and Africa, have been rewarded as they champion the field of just transition and powerfully showcase the Foundation's 25 years of impact on local communities.

3.2.3.6 Volunteering and social mentorship for successful youth projects and initiatives

The Schneider Electric Foundation strongly focuses on the Company's employee engagement in all its activities. In 2012, the Schneider Electric VolunteerIn NGO was created to organize volunteer initiatives, empowering people – the Foundation delegates or employees volunteer, to share time and skills, and be actors and ambassadors of societal commitments in the fields of youth education, planet, poverty, and communities.

The digital platform known as VolunteerIn brings together all the missions proposed by the Foundation locally and internationally. Available in 27 languages, the platform can be accessed by Schneider Electric employees all over the world, enabling them to apply for volunteer assignments benefiting the Foundation's partners and their beneficiaries.

The Schneider Electric VolunteerIn Executive Board is composed of Schneider Electric leaders:

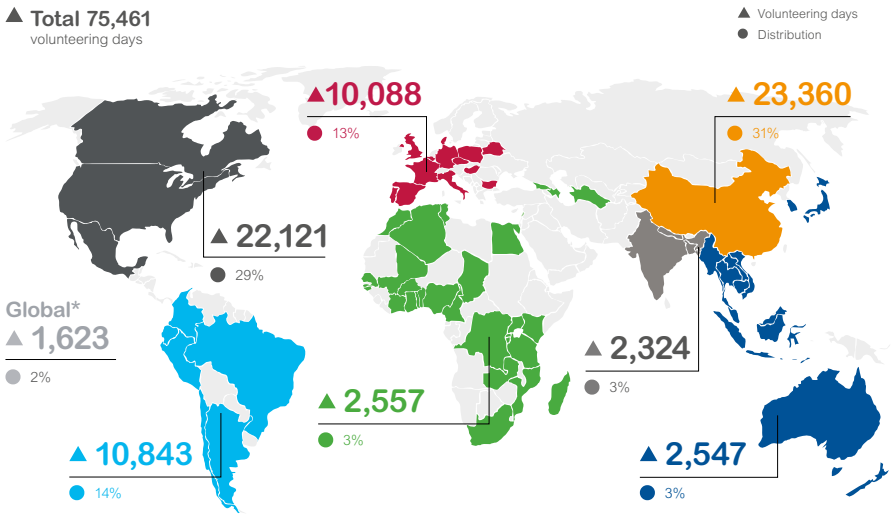
- Chairman, Chief Human Resources Officer.
- Two Vice-Presidents, including Executive Vice-President Global Supply Chain.
- Secretary, in charge of the Youth Education & Entrepreneurship program.
- Treasurer, in charge of the SEEA solidarity investment fund.
- Member, Vice-President, Diversity, Equity, Inclusion and Well-Being.
- Member, volunteer representative.
- Member, Chief Citizenship Officer and Senior Vice-President Institutional Affairs.

One to two Executive Board meetings are organized each year.

The Schneider Electric Foundation draws on a network of around 80 delegates covering 100 countries. Their role is to identify and select local partners empowering the youth, and to support entrepreneurship, sustainability awareness, and volunteering initiatives, particularly social mentorship. The delegates inform employees about their entity's activities, and about the Foundation. Each proposed project is subject to a review process based on administrative and financial data by the Schneider Electric Foundation and by *Fondation de France* before funds are released. Following a project's launch, progress and reporting are monitored by the delegates.

Finally, the Foundation delegates coordinate the organization of the Schneider Electric Foundation's campaigns for international mobilization.

Employee engagement, cumulated per region since 2018



* Days in global/multi-country initiatives.

3.2.3.7 Acting as a corporate citizen: Tomorrow Rising Fund

Context and goals

Since its creation, the Schneider Electric Foundation has proposed 23 specific emergency and rebuilding campaigns. It acts as a relay and amplifies the mobilizations of local Schneider Electric entities following natural disasters or emergency situations in the concerned countries.

Actions and impacts

Schneider Electric employees and entities have always demonstrated and incredible spirit of solidarity. In 2024, they contributed to a campaign following the floods in the Valencia area in Spain.

3.2.3.8 Strengthening its impact thanks to Schneider Electric Sister Foundations

The Schneider Electric Foundation operates in a 100 countries across all continents. Its impact is reinforced in some regions through the activities of Sister Foundations in North America, India, and Australia.

North America

The Schneider Electric North America Foundation provides financial support, products, expertise, and volunteers to non-profit organizations that align with business priorities, values, and geographies. The Foundation's goal is to make an impact in communities where we live and work.

They have strategic partnerships that focus on supporting focus areas of energy equity, STEM (science, technology, engineering, and mathematics) education, disaster relief, DEI (diversity, equity, and inclusion), and well-being. They offer employee programs to support their commitment and efforts in their communities which include Matching Gift, Dollars for Doers, Sponsorship Grants, New Hire Gift, Service Days, and Volunteer Events.

In 2024, the North America Foundation contributed to over USD 9 million in cash and product donations to roughly 1,700 charitable organizations and participated in 27,000 employee hours.

India

In 2024, Schneider Electric India Foundation has impacted many lives through various programs targeted for youth, children, and community development.

1. Skill and entrepreneurship development:
   - 43,800 unemployed youth including 9,010 women were provided training on electricity automation, solar energy and entrepreneurship.
   - 445 trainers trained under the "train the trainer" initiative.
2. Clean energy for sustainable livelihood:
   - 2,565 indigenous farmer families benefited though 171 solar irrigation pumps.
   - 4 Health Centers in remote villages were provided with solar solutions.
   - Two Climate Smart Villages project implemented to provide reliable and clean energy to 190 tribal families for their household and community need, irrigation, and productive use.
3. 30,000+ school children provided access to digital education with 190 solar powered digital classrooms.
4. 10,000+ school children trained on conservation of energy and environment.
5. 900 employees volunteered in various programs contributing 5,800 volunteering hours.

Pacific

In 2024, Schneider Electric Pacific Foundation contributed AUD 350,000 to major Australian charity partners – Raise Foundation, Beacon Foundation, and Australian Torres Strait Islander Mathematics Alliance (ATSIMA), and in New Zealand, NZD 40,000 has supported Puhoro and the Graeme Dingle Foundation. Through the Giving@SE program, a total of more than AUD 147,475 and NZD 10,199 was donated to not-for-profit organizations thanks to individual employees and matched donations from Schneider Electric (up to AUD 5,000 or NZD 5,000/employee/year).

3.2.3.9 Support innovation with emblematic projects

The Schneider Electric Foundation also supports emblematic and international programs by making available its knowledge of energy systems management, through donations in resources and/or knowledge, to encourage innovation for the energy transition. It has made a four-year commitment to the Solar Impulse Foundation, which selects 1,000 solutions that contribute to the achievement of at least five SDGs:

- Clean Water and Sanitation for All (SDG 6);
- Affordable and Clean Energy (SDG 7);
- Industry, Innovation and Infrastructure (SDG 9);
- Sustainable Cities and Communities (SDG 11); and
- Responsible Consumption and Production (SDG 12).

The selected solutions must meet the following criteria: technical feasibility, environmental benefits, and economic viability.

Schneider Electric employees are mobilizing their skills to analyze the various solutions within their field of expertise.

Atelier 21, a Foundation partner, has been granted two Solar Impulse Efficient Solution labels:

- Solar sound systems for events powered by renewable energies (solar or bike-powered). With seven systems in place in France and Switzerland, Solar Sound System has set up solidarity projects in Haiti, Brazil, India, Taiwan, and Cameroon and has projects in Réunion, the US, and South Africa.
- Regenbox, the first do-it-yourself "non-rechargeable" alkaline battery charger. Regenbox aims to be ecological and anti-planned obsolescence. This project is also an educational tool and a means of raising awareness about a different use of batteries in order to reduce the amount of electronic waste so present in our daily lives.

Bertrand Piccard, Chairman of the Solar Impulse Foundation, is promoting this portfolio of solutions to corporate and political leaders worldwide. At the end of 2021, 1,000+ solutions had already been granted the Solar Impulse Efficient Solution label. These included insulating blocks made from hempcrete, wind turbine floats, and a web-based pallet exchange platform. At the occasion of COP 28, a two-year partnership has been renewed with a strong focus on advocacy, education, and promotion of solutions.

3.2.3.10 Measuring the impact of all the programs

The Schneider Electric Foundation aims to create meaningful, positive change through its programs, fostering real stories of transformation with a focus on sustainable social impact. Over the years, the Foundation has assessed the social impact and tangible changes brought by its initiatives, ensuring genuine and lasting impact is felt by the beneficiaries, going beyond mere perceptions or numerical figures.

In line with the previous year's strategy, the Foundation has continued to invest in the innovative approach initiated in 2023: a new global Social Impact framework, applied for the first time to the Youth Education and Entrepreneurship program. It represents a crucial mindset shift, empowering partners to autonomously evaluate the impact of their initiatives within their local contexts.

In 2024, the Schneider Electric Foundation implemented an incremental approach, characterized by two main phases. Firstly, a pilot phase was completed to validate the value of this new methodology. The pilot provided initial aggregated data, revealing key insights such as: 72% of trainees reported being employed after the training (in a company, self-employed, or with their family), 51% found jobs in the electricity or transition sector, 56.6% experienced an increase in purchasing power, and 72% stated that they would not have achieved the same results without the training. (Data collected post-training – Margin of error: 7.8% – Population: 176). Following the success of the pilot, a global deployment phase was initiated, collaborating with 60 training program partners in 28 countries, marking a significant step forward in the commitment to creating sustainable social impact.

3.2.4 Next Gen Academy: the workforce of tomorrow

3.2.4.1 Context and goals

For over a decade, Schneider Electric has partnered with over 850 local and global stakeholders in 60 countries to develop the Youth Impact Through Learning initiatives. This initiative encompasses a range of programs, including the Youth Education & Entrepreneurship program, designed to equip **1 million young** with training, tailored to local job market demands and integrated with the latest technological advances. It supports training of trainers and industry exposure for the beneficiaries, adapting training length to local realities (from 3 months to 3 years). This comprehensive approach not only empowers individuals but also contributes to sustainable community development.

3.2.4.2 Youth Education & Entrepreneurship program

1. Support access to qualitative jobs through technical and vocational education training in the energy sector

Schneider Electric and its Foundation are committed to advancing gender equality and empowering individuals from vulnerable communities through targeted training initiatives in the energy field. A prime example of this commitment is the Green Innovation Hub (GIH) at Kutupalong Refugee Camp in Cox's Bazar, Bangladesh. Supported by the Schneider Electric Foundation and operated in partnership with UNHCR and NGO Forum, GIH addresses critical issues such as e-waste management and access to energy in the camp. Leveraging Schneider Electric EcoStruxure™ solution, the project has implemented augmented reality simulated training equipment, aiming to enhance access to learning materials through digitization for a more effective learning journey.

The hub trains refugees, emphasizing women in solar equipment installation, maintenance, and repair, providing essential skills in a region lacking formal electrical infrastructure. This training fosters economic independence and enhances safety and sustainability by reducing e-waste. The initiative's "Training of Trainers" program enables trained refugees to educate others, thereby expanding local capacity. The program has supported more than 9,000 trainers globally.

The curriculum, divided into short, flexible modules that combine theoretical and practical knowledge, is accessible to all participants, including those who may have limited formal education. It incorporates digital tools to familiarize trainees with various solar technologies, enhancing their learning experience and employability.

Upon completing the courses, both trainers and trainees receive certifications that recognize their skills and improve their job prospects, directly contributing to their ability to earn a sustainable income. Through these efforts, Schneider Electric is not only promoting a just energy transition but also aligning with global efforts to empower vulnerable populations by providing them with the tools to succeed in a green economy.

2. New Skills for the Future and Innovation for a just energy transition

Beyond simply addressing climate change and advancing the energy transition, the New Skills for the Future & Innovation initiatives fundamentally empower future generations to become Impact Makers and invest in resilience. By equipping them with 21st century skills and knowledge on the energy transition, the projects enable them to not only contribute to building a sustainable future but also to create lasting change within their communities and to enhance their overall quality of life.

Schneider Electric and its Foundation have significantly supported innovation for a just energy transition through their global long-standing collaboration with Enactus. This partnership has reached over 120,000 university students across ten countries, including Mexico, Guatemala, Brazil, Colombia, Senegal, South Africa, Nigeria, Kenya, Egypt, and France. Through a year-long program, students engage in identifying social issues and devising entrepreneurial solutions to be Impact Makers and take part in the energy transition. Schneider Electric's involvement extends beyond traditional mentorship; its employees contribute as content experts and competition judges, enhancing the learning experience and ensuring practical industry insight.

The program has successfully empowered young entrepreneurs and driven positive community change while promoting gender equality through targeted educational initiatives. Notable achievements include projects by Brazil's Faculdade Facimp team creating ecological bricks from açaí fruit waste, Egypt's Arab Academy team developing local solutions for air pollution, and an all-women team from Mexico's University of TEC Milenio innovating in sustainable shrimp waste utilization. These youth-led projects were showcased by the participants at the Enactus World Cup in Astana, Kazakhstan, in October 2024.

In addition, Schneider Electric and its Foundation initiated the Battery Innovation Challenge to serve as a platform for young innovators in South Africa, Zimbabwe, Kenya, and Nigeria to develop and display battery technologies addressing energy challenges. The Central University Of Technology team of South Africa, distinguished themselves with their "Kratos Batteries" project, which features:

- Use of recyclable materials such as polyethylene and polycarbonate for the battery's separator and casing.
- Integration of an AI-enhanced battery management system that utilizes machine learning to optimize charging processes, extend battery life, and monitor health and charge status in real time.

The top three teams received considerable financial support from the Schneider Electric Foundation, fostering further development of their innovative solutions. This challenge reflects the participants' ability to be Impact Makers and green ambassadors to contribute to a sustainable energy transition through creativity and technical skill.

3. Spread entrepreneurial spirit and encourage innovation for the energy transition

Schneider Electric and its Foundation have significantly advanced their support for youth entrepreneurship, achieving remarkable success beyond their initial goals. The Youth Education & Entrepreneurship program, initially targeting the empowerment of 10,000 entrepreneurs by 2025, has already surpassed this milestone by supporting 10,997 entrepreneurs. This accomplishment highlights Schneider Electric's dedication to promoting economic growth and enhancing skill development among young people.

Schneider Electric champions gender equality by supporting specialized organizations that create inclusive ecosystems offering training, mentorship, and funding. These efforts aim to integrate women throughout the energy value chain and enhance female leaders who can drive the energy transition and promote climate justice.

A prime example of these efforts is the DESFERS initiative (Economic and Social Development of Women through Renewable Energies in the Sahel), empowering women and local communities through renewable energy through multi-stakeholder, multi-prong collaboration with non-profit organizations, government institutions, quality assurance, and research bodies. The initiative led by Plan International is methodically designed around a three-phase process aimed at holistic development:

- Training: This phase focuses on creating awareness around the energy sector and breaking stereotypes with community discussions. As well as training women in the practical and theoretical aspects of solar energy technologies after reinforcing trainers' competencies and implementing training laboratories.
- Electrification: Efforts in this phase include the installation of microgrids that enhance rural electrification and provide reliable energy access in women villages.
- Empowerment: The final phase supports women in utilizing their new skills for economic gain. Offering business management and financial literacy training to help develop economic activities and gather in creating companies.

These targeted actions not only improve access to energy but also facilitate social and economic empowerment, effectively transforming traditional gender roles in rural West Africa. Furthermore, these initiatives contribute significantly to Schneider Electric's overarching goal of fostering a just, inclusive, and sustainable energy transition.

4. Digital learning

The Youth Education & Entrepreneurship program is focused on youth empowerment through targeted digital education initiatives, bringing the latest technologies to advance technical training in the energy field and disseminate competencies around the energy transition.

Schneider Electric has committed to creating a digital learning path, with the fundamentals of the electrician profession with materials such as procedure blocks, flashcards, podcasts, interactive images, and professional case studies. All the modules are hosted on the Schneider University platform and deliver certificates.

In India, Schneider Electric partnered with the *Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH* to increase the number of qualified and skilled workers in the energy sector. The cooperation runs under the framework of the develop funding program, which GIZ implements on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ). The aim of this public-private partnership is to increase the supply of industry-ready and employable skilled workers by upgrading the quality of the practical training. Focus is placed on solar technician and electrician jobs at public and private vocational training institutes in India.

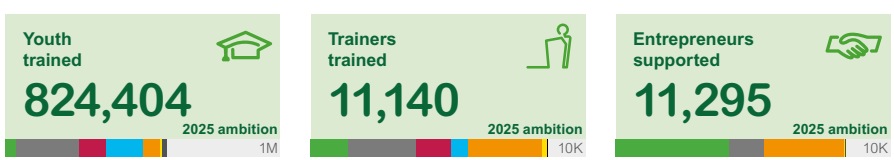
The future-oriented training program includes simulation-based practical training sessions which complement the current courses offered at the Institutional Training Institutes.

Schneider Electric and its Foundation have also partnered with INCO to launch the "Get into Energy Transition" digital learning program. This partnership is designed to enhance training in sustainability and renewable energy, particularly for high school and university students in Sub-Saharan Africa. It includes 122 hours of digital modules that cover essential skills and project-based learning specific to the energy transition sector.

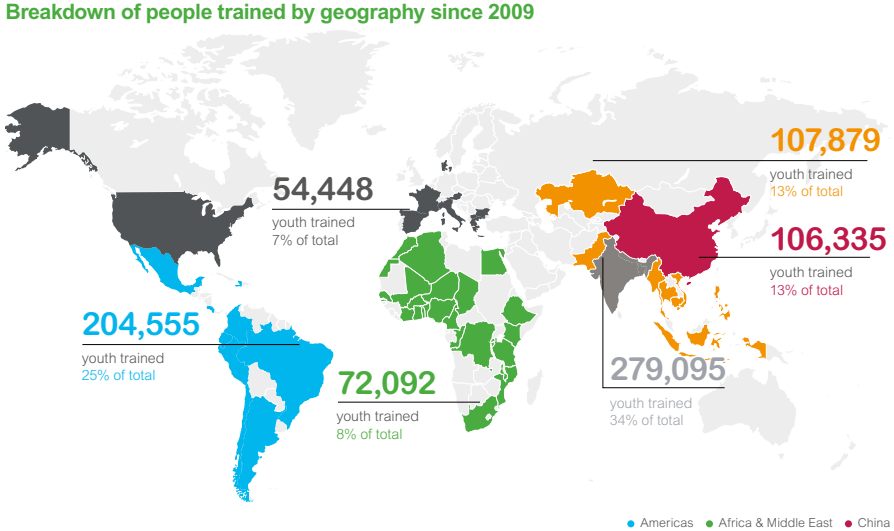
Schneider Electric has also developed a series of masterclasses in partnership with the International Trade Center (ITC), a United Nations agency. Through these masterclasses, young entrepreneurs worldwide learn about various key trends around the energy transition.

Finally, to promote industry and energy-related jobs, Schneider launched three virtual tours of Schneider Electric's factories in France, focused on: circular economy, women in industry, and industry 4.0.

Youth Education & Entrepreneurship program: key figures and 2025 ambitions



Breakdown of people trained by geography since 2009



Schneider Electric, the ITC, and the French NGO Atelier 21, developed an online training module about the energy transition. Titled "Become a Player in the Energy Transition", the course is free to access and is available to everyone in English.

It aims to raise public awareness and understanding of the political and technological challenges and the benefits of the transition. Encompassing a variety of case studies from rural and urban settings marked by differing levels of development, the module also encourages participants to consider professional opportunities in the clean energy sector by directing them to more technical courses on solar power, wind power, and other specialized areas.

For the two sessions already launched more than 800 people from more than 60 countries registered, with a quarter earning certification.

5. Didactic solutions for developing digitally competent technicians and engineers

Schneider Electric is enlarging its training offer by designing and equipping education centers to help youths to be digitally competent technicians and engineers. It is a scalable, self-sustaining business model. Building on its experience, the Group is actively working with various education providers, vocational training centers, engineering colleges, and universities in the fields of electricity, automation, and energy management.

Training young individuals through practical exercises for the jobs of the future and allowing them to visualize what is possible today will not only make a difference in their lives but will enrich Schneider Electric's communities now and for the future. They are the people at the heart of energy transition; the future professionals who will have to juggle multiple technologies: digital skills, information technology, and operational technology integration, together with energy efficiency, renewable energy, electric vehicles, smart grids, robotics, cybersecurity, Industry 4.0, and many more.

Since 2021, Schneider Electric has implemented more than **70** projects impacting more than 10,000 youths every year **and prepare them as skilled technicians and engineers in the digital field.**

6. The Schneider Electric School

In 1929, Schneider Electric founded its own school – Paul-Louis Merlin – in Grenoble, to address the difficulty of recruiting skilled labor in the energy industry and help young people in precarious situations to access promising jobs. Today, it continues to focus on vocational training in Schneider Electric areas of expertise, with innovative training approaches and close alignment with actual industry practices.

Students leave with qualifications enabling them to continue in higher education or take employment in innovation-rich energy-sector fields such as renewable energies, smart home, smart buildings, energy management, as well as Industry 4.0.

In 2019, to reinforce the link with the Group, the school changed its name to École Schneider Electric and new vocational training was added to support the creation of its CFA (*Centre de Formation d'Apprentis* or Apprentices Training Center).The Schneider Electric School now includes a high school and a CFA.

The training offer of the CFA is focused on technical training of excellence; it covers training on Schneider domains of expertise. It combines academic education and practical experience gained through professional activity within a company, resulting in a professional certification, diploma, or title.

Throughout their training, the CFA provides support to apprentices for various administrative tasks (registration, apprenticeship contract, assistance with obtaining a driving license or housing, etc.), ensuring a smooth journey towards professional integration.

In September 2023, to meet the ever-increasing need for skills in the energy and electrical sectors, and against the backdrop of increasing concern about the professional future of young people Schneider Electric School continued its development:

- A new electrical engineering training path was launched at two levels with the baccalaureate and BTS (*Brevet de Technicien Supérieur*) in the high school which now trains a total of 160 students.
- The CFA took new steps forward and expanded its range of training courses both geographically and in terms of content by forging new partnerships. In addition to the BTS "Fluids, Energies, Home Automation" and the *Licence professionnelle* (*bachelor's degree*) "Connected Buildings and Intelligent Energy Management" courses offered by the CFA there are now new partnerships to increase its footprint in France:
  - The vocational baccalaureate MELEC (Electrical Trades and Connected Environments) with the Lycée Pablo Neruda in Saint-Martin-d'Hères.
  - The BTS CRSA (Design and Production of Automatic Systems) with six partner schools: Vaucanson High School in Grenoble, Gustave Monod and Leonard de Vinci High Schools in Paris area, Louis Delage High School in Cognac, Leonce Vieljeux High School in La Rochelle, and Nelson Mandela High School in Poitiers.
  - The BTS FED Home Automation and Communicating Buildings, with three partner schools in Grenoble and Pays de La Loire, extended to a new geographical area, with Maximilien Perret High School in Alfortville and Gustave Eiffel High School in Paris area.
  - Professional licence in building, smart cities, and global smart energy management in partnership with the Grenoble University of Alps.

2024 was a successful year for the Schneider Electric School with:
- 100% success in the baccalaureate diploma; and
- 198 apprentices with 90% graduating, 53% continuing studies, and 46% gaining employment.

3.2.5 Future Ready program

The Future Ready program is dedicated to empowering all, regardless of their generation, to build their desirable future based on their individual aspirations by providing opportunities for everyone, everywhere.

3.2.5.1 Risks, impacts and opportunities

There is an increasing risk of a worker shortage that must be addressed. Globally, the gap between the skills and competencies needed to drive the just energy transition and the existing ones is growing due to two main reasons: technological advancements and demographic shifts of an aging population. These skills, including knowledge in electricity and digital, are becoming increasingly essential for the transformation needed and can be hard to acquire. This gap is, in part, the result of many groups (particularly young adults) being in situations of unemployment and/or with no access to education (for diverse reasons of social inequality). Investments are required to close this skills gap during a worker shortage and give everyone the opportunity to take control of their professional future. The Group's workforce, as well as its external communities, must be supported and trained to accomplish our common goal.

3.2.5.2 Empowering all generations to learn and design their professional journey

Schneider Electric believes all employees are talented and deserve equitable career development opportunities to reach their fullest potential and create their desirable professional future, at all stages of their career. The Group leverages actions led by the Future Ready program to enable employees, and even youth outside of the Company primarily from disadvantaged backgrounds, to design and build their career path. To learn more about Schneider Electric's actions for harnessing the power of all generations, see section 1.1.2 Long-term commitments and tools to measure progress on page 5.

3.2.5.3 Actions for multi-generational empowerment

To accompany employees in creating a future based on their individual aspirations, Schneider Electric Initiatives (which groups Creation Pass, Solidarity Pass, Competencies Pass, Education Pass, and Reconversion Pass) offers five innovative pathways to support employees in designing their professional future while having a positive impact on the local community.

1. The Creation Pass: an internal support system to help employees start their own business. In the past 11 years, 795 (54 in 2024) projects have been supported and 417 (12 in 2024) of them have resulted in the creation or takeover of a business. These businesses have created more than 520 (22 in 2024) jobs.
2. The Solidarity Pass: a skill sponsorship which allows employees to offer their skills, energy, and dedication to an NGO. In the past 11 years, 147 (33 in 2024) employees have benefited from a Solidarity Pass.
3. The Competencies Pass: a skill sponsorship where employees offer start-ups/SMEs their knowledge and skills to enable local economic development. In the past 11 years, 12 employees have benefited from a Compentencies Pass.
4. The Education Pass: a skill sponsorship where employees can offer their knowledge and skills to an educational body (e.g., partner universities and educational ministries). This Pass envelops the already known IPE (*Ingenieurs pour l'école* or Engineers for Schools) with 20 employees participating in 2024 and a new option as a professor or training project leader in the Schneider Electric School or with a partner of the Schneider Electric School. In 2024, one employee benefited from this new format.
5. The Reconversion Pass: this new format was added in 2024 to support an employee to be trained in a new profession and then transfer to a new job externally.

Starting this year, employees are given even more flexibility to design their own career paths through offers with DuoPro, allowing them to continue working for Schneider Electric on a part time basis and using that extra time to either (1) work for another non-competing company, (2) freelance, or (3) create their own business.

In France, these initiatives are connected to, represented in, and support local business networks, local public stakeholders, and local NGOs.

Actions for youth empowerment

To support the Group's conviction of empowering young adults, especially those from disadvantaged backgrounds, Schneider Electric is involved in three major national French programs dedicated to young people facing concerns related to education, apprenticeship, network, or unemployment. "PaQte" and *Les Entreprises s'engagent*, are sponsored by the French Government. *Le Collectif d'Entreprises pour une Économie plus Inclusive*, gathers 38 major French companies deploying collective actions concerning youth employment (particularly in 15 French cities), inclusive offers, and procurement. The actions on youth employment are being led by Schneider Electric and Engie.

This year, the NGO *100 Chances 100 Emplois* (100 Opportunities 100 Jobs) celebrated 20 years since its creation by Schneider Electric. The Group still strongly supports the NGO to help young people find their own path and develop their talents. This initiative (focused on coaching, mentoring, and networking) has already helped more than 10,000 young people make progress towards employment.

Schneider Electric is also focusing on its mission of empowering young adults by offering more opportunities for professional integration to apprentices, interns, and doctoral students. For more information see chapter 2.3 – Social information – Training and skills development – Attracting the talent to shape the workforce of the future on page 162.

These actions complement the wider ecosystem of youth as part of the NextGen Academy strategy.

Actions for senior empowerment

Within this journey to further develop talent and enable all to take control of their career path, the Senior Talent program was launched in 2021 connecting Schneider's people and sustainability strategies with a strong focus on meaningful career conversations, career development opportunities, recognition, and knowledge transfer.

In 2024, the Group accelerated its global deployment of the program, in connection to SSE #23. Best practices and external recognitions have emerged throughout the year. For instance, Mexico and Central America created a professional learning community to connect senior leaders with young talent for mutual mentoring and to grow their networks for new development opportunities. India has a work after retirement through freelance offer. And France developed a plan with 29 initiatives and was recognized through a Senior Talent Inclusion award.

The Group was also highlighted by the Organisation for Economic Co-operation and Development (OECD) as a best practice example of career opportunities and development for experienced employees.

For more information on the program, you can read the Senior Talent Whitepaper, launched this year on **www.se.com**, or check chapter 2.3 – Social information – Training and skills development – Enabling sustainable careers on **page 163**.

To see the results of SSE #23, refer to section 1.1.2.1 Our tools to measure progress on page 9.

The Senior Talent program

Powering the talent and aspirations of our experience #SEGreatPeople

"I still have lots of plans and I still see lots of opportunities. I always have new space to develop myself, to try new things, and broaden my knowledge."

Sonja Boots
Inside Sales Manager – Netherlands

Context and commitments

In today's rapidly evolving global landscape, the importance of advocating responsibly and ensuring compliance cannot be overstated. Therefore, Schneider Electric wishes to report on additional compliance matters, beyond those covered by CSRD requirements.

"At Schneider Electric, we are committed to uphold the highest standards of ethical conduct and transparency."

This chapter delves into our approach to responsible lobbying as well as our commitment to compliance with competition law, tax regulations, and export control.

At Schneider Electric, we are committed to uphold the highest standards of ethical conduct and transparency in all our activities based on our Trust Charter, the Group's code of conduct, which serves to guide our interactions with all our stakeholders. For us, compliance goes beyond regulations and laws, it is an anchor of resilience because implementing those highest standards is the best way to keep the trust of all our stakeholders. And the trust built by Schneider Electric keeps customers, employees, suppliers, and partners continuously engaged.

As a global company, we consider that we have a role to play in the public debate addressing issues where our contribution is relevant such as climate action or the energy landscape. With regards to responsible lobbying, we believe that transparent and fair representation of interests is essential for fostering trust and understanding among all parties involved.

Our Competition Law Program is designed to raise awareness, identify and manage risks, and prevent anti-competitive behavior through rigorous training and internal controls.

In the realm of tax compliance, Schneider Electric's global Tax Policy emphasizes governance, compliance with national and international tax regulations and transparency. By doing this, we aim to operate responsibly and sustainably, preventing operational, transactional and reputational risks.

Lastly, our Export Control Program underscores our commitment to ethical business practices and compliance with international regulations. Through robust policies, continuous training, and processes, we strive to mitigate risks and enhance our competitive advantage.

As we navigate the complexities and uncertainties of the modern business environment, Schneider Electric remains steadfast in its willingness to ensure compliance across all facets of our operations and advocate responsibly.

Keeping the trust that each of our stakeholders has placed in us, is the best way to build resilience.

Hervé Coureil
Chief Governance Officer & Secretary General

3.3 Advocating responsibly and ensuring compliance

3.3.1 Responsible lobbying, political activity and donations

Through its Trust Charter, Schneider Electric has taken a clear stance with regards to responsible lobbying, political influence activity, and donations. As a global company, Schneider has a role to play in the public debate addressing leading issues with the global community. It is necessary that the Group states its positions clearly, participates in technical discussions, and supports responsible public policy development. In this spirit, in 2022 the Group signed Corporate Knights' Action Declaration on Climate Policy Engagement together with more than 50 other companies to support climate action aligned with the Paris Agreement when engaging with policymakers, working with trade associations, and monitor and disclose climate policy alignment.

Schneider believes that this representation of interests should be conducted in a transparent and fair manner, allowing third parties and stakeholders to understand its activities, positions, and statements. Donations and lobbying activities are risks specifically addressed in the Anti-Corruption Policy, in particular, Schneider Electric does not make corporate contributions (either monetary or in-kind) to political candidates, parties or similar bodies and does not get involved in unauthorized political activity or representation. In 2024, Schneider Electric was not involved in sponsoring local, regional, or national political campaigning.

In the US, a Political Action Committee (PAC) is expected to be set up in 2025. The Schneider US Political Action Committee will be a voluntary group of Schneider Electric employees with the mission to increase the Company's voice in the political arena. Schneider Electric PAC will support state candidates, complying with an equal contribution principle.

Schneider Electric presents information about its lobbying activities in the French High Authority for Transparency in Public Life, in the EU transparency register, and in the US Lobbying Disclosure Act Registration.

From 2019 to 2024, the Group discloses membership fees expenses towards trade associations, business coalitions, and think-tanks that are dedicated by those organizations to lobbying or advocacy. Generally, the budget allocated to lobbying in these organizations is small as these associations mostly organize business workshops, peer-learning groups, or work on standardization. Schneider Electric updated its reporting methodology compared to previous years and since 2022 discloses the budget allocated to lobbying or representation rather than total membership fees. The data collected covers the main Group geographies, in particular Europe, and also including, North America, China, India, Indonesia, and the Philippines.

Total contributions globally amounted to about EUR 0.5 million in 2019, EUR 0.6 in 2020, EUR 1.2 million in 2021, EUR 1.1 million in 2022, EUR 1.4 million in 2023, and EUR 1.6 million in 2024.

The main contributions concern two main engagement topics:

- The first is "Sustainable energy for all": Schneider Electric believes that energy management and energy efficiency are
- critical to move towards a new energy landscape and therefore supports a policy framework that unleashes business and climate opportunities related to the new energy landscape. Contributions and expenditures on this topic amounted to around EUR 0.9 million in 2024 (EUR 0.9 million in 2023) globally.
- The second is "Powering the digital economy": the Group supports the emergence of the digital economy to bring new opportunities for businesses and people and therefore supports a policy framework that facilitates the digital transformation globally. Contributions and expenditures on this topic amounted to around EUR 0.4 million in 2024 (EUR 0.3 million in 2023) globally.

3.3.2 Compliance with competition law

3.3.2.1 Context

As outlined in Schneider Electric's Trust Charter, upholding fair competition and complying with applicable antitrust and competition laws is a core business principle for Schneider Electric and governs our activities across the world.

Competition law sets out the legal framework to ensure that markets remain open and competitive and to protect customers from market arrangements where competitors agree not to compete with each other, or companies in other ways restrict competition. Although the scope and content of competition law may vary from jurisdiction to jurisdiction, it is generally prohibited for companies to (i) enter into agreements with its competitors or customers which, for example, seek to fix prices or otherwise limit competition, and (ii) abuse a dominant position on a given market.

Schneider Electric has a strong brand and operates in many markets and at several levels of the supply chain. The activities of Schneider Electric are subject to a variety of competition laws and regulations on both national and supranational levels, affecting all aspects of Schneider Electric's business strategies and day-to-day operations. Any violation can cause severe consequences for Schneider Electric, and the individuals involved in such activities, including substantial fines and a serious loss of reputation.

3.3.2.2 Risks, impacts and opportunities

Schneider Electric's Competition Law Program is an integrated and essential part of Schneider Electric's commitment to trust and serves to:

- Raise awareness about applicable competition laws and the importance of compliant behavior;
- Identify and assess risk areas where the Group may be exposed to anti-competitive behavior;
- Manage potential risks through internal procedures, escalation routes, and controls;
- Prevent potential anti-competitive behavior through training and communication;
- Detect early potential violations of competition law through a strong risk awareness throughout the business and accessible reporting mechanisms; and
- Manage any exposure to violation of competition law.

To raise awareness about applicable competition laws and identify and manage areas of risk, Schneider Electric's Competition Law Program is based on:
- Policies, guidelines, and procedures.
- E-learnings and in person trainings.
- Internal controls and audits.
- Internal reporting mechanisms including local management, Human Ressources, Regional Compliance Officers, Legal, and Schneider Electric's whistleblowing tool Trust Line.

The whistleblowing system of Trust Line for employees and external stakeholders such as suppliers and customers is managed to identify any inappropriate practice or behavior with competitors or business partners that may be reported.

On October 29, 2024, Schneider Electric was fined €207 million by the French Competition Authority concerning electrical distribution activities in France. This decision relates to the previously disclosed investigation initiated by the French Competition Authority in September 2018. Schneider appealed the decision of the French Competition Authority on December 19, 2024. The Group remains committed to compliance and has fully cooperated with authorities.

For more details, see section Key risks and opportunities of chapter 3 on **page 376** of the 2024 Universal Registration Document.

3.3.2.3 Governance

Schneider Electric's Competition Law Program is endorsed by the Board of Directors and has backing from Executives and Senior Managers.

The Competition Law Program is managed by a Global Competition Law team with full support from the Global Legal team. It is continuously assessed and adapted to developments in applicable antitrust and competition laws and the interpretation of such laws as well as the development of Schneider Electric's activities and market presence.

3.3.2.4 Group policy

Schneider Electric published and deployed an updated and enhanced Group Competition Law Policy in 2022. In addition, nine topic-specific Competition Law Guidelines were also launched in 2022 including topics related to information exchange, procurement, distribution, e-commerce, and mergers and acquisitions.

Both the Group Competition Law Policy and the Competition Law Guidelines have been translated into over 30 languages and are accessible to all employees via Schneider Electric's internal policy platform.

3.3.2.5 Actions and resources

During 2024, Schneider Electric continued to strengthen the Competition Law Program and to reinforce processes and tools. One of the key cornerstones to a successful Competition Law Program is continuous efforts to train employees and communicate the Group Competition Law Policy, the accompanying Guidelines, and other internal rules and recommendations. Providing targeted in-person Competition Law trainings to employees in identified risk teams and roles continues to be a priority worldwide and an essential part of our program in the years to come.

Considering the size and scope of Schneider Electric as a global Company, another cornerstone to a successful Competition Law Program is to reinforce the Program across the Group, including:
- Adapting to market conditions and the expansion and development of our offers in new markets;
- Supporting digital transformations;
- Strengthening connections with other internal functions, including marketing, purchasing, data, and HR;
- Determine and coordinate existing compliance efforts in other areas, including commercial compliance, and Ethics and Compliance; and
- Reinforcing the compliance network across the entire geographic scope of the Group, including local legal teams and regional channel.

3.3.3 Compliance with tax regulations

3.3.3.1 Context

The current international tax system in which the Group operates is made of multiple complex international and local tax regulations since all the countries in the world have their own set of tax rules.

To operate responsibly, ethically, and efficiently in this complex and uncertain environment the Group believes that a fair and sustainable Group tax policy is a fundamental requirement. It aims at preventing operational, transactional, and reputational risks.

3.3.3.2 Group policy

The Group's global Tax Policy focuses on four key principles:

Governance and control

The Tax Policy is endorsed by the Tax Department and the Group CFO and validated by the Audit and Risks Committee.

The Tax Department reports to the Group CFO and is a global function which allows consistency and standardization wherever possible. In addition, dedicated tools and processes, as well as a strong presence of tax experts in the most significant countries, ensure strong and consistent decision process.

Regular reports are done on noteworthy new tax regulations and risks to the Audit and Risks Committee.

Compliance with national and international tax regulations

The Group and the Tax department are committed:
- To comply with the national and international tax laws, rules and regulations as the ones set out by the OECD regarding notably the minimum 15% taxation implemented under the Pillar 2 set of rules;
- To respect in good faith both the letter and the spirit of the law; and
- To align the tax strategy with the Group's commercial strategy and operational activity, and to challenge the in-house reading and interpretation of the law, with external tax advisors as required to ensure correct analysis and treatment are conducted.

Transparency and Trust

All employees with tax responsibilities or activities are committed:
- To cooperate openly and transparently with the tax authorities on the Group's tax affairs and to disclose relevant information in a timely, positive, and professional manner for them to carry out their audits;
- In the event a tax discussion arises, to work proactively to seek a consensual agreement, where possible, and reach solutions; and
- Whenever necessary, to discuss issues and raise questions to the tax authorities to obtain clarifications in a preventive manner. As an example, the Group made the election for the "Trust relationship" ("*Relation de confiance*") regime existing in France.

Preserve value and competitiveness

The Group strives to preserve the value created by its operations. The Tax Department assists operational business by providing tax advice and determining the tax positions best suited to operational reality.

The Tax Department thus contributes to creating value and protecting shareholders' assets by limiting tax risks while remaining compliant with national and international tax regulations.

The Group's detailed Tax Policy can be consulted on our website at **www.se.com**

3.3.4 Export control and sanctions

3.3.4.1 Context

As a multinational Company operating across more than 100 different countries worldwide, Schneider electric is subject to International, foreign, and national export control laws and regulations which govern the transfer of goods, services, and technologies within a country or between countries and/or their nationals. The Group must constantly ensure full compliance to such laws and regulations by implementing a robust corporate export control compliance program, as any implications may result in a significant impact on the Group's businesses, results, reputation, and financial position.

Although Schneider Electric's portfolio has a limited range of products that may be used in sensitive applications, restriction or licensing requirements may apply to those products, especially if associated with politically sensitive countries and destinations.

3.3.4.2 Risks, impacts and opportunities

The key risks for export controls and sanctions are related to conducting business with restricted parties, sharing restricted software, technology, products, or services without a license, and ensuring those we do business with abide by applicable export control and sanctions regulations. These risks create opportunities for Schneider Electric to develop and automate processes related to third-party screening, export control classification for products, software, and technology, and ensuring we obligate our third-parties through contractual commitments to comply with applicable export control regulations and sanctions.

Schneider Electric's robust Export Control Program increases our competitive advantage by demonstrating our commitment to ethical business practices and compliance with international regulations and sanctions.

3.3.4.3 Governance

Schneider Electric has comprehensive policies and processes to ensure compliance with applicable export control laws and regulations (Schneider Electric Export Control Program) and to mitigate the above-described risks. The Group has also established mechanisms for reporting any suspicious or non-compliant activities and takes appropriate corrective actions via the Trust Line and Trust Center.

The Global Export Control Center of Excellence team conducts regular training programs to educate all Schneider Electric permanent and temporary employees about export control regulations, their responsibilities, and the potential risks and consequences of non-compliance. The goal is to foster a culture of compliance by raising awareness and providing resources for employees to seek guidance.

3.3.4.4 Group policy

Schneider Electric's export control approach is articulated around our mission to provide education, advisory, business operations support, and enforcement of the Export Control Policy and strategy. The policy outlines our commitment to prevent the unauthorized export of goods, services, technologies, and information that could pose risks to national security, international trade, or other regulatory concerns. The roles and responsibilities of businesses, functions, and employees to ensure export control compliance are clearly defined. The responsibilities include designating individuals or teams responsible for overseeing export control activities and implementing necessary controls. The policy, signed by the Group Chief Executive Officer, sets the tone from the top, and is applicable to all Schneider Electric employees.

3.3.4.5 Actions and resources

The Schneider Electric Export Control Center of Excellence has streamlined and standardized export control and sanctions processes globally. A change management process with a supporting communications and training plan has been developed and executed transversally across Schneider Electric. This includes but is not limited to a change review board to review regulations, impact, and give guidance to ensure compliance.

A key initiative has been the automation of third-party screening. Schneider Electric developed a new capability to automatically screen all legacy and newly created/modified third-parties for risks of anti-corruption and export control. The Group integrated authoritative data sources of third parties with a best-in-class external screening engine which is updated with the latest regulatory and sanction lists in real-time. A dedicated screening team was formed to independently review potential matches arising and flag entities by risk level with a new screening flag attribute.

Third-party master data systems synchronize the screening flag values with major business systems in real time to ensure consistency. Screening flags are used to develop upstream and downstream processes needed to mitigate risk as explained in the relevant sections of this document.

Additionally, the Export Control Center of Excellence is subject to periodic internal compliance reviews and audits to assess the effectiveness of export control measures, identify any areas of non-compliance, and implement corrective and preventive actions. In parallel, the topic of export control is also part of Schneider Electric's KICs program applicable to all Schneider Electric entities and their subsidiaries. This helps ensure ongoing compliance to current export control regulations and continuous improvement.

For more details, see section Key risks and opportunities of chapter 3 on **page 374** of the 2024 Universal Registration Document.

4 Methodology, external assurance and indicators

In this section

4.1 Methodology elements on the published indicators

In conformity with regulations in place and in the spirit of transparency with its stakeholders, Schneider Electric regularly publishes corporate social responsibility (CSR) data, which notably includes:

- Indicators of the Schneider Sustainability Impact (SSI), published quarterly and externally assured annually;
- Indicators of the Schneider Sustainability Essentials (SSE), published and externally assured annually;
- Other standard human resources (HR), safety, and environmental indicators published and externally assured annually for the most material ones.

Reporting year

Annual CSR data is reported for the calendar year (CY) preceding the publication year, i.e. 2023 in this report, in line with the financial reporting calendar.

Reporting perimeter

As a general rule and subject to any particular exception described below:

(i) Schneider Electric reports CSR data at Group level for all financially consolidated entities over which it has operational control.

(ii) New acquisitions are included in the reporting scope within 2 years, meaning that data is consolidated into Group reporting at the latest from the third year post acquisition.

(iii) Companies accounted for by the equity method are not included in the reporting.

(iv) Within the above scope, small entities may exceptionally be excluded if their collective exclusion does not exceed 5% of consolidated revenues or total number of employees. Reporting coverage is provided together with indicators' tables.

Timing for inclusion may differ between indicators. Typically financial or HR data are deployed more rapidly as acquired companies usually have existing systems and teams in place, which is not necessarily the case for environmental systems.

Progressive consolidation of new acquisitions into the Group CSR reporting

All majority-owned, financially consolidated entities shall participate in all relevant Schneider Electric's SSI, SSE, and other environmental, social and ethical programs and adopt the required policies and reporting practices as per each respective Trust Standard. Unless otherwise agreed with Schneider Electric's Sustainability team for practical or cost-effectiveness reasons, the following calendar shall be respected:

- Year +1: strategic alignment and material KPIs selection;
- Year +2: data cleaning and baseline and target setting;
- Year +3: start of consolidated reporting into Group public reporting.

When an entity is not fully integrated into Schneider's IT systems, the consolidation of CSR data is done manually and may take longer than the standard calendar above. For those entities, if the cost of reporting is deemed unreasonable compared to the size of the company, the entity may ask to opt-out from CSR reporting.

This may be granted on a case-by-case basis. However these entities still need to follow applicable Trust Standards.

The scope of environmental reporting is that of ISO 14001-certified sites, and certain non-certified sites on a voluntary basis and without interruption in time. All production and logistics sites with 50 or more full-time equivalent (FTE) employees must obtain ISO 14001 certification before the end of the third full calendar year of operation or membership of the Group. Administrative, R&D and sales sites with 500 FTE employees or more also have to obtain ISO 14001 certification. Other sites may seek certification and/or report on a voluntary basis. A difference can thus be recorded with respect to the scope of financial consolidation.

Notable exclusions in 2024 (apart from SSI #1 Schneider Impact revenues, which is calculated on the same scope as the financial perimeter due to data availability) are presented in the table below. Details for data coverage are specified in tables page 342 for each topic and are generally well above 85%.

The Group has set a plan to increase its reporting coverage progressively to at least 95%, as described above.

The main non-IT integrated entities have been included in the sustainability statements as of 2024, and will be included in the next SSI-SSE cycle.

Company	Acquisition year	% Group employees	% Turnover	Comments
AVEVA (including OSIsoft)	2018 (2021)	3.5%	3.9%	AVEVA is excluded from all KPI calculations except SSI #1.
Lauritz Knudsen Electrical and Automation	2020	2.4%	2.7%	HR statistics are included in the Group results, which include SSE #13, SSE #16, SSE #18, SSE #20, SSE #23 and SSE #24 in 2023. An exception is made for SSI #8, which is calculated on a constant scope.
RIB Software	2020	1.6%	0.7%	RIB Software is excluded from all KPI calculations except SSI #1.
Other exclusions	–	3.1%	3.1%	Other exclusions concern either non-integrated entities or recently acquired entities grouped here for readability.
Total maximum exclusions	–	10.6%	10.4%	Total exclusion figures presented in this table represent the maximum exclusions for given KPIs. More precise reporting perimeter estimates are provided in each data table. Note that exclusions of software companies have limited impact on environmental KPIs, and no impact on product-related KPIs at Group level given the nature of their activities.

Internal control

Schneider Electric has drawn up a frame of reference with dedicated reporting protocols for SSI and SSE indicators, and for other HR, safety and environmental data. This frame of reference includes the scope, collection and consolidation procedures and definitions for these indicators.

The HR, safety and environmental data comes from our HR Analytics for HR data, EcoStruxure™ Resource Advisor for environmental data and GlobES (Global Environment and Safety) for safety data. Its consolidation is placed respectively under the Global Human Resources, Global Environment, and Global Supply Chain functions. Data reliability checks are conducted at the time of consolidation (review of variations, inter-site comparison, etc.).

External assurance

Schneider Electric SE appointed PricewaterhouseCoopers Audit ("PwC") and Forvis Mazars as statutory auditors for the certification of sustainability information (Sustainability statements – CSRD). Once a year, they issue a limited assurance report certifying the sustainability information and verification of the information disclosure requirements set out in Article 8 of Regulation (EU) 2020/852. In addition, with its commitment to continuous improvement, Schneider Electric asked one of its statutory auditors to perfom two additional assurance engagements, in accordance with the international assurance standard ISAE 3000 (revised), in order to obtain:

- a limited assurance engagement on all SSI and SSE indicators (see independent verifier's report on page 270).
- a "reasonable" level of assurance for strategic indicators (energy consumption, Scope 1 and 2 CO_2 emissions, safety, gender diversity – SSI #8) (see independent verifier's report on page 274).

This external assurance practice has been in place at Schneider Electric since 2006.

4.1.1 Indicators from the Schneider Sustainability Impact

SSI #1: Grow Schneider Impact revenues to 80%

Schneider Impact revenues are defined as offers that bring energy, climate, or resource efficiency to our customers. Schneider Impact revenues are split into four categories described thereafter. Activities included are:

1. **Energy efficiency architectures bringing energy and/or resource efficiency to customers.** Offers include building management systems, power management systems, lighting and room control, thermal control, variable speed drives, Sustainability Business (SB), and industry automation. Neutral technologies such as signaling, racks and enclosures, access control, or emergency lighting are excluded.

2. **Grid reinforcement and smart grid architectures contributing to electrification and decarbonization.** This includes all technologies and architectures contributing to a "New Electric World", helping grid and electrification come to life: smart grid and microgrid technologies, electric vehicles charging infrastructure, medium voltage systems to upgrade electricity distribution networks, low voltage connectable offers enabling smart grid management and energy efficiency, secure power and switches that enable security, and security of supply.

3. **Products with differentiating green performance, flagged thanks to our Green Premium™ program.** Green Premium™ products offer environmental transparency (with digital lifecycle analysis and circular end-of-life instructions), superior compliance to stringent environmental regulations, and differentiating environmental performance through specific environmental attributes (note: double-accounting with categories 1 or 2 is removed).

4. **Services that bring benefits for circularity** (prolonged asset lifetime and uptime, optimized maintenance operations, repair, and refurbish) **and energy efficiency** (maintenance to maintain the operational performance of equipment and avoid a decrease of energy efficiency over time).

Additionally, revenues derived from activities with fossil sectors and others are systematically excluded, including Oil & Gas, coal mining, and fossil-power generation, in line with prevailing corporate responsibility reporting and sustainable finance practices, even though Schneider Electric's technologies deliver resource and carbon efficiency in such sectors as well. In line with Schneider Electric's strategy to phase down SF_6 from offers by 2025, SF_6-containing switchgear for medium voltage applications are also excluded. In addition, neutral technologies such as signaling, racks and enclosures, access control, or emergency lighting are excluded.

All revenues consolidated in financial accounts are taken into account. Calculation is based on revenues per line of business. Exclusion of fossil revenues is based on orders per customers' end-segment, with extrapolation to estimate destination of transactional sales.

PwC provided limited assurance on this indicator.

SSI #2: Deliver 800 million tonnes of saved and avoided CO_2 emissions to our customers

This indicator measures CO_2 savings and avoidances delivered by Schneider Electric offers to customers.

CO_2 savings and avoidances are calculated for global sales of the reporting year and cumulated over the offers' lifetime. Net emissions are calculated as the difference between emissions with Schneider Electric's offer and emissions in the reference situation. The ambition for this indicator has been increased in 2021 with the definition of the new sustainability strategy: Schneider is committed to save and avoid 800 million metric tonnes of CO_2 thanks to EcoStruxure™ for its customers.

The difference between "saved" and "avoided" emissions is key: saved CO_2 emissions correspond to brownfield sales that enable reduction of global CO_2 emissions compared to previous years, and avoided CO_2 emissions correspond to greenfield sales that enable a limitation of the increase of global emissions.

- **Brownfield sales** correspond to the situation where the offer sold replaces or upgrades an existing system, leading to a change of GHG emissions of installed infrastructure vs. the previous year. For "saved" emissions, the "brownfield reference situation" is defined as the situation before the new solution is sold and installed at the customer's site.
- **Greenfield sales** correspond to the situation where the solution is installed into a new system, allowing a better performance with respect to the market alternative.

The calculation of CO_2 impact of offers over their lifetime is based on sales data per product range. The electricity emission factors are forward looking, integrating the decarbonization of the global energy mix as per scenario of the International Energy Agency (IEA). Market data and expert assumptions are used to determine the use-case scenario of offers and the associated CO_2 impact. This methodology is associated to typical uncertainties of CO_2 corporate accounting methodologies, and conservative assumptions are preferred.

Since the launch of the program, the scope of the indicator has been widened to include sales data for certain manufacturing sites not initially consolidated and new sub-offers. However, the baseline was not modified. As of 2023, these added offers or sites have contributed to less than 1% of the indicator's performance.

More methodological details can be found on **se.com** that has been made public in 2019.

PwC provided limited assurance on this indicator.

SSI #3: Reduce CO_2 emissions from top 1,000 suppliers' operations by 50%

Under this program, also called The Zero Carbon Project, the Group partners with 1,000 of its suppliers, who commit to reduce their company's CO_2 emissions (mandatory Scope 1 and 2; Scope 3 is optional) at enterprise level and not just on the proportion of sales to Schneider Electric. The active participation of upstream supply chain is critical because it represents multiple times GHG emission compared to Schneider Electric's own operations. The top 1,000 suppliers come from 65 categories across direct material, indirect material, and project procurement, and have been nominated by the respective procurement teams.

To ensure suppliers get adequate handholding during the implementation, several capacity building and engagement modules have been deployed. These initiatives sensitize the suppliers on various approaches and technical levers for decarbonization, including training, technical requirements, calculations and on-site implementation support by Sustainable Procurement Experts. Moreover, Schneider attempts to support and drive collaborations with suppliers through various digital decarbonization solutions.

As a first step in the long-term journey to decarbonize, the top 1,000 suppliers are required to quantify their carbon emissions and take ambitious reduction targets and deploy roadmap to achieve them. Suppliers are required to share the carbon emission performance via the dedicated Schneider Supplier Portal – Supplier Relationship Management (SSPSRM). To measure the carbon emission reduction achieved, Schneider calculates the average carbon intensity reduction achieved by responding suppliers, multiplied by the percentage of suppliers reporting carbon emission data. Carbon intensity is calculated as Scope 1 and 2 CO_2 emissions divided by financial turnover.

PwC provided limited assurance on this indicator.

SSI #4: Increase green material content in our products to 50%

A green material is defined as either of the following:
- a material with a lower environment footprint; or
- a material that is the output of an industrial technology which is a key enabler for a 1.5°C climate scenario and/or a more circular economy.

For 2021, the scope of this KPI covers commodities identified as relevant in terms of volume (circa 29% of total products volume in 2019), environmental impact (carbon footprint and biodiversity assessment), and industry readiness, meaning:
- steel and aluminum direct purchases;
- thermoplastic direct and indirect purchases.

Overall, the materials in scope represent approximatively 400,000 metric tonnes.

Cross-functional experts at Schneider Electric (Procurement, R&D, Environment) have worked in close relationship with suppliers to define the Green attributes for each commodity in scope, based on existing international schemes and standards.

Thermoplastics are qualified as "green" when the supplier is bringing evidence of a minimum recycled content, biobased content (minimum threshold depends on whether the compound is halogenated or not), or is using a green flame retardant.

Steel is qualified as "green" when the supplier is bringing evidence that the mill of origin from an technology with a low carbon emissions potential today (an electric arc furnace (EAF) or a blast furnace using direct reduced iron steel (DRI-BOF) or Hot Bricket Iron (HBI-BOF)), or has a green certificate such as the ones delivered by Responsible Steel.

Aluminum is qualified as "green" when the supplier is bringing evidence that the product carbon footprint is below 8 tonnes of CO_2 per ton of aluminum, is using a minimum of 90% of recycled content in its product, or that the mill of origin has a green certificate such as the ones delivered by the Aluminium Stewardship Initiative.

The scope will be reassessed annually as the program matures and the transparency of supply chains improve.

To consolidate the KPI, several sources of data are used. The volumes of green materials are identified using Prism extract for metals and Puma extract for thermoplastic, with both tools providing budgeted volumes. The total volume in scope (the denominator of the KPI) is determined using Raw Material Inventory (RMI) extracts for thermoplastic, steel and aluminum providing purchased volumes in metric tons. For silicon steel there is no consolidation in RMI since silicon steel is not a market index, thus the volume is estimated based on a negotiation file of the Regional Category Manager from procurement team. Schneider Electric decided to identify reported and tracked green materials using "budgeted" volume since the precision of the reporting tool is better compared to RMI extract. Prism and Puma enables the two levers mentioned above by allowing Schneider Electric to track suppliers and material grade.

PwC provided limited assurance on this indicator.

SSI #5: 100% of our primary and secondary packaging is free from single-use plastic and uses recycled cardboard

This program has been designed to:
- Ensure legal compliance through the selection of our packaging materials and the availability of adequate take-back, collection, and sustainable options for our customers.
- Support the achievement of our 2025 green packaging commitment:
  - 100% of our primary and secondary packaging uses recycled cardboard.
  - 100% of our primary and secondary packaging is free from single-use plastic.
  - Define the best practices to offer differentiating green packaging solutions to our customers.

The scope includes tier-one strategic suppliers with a direct purchase of cardboard and plastics in the Schneider Electric procurement system. Geographically, all regions under the global supply chain will be covered, as well as Equipment & Transformers.

Cardboard is considered as recycled when it includes at least 70% of recycled fiber by weight. Temporary exemption is made for North America, where an average of 50% of recycled fiber by weight is required to be considered recycled.

Every reporting period, the spend on cardboard and plastics is extracted from the system and each element is classified as sustainable or not based on criteria mentioned above. Verification is done for sustainable declarations on the definitions already provided as well as certificates and other documentary evidence from suppliers. The list of eligible certificates/documents is continually updated to make it exhaustive and to cover countries' specificities.

A global campaign is being run in all global supply chain regions to progressively move the spend to sustainable sources and remove single-use plastic usage with sponsorship from top management.

PwC provided limited assurance on this indicator.

SSI #6: 100% of our strategic suppliers provide decent work to their employees

Schneider Electric has deployed a series of engagement on the topic of working conditions to correct malpractices, however the Company proactively works to introduce measures which will prevent the likelihood of occurrence of such violations in future. This philosophy is the foundation of the Decent Work program (DPW).

Taking inspiration from the pioneering work of the International Labour Organization (ILO), Schneider has defined **10 pillars of Decent Work**:

1. Employment opportunities;
2. Adequate earnings and productive work;
3. Decent working hours;
4. Stability and security of work;
5. Social dialogue and workplace relations;
6. Fair treatment in employment;
7. Safe work;
8. Social protection;
9. Purchasing practices; and
10. Balancing work and family life.

The program requires strategic suppliers to develop a proactive policy as a means to extend safe, attractive and inclusive workplace to their employees. Criteria defined for each Decent Work pillar may also overlap with ISO 26000 standard and are validated by the Global Procurement, Human Resources, Supply Chain, and Sustainability teams.

The suppliers will be assessed through remote questionnaires supported by relevant documentation, as well as on-site visits and spot audits, and their performance will be monitored by experts. All questions have a minimum acceptable answer defined. Suppliers responses will be evaluated against the minimum acceptable criteria to qualify as Decent Work compliant. Program deployment is ensured by specialists of Sustainable Procurement from Global Procurement function, who are responsible to onboard, train, and assess suppliers. The program implementation is supported by the Global Procurement Services.

Through DWP, Schneider aims to enhance social integration, equity, security, dignity, satisfaction, and overall improvement in the quality of life for the workers, and their family. For a supplier to fully adhere to the DWP, the Global Procurement team will look at inclusion of the requirements in the supplier's organizational framework by means of policies, processes etc. Incase of missing or non alignment, the suppliers need to initiate corrective measures which aim to institutionalise the requirements within the company. The evaluation of this is undertaken and supported by review of relevant documentations. If the requirements are effectively incorporated in the policies and processes, the supplier can be counted as conforming to DWP in the KPI calculation. Otherwise, it is still counted as non-compliant regarding the requirements of the program.

A pilot for this indicator was launched in 2022, and its was integrated to the SSI score computation in the same year.

PwC provided limited assurance on this indicator.

SSI #7: Measure the level of confidence of our employees to report behaviors against our principles of Trust

Our "Speak Up" mindset helps to maintain high standards, a strong reputation, and a healthy and productive working environment, and protects Schneider Electric and its employees from multiple risks. Misconduct situations will be less likely to occur if people, employees, and stakeholders feel safe to speak up about concerns, dilemmas, or issues in good faith, respectfully, and without fear of retaliation.

Our Trust Charter and Ethics & Compliance program participate to transform this belief into practical actions, notably offering multiple fair, neutral, and confidential reporting channels to our employees to make them feel confident to report unethical conduct.

In order to assess this KPI, the question "I can report an instance of unethical conduct without fear" is annually asked to all Schneider Electric employees in the OneVoice survey. The percentage of "Agree" and "Strongly Agree" amongst the answers determines

the level of confidence of Schneider Employees to report unethical conduct. Responses are anonymized and aggregated for compliance purposes.

This indicator was calculated for the first time in 2021 and reached an 81/100 performance. This KPI is integrated to the SSI score computation since 2022.

PwC provided limited assurance on this indicator.

SSI #8: Increase gender diversity, from hiring (50%) to front-line managers (40%) and leadership teams (30%)

Schneider Electric is strongly committed to building a diverse organization at every level, with a workforce that reflects the diverse markets in which Schneider operates. This indicator measures female representation within Schneider, at the hiring, front-line manager, and leadership levels.

It covers all new hires within the Company, including both non-direct variable costs (NDVC, i.e., white-collar) and direct variable costs (DVC, i.e., blue-collar) positions; managers who are in NDVC positions, at the junior and mid-management level and whose direct reports are individual contributors only; and all leaders in Senior Vice-President and Vice-President positions.

This is a composite indicator: the progress of each metric (new hires, front-line managers, leaders) is being evenly weighted (1/3) to calculate the achievement of this commitment.

At the end of each quarter:

- **Percentage of female new hires:** count of new hires that are women divided by total new hires in the current year x 100%.
- **Percentage of female frontline managers:** count of front-line managers that are women divided by total front-line manager population x 100%.
- **Percentage of female leaders:** count of women leaders divided by count total leaders x 100%.
- **Blended achievement percentage:** weighted 1/3, based on annual percent progression from base year to total five-year achievement.
  - 50% new hires progression: subtract current period percent of women who are new hires from 2020 baseline and divide by targeted 5-year progression ambition (9%).
  - 40% front-line managers progression: subtract current period percent of women who are front-line managers from 2020 baseline and divide by targeted five-year progression ambition (15%).
  - 30% leaders progression: subtract current period percent of women who are leaders from 2020 baseline and divide by targeted five-year progression ambition (6%).
  - Calculate blended progression achievement percent: 1/3 of each KPI current period progression.

From 2025 onwards, diversity targets shall not impact local incentives in countries or entities prohibiting the establishment of such targets.

PwC provided reasonable assurance on this indicator.

SSI #9: Provide access to green electricity to 50 million people

Schneider aims to provide access to electricity from renewable sources to 50 million people, thanks to the products and solutions that are developed and/or commercialized under the Access to Energy (A2E) program, from 2009 to end-2025.

Geographical scope are countries where the A2E program is operating, in Asia-Pacific, Africa, Middle East, South America, and Central America. Within these A2E countries, the impact is calculated based on:

- **Individual and domestic electrification:** the number of units sold is counted out of the defined list of references providing access to green electricity, and a coefficient is applied to translate into an estimated number of people impacted.
- **Collective electrification** for residential areas and productive uses: the total power sold is counted out of the defined list of references giving access to green electricity; it is translated into a number of people impacted from an average energy consumption of a household in the targeted areas, estimated from external databases and studies.
- **Electrification projects for community centers and services or specific A2E projects:** as an alternative to the above method, actual or statistical number of people connected can be taken into account.
- **Impact funds** (SEEA, SEEA Asia, EAV and GEIF II): 100% of the impact of companies that contribute directly to the Schneider A2E mission of providing green and reliable electricity in Africa and in Asia are taken into account, as well as 50% of the impact of companies that contribute indirectly. To this result, Schneider applies the percentage of its participation in the fund.

An exhaustive list of products and solutions considered with reference codes is available and maintained. Considered products and solutions are those already available at the end of 2020, and the forthcoming products and solutions providing access to electricity. Products and solutions that are out of scope: A2E products and solutions that are sold out of A2E countries, except in cases of A2E products and solutions provided for relief work in any country struck by a disaster or a catastrophic event; other A2E products and solutions, not directly providing access to electricity (such as MPPT, EcoStruxure™ for Energy Access, batteries, etc.).

The impact calculation methodology described in this document is that applied as of full year 2021. This methodology is a model using the best available data to estimate the impact of the Access to Energy business in terms of number of people. It is subject to potential revisions, in order to adapt to changes in the external sources that are used as parameters. The unit of the indicator "people impacted" should be interpreted with caution, as this is a qualitative approach with uncertainty on the actual impact in terms of people.

PwC provided limited assurance on this indicator. The methodology and 2021 onwards performance was audited, not values cumulated before 2021.

SSI #10: Create 2x opportunities for the next generation

The purpose of this initiative is to ensure Schneider Electric has a sustainable talent strategy to develop a Next Generation (Next Gen) pipeline of talent through full-time and temporary opportunities. Its goal is to provide access to professional opportunities for young adults, educating them about sustainability and how Schneider Electric plays a part in this endeavor.

To achieve this ambition to double opportunities, the Group accounts for the various ways it interacts with talent considered to be part of the next generation pipeline, including student opportunities and recent graduate hires:

- **Student opportunities** are defined as the workforce on the cusp of entering the job market, engaged in a temporary relationship with Schneider Electric with a defined start and end date at the onset (i.e., interns, apprentices, co-ops).
- **Recent graduate hires** are recent graduates or early career professional hires from a formal education program whose relationship with Schneider has a defined start date but open-ended end date (i.e., open ended contract, fixed term contract).

Calculations are based on actual external requisition positions filled in the Global Applicant Tracking.

PwC provided limited assurance on this indicator.

SSI #11: Train 1 million people in energy management

Today's young people are forward-thinking, creative and one of the largest demographics. We need to empower them with the necessary skills and support to create a life align with their dreams and aspirations.

Schneider Electric is committed to upskilling and empowering young people:

- By supporting the development of Technical and Vocational Education and Training (TVET). The key challenge of training in the energy sector is to provide the knowledge and skills to carry out a trade in a safe and responsible way, allowing to acquire long-term competencies and securing access to employment. The courses counted by the indicator lead to a certificate or a diploma. The minimum duration of these courses is 3 months (or totaling 100 hours). For online programs, students will only be counted if they receive a certificate after online evaluation.

- By providing access to technical and soft skills, supporting their project and mentoring them. Youths reported benefit from at least 3 months programs delivered by Schneider's partners.
- By empowering them to innovate and become entrepreneurs and contribute to the social and energy transition. Are included in the indicator Youths who have declared benefitting from at least 3 months programs delivered by our partners.

In partnership with local and international NGOs and local authorities, the Schneider Electric Foundation and the Company's local entities provide direct and indirect contributions to training partners.

Schneider's contributions may include (cumulative possible):
- funding of electrical and didactic equipment, donation of requested first generation equipment for practical work;
- funding of activities to deploy energy transition program to students;
- knowledge transfer through trainer training, and support for future entrepreneur training.

The KPI score is calculated with the number of students enrolled in trainings courses, supported by Schneider Electric through partnership agreement (supporting documents required, such as list of young people trained).

PwC provided limited assurance on this indicator.

SSI #+1: 100% of Country and Zone Presidents define 3 local commitments that impact their communities in line with our sustainability transformation

Since its creation in 2005, the former Planet & Society barometer (now the SSI), has focused on measuring progress against key sustainability performance indicators at worldwide level.

In SSI 2021–2025 Schneider Electric introduces a new component to measure local impact because:
- There is a high internal demand for local communication on progress, as well as to locally empower collaborators to contribute to our meaningful purpose.
- Sustainability priorities are highly dependent on local context therefore it makes sense to not only deploy worldwide programs, but also local actions close to local context and needs.

In order to boost local impact towards communities close to Schneider Electric, countries with at least 100 employees have set three commitments aligned with the Group's sustainability strategy, on different pillars: Climate, Resources, Trust, Equal, Generations, and Local.

Progress against these commitments is measured by precise KPIs. The assessment of this objective goes as follows: KPIs are validated by Zone/Country Presidents, and a local SSI lead is designated and communicated to the Sustainability team. This local SSI lead is in charge of consolidating KPI performance on an annual basis.

This indicator was not audited by PricewaterhouseCoopers and is not included in the SSI score.

4.1.2 Indicators from the Schneider Sustainability Essentials

SSE #1: 150 Zero-CO_2 sites

A site achieves Zero-CO_2 site status if it emits zero GHG emissions related to energy consumption and has in place Digital Energy Monitoring. Additionally, the site must have no SF_6 leaks. Exclusions for energy-related GHG emissions are considered for small sources (<3%) of a site's total energy where no feasible fossil-free solution exists today. Digital Energy Monitoring is defined as having energy data connected to a Schneider Electric solution (such as Power Monitoring Expert, EcoStruxure™ Building Operation, EcoStruxure™ Resource Advisor, etc.). For larger sites, this requires a significant proportion of the site's energy to be measured and monitored through real-time connected meters. For smaller sites, this requires energy invoices to be available in Schneider Electric's EcoStruxure™ Resource Advisor solution. This indicator relates to all sites within the Group's full real estate footprint.

PwC provided limited assurance on this indicator.

SSE #2: 100% substitution with SF_6-Free medium voltage technologies

This indicator measures the ability of Schneider Electric to offer to the market (i.e. SELL gate of our Offer Creation Process) industrialized SF_6-free solutions for all geographies.

The range considered for the calculation of this KPI are primary and secondary switchgears up to 40.5 kV, indoor only:
- **A** SF_6-free ranges ready in 2020: Vacuum components, Premset, primary AIS with vacuum CB, HVL, Masterclad…
- **B** SF_6 ranges in 2020: RM6, FBX, Ringmaster, DVCAS, Flusarc, SM6, RN2C, GMA, GMAe GHA, WS, WSG, CGBS-0, CGBS-1, HVL-CC, Mcset, F400
- **C** SF_6 free offers to be launched from 2021–2025: SM AirSeT, Air PacT, RM AirSeT, RingmasterX, GM AirSeT, HVLCCX, etc.

Products above 40.5 kV (WI, CBGS-2, Kite), outdoor equipment such as pole mounted, reclosers, sectionalizers, and instrument transformers, as well as ranges manufactured by JVs and local offers adaptation are excluded.

The performance is measured as the percentage of the quantity of SF_6-free offer ranges available for order (A+C above) compared to the total quantity of the current ranges sold in the 2019 reference base (for both medium voltage switchgears and components). The current range for 2019 reference base is defined as the sum of the current SF_6 and non-SF_6 (Air, Vacuum) ranges sold in quantities (A+B above).

For the calculation, as an example, 1 RM AirSet = 1 RM6.

Calculation: KPI % = (A + C) / (A + B). Reference base: total quantities by range sold in 2019.

PwC provided limited assurance on this indicator.

SSE #3: 90% of electricity sourced from renewables

This program measures the share of renewable electricity in Schneider Electric electricity supply, on the scope of environmental reporting (industrial sites >50 employees and tertiary sites >500 employees certified ISO 14001).

Four different types of renewable sourcing are taken into account:
- Renewable electricity produced on-site and consumed on-site;
- Renewable power purchase agreements (PPAs);
- Green tariffs; and
- Renewable certificates (depending on the country: REC, iREC, GO, EAC, etc.).

Electricity purchased with no specific renewable electricity claim is not taken into account, even if the electricity mix of the supplier includes a share of renewable power.

PwC provided reasonable assurance on this indicator.

SSE #4: 15% CO_2 efficiency in transportation

Transport within Schneider Electric is a significant generator of CO_2 due to dependence on fossil-fuels. To achieve its Net-Zero target, the Group must engage with its transport providers on both efficiency opportunities as well as technical advancements in transport assets.

This KPI measures the Group progress against an annual 3% CO_2 emissions for its transportation footprint for each of the next 5 years, or 15% total reduction from 2020 to 2025. The scope of the program covers all shipments globally with all transportation providers and modes where the freight is paid by the Group. This equates to approximately two-thirds of the total freight CO_2 impact to the Group. The base calculation for CO_2 efficiency uses an activity-based method of weight multiplied by distance and by mode/equipment CO_2 factors. Data collection covers 72% of transport expenditure and emissions linked to uncollected data are estimated. Progress is measured using CO_2 emissions per tonne shipped as unit.

PwC provided limited assurance on this indicator.

SSE #5: 15% energy efficiency in our sites

This program measures the normalized energy reduction of the Group's largest energy-consuming sites against a baseline. The objective is to reduce energy consumption by ~3% each year, for a total reduction of 15% over the whole duration of the program (2021–2025) using Schneider Electric solutions and services. The program focuses on Schneider sites within the scope of environmental reporting that consume >3 GWh of total energy, along with other sites the Group considers strategic (213 sites in 2021).

Energy savings are calculated vs. a baseline year (2019) for the whole duration of the program. In order to ensure a fair calculation of the savings, the actual consumption of a site is normalized vs. the baseline year.

This normalization is based upon a site-specific linear regression model enabling climate and changes in production levels to be taken into account. All energy consumption that can be modeled is taken into account and converted into MWh.

PwC provided reasonable assurance on this indicator.

SSE #6: 80% of product revenues covered by Green Premium™

Schneider Electric provides environmentally conscious products to customers that support their sustainability goals and ambitions. The 2025 target is a transformation of the existing program, for products focused on green materials, low CO_2, circularity, and digitization of data.

Green Premium™ products provide detailed information on their regulatory compliance, material content, environmental impact, and circularity attributes. They deliver market-driven value propositions through third-party labels, such a Green Building and product certifications, that support our customers' sustainability ambitions. All globally sold products are within the scope of Green Premium™.

The product must be identifiable by an individual commercial reference number sold under a recognized brand of Schneider Electric. The Group provides resource-efficient products (energy at usage, low CO_2, material efficiency) whose footprints are fully available through the "Product Environmental Profile" relying on lifecycle assessment; Green Premium™ offers also come with "circularity profiles", providing information on a product's circularity through product end-of-life instructions and take-back services. Green Premium™ offers are regulatory compliant.

Schneider Electric is going beyond regulatory compliance with step-by-step substitution of certain materials and substances from our products. All this information is provided digitally to our customers.

PwC provided limited assurance on this indicator.

SSE #7: One-third of corporate vehicle fleet comprised of electric vehicles

Schneider Electric has joined the EV100 initiative of the Climate Group to reduce its carbon emissions by committing to electrify 100% of its fleet by 2030. The fleet reporting structures the fleet carbon emissions calculations, the calculation of EVs share in the fleet, and allows support of countries in the transition. As a mid-term objective, by 2025, Schneider commits to switch a third (1/3) of its fleet to EVs.

Schneider Electric uses the definition by the Climate Group for EVs, including:
- Battery Electric Vehicle (BEV);
- Plug-in hybrids (PHEV): Extended Range Vehicle (EREV) and Fuel Cell Electric Vehicle (FCEV) – with at least 50 km of electrical autonomy.

Vehicles' spot count is taken on 31st December. The share of EVs in fleet is calculated by dividing EV count by total vehicle count.

Fleet leasers are the source of information; global leasers operate the largest share of Schneider Electric's fleet and provide data on multiple countries by region. A detailed reporting is asked of all countries to eventually correct, complete, or complement the information (considering for instance vehicles under local leasers).

PwC provided limited assurance on this indicator.

SSE #8: 100% of sites with local biodiversity conservation and restoration programs

This program measures, for each site in scope, the percentage completion of a set of biodiversity-related actions. The scope is Schneider Electric sites within full real estate footprint that have >50 people.

Initiatives are defined as "eliminate single-use plastic", and "local biodiversity action" (two required for large ISO 14001 sites, one for small sites).

Each site reports initiatives at completion. At Group level, performance is calculated by dividing completed initiatives by total required initiatives.

This indicator is audited annually by PricewaterhouseCoopers.

SSE #9: 200 "Waste-to-Resource" sites

A site achieves "Waste-to-Resource" status if it recovers more than 99% (by weight) of its non-hazardous waste while leveraging waste-to-energy solutions for less than 10% of its non-hazardous waste. Additionally, if a site generates hazardous waste, it must ensure 100% proper handling and treatment of that waste. Proper handling and treatment of hazardous waste means that hazardous waste shall be handled as per Schneider Electric's requirements and local regulations, whichever is the most restrictive. Waste is considered as recovered if it is reduced, reused, or sent to a waste provider for recycling or disposal in any manner except landfill and incineration without energy recovery. Waste composting and energy recovery systems qualify as recovered. This indicator relates to all sites within the Group's full real estate footprint.

PwC provided limited assurance on this indicator.

SSE #10: 420,000 metric tonnes of avoided primary resource consumption through 'take-back at end-of-use' since 2017

The aim of this KPI is to measure Schneider Electric's Circular Economy efforts, meaning all the industrial activities that contribute to the Circular Economy model, such as repair, reuse, refurbish, and recycling, thus avoiding waste, material and energy consumption, CO_2 emissions, and/or water depletion.

Activities in this KPI will enrich on the basis of Schneider Electric's increasing focus on circularity business models, and are currently constituted of:

- Batteries take back and recycling;
- Volume of devices refurbished and repaired in our repair centers (e.g., UPS, drives);
- Volume of MV, LV, and Transformers refurbished or recycled in our ECOFIT Centers.

Due to some local regulatory changes in 2024 and related yearly timing of official figures, 55% of reporting are conservative estimates which will be adjusted as part of the next reporting cycle.

PwC provided limited assurance on this indicator.

SSE #11: 100% of sites in water-stressed areas have a water conservation strategy and related action plan

This program measures the percentage completion of a set of water conservation actions that sites in water-stressed areas must complete. The scope is Schneider Electric sites within the scope of environmental reporting that are classified as "high" or "extremely high" baseline water stress, as defined by the World Resources Institute (WRI) Aqueduct Water Risk Atlas. Actions are defined based on the amount of water that a site consumes along with the application(s) that the site uses water for. At the Group level, performance is calculated by totaling all completed site actions and dividing by the total required actions.

PwC provided limited assurance on this indicator.

SSE #12: Deploy a "Social Excellence" program through multiple tiers of suppliers

This indicator has not yet been deployed by Schneider Electric.

SSE #13: 100% of employees trained every year on Cybersecurity and Ethics

As per our Ethics & Compliance and Cybersecurity programs, training of employees on ethics, corruption risks (for eligible employees), and cybersecurity is mandatory. To ensure this, Schneider Electric launched 3 new trainings as part of the Global Schneider Essentials training campaign, reconducted every year with new content:

- Since 2018: Training on the Principles of Responsibility (replaced in September 2021 by the Trust Charter, Schneider's Electric Code of Conduct) and Anti-corruption.
- Since 2020: Training on Cybersecurity.

The scope of this KPI is all employees registered in TalentLink (legal entities integrated in Talent Link, core HR data system) as of November 15:

- **Principle of Responsibility and Cybersecurity e-learnings:** all active employees with open ended contracts (OEC) (exception: Chinese and Bulgarian fixed-term contracts (FTC) are included), present in the Group on December 31st and hired before December 1st.
- **Anti-corruption e-learning:** exposed employees identified based on the job description (Schneider Electric System of Reference – description of functions), active, with connectivity type online-corporate credentials, with OEC (exception: Chinese and Bulgarian FTC) present in the Group on December 31st and hired before December 1st.

PwC provided limited assurance on this indicator.

SSE #14: 0.38 or below Medical Incident Rate

Safety is one of the five pillars of Schneider Electric's Trust Charter, which emphasizes the importance Schneider Electric is placing on its employees, customers, and contractors. Schneider works with many VIP global customers, and they demand the highest standards of Health and Safety management and performance before they engage and continue to do business with Schneider Electric.

Moreover, at Schneider Electric our mission is to ensure the occupational health and safety of employees, customers, contractors, and visitors to our locations. The Group also strives to provide employees safe, pleasant, and efficient workplaces for enhanced well-being and effectiveness. As such, we aim to reduce the Medical Incident Rate (MIR) to 0.38 by 2025.

The MIR is the number of work incidents requiring medical treatment per million hours worked (i.e., average hours of 500 employees working for one calendar year). Work-related injuries and occupational illnesses requiring medical treatment are included. Work incidents may or may not have resulted in time off work.

All work-related incidents reported on Schneider Electric sites are counted (including therefore incidents affecting Schneider employees and other employees working under the supervision of Schneider, i.e., temporary workers). All Schneider sites within scope are considered. Medical incidents do not include: visits to a physician or other licensed healthcare professional solely for observation or counseling; the conduct of diagnostic procedures, such as x-rays and blood tests, including the administration of prescription medications used solely for diagnostic purposes (e.g., eye drops to dilate pupils); or first aid.

PwC provided reasonable assurance on this indicator.

SSE #15: Reduce total number of safety recalls issued to 0

When sustainability supports customer satisfaction, it translates into new processes and policies to allow returns of adapted products for reuse, remanufacture, and refurbishment. The benefits can be seen at a customer satisfaction level: by producing and delivering back orders impacted by component shortages, by serving new customer orders, and on Sustainability level by anticipating upcoming regulation compliance (anti-waste laws), reducing carbon footprint of our supply chain, and reducing the cost of poor quality due to product recalls.

Schneider Electric has an Offer Safety Alert (OSA) process to alert the relevant line of business and other interested parties as soon as it is suspected that customers' health or property safety may be put at risk by Schneider products, solutions, or projects.

The Offer Safety Alert Committee (OSAC) is a permanent corporate committee that oversees and regulates the management of OSA. Its mission is to ensure all OSA are managed with the due diligence and urgency to minimize safety risks to customers.

Its independent, multi-discipline nature allows the OSAC to make decisions in our customers' best interest. As part of the Trust pillar of SSE 2021–2025, Schneider is committed to reducing the total number of safety recalls issued to 0.

This KPI covers customer notification and remediation actions from any suspected condition in Schneider Electric's offer that may cause customer bodily injury or property damage with OSAC Go decision.

PwC provided limited assurance on this indicator.

SSE #16: In the Top 25% in external ratings for Cybersecurity performance

Schneider Electric is continuously and consistently monitoring the security of its digital footprint with the support of cyber scoring agencies and this discipline is applied across the extended ecosystem(1) (e.g., integrated and non-integrated entities).

Our primary scoring agency is BitSight which rates company security maturity between 300 to 820. This rating is calculated in real time with a proprietary algorithm that examines two classes of externally observable data:

- configuration information, which represents how diligent a company is in implementing best practices to mitigate risk.
- observed security events, which are evidences of cyber events like system compromises or data breaches, etc.

Security incidents or identified vulnerabilities can negatively impact the Company's rating. They are addressed in a timely manner and the Group strives to maintain the score above 800.

PwC provided limited assurance on this indicator.

SSE #17: 4,000 suppliers assessed under our "Vigilance Program"

Schneider Electric seeks to be a role model in its interactions with customers, partners, suppliers, and communities, when it comes to ethics and the respect and promotion of human rights. The Group's Vigilance Plan reflects this ambition. It also complies with the provisions of 2017 French law on Corporate Duty of Vigilance: the Duty of Vigilance introduced a new legal framework by which French authorities could hold corporations accountable.

Risks within our supply chain are multiple: potential violations of human rights and fundamental freedoms, serious bodily injury, environmental damage, health and safety risks, etc. Impacts are therefore quite varied: reputational impacts, legal impacts, people health and safety, environmental pollution, etc.

To mitigate these risks with suppliers, the 2021–2025 plan is to deploy on site and remote audits for 4,000 suppliers:

- 1,000 identified in "high risk" level (by a third-party methodology, RBA, or other) with on-site audits; and
- 3,000 others through remote self-declarative assessment. Suppliers answering are counted, removing, if any, suppliers that have been audited in the current or past years.

(1) Bitsight scores for non-integrated entities (e.g. AVEVA) are not included and are monitored separately.

The KPI adds the total number of audits performed. The baseline takes into account on-site audits performed between 2018 and 2020 (i.e., 374 audits); this value has been audited and validated by PricewaterhouseCoopers in the previous years.

PwC provided limited assurance on this indicator.

SSE #18: <1% pay gap for both females and males

Prior to 2021, Schneider Electric has proactively worked to identify and address female pay gaps with appropriate corrective actions through a country-driven approach. Given the progress made on pay equity and to support its inclusion philosophy, starting in 2021, Schneider Electric has made a commitment to attain and maintain a pay gap below 1% by 2025 for both females and males, as per the internal methodology.

Measurement of the individual pay gap is achieved by comparing each employee to a peer group median total target salary "TTC" (base salary + target short-term incentive + fixed allowances if applicable for a country) for all genders. In other words, an individual's TTC is assessed against the median TTC of their comparator group (individual TTC / median of comparator group TTC – 1). The comparator group is defined by the drivers of job level (grade) and salary structure within a country.

PwC provided limited assurance on this indicator.

SSE #19: 60% subscription in our yearly Worldwide Employee Share Ownership Plan (WESOP)

The World Employee Share Ownership Plan (WESOP) is one of the Group's recurring key annual reward programs, offering employees across the world an opportunity to become owners of the Company, at preferred conditions. Schneider Electric commits to achieve a 60% subscription rate among eligible employees in the yearly WESOP by 2025.

The scope concerns 28 recurring participating countries, representing 91% of the eligible headcount, which are all long-term employees of countries participating in WESOP with seniority of 3 months in the Company. The KPI is calculated by collecting the number of subscribers from the subscription tool, divided by the number of eligible employees in the 29 countries as per data from our global HRIS system.

PwC provided limited assurance on this indicator.

SSE #20: 100% of employees paid at least a living wage

In line with its Human Rights Policy and Trust Charter, Schneider Electric believes earning a living wage is a basic human right. Schneider Electric is committed to paying 100% of employees at or above the living wage to meet their families' basic needs. By basic needs, the Group considers basic household expenditures (food, housing, clothing, sanitation, education, healthcare, transport), plus discretionary income for a given local standard of living.

There is no universal benchmark or methodology on how to calculate a living wage, which is why Schneider Electric has been working with an external consultant since 2018 to calculate living wages for all its locations worldwide. To calculate a living wage, the external consultant estimates the basic household expenditures of employees, as well as the number of persons earning a wage in a "typical" household based on various sources of cost of living and macroeconomic data (national statistics, Organisation for Economic Co-operation and Development (OECD), United Nations agencies, etc.).

To measure compliance with the living wage, a gap analysis is conducted every year post salary review for all our Schneider Electric employees treated as permanent workforce. All employees employed by fully integrated entities, with open-ended or fixed-term contracts, whether full-time or part-time, are considered part of the permanent workforce. The Reward team centrally compiles and analyses total employee remuneration data (base salary and allowances; if applicable for a country, variable elements were excluded this year) to compare it with the agreed living wage. Employees are benchmarked to their work location living wage. To calculate employee remuneration, the Reward team uses data available in its global HRIS system, as well as local payroll.

For final reporting of the year-end results, Schneider Electric can disclose a final score that considers living wage gaps closed by countries until the end of the year after they have been identified.

PwC provided limited assurance on this indicator.

SSE #21: 4x the number of employee-driven development interactions on the Open Talent Market

The purpose of this initiative is to create an integrated and digital Open Talent Market (OTM) that enables employees to drive their own career development. The platform is borderless, neutral, and uses AI to help achieve best matches. The ambition is to multiply the number of employee-driven interactions within OTM by four in the next five years.

Interactions are tracked in the tool for each feature of OTM. At the start of 2021, current features available to employees are positions; projects; mentorships; and career mapping.

These three features work best when employee profiles are robust and rate a 3/4 for completeness. The scope of this initiative extends to the connected population of Schneider Electric as defined in January 2021, thus excluding non-connected workers (i.e., plant), contractors, and interns/apprentices.

PwC provided limited assurance on this indicator.

SSE #22: >90% of employees undergo digital upskilling

The Group is committed to growing employee digital citizenship and aims to achieve digital upskilling for >90% of employees by 2025. The progress combines white collar and worker populations' KPIs.

- **For white collars,** the Group aims to achieve >90% eligible employees reaching Intermediate, Advanced, or Expert Digital Citizenship level by 2025. The Digital Citizenship level of all employees will be assessed by their managers each year. Eligible employees in 2024 are active employees hired before January 31st 2024, open-ended and fixed-term contracts, and excludes employees in non-integrated entities and further exclusions defined by country.
- **For workers,** the Group aims to achieve >90% of workers complete 2 hours of training per year offered by the GSC Academy on digital transformation, such as the Smart Factory program, Cybersecurity, and Digital knowledge. The scope covers active workers populations and plant team leaders defined by specific job codes and hired before January 31st 2024, open-ended and fixed-term contracts (China only) in relevant operating units, and excludes workers on extended leave of more than six months during the year, and factories which planned to be closed before Q2 of the following year.

The scope and exclusions of this indicator will be reviewed at the beginning of each year.

The KPI is an aggregated percentage based on the percent of employees meeting the target defined for white collars and workers to the total employee population in scope (white collars and workers).

PwC provided limited assurance on this indicator.

SSE #23: 90% of employees have access to a program that supports meaningful development in the later stages of their professional career

The Group is committed to support talent near or at the later stages of their career to have meaningful development, and to recognize their unique contribution. The Senior Talent Program is anchored in career conversations resulting in a robust development plan linked to their unique career aspirations and supported by different offers.

The ambition is to provide access to meaningful career development programs for at least 90% of employees during the later stages of their career. The KPI is calculated as an aggregated % of the following dimensions:

- **Part A (80%):** >90% of employee working in countries offering career development program that support later career stages. A program is in place when it meets 2 criteria:
  1. A specific locally deployed training, coaching or 1:1 support for targeted employees and their managers, enabling them to have a career conversation;
  2. Minimum 3 new or enhanced offers since the launch in January 2021 such as new contractual schemes, upskilling, knowledge transfer, pivoting, recognition, care, and personal planning among others. Calculation: % total headcount in the countries where a program is in place versus overall Schneider headcount.

- **Part B (20%):** >90% of targeted employees having the career conversation. Calculation: % of employees in the later stages of their career replying affirmatively to the question "In the last 12 months, I had a career discussion with my manager" from the career development survey launched every year to all employees.

Pilot programs were launched fully in 2022. As such, the baseline year for this indicator is 2022.

PwC provided limited assurance on this indicator.

SSE #24: 75% employee engagement score

A high Employee Engagement Index is linked to higher sales growth, higher operating income, and ultimately higher customer satisfaction and loyalty toward the Company. This index is calculated once a year through a survey called OneVoice, sent to 100% of the Group employees, and serves a starting point to adapt its people strategy and action plans.

The computation of this KPI includes all Schneider employees treated as permanent workforce (i.e., open-ended and fixed-term contracts over 3 months), thus excluding interns or third-party contractors.

The Kincentric employee engagement model is used, composed of 6 questions, 2 per item (SAY, STAY, STRIVE), scored on a 6-point scale by employees:

- Employee Engagement Index: is the percentage of people for which the average of the six questions is equal or higher than 4.5;
- Employee Disengagement: percentage of people for which the average of the six questions is equal or lower than 3.5;
- Neutral: is the percentage of people for which the average of the six questions is scored between 3.5 and 4.5.

PwC provided limited assurance on this indicator.

SSE #25: 50,000 volunteering days since 2017

Schneider Electric employees' volunteering activities mainly take place in vocational or educational NGOs (vocational and technical training, schools, universities, etc.), and companies supported by the Schneider Electric Access to Energy Fund, and more globally in all organizations referenced by the Schneider Electric Foundation delegates in their countries. They principally fall into actions benefiting young people, underprivileged families, and the environment, and are organized depending on the personal or professional skills of the volunteers as well as the needs identified by the supported organizations (specialized or non-specialized needs). Missions are posted on a dedicated digital and multilingual platform called VolunteerIn enabling Group employees to apply for volunteer missions among the Foundation's partners. Local and spontaneous initiatives organized by the Schneider Electric Foundation delegates and their partners in which employees engage are also taken into account.

In 2021, the Schneider Electric Foundation and partner NGOs have increased the number of digital missions offered to employees, enabling them to continue in social mentoring, share skills, and participate in one-time volunteering. One day of volunteering is counted when a collaborator dedicates 5 hours of their time to one of these partner organizations. Only missions lasting a minimum of 0.5 days are considered. The indicator also includes the training missions organized abroad that last at least 5 days.

PwC provided limited assurance on this indicator.

4.2 TCFD and SASB correspondence tables

4.2.1 Sustainability Accounting Standard (SASB) Correspondence table

Topic	Accounting metric	Category	Unit of measure	Code	Response/ Data/ Reference	Topic
Energy Management	(1) Total energy consumed	Quantitative	Gigajoules (GJ)	RT-EE-130a.1	The following KPIs covers the measured energy consumption (about 73% of Group energy consumption): (1) 3,179,304 GJ (883,140 MWh) (2) 34.0% (299,899 MWh) (3) 73.7% (650,196 MWh)	Energy Management
	(2) percentage grid electricity		Percentage (%)			
	(3) percentage renewable					
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	Quantitative	Tonnes (t), Percentage (%)	RT-EE-150a.1	Hazardous waste generated: 9,244 tonnes. Hazardous waste channeled according to legal requirements and Schneider Electric expectations: 9,244 tonnes.	Hazardous Waste Management
	Number and aggregate quantity of reportable spills, quantity recovered		Number, Kilograms (kg)	RT-EE-150a.2	Zero reportable spills in 2024, therefore no recovered quantity to report.	
Product Safety	Number of recalls issued, total units recalled	Quantitative	Number	RT-EE-250a.1	5 product recalls have been issued in 2024, amounting to approximately 3,000 units recalled or reworked. Schneider Electric has an Offer Safety Alert (OSA) process to alert the relevant Line of Business and other interested parties as soon as it is suspected that customers' health or property safety may be put at risk by Schneider products, solutions, or projects. A dedicated permanent committee ensures that all OSA are managed with the due diligence and urgency to minimize safety risks to customers. Its independent, multi-discipline nature allows the committee to make decisions in customers' best interest.	Product Safety
	Total amount of monetary losses as a result of legal proceedings associated with product safety		Reporting currency	RT-EE-250a.2	No material loss at the Group level.	
Product Life cycle Management	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative	Percentage (%) by revenue	RT-EE-410a.1	Around 80% of Schneider Electric's products are assessed on the presence or absence of IEC 62474 DSL (Declarable Substance List). With the current information collected from its supply chain, the Group manages to cover nearly all substances and regulations. More details on Products Stewardship can be found in section 3.1.2.1 page 221.	Product Life cycle Management
	Percentage of eligible products, by revenue, certified to an energy efficiency certification			RT-EE-410a.2	Revenues derived from products certified to energy efficiency certifications, such as ENERGY STAR, are included in Schneider Electric's Impact revenues measure (see below).	
	Revenue from renewable energy-related and energy efficiency-related products		Reporting currency	RT-EE-410a.3	Schneider Electric measures "Impact revenues", i.e., revenues coming from offers that bring energy, climate, or resource efficiency to customers. In 2024, 74% of Group revenues qualify as Impact revenues. The Group aims to grow its Impact revenues to 80% by 2025 (SSI #1).	
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	n/a	RT-EE-440a.1	Details regarding sustainable procurement practices are provided in section 2.2.2.1 on page 96, in particular Conflict Minerals and Extended Minerals programs. Critical materials supply risks related to potential scarcity in the market has been fully assessed and is acknowledged in our design roadmap. Top strategic partnerships with key suppliers have been reinforced through long-term agreements and C-Level connections, with a particular focus on electronic semiconductor players. A procurement and planning hub in Singapore has been established to manage the direct supply of critical materials and strategic stocks, with a focus on active electronics and copper cathodes.	Materials Sourcing
Business Ethics	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	Discussion and Analysis	n/a	RT-EE-510a.1	As stated in its Trust Charter, Anti-Corruption Policy, Competition Law Policy, and various other policies, Schneider Electric is committed to complying with all applicable laws and regulations, such as the OECD's Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the US Foreign Corrupt Practices Act (FCPA), the UK Bribery Act, the French Sapin II law, and the various antitrust laws and competition rules globally. Schneider Electric has a zero tolerance policy with regard to corruption and breaches of competition laws and considers that "doing the right thing" is a key value-creation driver for all its stakeholders. This commitment materialized through strong and continuously developing programs such as its Anti-Corruption Compliance program (part of its Trust program, see section 2.4.1 on page 192), and its Competition Law Compliance program (see section 3.3.2 on page 241).	Business Ethics
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Quantitative	Reporting currency	RT-EE-510a.2	No material losses.	
	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative		RT-EE-510a.3	The French Competition Authority issued on October 29, 2024 a decision to sanction several companies concerning the electrical distribution activities in France, including Schneider Electric for a EUR 207 million penalty considering that the pricing autonomy of some distributors in the French market had been limited by Schneider Electric, in breach of competition rules. This fine will be paid in the coming months by Schneider Electric France. Schneider Electric strongly disagrees with the conclusion of the French Competition and has appealed the decision in front of the Paris Appeal Court. For more information, please see Note 26.2 on page 553 of the 2024 Universal Registration Document.	
Activity metrics	Number of units produced by product category	Quantitative	Number	RT-EE-000.A	A breakdown of revenues by activity is provided page 3 and page 567 of the 2024 Universal Registration Document.	Activity metrics
	Number of employees			RT-EE-000.B	147,127 (spot 2024 year-end headcount, excluding supplementary workforce). More workforce statistics in section 4.4.2 on page 282.	

4.2.2 Task Force on Climate-related Financial Disclosures (TCFD) correspondence table

Climate change has been clearly identified as crucial to both Schneider Electric's internal and external stakeholders during the various materiality assessments that took place in 2014, 2017, 2020 and 2024. Overall, transformations linked to climate change are a source of opportunities for Schneider Electric, the main risk being to fail leading by example and thereby lose traction with customers, investors, new talents, and collaborators in the Company. Concrete climate-related programs to either grab opportunities or mitigate risks are deployed every 3 to 5 years in the Schneider Sustainability Impact (SSI) program and complement the Group's Net-Zero Commitment. Schneider Electric presents below its main climate-related disclosures in line with TCFD recommendations.

Recommended Disclosure	CDP Corporate and URD 2024 references	Brief description (please refer to CDP Corporate response and other sections of this Universal Registration Document for further details)
1. Governance: Disclose the organization's governance around climate-related risks and opportunities.		
1. a) Describe the board's oversight of climate-related risks and opportunities.	CDP – 4.1.2 URD – Chapter 2 (2.2.1.1.2, 2.2.2.1.2) Chapter 3 (3.2.2)	Several governance bodies are involved in the process of designing and continuously monitoring the SSI program, which includes a sustainability risks and opportunities assessment (including climate) and leads to the design of concrete transformation initiatives to align the Company on the challenges identified: • The Board of Directors has oversight of climate-related issues notably through its Governance, Nominations and Sustainability Committee. This Committee has six Director members who report to the Board of Directors, and reviews Schneider's CSR strategy, follows up on progress made, and ensures implementation of the Group's long-term sustainability commitments. • The Executive Committee has a dedicated Function Committee, which meets quarterly. It decides on the sustainability strategy and validates the SSI and carbon pledge. • The SSI Steering Committee was formed in 2020 to propose precise and measurable transformation programs for the 2021 – 2025 SSI, which were then submitted to the Group Sustainability Committee for approval. • The Sustainability Department coordinates the overall sustainability strategy of the Group and the rollout of action plans. • Three Committees involving Group Executive Vice-Presidents and Senior Vice-Presidents are dedicated to overseeing the implementation of the Group's decarbonization roadmap, respectively focusing on the supply chain, low-carbon product design, and the decarbonization of Schneider Electric's operational emissions. Additionally, environmental transformations are driven by a network of leading experts in various environmental fields such as ecodesign, energy efficiency, circular economy, or CO_2. Environment leaders coordinate a network of more than 600 managers responsible for the environmental management of sites, countries, product design, and marketing.
1. b) Describe management's role in assessing and managing climate-related risks and opportunities.	CDP – 4.3, 4.3.1 URD – Chapter 2 (2.2.1.1.2, 2.2.2.1.2)	
2. Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities in the organization's businesses, strategy and financial planning where such information is material.		
2. a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	CDP – 2.1, 2.2.2, 2.4, 3.1, 3.1.1, 3.6, 3.6.1 URD – Chapter 2 (2.2.1.2.2, 2.2.2.1.2)	To identify and price the materiality of climate-related risks and opportunities, the Group mandated an external consultant to perform a scenario-based risk and materiality analysis. Five emissions pathways and three time horizons have been considered: SSP5-8.5, SSP3-7.0, SSP2-4.5, SSP1-2.6, and SSP1-1.9 by 2025, 2030, and 2050. Significant climate-related risks and opportunities identified for Schneider Electric include: • Transition risks and opportunities, relating to market, policy, reputation, and technology; • Physical risks and opportunities, relating to damage to property and assets, and supply chain disruption. **Market:** The growing demand for low-carbon products and services generally presents significant business opportunity for Schneider Electric. The Group is already exploring ways to enhance the efficiency and emissions profile of existing products through innovations, such as SF_6-free medium voltage switchgears. The low-carbon transition can present risks with potential financial impacts for companies delaying the change, as well as opportunities for sustainability leaders. For example, consumer preferences may change and further veer toward environmentally sustainable alternatives. In 2024, 74% of the Group revenues qualify as Schneider Impact revenues, defined as revenues from offers that bring energy, climate, or resource efficiency to customers, while not generating any significant harmful impacts to the environment. The Group aims to grow its Impact revenues to 80% by 2025. Additionally, maintaining industry-leading offers on the market for more efficient, low-emission products and services that support the transition to a low-carbon economy needs adapted investments in research and development (R&D). Schneider Electric invests about 5% of its annual revenues in R&D each year. This also includes a sharp focus on product quality and performance to prevent potential trade-offs associated with products' enhanced sustainability profile. Schneider Electric has defined short and medium-term financial investments priorities in order to set the course towards its SBTi validated Net-Zero commitment, and more broadly to meet its long-term commitments for climate, and to preserve natural resources. Read more in section 2.2.1.3 on page 72. **Policy:** A number of governments have introduced or are contemplating regulatory changes to address climate change. For example, Emissions Trading Systems and carbon taxes are now implemented or scheduled in many countries and markets. Given the relatively low level of the Group's Scope 1 and 2 carbon emissions, carbon pricing mechanisms primarily present the potential for indirect rather than direct impacts, namely by higher raw materials and manufactured components costs, and increasing costs incurred by consumers during use of sold products. Schneider Electric supports the shaping of climate policies that can move the industries and world forward. In 2024, 90% of the Group's revenues came from economic activities listed as eligible in the EU Taxonomy for sustainable activities, demonstrating the prominence of Schneider Electric's markets in the transition towards a sustainable economy. The Group is committed to keeping its position as sustainability leader to capture associated opportunities through various strategies, including decarbonization, incorporation of a shadow carbon price, and policy advocacy. Read more on climate policy advocacy in section 2.2.1.2 on page 60.
2. b) Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning.	CDP – 3.1.1, 3.6.1, 5.1, 5.1.1, 5.2, 5.3.1, 5.3.2 URD – Chapter 2 (2.2.2.1)	

Recommended Disclosure	CDP Corporate and URD 2024 references	Brief description (please refer to CDP Corporate response and other sections of this Universal Registration Document for further details)
2. a) and 2. b) (continued)		**Reputation:** Schneider Electric has been working to reduce its own GHG emissions for over 17 years and has a proven track record of success with its past commitments related to reducing its own emissions, proving that the Group remains diligent in protecting brand reputation through accurate and transparent communication and marketing. Yet, there is a risk that the Group's actual or perceived failure to achieve its environmental sustainability targets or commitments could negatively impact its reputation or otherwise materially harm its business. In addition, the Group remains diligent in protecting brand reputation through accurate and transparent communications and marketing. In 2024, as litigation and legislative developments surrounding green claims rose, and public focus on greenwashing heightened, Schneider Electric sharpened its focus on environmental claims and language used regarding sustainability. **Technology:** As the global economy transitions towards a low-carbon future, technological innovation will accelerate the impairment of fossil-fuel intensive assets. Schneider Electric has launched several transformations as part of its commitment to be "Net-Zero ready" in its operations by 2030. Read more in section 2.2.1.3 on page 72. **Damage to property and assets:** Physical risks resulting from climate change can have financial implications for the Group, such as direct damage to property and assets. As a result, climate and weather-related risks are part of the Group's Business Continuity and Risk Management program, leading to preventive investment to secure assets and adapt to material climate and weather risks. Both exogenous threats and endogenous risks were measured and weighed for industrial and logistics sites worldwide. The cost of management can be approximated by that of insurance plans. The cost (including tax) of the Group's main global insurance programs, excluding premiums paid to captives, totaled around EUR 30 million in 2024. **Supply chain disruption:** Schneider Electric has over 300 industrial and logistics sites globally and is exposed to the physical effects of climate change in the form of more frequent and severe acute weather events. Climate-related damages to assets, business operations, as well as human and environmental consequences, and supply chain disruptions in the upstream and downstream supply chain can translate directly into revenue losses, higher costs, and increased working capital requirements. Delays in production and delivery can impact customer experiences. Read more on the methodology and results of scenario analysis in section 2.2.1.2 on page 60, and in chapter 3 on page 384 of the 2024 Universal Registration Document.

Recommended Disclosure	CDP Corporate and URD 2024 references	Brief description (please refer to CDP Corporate response and other sections of this Universal Registration Document for further details)
2. c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	CDP – 5.1, 5.1.1 URD – Chapter 2 (2.2.2.1)	Several scenarios to 2050 were developed in 2019, which included critical reviews of the geopolitical landscape, commodity and resource availability, economic and financial evolutions, climate sensitivity and evolving policies, energy transition pathways and technology developments, among others, with consequences quantified, looking at ten regions and a number of sectors individually, framing the business landscape in which Schneider operates. All of the scenarios used in resilience modelling empower Schneider Electric to quantify their exposure to physical and transition-related climate risks over 5- and 10-year time horizons for a range of futures. The futures mapped out in this modelling range in assumed warming (relative to Industrial levels) of between 1.5° – over 4°C by 2100. Key findings are regularly cross-checked with new publications, particularly the ones from the IEA, BNEF, the IRENA, among others. Governance is well in place, under the leadership of the Chief Sustainability Officer, and both short- and long-term analyses are shared internally and used to inform strategic priorities across business and operations. As part of the analysis, the Group identified that a growing demand for greener, low-carbon products and services creates a strong business opportunity for Schneider Electric. Key takeaways from the analysis are the dominant role of: • Electrification: the world is becoming more electric, with demand growing potentially up to 3x by 2050; • Digitalization: with the increase in connectivity, complemented by real-time information and competitive computing capabilities, digital technologies play a major role in reaching decarbonization targets while augmenting economic productivity, notably around efficiency in energy and resource use and circularity, as well as increased resiliency and security. All these findings, and their potential financial impact on its business, have helped the Group to fine-tune key development areas that will allow its active contribution to the low-carbon transition, enabling notably the development of its sustainability portfolio of offers. Read more in section 2.2.1.2 on page 60.
3. Risk Management: Disclose how the organization identifies, assesses, and manages climate-related risks.		
3. a) Describe the organization's processes for identifying and assessing climate-related risks.	CDP – 2.1, 2.2.1, 2.2.2, 2.4 URD – Chapter 2 (2.1, 2.2.2.1)	Environment and climate-related risks are included in Schneider's Enterprise Risk Management framework and risk taxonomy (more details in section 2.2.1.2 on page 60). In addition to the risk identification processes described above, risks are identified and assessed at Group level through interviews with experts and leaders, run by the Internal Audit Department and the Group Risk Management Department each year. In addition, a double materiality analysis was conducted by the Sustainability Department by engaging with various stakeholders to identify and prioritize material environmental, social, and governance (ESG) from a financial perspective (outside-in) and an impact perspective (inside-out).
3. b) Describe the organization's processes for managing climate-related risks.	CDP – 2.2, 2.2.1, 2.2.2 URD – Chapter 2 (2.1, 2.2.2.1), Chapter 3 (3.3)	
3. c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	CDP – 2.1, 2.2, 2.2.2 URD – Chapter 2 (2.1, 2.2.2.1)	

Recommended Disclosure	CDP Corporate and URD 2024 references	Brief description (please refer to CDP Corporate response and other sections of this Universal Registration Document for further details)
3. a), 3. b) and 3. c) (continued)		Schneider Electric places dependency analysis at the heart of its risk management and has performed a forward-looking climate risk and vulnerability assessment with an independent third party to identify and price the materiality of physical and transition climate risks that may affect its own operations and sites, its extended value chain (upstream and downstream), and overall economic activities in the short, medium, and long term, using scenario analysis. This assessment covers acute and chronic climate physical risks, legal and regulatory risks and opportunities linked to current and emerging climate regulations, as well as market, technology, and reputational risks and opportunities linked to changes in customer behaviors. The Group has developed a scenario-based analysis of climate physical and transition risks, applying climate-related risk scenarios entailing different emission pathways between 1.5°C and >4°C temperature rise by 2100, with a digital-twin of the Company including financial projection, market breakdown, supply chain, and carbon footprint to quantify financially the physical and transition risks for the Group. Climate adaptation risks are also studied and mitigated at site level for the Group's industrial and key logistic sites. The Property Damage and Business Interruption program, aligned with ISO 22301 standard, maps substantive risks of financial impact on the business, including asset destruction (buildings, equipment, inventories) and profit loss due to business interruption, and ensures crisis management from the initial phase following an incident all the way to the recovery of critical activities. Typically, all critical industrial sites are externally audited on-site at least every two years. Schneider Electric then deploys protection measures to mitigate or avoid risks identified. The cost of response is based on surveyors' opinion on the cost of the work required to mitigate and adapt to the event. For its supply chain operations, the Group also works with a third-party company providing predictive risk analytics for its supply chain operations. Risks are assessed on a continuous basis covering sustainability, quality, and financial risks, among others. The different governance bodies involved in the definition and monitoring of Schneider Electric's sustainability roadmap and programs (SSI), and in particular the Carbon committee, are in charge of defining strategic mitigation programs in response to the risks and opportunities identified. Strategic programs defined at Group level are then cascaded into business divisions down to the sites for implementation and are monitored through the digital platform EcoStruxure™ Resource Advisor. Performance against those programs is tracked and published quarterly in the Schneider Sustainability Impact (SSI), and annually in the Schneider Sustainability Essentials (SSE) and Universal Registration Document. Each program of the SSI has a dedicated pilot in charge of driving the transformation and is sponsored at the Senior Vice President and Executive Committee level to ensure management control and oversight. In addition, an Integrated Management System covers the Group's main plants, distribution centers, and large offices, and hosts ISO 14001, ISO 50001, ISO 9001, and OHSAS 18000/ISO 45001 management systems. Each site is audited periodically, either externally by Bureau Veritas (every three years), or internally. With suppliers, sustainability risks (including natural and climate-related hazards), are embedded into the Supplier Risk Assessment. This process enables the Group to develop a risk mitigation approach with strategic stocks in the short-term and a double sourcing strategy in the medium-term. Leveraging external data providers, the Group monitors events across 10,000 logistics nodes (such as ports and critical supplier locations) to shorten reaction time when events occur and minimize business impact. Read more on Schneider Electric's climate-related risk management in section 2.2.1.2 on page 60.

Recommended Disclosure	CDP Corporate and URD 2024 references	Brief description (please refer to CDP Corporate response and other sections of this Universal Registration Document for further details)
4. Metrics and Targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.		
4. a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	CDP – 7.52, 7.54, 7.54.1, 7.54.2 URD – Chapter 2 (2.1, 2.2.2.1, 2.4)	Each year, Schneider Electric measures and transparently discloses its end-to-end carbon footprint (Scope 1, 2, and 3) and obtained in 2024 a "reasonable" assurance from an independent third-party verifier on Scope 1 and 2 emissions, and a "limited" assurance on Scope 3. The carbon footprint of the Group helps to pinpoint and understand the magnitude of climate-related risks and opportunities, and is also used to monitor progress. Scope 3 emissions represent more than 99% of the Group's carbon footprint, of which 85% are due to the use phase and the products' end of life, and around 12% comes from the purchase of raw materials, equipment, and services. While the carbon footprint of the Group is made only from induced emissions, the saved and avoided emissions due to its products and services are shown separately, as part of the SSI #2 reporting. Key metrics over the last four years (from publication year) on GHG emissions are published in section 2.2.1.5 on page 81. Emissions calculations are done using the Greenhouse Gas Protocol methodology. The carbon footprint methodology is compliant with ISO 14069 principles. The results are calculated in tonnes of CO_2 equivalent, taking into account all GHGs included in the Kyoto Protocol. The Group has launched several concrete programs aiming at either directly or indirectly reducing GHG emissions, under the Climate and Resources pillars of its 2025 strategy. These programs are presented under the SSI and SSE 2021 – 2025 programs on pages 5 to 13. These programs cover the performance of the Group's operations (such as energy efficiency, renewable electricity procurement, fleet electrification), suppliers (such as The Zero Carbon Project, green materials or sustainable packaging) and customers (SF_6-free alternative offers, CO_2 savings and avoidance quantification on customers' end thanks to EcoStruxure™). The overall performance of the SSI represents 20% of the short-term incentives for more than 71,000 employees worldwide (collective share). The Schneider Sustainability External and Relative Index (SSERI), which measures Schneider's performance in four major ESG external ratings: CDP Climate Change, Moody's (ex-Vigeo Eiris), DJSI and EcoVadis. The SSERI impacts 25% of the long-term incentives (LTI) for 3,000+ top leaders. In addition, Schneider is committed to embed a carbon pricing of EUR 0-647 per metric tonne (depending on time horizons) in strategic supply chain and R&D decisions, to assess the performance and resiliency of operations as well as to assess whether the investment and reduction efforts are in line with the cost of CO_2 externalities. Schneider Electric is a signatory of the Business Ambition for 1.5°C initiative aimed at setting GHG emissions reduction targets in line with the global effort to limit warming to 1.5°C. In August 2022, Schneider Electric was one of the first companies to see its GHG reduction targets validated by the SBTi, in alignment with its "Corporate Net-Zero Standard" published in October 2021. As part of its Net-Zero commitment, the Group has defined mid and long-term targets. Ultimately, the Group is committed to be Net-Zero across its entire value chain by 2050, which means that the Group aims to reduce its 2021 footprint by an absolute 90% by 2050 and neutralize residual emissions with high-quality and durable carbon removal credits. The Group aims to: • By 2030, reduce value chain emissions by 25% and be "Net-Zero ready" in operations. • By 2050, reach Net-Zero CO_2 emissions across the entire value chain. • Reach carbon-neutral operations and a carbon-neutral value chain in 2025 and 2040 respectively.
4. b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	CDP – 7.3, 7.6, 7.7, 7.8 URD – Chapter 2 (2.2.2.1, 2.4)	
4. c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	CDP – 7.53, 7.53.1, 7.53.2, 7.54, 7.54.1, 7.54.2 URD – Chapter 2 (2.1, 2.2.2.1, 2.3.2, 2.4)	

4.3 Reports of assurance

4.3.1 Report on the certification of sustainability information and verification of the disclosure requirements under Article 8 of Regulation (EU) 2020/852

This is a translation into English of the statutory auditors' report on the certification of sustainability information and verification of the disclosure requirements under Article 8 of Regulation (EU) 2020/852 of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This report should be read in conjunction with, and construed in accordance with, French law and the H2A guidelines on "Limited assurance engagement on the certification of sustainability information and verification of disclosures requirements under Article 8 of Regulation (EU) 2020/852".

Year ended December 31, 2024

To the Shareholders
SCHNEIDER ELECTRIC SE
35 rue Joseph Monier
92500 Rueil Malmaison

This report is issued in our capacity as statutory auditors of Schneider Electric SE. It covers the sustainability information and the information required by Article 8 of Regulation (EU) 2020/852, relating to the year ended December 31, 2024 and included in the group management report and presented in section 2.2 "Sustainability statements (CSRD)" (hereinafter the "CSRD Report").

Pursuant to Article L. 233-28-4 of the French Commercial Code, Schneider Electric SE is required to include the above-mentioned information in a separate section of the group management report. This information has been prepared in the context of the first-time application of the aforementioned articles, a context characterized by uncertainties regarding the interpretation of the laws and regulations, the use of significant estimates, the absence of established practices and frameworks in particular for the double-materiality assessment, and an evolving internal control system. It enables an understanding of the impact of the activity of the group on sustainability matters, as well as the way in which these matters influence the development of the business of the group, its performance and position. Sustainability matters include environmental, social and corporate governance matters.

Pursuant to Article L.821-54 paragraph II of the aforementioned Code our responsibility is to carry out the procedures necessary to issue a conclusion, expressing limited assurance, on:
- compliance with the sustainability reporting standards adopted pursuant to Article 29 ter of Directive (EU) 2013/34 of the European Parliament and of the Council of 14 December 2022 (hereinafter ESRS for *European Sustainability Reporting Standards*) of the process implemented by Schneider Electric SE to determine the information reported, and compliance with the requirement to consult the social and economic committee provided for in the sixth paragraph of Article L. 2312-17 of the French Labour Code;
- compliance of the sustainability information included in the CSRD Report with the requirements of article L. 233-28-4 of the French Commercial Code, including the ESRS; and
- compliance with the reporting requirements set out in Article 8 of Regulation (EU) 2020/852.

This engagement is carried out in compliance with the ethical rules, including independence, and quality control rules prescribed by the French Commercial Code.

It is also governed by the H2A guidelines on *"Limited assurance engagement – Certification of sustainability reporting and verification of disclosure requirements set out in Article 8 of Regulation (EU) 2020/852"*.

In the three separate sections of the report that follow, we present, for each of the sections of our engagement, the nature of the procedures that we carried out, the conclusions that we drew from these procedures and, in support of these conclusions, the elements that to which we paid particular attention and the procedures that we carried out with regard to these elements. We draw your attention to the fact that we do not express a conclusion on any of these elements taken individually and that the procedures described should be considered in the overall context of the formation of the conclusions issued in respect of each of the three sections of our engagement.

Finally, where deemed necessary to draw your attention to one or more disclosures of sustainability information provided by Schneider Electric SE in the group management report, we have included an emphasis of matter paragraph hereafter.

Limits of our engagement
As the purpose of our engagement is to provide limited assurance, the nature (choice of techniques), extent (scope) and timing of the procedures are less than those required to obtain reasonable assurance.

Furthermore, this engagement does not provide guarantee regarding the viability or the quality of the management of Schneider Electric SE, in particular it does not provide an assessment, of the relevance of the choices made by Schneider Electric SE in terms of action plans, targets, policies, scenario analyses and transition plans, which would go beyond compliance with the ESRS reporting requirements.

It does, however, allow us to express conclusions regarding the entity's process for determining the sustainability information to be reported, the sustainability information itself, and the information reported pursuant to Article 8 of Regulation (EU) 2020/852, as to the absence of identification or, on the contrary, the identification of errors, omissions or inconsistencies of such importance that they would be likely to influence the decisions that readers of the information subject to this engagement might make.

Our engagement does not cover any comparative information, nor does it cover the compliance by the entity with the legal and regulatory provisions relating to the vigilance plan published pursuant to article L. 225-102-1 of the French Commercial Code.

Compliance with the ESRS of the process implemented by Schneider Electric SE to determine the information reported, and compliance with the requirement to consult the social and economic committee provided for in the sixth paragraph of Article L. 2312-17 of the Labour Code

Nature of procedures carried out
Our procedures consisted in verifying that:
- the process defined and implemented by Schneider Electric SE has enabled, in accordance with the ESRS, to identify and assess its impacts, risks and opportunities related to sustainability matters, and to identify the material impacts, risks and opportunities, that are disclosed in the CSRD Report, and
- the information provided on this process also complies with the ESRS.

We also checked the compliance with the requirement to consult the social and economic committee.

Conclusion of the procedures carried out
On the basis of the procedures we have carried out, we have not identified any material errors, omissions or inconsistencies regarding the compliance of the process implemented by Schneider Electric SE with the ESRS.

Concerning the consultation of the social and economic committee provided for in the sixth paragraph of Article L. 2312-17 of the French Labour Code, we inform you that as of the date of this report, this consultation has not yet taken place.

Elements that received particular attention
We set out below the elements that have been the subject of particular attention in relation to our assessment of compliance with the ESRS of the process implemented by Schneider Electric SE to determine the information reported.

Information relating to the identification of stakeholders, risks and opportunities, as well as the assessment of the impact materiality and financial materiality is set out in section 2.2.1.2 "Main sustainability impacts, risks and opportunities" of the CSRD Report.

- Concerning the identification of stakeholders

We reviewed the analysis conducted by the entity to identify stakeholders, who can affect or be affected by the entities within the scope of the information, through their activities and direct or indirect business relationships across the value chain.

We interviewed management and examined the available documentation. Our work consisted primarily in assessing the relevance of the main stakeholders identified by the entity in view of the nature of its activities and its geographical location, taking into account its business relationships and value chain.

- Concerning the identification of impacts, risks and opportunities

We gained an understanding of the process implemented by the entity to assess actual or potential impacts – both negative and positive – risks and opportunities (IROs), in relation to the sustainability matters mentioned in paragraph AR 16 of ESRS 1, "Application requirements".

In particular, we assessed the approach taken by the entity to determine its impacts and dependencies, which may be a source of risks or opportunities, including the dialogue engaged, where appropriate, with stakeholders.

We familiarised ourselves with the entity's mapping of identified IROs, including a description of their distribution within the entity's own operations and value chain, as well as their time horizon (short, medium or long term), and assessed the consistency of this mapping with our knowledge of the entity and, where applicable, with the risk analyses conducted by Group entities.

- We carried out the following procedures:
  - assessed how the entity has taken into account the list of sustainability matters set out in ESRS 1 (AR 16) in its analysis;
  - assessed the consistency of the actual and potential impacts, risks and opportunities identified by the entity with our knowledge of the entity;
  - assessed whether the entity has taken into account the risks and opportunities that may arise from both past and future events as a result of its own activities or business relationships, including the actions taken to manage certain impacts or risks.
- Concerning the assessment of impact materiality and financial materiality

Through interviews with management and the examination of available documentation, we obtained an understanding of the process implemented by the entity to assess impact materiality and financial materiality and assessed its compliance with the criteria defined in ESRS 1.

In particular, we assessed the way in which the entity established and applied the materiality criteria defined in ESRS 1, including those relating to the setting of thresholds, in order to determine the metrics relating to material IROs identified in accordance with the relevant ESRS standards.

Compliance of the sustainability information included in section 2.2 – CSRD Report of the group management report with the requirements of Article L.233-28-4 of the French Commercial Code, including the ESRS

Nature of procedures carried out
Our procedures consisted in verifying that, in accordance with legal and regulatory requirements, including the ESRS:
- the disclosures provided enable an understanding of the general basis for the preparation and governance of the sustainability information included in the CSRD Report, including the basis for determining the information relating to the value chain and the exemptions from disclosures used;
- the presentation of this information ensures its readability and understandability;
- the scope chosen by Schneider Electric SE for providing this information is appropriate; and
- On the basis of a selection, based on our analysis of the risks of non-compliance of the information provided and the expectations of users, that this information does not contain any material errors, omissions or inconsistencies, i.e. that are likely to influence the judgement or decisions of users of this information.

Conclusion of the procedures carried out
Based on the procedures we have carried out, we have not identified material errors, omissions or inconsistencies regarding the compliance of the sustainability information included in the CSRD Report, with the requirements of Article L.233-28-4 of the French Commercial Code, including the ESRS.

Emphasis of matter
Without qualifying the conclusion expressed above, we draw your attention to the information provided in section 2.2.1.3 "Basis for preparation" in the CSRD Report, which notably describes the challenges on data collection faced by the Group regarding specifically Scope 3 GHG information, substances of concern and very high concern and scope matters.

Elements that received particular attention

We set out below the elements that have been the subject of particular attention in relation to our assessment of compliance of the sustainability information included in section 2.2.2.1 Leading on Decarbonization (ESRS E1)" of the CSRD Report with the requirements of Article L.233-28-4 of the French Commercial Code, including the ESRS.

- Information provided in application of environmental standards (ESRS E1 to E5)

Our work consisted primarily in:
- based on the interviews conducted with management, assessing whether the description of the policies, actions and targets implemented by the entity address the following areas: climate change mitigation, climate change adaptation and energy efficiency;
- assessing the appropriateness of the disclosures provided in the notes to the environmental section of the sustainability information included in the CSRD Report and its overall consistency with our knowledge of the entity.

- With regard to the information published on the greenhouse gas emissions assessment:
  - we familiarised ourselves with the greenhouse gas emissions inventory protocol used by the entity to draw up its greenhouse gas emissions assessment, and checked its application, for a selection of emissions categories and sites, for Scope 1 and Scope 2;
  - with regard to Scope 3 emissions, we assessed the justification for the inclusion and exclusion of the various categories and the transparency of the disclosures provided in this respect;
  - we assessed the appropriateness of the emission factors used and the calculation of the related conversions, as well as the calculation and extrapolation assumptions, taking into account the uncertainty inherent in the state of scientific or economic knowledge and the quality of the external data;
  - for physical data (such as energy consumption), we reconciled, using sampling techniques, the underlying data used to draw up the greenhouse gas emissions assessment with supporting documents;
  - with regard to the estimates that we considered to be critical, used by the entity to prepare its greenhouse gas emissions assessment, we obtained, through interviews with management, an understanding of the method used to calculate the estimated data and the information sources on which the estimates were based.
  - With regard to our procedures regarding the transition plan for climate change mitigation, our work mainly consisted of assessing whether the information published in the transition plan meets ESRS E1 requirements with an appropriate description of the plan's underlying key assumptions, it being understood that we are not required to express a conclusion on the appropriateness or the level of ambition of the transition plan's objectives.

Compliance with the reporting requirements set out in Article 8 of Regulation (EU) 2020/852

Nature of procedures carried out
Our procedures consisted in verifying the process implemented by Schneider Electric SE to determine the eligible and aligned nature of the activities of the entities included in the consolidation.

They also involved verifying the information reported pursuant to Article 8 of Regulation (EU) 2020/852, which involves checking:
- the compliance with the rules applicable to the presentation of this information to ensure that it is readable and understandable;
- on the basis of a selection, the absence of material errors, omissions or inconsistencies in the information provided, i.e. information likely to influence the judgement or decisions of users of this information.

Conclusion of the procedures carried out
Based on the procedures we have carried out, we have not identified any material errors, omissions or inconsistencies relating to compliance with the requirements of Article 8 of Regulation (EU) 2020/852.

Elements that received particular attention
We set out below the elements that have been the subject of particular attention on our part as regards the compliance of this information with the requirements of EU Taxonomy Regulation.

- Concerning the alignment of eligible activities

Information on the alignment of activities is set out in section 2.2.2.1.9 "Contribution to a more sustainable world" of the CSRD Report.

Our work consisted primarily in:
- based on the interviews conducted with management, understanding the process deployed by the Group in order to answer the eligibility and alignment identification and the compliance with the EU Taxonomy Regulation;
- assessing, on a sample basis, the elements on which management based its judgement when assessing whether eligible economic activities met the cumulative conditions, derived from the Taxonomy Regulation, needed to qualify as aligned and particularly that they "do not significant harm" to any of the other environmental objectives;
- assessing the analysis conducted regarding compliance with the minimum safeguards, primarily in light of the information gathered when obtaining an understanding of the entity and its environment;
- assessing the consistency of the information disclosed in the CSRD Report by reperforming calculation.

The statutory auditors,

Forvis Mazars SA
Paris La Défense, March 12, 2025

Juliette Decoux Guillemot
Partner

Mathieu Mougard
Partner

PricewaterhouseCoopers Audit
Neuilly-sur-Seine, March 12, 2025

Jean-Christophe Georghiou
Partner

Séverine Scheer
Partner

4.3.2 Independent practitioner's limited assurance report on certain Schneider Electric SE's corporate social responsibility (CSR) data

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the directors of SCHNEIDER ELECTRIC SE,
SCHNEIDER ELECTRIC SE
35 rue Joseph Monier
92500 Rueil Malmaison

Limited assurance conclusion
We have conducted a limited assurance engagement on certain corporate social responsibility (CSR) data of Schneider Electric SE (the "Company") presented below and included in the *"2.1.1.2 Long-term commitments and tools to measure progress"* and *"2.4.4 Indicators"* sections of the Universal Registration Document of Schneider Electric SE (the "URD 2024") (the "Sustainability Information"), as at 31 December 2024:

- KPI n°1: SSI #1 – Grow Schneider Impact revenues for a value of 74%;
- KPI n°2: SSI #2 – Help our customers save and avoid millions of tons of CO_2 emissions for a value of 679 million TCO_2e;
- KPI n°3: SSI #3 – Reduce CO_2 emissions from top 1,000 suppliers' operations for a value of 40%;
- KPI n°4: SSI #4 – Increase green material content in our products for a value of 38%;
- KPI n°5: SSI #5 – Primary and secondary packaging free from single-use plastic, using recycled cardboard for a value of 78%;
- KPI n°6: SSI #6 – Strategic suppliers who provide decent work to their employees for a value of 63%;
- KPI n°7: SSI #7 – Level of confidence of our employees to report unethical conduct for a value of 83%;
- KPI n°8: SSI #8 – Increase gender diversity in hiring (50%), front-line management (40%) and leadership teams (30%) or a respective value of 42%, 30% and 31%;
- KPI n°9: SSI #9 – Provide access to green electricity to 50M people for a value of 53.4 million people;
- KPI n°10: SSI #10 – Double hiring opportunities for interns, apprentices and fresh graduates for a value of x1.59;
- KPI n°11: SSI #11 – Train people in energy management for a value of 824,404 people;
- KPI n°12: SSE #1 – Decarbonize our operations with Zero-CO_2 sites for a value of 154 sites;
- KPI n°13: SSE #2 – Substitute relevant offers with SF6-Free medium voltage technologies for a value of 69%;
- KPI n°14: SSE #3 – Source electricity from renewables for a value of 96%;
- KPI n°15: SSE #4 – Improve CO_2 efficiency in transportation for a value of -0.4%;
- KPI n°16: SSE #5 – Improve energy efficiency in our sites for a value of 16%;
- KPI n°17: SSE #6 – Grow our product revenues covered with Green Premium™ for a value of 82%;
- KPI n°18: SSE #7 – Switch our corporate vehicle fleet to electric vehicles for a value of 31%;
- KPI n°19: SSE #8 – Deploy local biodiversity conservation and restoration programs in our sites for a value of 85%;
- KPI n°20: SSE #9 – Give a second life to waste in 'Waste-to-Resource' sites for a value of 135 sites;
- KPI n°21: SSE #10 – Avoid primary resource consumption through 'take-back at end-of-use' since 2017 for a value of 359,080 tons;
- KPI n°22: SSE #11 – Deploy a water conservation strategy and action plan for sites in water-stressed areas for a value of 90%;
- KPI n°23: SSE #13 – Train our employees on Cybersecurity and Ethics every year for a value of 99%;
- KPI n°24: SSE #14 – Decrease the Medical Incident rate to 0.38 or below for a value of 0.6;
- KPI n°25: SSE #15 – Reduce total number of safety recalls issued to 0 for a value of 5 recalls;
- KPI n°26: SSE #16 – Be in the top 25% in external ratings for Cybersecurity performance for a value of Top 25%;
- KPI n°27: SSE #17 – Assess our suppliers under our 'Vigilance Program' for a value of 4,052 suppliers;
- KPI n°28: SSE #18 – Reduce pay gap for both females and males for a respective value of -0.84% and 0.66%;
- KPI n°29: SSE #19 – Increase subscription in our yearly Worldwide Employee Share Ownership Plan (WESOP) for a value of 62%;
- KPI n°30: SSE #20 – Pay our employees at least a living wage for a value of 100%;
- KPI n°31: SSE #21 – Multiply the number of employee-driven development interactions on the Open Talent Market for a value of x2.3;
- KPI n°32: SSE #22 – Support the digital upskilling of our employees for a value of 80%;
- KPI n°33: SSE #23 – Provide access to meaningful career development programs for employees during later stage of their career for a value of 85%;
- KPI n°34: SSE #24 – Increase our employee engagement level for a value of 73%;
- KPI n°35: SSE #25 – Increase the number of volunteering days since 2017 for a value of 75,461 days;
- KPI n°36: Spot workforce at year-end excluding supplementary employees (including by gender), hires and departures for a respective value of 147,127 people (of which 35% women), 27,250 people and 18,341 people;
- KPI n°37: Number of training hours for a value of 3,246,478 hours;
- KPI n°38: Number of hours worked for a value of 328,372,715 hours;
- KPI n°39: Lost-Time Injury Rate (LTIR) for a value of 0.28;
- KPI n°40: Lost-Time Day Rate (LTDR) for a value of 9.13;
- KPI n°41: Occupational Illness Frequency Rate (OIFR) for a value of 0.009;
- KPI n°42: Waste generated for a value of 135,510 tons of which (1) non-hazardous waste reused or recycled for a value of 115,541 tons, (2) non-hazardous waste incinerated with energy recovery for a value of 7,060 tons, (3) non-hazardous waste landfilled or incinerated without energy recovery for a value of 3,665 tons, and (4) hazardous waste channeled according to Schneider Electric expectations for a value of 9,244 tons;
- KPI n°43: Water withdrawals by source for a value of 1,843,662 m^3 of which (1) surface water for a value of 18,797 m^3, (2) groundwater for a value of 452,489 m^3, (3) third party sources for a value of 1,342,149 m^3, et (4) other sources for a value of 30,227 m^3;
- KPI n°44: Measured energy consumption by source for a value of 883,140 MWh of which (1) grid electricity for a value of 27,058 MWh, (2) purchased renewable electricity for a value of 625,289 MWh, (3) self-generated renewable electricity for a value of 24,907 MWh, (4) district heating for a value of 14,615 MWh, (5) petroleum products for a value of 10,490 MWh, (6) natural gas for a value of 180,235 MWh, (7) coal for a value of 0 MWh, and (8) renewable fuel and heat for a value of 547 MWh;
- KPI n°45: SF_6 emissions and leakage for a value of 4,951 TCO_2e;
- KPI n°46: Complete greenhouse gas footprint according to GHG Protocol (scope 1, scope 2 market-based, scope 2 location-based, all scope 3 categories) for a respective value of 106,360 TCO_2e, 37,348 TCO_2e, 433,505 TCO_2e and 55,649,186 TCO_2e;
- KPI n°47: VOC emissions for a value of 294,801 kg.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Information is not prepared, in all material respects, in accordance with the reporting framework (KPI n° 1 to 5, 12 to 22 and 42 to 47: « GED 001 Energy and Environment, version updated in April 2024 », KPI n° 24 and 38 to 41: « GHSD017 Global Occupational Health Safety KPI Metric Reporting, version updated in January 2025 » and KPI n° 6 to 11, 23 and 25 to 37: « HR Data Reporting Protocol, version updated in September 2022 »), available at the Company's headquarter on request and applied as explained in *"2.4.1 Methodology elements on the published indicators"* section of the URD 2024.

Basis for conclusion
We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance engagements other than audits or reviews of historical financial information* ("ISAE 3000 (Revised)"), issued by the International Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Practitioner's responsibilities section of our report.

Our independence and quality management
We have complied with the independence and other ethical requirements of the French Code of Ethics for Statutory Auditors *(Code de Déontologie)* as well as the provisions set forth in article L.821-28 of the French Commercial Code *(Code de Commerce)* and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standard Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Emphasis of matter
We draw attention to the paragraph *"SSE #10: 420,000 metric tonnes of avoided primary resource consumption through 'take-back at end-of-use' since 2017"* of the section *"2.4.1.2 Indicators from the Schneider Sustainability Essentials"* of the URD 2024 which describes the context and uncertainties related to the estimates made by Schneider Electric SE for determining this quantitative indicator. Our conclusion is not modified in respect of this matter.

Responsibilities for the Sustainability Information
Management of the Company is responsible for:
- The preparation of the Sustainability Information in accordance with the reporting framework (KPI n° 1 to 5, 12 to 22 and 42 to 47: « GED 001 Energy and Environment, version updated in April 2024 », KPI n° 24 and 38 to 41: « GHSD017 Global Occupational Health Safety KPI Metric Reporting, version updated in January 2025 » and KPI n° 6 to 11, 23 and 25 to 37: « HR Data Reporting Protocol, version updated in September 2022 »), applied as explained in *"2.4.1 Methodology elements on the published indicators"* section of the URD 2024 (the "Criteria");
- Designing, implementing and maintaining such internal control as management determines is necessary to enable the preparation of the Sustainability Information, in accordance with the Criteria, that is free from material misstatement, whether due to fraud or error; and
- The selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Company's sustainability reporting process.

Inherent limitations in preparing the Sustainability Information
The absence of a significant body of established practice upon which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities, and over time.

Moreover, some information is sensitive to the choice of methodology and the assumptions and/or estimates used for its preparation.

In addition, greenhouse gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Practitioner's responsibilities
Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Information.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:
- Determine the suitability in the circumstances of the Company's use of the Criteria as the basis for the preparation of the Sustainability Information.
- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Company's internal control.
- Design and perform procedures responsive to where material misstatements are likely to arise in the Sustainability Information. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed
A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Information. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of where material misstatements are likely to arise in the Sustainability Information, whether due to fraud or error.

In conducting our limited assurance engagement, we:
- Understood the Sustainability Information included in the URD 2024;
- Understood the Company's activities and organization;
- Understood:
  - the process of communicating the Criteria within the group and sites, the reporting procedures, and any additional instructions communicated by the Company to the group entities within the consolidation scope used for the production of the Sustainability Information, as well as the related control environment implemented;
  - the process for collecting and compiling the Sustainability Information, the Company's control environment and the information systems relevant to the preparation of the Sustainability Information;
- Assessed whether the methods and assumptions used by the Company for determining the Sustainability Information are appropriate with regard to the Criteria and, where applicable, assessed the relevance of changes in methods and assumptions;
- Assessed the data collection and compilation process regarding completeness and consistency of the information collected and implemented procedures to verify the correct consolidation of this data;
- Performed test of details, on a sample basis and using other selection methods, to verify the correct application of the calculation methods and assumptions applied and reconciled the underlying data with supporting documents;
- Performed analytical procedures, where applicable;
- Assessed the overall consistency of the Sustainability Information in relation to our knowledge of the Company.

Neuilly-sur-Seine, March 18, 2025
One of the Statutory auditors
PricewaterhouseCoopers Audit

Jean-Christophe Georghiou
Partner

Séverine Scheer
Partner

4.3.3 Independent practitioner's reasonable assurance report on certain Schneider Electric SE's corporate social responsibility (CSR) data

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the directors of SCHNEIDER ELECTRIC SE,
SCHNEIDER ELECTRIC SE
35 rue Joseph Monier
92500 Rueil Malmaison

Reasonable assurance opinion
We have conducted a reasonable assurance engagement on certain corporate social responsibility (CSR) data of Schneider Electric SE (the "Company") presented below and included in the *"2.1.1.2 Long-term commitments and tools to measure progress"* and *"2.4.4 Indicators"* sections of the Universal Registration Document of Schneider Electric SE (the "URD 2024") (the "Sustainability Information") as at 31 December 2024:

- KPI n°1: SSE #14 – Decrease the Medical Incident rate to 0.38 or below for a value of 0.6;
- KPI n°2: Number of hours worked for a value of 328,372,715 hours;
- KPI n°3: Lost-Time Injury Rate (LTIR) for a value of 0.28;
- KPI n°4: Lost-Time Day Rate (LTDR) for a value of 9.13;
- KPI n°5: Occupational Illness Frequency Rate (OIFR) for a value of 0.009;
- KPI n°6: SSI #8 – Increase gender diversity in hiring (50%), front-line management (40%) and leadership teams (30%) for a respective value of 42 %, 30 % and 31%;
- KPI n°7: SSE #3 – Source electricity from renewables for a value of 96%;
- KPI n°8: SSE #5 – Improve energy efficiency in our sites for a value of 16%;
- KPI n°9: Measured energy consumption by source for a value of 883,140 MWh of which (1) grid electricity for a value of 27,058 MWh, (2) purchased renewable electricity for a value of 625,289 MWh, (3) self-generated renewable electricity for a value of 24,907 MWh, (4) district heating for a value of 14,615 MWh, (5) petroleum products for a value of 10,490 MWh, (6) natural gas for a value of 180,235 MWh, (7) coal for a value of 0 MWh and (8) renewable fuel and heat for a value of 547 MWh;
- KPI n°10: Estimated Total Scopes 1 and 2 GHG emissions (market-based) for a value of 143,708 TCO_2e.

In our opinion, the Sustainability Information is prepared, in all material respects, in accordance with the reporting framework (KPI n°7 to 10: « GED 001 Energy and Environment, version updated in April 2024 », KPI n°1 to 5: « GHSD017 Global Occupational Health Safety KPI Metric Reporting, version updated in January 2025 » and KPI n°6: « HR Data Reporting Protocol, version updated in September 2022 »), available at the Company's headquarter on request and applied as explained in *"2.4.1 Methodology elements on the published indicators"* section of the URD 2024.

Basis for opinion
We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance engagements other than audits or reviews of historical financial information* ("ISAE 3000 (Revised)"), issued by the International Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our responsibilities under this standard are further described in the Practitioner's responsibilities section of our report.

Our independence and quality management
We have complied with the independence and other ethical requirements of the French Code of Ethics for Statutory Auditors *(Code de Déontologie)* as well as the provisions set forth in article L.821-28 of the French Commercial Code *(Code de Commerce)* and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standard Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities for the Sustainability Information
Management of the Company is responsible for:

- The preparation of the Sustainability Information in accordance with the reporting framework (KPI n°7 to 10: « GED 001 Energy and Environment, version updated in April 2024 », KPI n°1 to 5: « GHSD017 Global Occupational Health Safety KPI Metric Reporting, version updated in January 2025 » and KPI n°6: « HR Data Reporting Protocol, version updated in September 2022 », applied as explained in *"2.4.1 Methodology elements on the published indicators"* section of the URD 2024 (the "Criteria");
- Designing, implementing and maintaining such internal control as management determines is necessary to enable the preparation of the Sustainability Information, in accordance with the Criteria, that is free from material misstatement, whether due to fraud or error; and
- The selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Company's sustainability reporting process.

Inherent limitations in preparing the Sustainability Information
The absence of a significant body of established practice upon which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities, and over time.

Moreover, some information is sensitive to the choice of methodology and the assumptions and/or estimates used for its preparation

In addition, greenhouse gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Practitioner's responsibilities
Our responsibility is to plan and perform the assurance engagement to obtain reasonable assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error, and to issue an assurance report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Information.

As part of a reasonable assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Determine the suitability in the circumstances of the Company's use of the Criteria as the basis for the preparation of the Sustainability Information.
- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatement, whether due to fraud or error, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Design and perform procedures responsive to the assessed risks of material misstatement of the Sustainability Information. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Neuilly-sur-Seine, March 18, 2025
One of the Statutory auditors
PricewaterhouseCoopers Audit

Jean-Christophe Georghiou
Partner

Séverine Scheer
Partner

4.4 Indicators

4.4.1 Environmental and climate indicators

4.4.1.1 Key performance indicators from the Schneider Sustainability Impact and Schneider Sustainability Essentials

Schneider Sustainability	#	Programs for 2021-2025	Baseline[1]		2024 progress[2]	2025 Ambition
Impact (SSI)	1.	Grow Schneider Impact revenues[3]	2019: 70%	0%	74%	80%
	2.	Help our customers save and avoid millions of tonnes of CO_2 emissions	2020: 263M	0	679M	800M
	3.	Reduce CO_2 emissions from top 1,000 suppliers' operations	2020: 0%	0%	40%	50%
	4.	Increase green material content in our products	2020: 7%	0%	38%	50%
	5.	Primary and secondary packaging free from single-use plastic, using recycled cardboard	2020: 13%	0%	78%	100%
Essentials (SSE)	1.	Decarbonize our operations with Zero-CO_2 sites	2020: 30	0	154	150
	2.	Substitute relevant offers with SF6-Free medium voltage technologies	2020: 26%	0%	69%	100%
	3.	Source electricity from renewables	2020: 80%	0%	96%	90%
	4.	Improve CO_2 efficiency in transportation	2020: 0%	0%	-0.4%	15%
	5.	Improve energy efficiency in our sites	2019: 0%	0%	16%	15%
	6.	Grow our product revenues covered with Green Premium™	2020: 77%	0%	82%	80%
	7.	Switch our corporate vehicle fleet to electric vehicles	2020: 1%	0%	31%	33%
	8.	Deploy local biodiversity conservation and restoration programs in our sites	2020: 0%	0%	85%	100%
	9.	Give a second life to waste in 'Waste-to-Resource' sites	2020: 120	0	135	200
	10.	Avoid primary resource consumption through 'take-back at end-of-use' since 2017 (metric tons)	2020: 157,588	0	359,080	420,000
	11.	Deploy a water conservation strategy and action plan for sites in water-stressed areas	2020: 0%	0%	90%	100%

These programs contribute to UN SDGs

(1) The baseline year for each indicator is provided together with its baseline performance.
(2) Each year, an independent third party verifier performs a "limited" assurance engagement on all SSI and SSE indicators (except SSI #+1 and SSE #12 in 2024), in accordance with (revised) ISAE 3000 assurance standard (see Independent verifier's report on page 336). In addition, SSI #8, SSE #3, SSE #5 and SSE #14 were subject to a "reasonable" assurance engagement in 2024 (see Independent verifier's report on page 340). Please refer to page 311 for the methodological presentation of each indicator.
(3) Per Schneider Electric definition and methodology.

The indicators below concern all entities where Schneider Electric has operational control, and integrated in the Group for more than two years. This scope differs from the CSRD scope presented in the section 2.1.3 Basis for preparation on page 58.

Within the Group perimeter, given the complexity to obtain robust and meaningful data, in particular for small leased offices, estimated coverage indicators are provided for each reporting table. All Group industrial and logistics sites, in addition to certain major tertiary sites are covered. As per the Group' s Environmental Policy, all industrial and logistics sites with more than 50 people and tertiary sites with more than 500 people must be ISO 14001 certified within 2 years after their acquisition or creation. A difference can, therefore, be noted with respect to the scope of financial consolidation.

4.4.1.2 Perimeter and Environmental Management Systems (ISO 14001)

Indicators	Units	2024	2023	2022	2021
ISO 14001 certified sites[1]	#	**263**	234	243	244
Industrial and logistics sites	#	**193**	196	204	211
Tertiary sites	#	**70**	38	39	33
% of sites certified ISO 14001[2]	%	**88%**	87%	86%	87%

(1) ISO 14001 certification is systematic for all large industrial, logistics and tertiary sites within two years of acquisition. A reduction in the number of ISO 14001 certified sites usually results from sites closing during the year.
(2) The percentage of sites certified ISO 14001 is calculated based on waste generation from certified sites vs total sites, as the majority of sites – in number – are small leased offices where certification is not relevant.

4.4.1.3 Group site consumption, emissions and waste

Materials

GRI	Indicators	Units	2024	2023	2022	2021
301-2	SSI #4 – Green material content in our products[1]	%	**38%** ●	29%	18%	11%
301-2	SSI #5 – Primary and secondary packaging free from single-use plastic using recycled cardboard[2]	%	**78%** ●	63%	45%	21%
	SSE #6 – Product revenues covered by Green Premium™	%	**82%** ●	81%	80%	78%
301-3, 306-4	SSE #10 – Metric tons of avoided primary resource consumption through 'take-back at end-of-use[3]	metric tons	**47,851** ●	50,101	57,052	46,488
	SSE #15 – Reduce total number of safety recalls issued to 0[4]	# recalls	**5** ●	23	24	14

● Indicator covered by an assurance report in 2024.

(1) SSI #4 coverage is about 25% of purchased materials volume for our products
(2) SSI #5 coverage is about 87% of total packaging purchases
(3) SSE #10 figures provided in the table are annual results. Cumulative performance since the start of the program in 2017 is 359,080 avoided metric tons.
(4) SSE #15, originally "Reduce scrap from safety units recalled", has been upgraded in 2022 in line with the Quality ambition of the Group

Waste

GRI	Indicators	Units	2024	2023	2022	2021
	Estimated coverage (% waste generation)	%	**88%**	87%	86%	87%
306-3	Total waste generated	metric tons	**135,510** ●	124,139	131,402	136,816
	Total waste generated/Turnover	metric tons/ million €	**3.57**	3.46	3.84	4.73
306-3, 306-4, 306-5	Non-hazardous waste generated	metric tons	**126,266** ●	116,566	123,311	128,267
	of which reused or recycled	metric tons	**115,541** ●	105,593	111,567	115,550
	of which incinerated with energy recovery	metric tons	**7,060** ●	6,871	6,719	6,964
306-5	of which landfilled or incinerated without energy recovery	metric tons	**3,665** ●	4,102	5,025	5,753
	Non-hazardous waste reduction(1)	metric tons	**27,561**	21,098	11,941	13,667
306-2	Share of non-hazardous waste recovered or reduced(2)	%	**97.6%**	97.0%	96.3%	95.9%
306-3	Hazardous waste generated	metric tons	**9,244** ●	7,573	8,091	8,549
306-5	Hazardous waste channeled according to Schneider Electric expectations(3)	metric tons	**9,244** ●	7,573	8,091	8,549
	Hazardous waste generated/Turnover	metric tons/ million €	**0.24**	0.21	0.24	0.30
	Hazardous waste intensity reduction against 2017(4)	%	**-42%**	-50%	-44%	-30%
	SSE #9 – Number of 'Waste-to-Resource' sites	#	**135** ●	137	127	126
2-27, 306-3	# and aggregate quantity of reportable spills	kg	**0**	0	0	0
306-3	Quantity of spills recovered	kg	**NA**	NA	NA	NA
2-27, 306-3	Number of significant fines (> EUR 10,000) related to environmental or ecological issues	#	**0**	0	0	0

● Indicator covered by an assurance report in 2024. NA = Not applicable

(1) Waste reduction measures specific, targeted projects which reduce/avoid waste. Examples of waste reduction projects include creating a closed-loop system for pallets between the site and the supplier, or reducing packaging waste from incoming shipments. Normal operational decreases of waste due to reduced activity do not count as waste reduction.
(2) Non-hazardous waste recovered or reduced is calculated as the ratio between waste reused/recycled, incinerated with energy recovery and reduced, divided by the total non-hazardous waste generated and waste reduced. The Group's waste recovery percentage without waste reduction is: 97.1%, 96.5%, 95.9%, 95.5% 96.3%, and 95.2% for 2024, 2023, 2022, 2021, 2020, and 2019, respectively.
(3) 'Schneider Electric expectations' for hazardous waste means: 1) Waste meets/exceeds all local legal requirements for handling/treatment, and either 2a) waste is neutralized of its hazardous nature, or b) waste is handled/treated using the feasibly best available technique which provides the most environmentally beneficial impact.
(4) 2017 hazardous waste intensity was 0.42 metric tons per million euros of revenues.

Biodiversity

GRI	Indicators	Units	2024	2023	2022	2021
304-1	Number of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA)(1)	#	**260**	260	260	260
	of which industrial sites or distribution centres	#	**107**	107	107	107
	of which office buildings	#	**153**	153	153	153

● Indicator covered by an assurance report in 2024.

(1) Within 1-kilometre radius, 21% of our sites are in proximity of a protected area as defined by the IUCN and 3% of our sites are in proximity of a key biodiversity area (defined by IBAT as either "Alliance for Zero Extinction (AZE)" or "Important Bird and Biodiversity Areas (IBAs)).

Atmospheric pollutions

GRI	Indicators	Units	2024	2023	2022	2021
	Estimated coverage (% VOC emissions)	%	**90%**	90%	90%	90%
305-7	VOC emissions (estimates)	kg	**294,801** ●	304,975	308,520	342,228
305-7	VOC/Turnover (estimates)	kg/million €	**7.7**	8.5	9.0	11.8

● Indicator covered by an assurance report in 2024.

Water

GRI	Indicators	Units	2024	2023	2022	2021
	Estimated coverage (% water withdrawal)	%	**85%**	84%	83%	86%
303-3	Total water withdrawals (other than for cooling)	m^3	**1,843,662** ●	1,899,190	1,921,569	2,072,263
	of which surface water	m^3	**18,797** ●	17,699	14,514	19,156
	of which groundwater	m^3	**452,489** ●	472,199	492,308	513,631
	of which third party sources	m^3	**1,342,149** ●	1,377,377	1,388,474	1,507,606
	of which other sources(1)	m^3	**30,227** ●	31,916	26,273	31,870
303-3	Water withdrawn for cooling and restituted w/o impact(2)	m^3	**880,927** ●	813,411	622,951	879,602
303-3	Water withdrawal/Turnover(3)	m^3/million €	**48.3**	52.9	56.2	71.7
	Water withdrawal intensity reduction vs 2017(3)	%	**-55.3%**	-51.0%	-48.0%	-33.6%
303-3	Total water withdrawals from areas with water stress(4)	m^3	**862,855**	874,114	842,216	930,603
303-1	SSE #11 – Sites in water-stressed areas with a water conservation strategy and related action plan(4)	%	**90.0%** ●	73.0%	48.0%	8.5%

● Indicator covered by an assurance report in 2024.

Due to the impact of rounding on individual elements within this disclosure table, numbers may not exactly sum to the Group total.
(1) Other water sources include sources such as grey water and rainwater
(2) Water withdrawn for cooling and restituted without impact (i.e. returned back to the source with only a very small temperature change) are measured separate from total water withdrawals and excluded from performance calculations
(3) Excluding water withdrawn for cooling restituted without impact. The 2017 baseline value is 108.0 m^3/million €
(4) Schneider Electric's ISO 14001 sites are designated as water stress sites based on the World Resources Institute's Aqueduct Water Risk Atlas. Using Baseline Water Stress criteria, a site is designated as water stressed if it is located in an area classified as 'high' or 'extremely high' stress.

Energy

GRI	Indicators	Units	2024	2023	2022	2021
	Estimated coverage (% energy consumption)(1)	%	**100%**	95%	95%	95%
	ISO 50001 certified sites	#	**126**	128	132	140
302-1, 302-4	Estimated total energy consumption	MWh	**1,216,956**	1,124,327	1,201,276	1,325,491
	of which measured energy consumption	MWh	**883,140** ●	934,805	979,497	1,080,366
	of which estimated energy consumption for sites out of reporting perimeter(2)	MWh	**333,817**	189,522	221,779	245,125
302-1, 302-4	Estimated total energy consumption/turnover	MWh/million €	**31.9**	31.3	35.1	45.9
	Estimated total energy productivity	€/MWh	**31,351**	31,932	28,450	21,803
	Estimated total improvement in energy productivity vs 2005(3)	%	**152.7%**	157.3%	129.3%	75.7%
	Estimated total energy consumption from renewable sources(4)	MWh	**903,166**	707,033	688,474	670,287
	Estimated total percentage of renewable energy	%	**74.2%**	62.9%	57.3%	50.6%
	Estimated total energy consumption from non-renewable sources	MWh	**313,790**	417,294	512,802	655,204
	Estimated total percentage of non renewable energy	%	**25.8%**	37.1%	42.7%	49.4%
	Measured energy consumption by source					
	grid electricity	MWh	**27,058** ●	82,590	108,263	132,771
	purchased renewable electricity(5)	MWh	**625,289** ●	610,614	588,851	612,752
	self generated renewable electricity	MWh	**24,907** ●	23,194	20,719	15,861
	district heating	MWh	**14,615** ●	14,736	24,519	33,830
	petroleum products	MWh	**10,490** ●	12,991	6,520	6,967
	natural gas	MWh	**180,235** ●	190,088	229,552	276,954
	coal	MWh	**0** ●	0	0	0
	renewable fuel and heat	MWh	**547** ●	593	1,073	1,231

Energy (continued)

GRI	Indicators	Units	2024	2023	2022	2021
	Measured renewable electricity generated on site and sold back to the grid	MWh	**2,216** ●	2,960	2,263	2,558
	SSE #3 – Measured electricity sourced from renewables	%	**96%** ●	88%	85%	82%
	Estimated energy consumption by source[2]					
	grid electricity	MWh	**46,635**	92,379	107,019	148,720
	purchased renewable electricity[5]	MWh	**243,883**	72,632	77,831	40,443
	self generated renewable electricity	MWh	**6,344**	0	0	0
	district heating	MWh	**1,537**	2,490	2,829	5,491
	petroleum products	MWh	**17,856**	1,013	855	797
	natural gas	MWh	**17,562**	21,008	33,245	49,674
	coal	MWh	**0**	0	0	0
	renewable fuel and heat	MWh	**0**	0	0	0

● Indicator covered by an assurance report in 2024.

Due to the impact of rounding on individual elements within this disclosure table, numbers may not exactly sum to the Group total.

(1) All Schneider Electric sites and all major non-integrated entities are included in this table starting in 2024, resulting in 100% site coverage. In prior years, major non-integrated entites were excluded from Group results in this table. Fleet energy data is not included in this table.

(2) Sites out of the reporting perimeter and considered as estimated data in this table include smaller Schneider Electric sites (e.g. commercial offices) and for the first time in 2024, all non-integrated entities such as Luminous, AVEVA, RIB Software, ETAP, ProLeit, EcoAct, and Lauritz Knudsen and to a limited extent other small non-integrated entities. For the smaller sites, energy consumption by source is estimated by multiplying site surface (m^2) with energy intensity ratios (kWh/m^2) measured in larger sites. For sites located in countries with country-level renewable electricity contracts, 100% of the estimated electricity consumption of the site is counted as renewable, as such supply contracts cover all sites within a country. 2024 includes 210,735 MWh of Energy Attribute Certificates (EACs) applied to sites in the estimated energy scope.

(3) 2005 estimated energy productivity is 12,408 € per MWh.

(4) Starting 2024, the estimated total percentage of renewable energy includes purchased renewables, onsite renewable power, fuel and heat, and newly includes renewable district heat. 2024 renewable district heating was 2,196 MWh

(5) Renewable electricity reported here includes renewable electricity purchased through Power Purchasing Agreements (PPA) or green tariffs, and electricity covered by Energy Attributes Certificates (EAC). The 2024 EAC account for 32.7% of total measured purchased renewable electricity reported.

Greenhouse gas (GHG)

GRI	Indicators	Units	2024	2023	2022	2021
	Estimated coverage (% total GHG emissions) [1]	%	**100%**	99%	99%	99%
305-1, 305-2	Total Scopes 1 and 2 GHG emissions (market-based)[2][3]	TCO_2e	**143,708** ●	202,232	229,177	293,832
305-5	Absolute reduction vs base year (2021)[3]	%	**-51.1%**	-31.2%	-22.0%	0.0%
305-4	Total Scopes 1 and 2 per euro turnover	TCO_2e/ million €	**3.8**	5.6	6.7	10.2
305-1	Direct (Scope 1) GHG emissions	TCO_2e	**106,360** ●	112,792	119,447	140,718
	of which petroleum products	TCO_2e	**2,412** ●	3,116	4,414	4,520
	of which natural gas	TCO_2e	**37,060** ●	38,968	47,271	56,776
	of which coal	TCO_2e	**0** ●	0	0	0
	of which vehicle fleet	TCO_2e	**54,398** ●	61,492	55,598	62,683
	of which SF_6 emissions[3]	TCO_2e	**4,951** ●	4,054	4,606	5,886
	SF_6 leakage rate	%	**0.08%**	0.08%	0.08%	0.10%
	Target SF_6 leakage rate	%	**0.11%**	0.11%	0.11%	0.19%
	of which estimated Scope 1 GHG emissions of sites out of energy reporting perimeter[4]	TCO_2e	**7,539** ●	5,162	7,557	10,853
305-2	Energy indirect (Scope 2) GHG emissions (market-based) [2]	TCO_2e	**37,348** ●	89,440	109,730	153,115
	of which grid electricity (market-based)[2]	TCO_2e	**13,892** ●	39,476	49,674	66,692
	of which renewable electricity (market-based)[5]	TCO_2e	**0** ●	0	703	701
	of which district heating	TCO_2e	**2,040** ●	4,853	8,358	14,714
	of which estimated Scope 2 GHG emissions of sites out of energy reporting perimeter (market-based)[2][4]	TCO_2e	**21,423** ●	42,961	50,995	71,008

Greenhouse gas (GHG) (continued)

GRI	Indicators	Units	2024	2023	2022	2021
305-3	Other relevant indirect (Scope 3) GHG emissions[3]	TCO_2e	**55,649,186** ●	56,777,964	60,788,549	68,737,485
305-5	Absolute variation vs base year (2021)[3]	%	**-19.0%**	-17.4%	-11.6%	0.0%
305-4	Total Scope 3 per euro turnover[3]	TCO_2e/ million €	**1,459**	1,581	1,779	2,378
305-3	Other relevant indirect (Scope 3 upstream) GHG emissions	TCO_2e	**8,017,665** ●	7,766,994	8,613,192	8,237,192
	1. Purchased goods and services	TCO_2e	**6,562,746** ●	6,829,733	7,572,974	7,278,733
	2. Capital goods[6]	TCO_2e	**161,033** ●	55,361	57,986	62,876
	3. Fuel- and energy-related activities (not included in Scope 1 or Scope 2)[6]	TCO_2e	**100,126** ●	40,652	43,544	53,167
	4. Transportation of goods paid by the Group[7]	TCO_2e	**816,302** ●	563,643	670,840	616,519
	5. Waste generated in operations	TCO_2e	**38,747** ●	34,927	37,415	42,760
	6. Business travel[7]	TCO_2e	**161,046** ●	60,702	56,501	30,778
	7. Employee commuting	TCO_2e	**177,665** ●	181,977	173,932	152,359
305-3	Other relevant indirect (Scope 3 downstream) GHG emissions[3]	TCO_2e	**47,631,521** ●	49,010,970	52,175,356	60,500,294
	9. Transportation of goods not paid by the Group[7]	TCO_2e	**570,959** ●	481,039	427,872	485,877
	11. Use of sold products[3][8]	TCO_2e	**42,598,039** ●	44,223,749	47,281,888	55,338,592
	12. End-of-life treatment of sold products[3]	TCO_2e	**4,462,523** ●	4,306,182	4,465,596	4,675,824
	SSE #1 – Number of Zero-CO_2 sites	#	**154** ●	101	77	51
	Saved GHG emissions thanks to sold products and services[9]	TCO_2e	**67,376,192** ●	52,434,385	51,325,544	49,708,425
	Avoided GHG emissions thanks to sold products and services[9]	TCO_2e	**58,743,750** ●	60,163,742	41,674,416	33,930,803
	SSI #2 – Cumulative CO_2 saved and avoided thanks to sold products and services since 2018[9]	TCO_2e	**678,678,997** ●	552,559,056	439,960,929	346,960,969

● Indicator covered by an assurance report in 2024.

Due to the impact of rounding on individual elements within this disclosure table, numbers may not exactly sum to the Group total.

(1) All Schneider Electric sites and all major non-integrated entities are included in this table starting in 2024, resulting in 100% site coverage. In prior years, major non-integrated entites were excluded from Group results in this table

(2) Scope 2 emissions are quantified with the market-based methodology and the location-based methodology, following GHG Protocol scope 2 guidance, and the results from both approaches are disclosed. Values calculated with market-based and location-based methodologies should not be added. Market-based electricity emissions are calculated using subnational factors for the US and Canada, residual electricity emissions factors for European countries, and average country emission factors for other countries. Location-based scope 2 electricity emissions on energy reporting perimeter are equal to 256,213 TCO_2e (audited value), and 430,773 TCO_2e on total Group perimeter (audited value). Total Scope 2 (location-based) emissions is 433,505 TCO_2e (audited value). Total scope 1 and 2 (location-based) CO_2 emissions (energy, vehicles, and SF6 emissions in TCO_2e) on full perimeter are equal to 539,865 TCO_2e (audited value).

(3) The historical values of this indicator have been updated to be in line with the latest Global Warming Potential (GWP) value of SF6, as published by the IPCC in its 6th Assessment Report available in January 2024. Previous GWP value of 23,500 (AR5) has been updated to 24,300 (AR6) for 2023 and historical emissions. This change impacts scope 1 and scope 3 CO_2 equivalent emissions.

(4) The CO_2 emissions linked to energy consumption for sites outside the energy reporting perimeter are considered estimates for two reasons: on the one hand, energy consumption and corresponding CO_2 emissions of these sites are estimated (instead of being collected from meters and invoices, energy consumption are based on site surface and average energy intensity of sites per region from the energy reporting perimeter); on the other hand, the indirect emissions are calculated on the conversion factors per country and not with supplier-specific data.

(5) Prior to 2023, this category was meant to capture greenhouse gas emissions (CH4 and N2O emissions) generated from renewable electricity produced with biomass.

(6) In 2024 the methodology has changed, leading to significant changes as compared to previous year.

(7) Starting in 2024, the radiative forcing of air freight and air travels has been included in the numbers, in order to reflect more comprehensively the climate impact of these activities.

(8) These emissions correspond to products sold by Schneider Electric during the year of reporting and cumulated over their lifetime. These emissions are attributable to electricity consumption of products, either due to internal consumption or due to heat dissipation (Joule effect). The GHG emissions from electricity considered are forward-looking during the lifetime of products, based on a scenario from the International Energy Agency (IEA) that factors in the future decarbonization of the grids.

(9) Avoided CO_2 emissions are calculated for sales of the reporting year and cumulated over the offers' lifetime. Emissions are calculated as the difference between emissions with Schneider Electric's offer and emissions in the reference situation. The methodology distinguishes "saved" and "avoided" emissions: saved CO_2 emissions correspond to brownfield sales that enable reduction of global CO_2 emissions compared to previous years, while avoided CO_2 emissions correspond to greenfield sales that enable a limitation of the increase of global emission. When new methodologies are developed during the reporting year, CO_2 saved and avoided from those offers is quantified for sales that occurred since 2018 and counted fully in the performance of the reporting year. In addition, methodologies are continuously improved, leading potentially to some adjustments with retroactive impact. In 2024, there has been no update to methodology. However, out of the 126.1 $MTCO_2e$ saved and avoided in 2024, 13.0 MT (10.3%) came from 2021-2023 backdated performance.

4.4.2 Social indicators

4.4.2.1 Key performance indicators from the Schneider Sustainability Impact and Schneider Sustainability Essentials

Schneider Sustainability	#	Programs for 2021-2025	Baseline[1]		2024 progress[2]	2025 Ambition
Impact (SSI)	6.	Strategic suppliers who provide decent work to their employees	2022: 1%	0%	63%	100%
	7.	Level of confidence of our employees to report unethical conduct	2021: 81%	0%	83%	91%
	8.	Increase gender diversity[3] in: hiring (50%), front-line management (40%), and leadership teams (30%)	 2020 : 41% 2020 : 23% 2020 : 24%	 0% 0% 0%	 42% 30% 31%	 50% 40% 30%
	10.	Double hiring opportunities for interns, apprentices and fresh graduates	2019: 4,939	X1	X1.59	x2.00
Essentials (SSE)	12.	Deploy a 'Social Excellence' program through multiple tiers of suppliers[4]	--	--	In progress	--
	13.	Train our employees on Cybersecurity and Ethics every year	2020: 90%	0%	99%	100%
	14.	Decrease the Medical Incident rate to 0.38 or below	2019: 0.79	0.79	0.6	0.38
	15.	Reduce total number of safety recalls issued to 0	2020: 25	25	5	0
	16.	Be in the top 25% in external ratings for Cybersecurity performance	2020: Top 25%	0%	Top 25%	Top 25%
	17.	Assess our suppliers under our 'Vigilance Program'	2020: 374	0	4,052	4,000
	18.	Reduce pay gap for both females and males	2020: F: -1.73% 2020: M: 1.00%	0%	-0.84% F 0.66% M	<1% <1%
	19.	Increase subscription in our yearly Worldwide Employee Share Ownership Plan (WESOP)	2019: 53%	0%	62%	60%
	20.	Pay our employees at least a living wage	2019: 99%	0%	100%	100%
	21.	Multiply the number of employee-driven development interactions on the Open Talent Market	2020: 5,019	1	x2.3	x4
	22.	Support the digital upskilling of our employees	2020: 41%	0%	80%	90%
	23.	Provide access to meaningful career development programs for employees during later stages of their career	2022: 43%	0%	85%	90%
	24.	Increase our employee engagement level	2020: 69%	0%	73%	75%

These programs contribute to UN SDGs

(1) The baseline year for each indicator is provided together with its baseline performance.
(2) Each year, an independent third party verifier performs a "limited" assurance engagement on all SSI and SSE indicators (except SSI #+1 and SSE #12 in 2024), in accordance with (revised) ISAE 3000 assurance standard (see Independent verifier's report on page 270). In addition, SSI #8, SSE #3, SSE #5 and SSE #14 were subject to a "reasonable" assurance engagement in 2024 (see Independent verifier's report on page 274). Please refer to page 245 for the methodological presentation of each indicator.
(3) From 2025 onwards, diversity targets shall not impact local incentives in countries or entities prohibiting the establishment of such targets.
(4) SSE #12 'Social Excellence' program currently under development.

Indicators below have a Group scope as described in section 4.1, page 244.

HR statistics presented below cover about 88% of the 167,495 employees from consolidated companies where HR IT systems have been deployed. About 16,206 employees from non-integrated entities are excluded. SSI #8 is calculated on constant scope and also excludes employees from Lauritz Knudsen and Proleit, as they were acquired during 2020, which is the baseline year for this program. SSI #8 coverage is about 85% of Group employees in 2024.

Total Group workforce, i.e. overall employees and non-employee interim workers, is 183,701 people as of end of the year 2024.

The calculation methodology of the absenteeism rate varies from one country to another, in this domain Schneider Electric communicates at Group level the number of lost days and the number of hours worked (Safety data). The precisions on the variations of scope are contributed at the end of the tables below and indicated by footnotes.

4.4.2.2 General disclosure

Spot workforce at year-end

GRI	Indicators	Units	2024	2023	2022	2021
	Spot workforce at year-end including supplementary employees*	year-end HC	167,495	153,121	149,812	147,468
	Spot workforce at year-end excluding supplementary employees*[1]	year-end HC	147,127 ●	137,855	134,931	128,384
	Open-ended contract	%	90.9% ●	89.8%	88.8%	87.2%
	Fixed-term contract	%	9.1% ●	10.2%	11.2%	12.8%
	Spot supplementary employees* at year-end	year-end HC	20,368	15,266	14,881	19,084
2-7	Share of temporary personnel (fixed-term contracts and supplementary personnel*)	%	20.1%	19.2%	22.3%	24.0%

● Indicator covered by an assurance report in 2024.

* Supplementary employees are employees under short-term contracts to supplement short-term activities and work peaks.
(1) Based on data tracked in our global TalentLink tool, excluding supplementary employees, recent acquisitions, entities not integrated to the Group's information system tools and interns (147,127 employees, i.e. around 88% of employees excluding supplementary employees).

Workforce composition[1]

GRI	Indicators	Units	2024	2023	2022	2021
	Coverage (of total employees)		88%	90%	90%	93%
2-7	Organization of working time					
	Full-time	%	98% ●	98%	98%	98%
	Part-time	%	2% ●	2%	2%	2%
401-1	Hires[2]	HC	27,250 ●	24,608	28,214	27,189
401-1	Departures[2]	HC	18,341 ●	19,738	22,005	22,877
	Layoffs	HC	5,473 ●	5,246	5,970	7,114
	Resignations	HC	9,796 ●	10,878	12,757	11,944
	Other (retirement, end of contract, etc.)	HC	3,072 ●	3,614	3,278	3,819
401-1	Total employee turnover	%	12.8% ●	14.6%	16.6%	18.1%
	Turnover by gender					
	Men	%	12%	14%	15%	17%
	Women	%	14%	16%	19%	21%
	Turnover by generation[3]					
	Gen Z	%	28%	36%	47%	60%
	Millenials	%	12%	14%	17%	19%
	Gen X	%	7%	8%	8%	8%
	Boomer	%	21%	18%	18%	18%
	Silent	%	0%	18%	0%	39%
401-1	Voluntary turnover	%	6.9% ●	8.0%	9.6%	9.5%
2-7	Breakdown of workforce by region					
	Asia-Pacific	%	33%	33%	34%	31%
	Western Europe	%	26%	27%	27%	27%
	North America	%	29%	27%	26%	26%
	Rest of the world	%	12%	13%	13%	16%

Workforce composition (continued)

GRI	Indicators	Units	2024	2023	2022	2021
2-7	Breakdown of workforce by top 10 countries					
	United States	%	**15%** ●	14%	14%	14%
	Mexico	%	**13%** ●	11%	11%	10%
	India	%	**11%** ●	11%	11%	8%
	China	%	**11%** ●	12%	12%	11%
	France	%	**10%** ●	11%	11%	11%
	Germany	%	**3%** ●	4%	4%	4%
	Spain	%	**3%** ●	3%	3%	3%
	United Kingdom	%	**3%** ●	3%	2%	3%
	Italy	%	**2%** ●	2%	2%	2%
	Philippines	%	**2%** ●	2%	2%	2%
2-7	Annual change in workforce in top 10 countries					
	United States	%	**12%**	6%	5%	5%
	Mexico	%	**23%**	8%	7%	8%
	India	%	**10%**	5%	46%	8%
	China	%	**1%**	3%	6%	-2%
	France	%	**2%**	-1%	2%	7%
	Germany	%	**2%**	6%	2%	9%
	Spain	%	**2%**	12%	8%	0%
	United Kingdom	%	**4%**	7%	-1%	-3%
	Italy	%	**4%**	7%	0%	4%
	Philippines	%	**5%**	3%	10%	-9%
2-7	Women in our workforce					
	Overall workforce	%	**35%** ●	34%	33%	34%
	Board of Directors	%	**43%** ●	46%	42%	42%
	Executive Committee	%	**40%** ●	41%	41%	44%
	All management (junior, middle, leadership)	%	**28%**	34%	33%	33%
	Leadership teams	%	**31%** ●	29%	28%	26%
	Front-line management	%	**30%** ●	27%	27%	27%
	Middle management	%	**26%**	25%	24%	23%
	Junior management	%	**39%**	40%	37%	37%
	Management positions in revenue-generating functions	%	**20%**	19%	21%	16%
	Sales	%	**24%**	23%	22%	21%
	STEM	%	**24%**	22%	21%	19%
2-7	White collar	%	**52%**	53%	52%	51%
	of which men	%	**64%**	65%	66%	66%
	of which women	%	**36%**	35%	34%	34%
	Blue collar	%	**48%**	47%	48%	49%
	of which men	%	**66%**	67%	67%	66%
	of which women	%	**34%**	33%	33%	34%

Workforce composition (continued)

GRI	Indicators	Units	2024	2023	2022	2021
2-7	Breakdown of workforce by age[3]					
	< 30 years	%	**25%** ●	24%	24%	23%
	30-50 years	%	**58%** ●	59%	59%	59%
	> 50 years	%	**17%** ●	17%	17%	18%
2-7	Breakdown of workforce by seniority					
	< 5 years	%	**46%**	42%	43%	40%
	5/14 years	%	**30%**	31%	31%	34%
	15/24 years	%	**15%**	18%	17%	16%
	25/34 years	%	**6%**	7%	7%	7%
	> 34 years	%	**3%**	2%	2%	3%
2-7	Breakdown of workforce by function					
	Marketing	%	**4%**	4%	4%	4%
	Sales	%	**12%**	13%	13%	13%
	Services and projects	%	**19%**	20%	19%	19%
	Support	%	**29%**	27%	24%	24%
	Technical	%	**8%**	8%	11%	10%
	Industrial	%	**28%**	28%	29%	31%

● Indicator covered by an assurance report in 2024.

* Supplementary employees are employees under short term contracts to supplement short term activities and work peaks.
(1) Based on data tracked in our global TalentLink tool, excluding supplementary employees, recent acquisitions, entities not integrated to the Group's information system tools and interns (147,127 employees, i.e. around 88% of employees excluding supplementary employees).
(2) Acquisitions/disposals and supplementary employees not taken into account in the calculation.
(3) The breakdown by age or generation excludes the data for US and Canada due to privacy restrictions.

Hires[1][2]

GRI	Indicators	Units	2024	2023	2022	2021
401-1	Breakdown by type of contract					
	Permanent contract	%	**85%**	77%	69%	64%
	Fixed-term contract	%	**15%**	23%	31%	36%
401-1	Breakdown by category					
	White collar	%	**33%**	38%	39%	34%
	Blue collar	%	**67%**	62%	61%	66%
401-1	Breakdown by gender					
	Men	%	**58%** ●	59%	59%	59%
	Women	%	**42%** ●	41%	41%	41%
401-1	Breakdown by age[3]					
	< 30 years	%	**60%**	58%	61%	64%
	30-50 years	%	**37%**	40%	37%	34%
	> 50 years	%	**3%**	2%	2%	2%
401-1	Breakdown by region					
	Asia-Pacific	%	**25%**	31%	36%	34%
	Western Europe	%	**12%**	17%	16%	13%
	North America	%	**53%**	42%	37%	42%
	Rest of the world	%	**10%**	10%	11%	12%

● Indicator covered by an assurance report in 2024.

(1) Based on data tracked in our global TalentLink tool, excluding supplementary employees, recent acquisitions, entities not integrated to the Group's information system tools and interns (147,127 employees, i.e. around 88% of employees excluding supplementary employees).
(2) Acquisitions/disposals and supplementary employees not taken into account in the calculation.
(3) The breakdown by age or generation excludes the data for US and Canada due to privacy restrictions.

Layoffs [1][2]

GRI	Indicators	Units	2024	2023	2022	2021
401-1	Breakdown by type of contract					
	Open-ended contract	%	**90%**	81%	69%	70%
	Fixed-term contract	%	**10%**	19%	31%	30%
401-1	Breakdown by category					
	White collar	%	**31%**	26%	21%	22%
	Blue collar	%	**69%**	74%	79%	78%
401-1	Breakdown by region					
	Asia-Pacific	%	**18%**	22%	35%	33%
	Western Europe	%	**10%**	8%	10%	9%
	North America	%	**61%**	61%	48%	47%
	Rest of the world	%	**11%**	9%	7%	10%
	Breakdown by gender					
	Men	%	**64%**	61%	60%	62%
	Women	%	**36%**	39%	40%	38%
	Breakdown by generation[3]					
	Gen Z	%	**28%**	27%	34%	30%
	Millenials	%	**47%**	47%	44%	44%
	Gen X	%	**22%**	21%	16%	19%
	Boomer	%	**3%**	5%	6%	7%
	Silent	%	**0%**	0%	0%	0%

(1) Based on data tracked in our global TalentLink tool, excluding supplementary employees, recent acquisitions, entities not integrated to the Group's information system tools and interns (147,127 employees, i.e. around 88% of employees excluding supplementary employees).
(2) Acquisitions/disposals and supplementary employees not taken into account in the calculation.
(3) The breakdown by age or generation excludes the data for US and Canada due to privacy restrictions.

Resignations[1][2]

GRI	Indicators	Units	2024	2023	2022	2021
401-1	Breakdown by seniority					
	< 1 year	%	**38%**	35%	36%	41%
	1/4 years	%	**40%**	42%	40%	36%
	5/14 years	%	**17%**	18%	19%	19%
	15/24 years	%	**4%**	4%	4%	4%
	25/34 years	%	**1%**	1%	1%	1%
	> 34 years	%	**0%**	0%	0%	0%

(1) Based on data tracked in our global TalentLink tool, excluding supplementary employees, recent acquisitions, entities not integrated to the Group's information system tools and interns (147,127 employees, i.e. around 88% of employees excluding supplementary employees).
(2) Acquisitions/disposals and supplementary employees not taken into account in the calculation.

Departures[1][2]

GRI	Indicators	Units	2024	2023	2022	2021
401-1	Breakdown by gender					
	Men	%	**62%**	62%	62%	62%
	Women	%	**38%**	38%	38%	38%
401-1	Breakdown by age[3]					
	< 30 years	%	**44%**	46%	50%	50%
	30-50 years	%	**43%**	41%	39%	38%
	> 50 years	%	**13%**	13%	11%	12%
401-1	Breakdown by region					
	Asia-Pacific	%	**28%**	31%	33%	31%
	Western Europe	%	**16%**	16%	15%	15%
	North America	%	**45%**	42%	42%	41%
	Rest of the world	%	**11%**	11%	10%	13%

(1) (Based on data tracked in our global TalentLink tool, excluding supplementary employees, recent acquisitions, entities not integrated to the Group's information system tools and interns (147,127 employees, i.e. around 88% of employees excluding supplementary employees).
(2) Acquisitions/disposals and supplementary employees not taken into account in the calculation.
(3) The breakdown by age or generation excludes the data for US and Canada due to privacy restrictions.

Average supplementary employees*

GRI	Indicators	Units	2024	2023	2022	2021
2-7	Breakdown by category					
	White collar	%	**8%**	11%	10%	8%
	Blue collar	%	**92%**	89%	90%	92%
2-7	Breakdown by region					
	Asia-Pacific	%	**62%**	62%	54%	67%
	Western Europe	%	**17%**	19%	24%	16%
	North America	%	**9%**	12%	10%	6%
	Rest of the world	%	**12%**	7%	12%	11%

* Supplementary employees are employees under short-term contracts to supplement short-term activities and work peaks.

4.4.2.3 Dialog and social relations[1]

GRI	Indicators	Units	2024	2023	2022	2021
	Coverage[2]	%	**97%**	95%	94%	92%
2-30	Employees represented by					
	Unions	%	**59%**	79%	60%	80%
	Works Council	%	**38%**	53%	55%	63%
403-4	Health and Safety Committee	%	**59%**	80%	76%	81%
2-30	Number of collective agreements	#	**212**	205	202	150
2-30	Employees covered by collective bargaining agreements	%	**78%**	77%	70%	72%

(1) in 2024, more data were collected at entity level, allowing for more granular results, including from entities with small headcounts
(2) Compared to employees recorded in global TalentLink tool.

4.4.2.4 Health and safety of employees and subcontractors

GRI	Indicator	Units	2024	2023	2022	2021
403-8	Number of ISO 45001 sites	#	**193**	172	211	180
	Percentage of operational facilities that are ISO 45001 certified	%	**85%**	83%	87%	77%
403-9	Number of medical incidents[1]	#	**197** ●	154	171	186
	of which Schneider Electric employees	#	**163** ●	119	143	152
	of which temporary workers	#	**34** ●	35	28	34
403-9	Number of lost-time accidents[1]	#	**91** ●	83	95	96
	of which Schneider Electric employees	#	**77** ●	63	80	76
	of which temporary workers	#	**14** ●	20	15	20
403-9	Number of fatal accidents	#	**0** ●	0	0	2
	of which Schneider Electric employees	#	**0** ●	0	0	2
	of which temporary workers	#	**0** ●	0	0	0
403-9	SSE #14 Medical Incident Rate[2]	per million hours worked	**0.60** ●	0.51	0.58	0.65
	of which Schneider Electric employees	per million hours worked	**0.58** ●	0.46	0.57	0.63
	of which temporary workers	per million hours worked	**0.68** ●	0.78	0.64	0.73
403-9	Lost-Time Injury Rate (LTIR)[2]	per million hours worked	**0.28** ●	0.28	0.32	0.33
	of which Schneider Electric employees	per million hours worked	**0.28** ●	0.25	0.32	0.32
	of which temporary workers	per million hours worked	**0.29** ●	0.44	0.34	0.43
403-9	Lost-Time Day Rate (LTDR)[2]	per million hours worked	**9.13** ●	7.78	14.23	15.58
	of which Schneider Electric employees	per million hours worked	**9.56** ●	7.80	15.22	16.47
	of which temporary workers	per million hours worked	**6.66** ●	7.66	8.54	11.00
403-9	Number of lost days	#	**2,999** ●	2,345	4,195	4,477
	of which Schneider Electric employees	#	**2,677** ●	2,001	3,822	3,963
	of which temporary workers	#	**322** ●	344	373	514
403-9	Number of hours worked	#	**328,372,715** ●	301,436,421	294,742,174	287,369,013
	of which Schneider Electric employees	#	**279,996,409** ●	256,505,806	251,075,834	240,649,594
	of which temporary workers	#	**48,376,306** ●	44,930,615	43,666,340	46,719,419
403-10	Occupational Illness Frequency Rate (OIFR)[2]	per million hours worked	**0.009** ●	0.010	0.003	0.017
	of which Schneider Electric employees	per million hours worked	**0.007** ●	0.012	0.004	0.021
	of which temporary workers	per million hours worked	**0.021** ●	0.000	0.000	0.000

● Indicator covered by an assurance report in 2024.

(1) Includes business travel, excludes home/workplace travel.
(2) LTIR = Number of incidents with lost days x 1,000,000/number of hours worked. International standard indicator comparable to the accident frequency rate.
LTDR = Number of lost days x 1,000,000/number of hours worked. International standard indicator comparable to the accident severity rate (the latter, however, is calculated per thousand hours worked). MIR = Number of accidents requiring medical treatment x 1,000,000/number of hours worked.
Occupational Illness Frequency Rate (OIFR) is based on 1 million hours worked (the number of Occupational Illnesses X 1,000,000 Hours/Total Hours Worked).
Note that the Medical Incident Rate (MIR) consists of both medical incidents + Occupational Illnesses and is based on 1 million hours worked.

4.4.2.5 Talent development and training

GRI	Indicator	Units	2024	2023	2022	2021
	Coverage	%	**98%**	95%	92%	91%
404-1	Number of training hours	#	**3,246,478** ●	3,126,358	2,988,795	2,881,627
404-1	Average hours of training per person	#	**22.5**	24.1	24.1	24.5
	of which white collar	#	**23.8**	25.4	25.3	25.1
	of which blue collar	#	**21.1**	22.5	22.4	24.0
	of which men	#	**23.0**	24.5	24.7	24.9
	of which women	#	**21.6**	23.2	22.9	23.7
404-1	Breakdown of hours by category					
	White collar	%	**55%**	57%	57%	53%
	Blue collar	%	**45%**	43%	43%	47%
404-2	Employees taking one day training (7 hours or more)	%	**78%**	81%	81%	83%
2-24	Percentage of employees trained on the Trust Charter, Schneider's Code of Conduct		**99%**	99%	98%	96%
2-24	Percentage of the eligible workforce who received training on anti-corruption practices	%	**99%**	98%	97%	97%
2-24	SSE #13 – Employees trained every year on Cybersecurity and Ethics	%	**99%** ●	97%	95%	96%
2-24, 404-2	Breakdown of hours by training type					
	Data & AI / Analytics	%	**3%**	0%	UP	UP
	Digital / IT	%	**8%**	9%	6%	6%
	Functional	%	**21%**	23%	22%	25%
	Sustainability[1]	%	**18%**	18%	17%	17%
	Management and Leadership	%	**6%**	7%	8%	6%
	Mandatory / Compliance	%	**5%**	5%	8%	9%
	Offer Excellence	%	**6%**	6%	7%	6%
	Human Skills[2]	%	**6%**	6%	7%	7%
	Products, Solutions and Services	%	**13%**	13%	14%	12%
	Supply Chain	%	**7%**	9%	9%	12%
	Well-being	%	**2%**	1%	2%	1%
	Other	%	**5%**	4%	–	–
	Total Learning & Development spend[3]	million €	**105.7**	91.1	75.6	56.8
	Learning & Development cost per employee	€/employee	**718.2**	660.8	560.8	425.8
404-3	Employees having had a performance review[4]	%	**99%**	97%	98%	98%
	Breakdown by category					
	White collar	%	**75%**	75%	76%	76%
	Blue collar	%	**25%**	25%	24%	26%
	Breakdown by gender					
	Men	%	**68%**	69%	70%	71%
	Women	%	**32%**	31%	30%	29%

GRI	Indicator	Units	2024	2023	2022	2021
	Breakdown of promotions by gender[5]					
	Men	%	**65%**	67%	67%	UP
	Women	%	**35%**	33%	33%	UP
	Breakdown of promotions by generation[6]	%				
	Gen Z	%	**12%**	11%	17%	UP
	Millenials	%	**63%**	62%	61%	UP
	Gen X	%	**23%**	24%	20%	UP
	Boomer	%	**2%**	3%	2%	UP

● Indicator covered by an assurance report in 2024. UP = Unpublished.

Due to the impact of rounding on individual elements within this disclosure table, numbers may not exactly sum to the Group total.
(1) Includes Sustainability, Environment and Health and Safety trainings.
(2) Prior to 2023, this was reported under "Personal Development" categories.
(3) Includes Learning and development teams, travel and expenses as well as vendors costs – Sources: Schneider Electric TalentLink Employee data and Procurement tracking system – Excludes training sold to customers
(4) The data relates to the eligible workforce for Performance interview on 12/31/2024 (TalentLink).
(5) Based on a change in grade level.
(6) The breakdown by age or generation excludes the data for US and Canada due to privacy restrictions.

4.4.3 Societal indicators

Indicators are published on the basis of declarative information submitted by Foundation delegates. It covers about 90% of Schneider Electric Group employees and highlights the importance of company and employee participation in the Foundation's approach to involvement towards local communities. With EUR 37.0 million in 2024, the amount of budget for the Foundation's actions includes the Foundation's intervention budget, the amount of the donations from entities, employees and partners, and the amount of donations in kind.

4.4.3.1 Key performance indicators from the Schneider Sustainability Impact and Schneider Sustainability Essentials

Schneider Sustainability	#	Programs for 2021-2025	Baseline[1]		2024 progress[2]	2025 Ambition
Impact (SSI)	9.	Provide access to green electricity to 50M people	2020: 30M	0	53.4M	50M
	11.	Train people in energy management	2020: 281,737	0	824,404	1M
Essentials (SSE)	25.	Increase the number of volunteering days since 2017	2020: 18,469	0	75,461	50,000

These programs contribute to UN SDGs

(1) The baseline year for each indicator is provided together with its baseline performance.
(2) Each year, an independent third party verifier performs a "limited" assurance engagement on all SSI and SSE indicators (except SSI #+1 and SSE #12 in 2024), in accordance with (revised) ISAE 3000 assurance standard (see Independent verifier's report on page 270). In addition, SSI #8, SSE #3, SSE #5 and SSE #14 were subject to a "reasonable" assurance engagement in 2024 (see Independent verifier's report on page 274). Please refer to page 245 for the methodological presentation of each indicator.

4.4.3.2 Breakdown of the Foundation's financial commitments

Indicator	Units	2024	2023	2022
Foundation's intervention budget	€	**4,000,000**	4,000,000	4,000,000
Breakdown by program				
Training and entrepreneurship	%	**84%**	83%	81%
Raising awareness about sustainable development	%	**10%**	5%	12%
Employees' volunteering/skills-based sponsorship	%	**1%**	1%	2%
Emergency	%	**2%**	7%	3%
Other	%	**3%**	4%	2%
Breakdown by region				
Africa & Middle East	%	**28%**	16%	15%
America	%	**10%**	38%	6%
Asia & Pacific	%	**13%**	19%	31%
Europe	%	**39%**	22%	35%
Cross countries	%	**10%**	5%	13%

4.4.3.3 Breakdown of contributions from employees and Schneider Electric entities to the Foundation's actions

Indicator	Units	2024	2023	2022
Total financial contribution	€	**13,646,039**	10,490,937	12,461,007
From employees	€	**1,298,374**	1,227,005	1,520,324
From the Schneider Electric entities and partners	€	**12,347,665**	9,263,932	10,940,683
Total in-kind contribution (products or services)	€	**19,380,796**	10,800,121	7,267,507

4.4.3.4 Breakdown of total contributions (Employees, Schneider Electric entities and Schneider Electric Foundation) to the Foundation's actions

Indicator	Units	2024	2023	2022
Breakdown by region				
Africa & Middle East	%	**8%**	10%	5%
America	%	**30%**	39%	35%
Asia & Pacific	%	**16%**	17%	25%
Europe	%	**45%**	33%	31%
Cross countries	%	**1%**	1%	4%

4.4.3.5 Total budget for the Foundation's actions

Indicator	Units	2024	2023	2022
Foundation budget, financial contributions and donations in kind	€	**37,026,835**	25,291,058	23,728,514

To access all Schneider Electric ESG data, please download the disclosure dashboard Schneider Electric Sustainability Disclosure Dashboard from the Sustainability Reports page on **www.se.com**

Life Is On Schneider Electric

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