

## The Planet & Society barometer stands above its target, at 6.97/10 in Q2 2016

- Barometer above the target of 6/10 in Q2 2016
- Schneider Electric ranked 10<sup>th</sup> greenest company in the world by the Newsweek Green Ranking 2016
- Publication of the first integrated report for the Group

Rueil-Malmaison (France), July 28, 2016 – As for three years, [Schneider Electric](#), the global specialist in energy management and automation, announces today its financial and non-financial results, for the second quarter of 2016. Using 16 indicators from the 2015-2017 Planet & Society barometer, Schneider Electric measures on a quarterly basis its ambitious commitment in terms of sustainable development. Reaching a total score of 6.97/10 at the end of June 2016, Schneider Electric exceeds its barometer target of 6/10. The barometer's score having reached 6.33/10 at the end of December 2015, its 2016 target has been restated at 7.5/10 instead of 6/10 initially.

The non-financial results by indicator are as follows:

Planet & Society barometer		Start 2015	Results Q1 2016	Results Q2 2016	Targets 2017
<b>Planet Indicators</b>					
Climate	10% energy savings	-	4.5%	5.6%	10%
	10% CO <sub>2</sub> savings from transportation <sup>i</sup>	-	8.4%	6.8%	10%
Circular economy	Towards zero waste to landfill for 100 industrial sites	34	69	72	100 sites
	100% of products in R&D designed with <i>Schneider ecoDesign Way</i> <sup>TM</sup>	-	8.9%	20.8%	100%
<b>Profit Indicators</b>					
Climate & Development (sustainable offers)	75% of product revenue with <i>Green Premium</i> <sup>TM</sup> eco-label	60.5%	66.7%	65.6%	75%
	100% of new large customer projects with CO <sub>2</sub> impact quantification <sup>ii</sup>	-	-	-	100%
	120,000 tons of CO <sub>2</sub> avoided through maintenance, retrofit and end-of-life services	-	56,137	70,759	120 000
	x5 turnover of Access to Energy program to promote development	-	x3	x3	x5
Ethics	100% of our recommended suppliers embrace ISO 26000 guidelines	48%	65.2%	66%	100%
	All our entities pass our internal Ethics & Responsibility assessment <sup>iii</sup>	-	88%	88%	100%
<b>People Indicators</b>					
Health & Equity	30% reduction in the Medical Incident Rate (MIR)	-	37%	35%	30%
	One day training for every employee every year <sup>iv</sup>	79%	85.6%	78.4%	85%
	64% scored in our Employee Engagement Index <sup>v</sup>	61%	61%	63%	64%
	85% of employees work in countries with Schneider gender pay equity plan <sup>vi</sup>	-	57%	57%	85%
Development	150,000 underprivileged people trained in energy management	73,339	108,365	113,439	150,000
	1,300 missions within Schneider Electric Teachers NGO	460	938	1,099	1,300
<b>Overall combined score (out of 10)</b>		3	6.70	6.97 <sup>vii</sup>	8

Emmanuel Lagarrigue, Executive Vice-President Strategy of Schneider Electric, commented: *“Sustainability is the development axis of Schneider Electric. With this barometer, we demonstrate the Group’s commitment to follow the same lines of progress as we share with our economic partners. The performance of the barometer, coupled with our commitment made on the eve of COP21 to present a carbon neutral balance by 2030, contributed to our ranking to 10<sup>th</sup> place among the greenest companies in the world according to the Newsweek Green Ranking 2016.*

*On the occasion of the half-year 2016 financial and non-financial results, we are also proud to announce the publication of our first integrated report<sup>1</sup>. This report is a continuation of our integrated approach with, as a flagship, the Planet & Society barometer since 2005. It presents a global vision of Schneider Electric in its environment, its value creation strategy, business model and governance. It includes the main key performance indicators, the significant achievements of the year, and how the Group creates value for each stakeholder”.*

In Q2 2016, 15 out of 16 indicators have been published, and 12 indicators boosted the overall barometer score.

## Highlights of this quarter

On the Planet pillar:

- **The indicator “10% energy savings”** shows 5.6% savings since early 2015. This indicator is part of the Schneider Energy Action program for the continual reduction in energy consumption across all of the Group’s sites. Over 200 sites currently participate in the program, representing more than 80% of the total energy consumption published by Schneider Electric. The energy savings are made with the Group’s solutions. The EMEA and China regions recorded the strongest savings in the quarter, at more than 6%;
- **The indicator “Towards zero waste to landfill for 100 industrial sites”** accounts for, at the end of the second quarter of 2016, 72 sites out of 100 recovering over 99% of their metal waste and over 97% of their non-metallic waste. The waste is reused on site or transferred to a third party for recycling or recovery. Despite significant differences in local laws, all the Group’s countries participate in the program. This objective complements other programs of Schneider Electric to reduce the total amount of waste produced by its supply chain (eco-design, optimization of industrial processes, etc.).

On the Profit pillar:

- **The indicator “120,000 tons of CO2 avoided through maintenance, retrofit and end-of-life services”** shows 70,759 tons of CO2 avoided for the last year and a half. After an exemplary year in 2015 with almost 45,000 tons of CO2 recovered, 2016 follows the same positive trend. The services of the Group relating to circular economy, such as the recycling of products at their end-of-life or the

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<sup>1</sup> Available on the Internet page: <http://www.schneider-electric.com/en/about-us/sustainability.jsp>

refurbish of products, are growing. The new treatment center for end-of-life products, established in France, recorded substantial amounts of SF6 recovery since the beginning of the year. A frame agreement was recently signed with a local utility in Australia to continue developing the Group's circular economy services;

- **The indicator “x5 turnover of Access to Energy program to promote development”** presents a stable performance. The turnover of the first half of 2016 is 3 times higher than that of the first half of 2014. It covers the sales of all products and solutions which contribute to providing access to modern energy for populations living in rural and peri-urban areas: individual lighting, individual and collective electrifications, energy services, as well as training equipments and training contracts. Noteworthy this quarter is the good sales performance in Kenya relating to customized off-grid electrification solutions and back-up systems, as well as Nigeria's relating to solar streetlights.

On the People pillar:

- **The indicator “30% reduction in the Medical Incident Rate (MIR)”** remains above its target. We record positive results on our three key safety indicators. The MIR presents only 1.21 medical incident per million hours worked (down 35% since early 2015). The frequency rate, at 0.76 accident, continues to decrease below the symbolic rate of 1 accident per million hours worked. And the severity rate was down 29% since the beginning of the year, at 17.84 days of absence per million hours worked;
- **The indicator “64% scored in our Employee Engagement Index”** displays an engagement rate of 63% in the second quarter, sharply up from the last measurement at 61% at the end of 2015. In addition, participation reached a record rate of 78%. During the “OneVoice” satisfaction surveys, Schneider Electric employees are asked a series of questions; six of them are used to generate the Employee Engagement Index, a standard international index. All employees are surveyed twice a year, via email for those who have a professional mailbox, or via kiosks installed in the plants for the survey (or access to an IT room) for other employees. The survey is administered by an external party.

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*The non-financial results for the second quarter of 2016 are available on our site [www.schneider-electric.com/sri](http://www.schneider-electric.com/sri)*

## About Schneider Electric

Schneider Electric is the global specialist in energy management and automation. With revenues of ~€27 billion in FY2015, our 160,000+ employees serve customers in over 100 countries, helping them to manage their energy and process in ways that are safe, reliable, efficient and sustainable. From the simplest of switches to complex operational systems, our technology, software and services improve the way our customers manage and automate their operations. Our connected technologies reshape industries, transform cities and enrich lives. At Schneider Electric, we call this **Life Is On**.

[www.schneider-electric.com](http://www.schneider-electric.com)

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## APPENDIX

### Schneider Electric's COP21 10 Sustainability Commitments

1. Ensure **CO<sub>2</sub> impact** quantification for **100% of new large customer projects**;
2. Design **100%** of new offers with [Schneider Electric ecoDesign Way™](#)<sup>viii</sup> and realize **75%** of **product revenue with Green Premium™** eco-label<sup>ix</sup>;
3. Avoid **120,000 tons of CO<sub>2</sub>** through Circular Economy “end-of-life” services;
4. Facilitate access to lighting and communication with **low carbon solutions for 50 million inhabitants at the Base of the Pyramid in 10 years**;
5. Implement [storage initiatives](#) to develop renewable energy and mini grid;
6. Solve SF<sub>6</sub> issues with new alternatives in 5 years and **eliminate SF<sub>6</sub> from Schneider Electric products in 10 years**;
7. Reduce Schneider Electric **energy intensity by 3.5% per annum**;
8. Reduce Schneider Electric **transportation CO<sub>2</sub> emissions by 3.5% per annum**;
9. Invest **EUR 10bn in R&D innovation on sustainability** in the next 10 years;
10. Issue a [climate bond to finance low CO<sub>2</sub> R&D](#) across Schneider Electric businesses.

<sup>i</sup> With the exception of the annual results, there is a time lag of one quarter in the reporting of this indicator: in Qn, the reported result is that of Qn-1.

<sup>ii</sup> Results measured from end-2016 (measurement tools deployed in 2015-2016).

<sup>iii</sup> Bi-annual results in Q3 and in Q4.

<sup>iv</sup> Measurement on a rolling year.

<sup>v</sup> Bi-annual results in Q2 and in Q4.

<sup>vi</sup> Annual result in Q4.

<sup>vii</sup> Target Q2 2016: 6/10 (year-end target 2016 restated at 7.5/10 instead of 6/10).

<sup>viii</sup> Including CO<sub>2</sub> profiling

<sup>ix</sup> With full digitized CO<sub>2</sub> information