Press release



Schneider Electric well on its way to achieving its yearend sustainability targets

- New social and environmental objectives to be outlined in early 2021
- Schneider Sustainability Impact (SSI) recorded a score of 8.63 on a 10point scale

Rueil-Malmaison (France), October 22, 2020 – Schneider Electric, the leader in the digital transformation of energy management and automation, today announced details of its progress on a range of ambitious selfimposed sustainability targets. Published alongside Schneider's third-quarter earnings, these extra-financial results underline that the global economic and public health challenges of 2020 have not derailed the company's commitment to working towards a greener, more inclusive world.

Schneider has been measuring its environmental and social impact via an internal dashboard as part of its sustainability commitments for 2018-2020. This Schneider Sustainability Impact (SSI) dashboard measures the company's progress on 21 indicators, which have been closely aligned with the UN's Sustainable Development Goals (SDGs). For the third quarter of 2020, Schneider recorded a score of 8.63 on a 10-point scale – up from 7.71 during the previous three months.

"We are proud of the sustainability achievements we've made despite the circumstances in 2020 – but we can't and won't stop here: we consider it is our responsibility to continue making a strong impact, from how we operate to what we deliver to our customers. As we approach the end of our 2018-2020 goals and move closer to setting new objectives in 2021, we will be more ambitious, bridging progress and sustainability for all" said Olivier Blum, Chief Strategy and Sustainability Officer at Schneider Electric. "Now more than ever, it is crucial that companies, governments and communities work together to not just continue but accelerate their efforts to decarbonize the global economy."

Schneider's 21 indicators* are grouped within five megatrends: Climate, Circular Economy, Health and Equity, Ethics and Development. More detail on the full third-quarter SSI results can be found <u>here</u>.

Highlights so far this year:

Approaching 80 percent of electricity sourced from renewables

Schneider has progressively raised its already ambitious climate commitments over the years – <u>most recently</u> <u>during Climate Week 2020</u>, when it pledged to achieve carbon neutrality on its full end-to-end footprint by 2040, ten years ahead of the Paris Agreement's goal to limit global temperature increases to 1.5°C above preindustrial times.

Schneider is on target to meet its goal to source 80 percent of its electricity via renewable energy sources: as of 30 September, the percentage was 65 percent. As a result, the Group has reduced its operational CO_2 emissions by more than 250,000 tons over the last two years. This contributed to Schneider being <u>recently</u> declared the 2020 Clean Energy Trailblazer by the Climate Group's first RE100 Leadership Awards, which recognize companies going above-and-beyond to accelerate the global transition to a clean energy future.

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Press release



Life Is On

Almost 200 of Schneider's sites now send nearly zero waste to landfills

A key part of Schneider's sustainability vision is the push for a circular economy. Within its operations, this means driving reduction, reuse, and recycling efforts to deliver greater efficiency, while also lessening the company's environmental footprint.

At the end of the third quarter, Schneider had nearly reached its target of 200 'Towards Zero Waste to Landfill' (TZWL) sites globally: 193. The internally-defined TZWL label requires Schneider sites to divert away from landfills at least 99 percent of metal waste and 97 percent of non-metal waste. Additionally, 100 percent of a site's hazardous waste handling must meet rigorous environmental standards. This means Schneider has kept more than 350,000 tons of waste out of landfills around the globe since 2018.

Medical incident rates significantly improved

Schneider has delivered continued improvements on the safety front. Schneider's Medical Incident Rate (MIR) now stands at 0.56 per 1 million work hours – compared to 0.79 at the end of 2019. This was thanks to a range of activities implemented by safety teams throughout the organization. In addition, Schneider has launched quarterly health and safety campaigns to increase communication and awareness related to the importance of health and safety in the workplace.

Schneider works with suppliers to keep bolstering their social and environmental credentials

Schneider operates one of the most sustainable supply chains globally, as measured by Ecovadis, a ratings platform that assesses over 50,000 companies around the globe on their social and environmental performance.

Schneider's network of strategic suppliers scored an aggregate of 56.7/100 by Ecovadis. That is up 5.6 points compared to 2017 – topping Schneider's own three-year target and exceeding the average of 43/100 of the companies in Ecovadis' database. Schneider is committed to keep helping and advising its partners to help them improve the score.

Access to Energy program highlights importance of energy projects within agriculture

Schneider's <u>Access to Energy program</u>, which strives to bring about access to energy for all via training, innovative solutions and impact investing, shows an increase in its performance this quarter, doubling its turnover since 2017.

The Access to Energy team continues to deliver important work, including the launch next month of a series of digital events that will showcase key partners and projects. These webinars will provide a forum for open discussion with change makers, who will share their vision, insights on solutions, and recommendations on how best to accelerate the move towards universal energy access. The first event in the series is scheduled for November 3 and focuses on productive energy projects for agriculture.

"Our third-quarter extra-financial results show that we are still working hard to reach our 2020 ambitions. We are very proud of the tremendous sense of collaboration and trust that exists between our ecosystem of partners, customers and local communities all over the world," said Gilles Vermot Desroches, Sustainability Senior VP at Schneider Electric. "All these great results, coming amid what has been a very challenging backdrop, show that we continuously prioritize our contribution to the UN SDGs."

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HIGHLIGHTS

- Schneider announces <u>climate pledge with Amazon and others</u>, launches internal SDGs ambassador network.
- First end-to-end biodiversity footprint published by Schneider.

RECOGNITIONS AND AWARDS

- Schneider among the top 100 on <u>Wall Street Journal's Sustainable Management Ranking</u> of 5,500 companies.
- Schneider awarded the <u>2020 Clean Energy Trailblazer</u> by the Climate Group's Leadership Awards.
- Schneider ranked 11th in the Top 20 <u>Transparency Awards</u> in the category "Best progression" by the French compliance communication agency Labrador.

Note: Indicator 13 and 20 will evolve for the fourth quarter due to specific actions such as face to face training not being able to take place during the pandemic. As agreed with external auditors, a 'rule of three' which will remove one quarter from the calculation, will be applied for the annual results for these two indicators only.

The non-financial results for the third quarter of 2020 are available on our site <u>www.schneider-electric.com/sri</u>

About Schneider Electric

Schneider's purpose is to empower all to make the most of our energy and resources, bridging progress and sustainability for all. We call this Life Is On.

Our mission is to be your digital partner for Sustainability and Efficiency.

We drive digital transformation by integrating world-leading process and energy technologies, end-point to cloud connecting products, controls, software and services, across the entire lifecycle, enabling integrated company management, for homes, buildings, data centers, infrastructure and industries.

We are the **most local of global companies**. We are advocates of open standards and partnership ecosystems that are passionate about our shared **Meaningful Purpose**, **Inclusive and Empowered** values.



Hashtags: #LifeIsOn #Sustainability #SRI #OurImpact

Related Resources

- <u>Time for Climate Impact Disclosure paper</u>
- <u>Schneider Electric Sustainability Report 2019 2020</u>

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