

The Planet & Society barometer reaches 7.65/10 in Q3 2016 and exceeds its year-end target

- Schneider Electric's single company in its industry to be present in the CDP "Climate A list" for the 6th consecutive year
- First in its Industry in the Dow Jones Sustainability Index for the 4th year
- 4th global company in energy transition according to the Carbon Clean 200 List ranking
- 24th on 50 Companies That Are Changing the World by Fortune Magazine

Rueil-Malmaison (France), October 27, 2016 – As per the previous three years, [Schneider Electric](#), the global specialist in energy management and automation, announces its financial and non-financial results for the third quarter of 2016. Schneider Electric uses 16 indicators from the 2015-2017 Planet & Society barometer to measure its ambitious commitments to sustainable development on a quarterly basis. Schneider Electric has exceeded its 2016 target by achieving a total score of 7.65/10 at the end of September 2016.

The non-financial results by indicator are as follows:

Planet & Society barometer		Start 2015	Results Q2 2016	Results Q3 2016	Targets 2017
Planet Indicators					
Climate	10% energy savings	-	5.6%	5.9%	10%
	10% CO ₂ savings from transportation ⁱ	-	6.8%	8.5%	10%
Circular economy	Towards zero waste to landfill for 100 industrial sites	34	72	91	100 sites
	100% of products in R&D designed with <i>Schneider ecoDesign Way</i> TM	-	20.8%	46%	100%
Profit Indicators					
Climate & Development (sustainable offers)	75% of product revenue with <i>Green Premium</i> TM eco-label	60.5%	65.6%	66.3%	75%
	100% of new large customer projects with CO ₂ impact quantification ⁱ	-	-	-	100%
	120,000 tons of CO ₂ avoided through maintenance, retrofit and end-of-life services	-	70,759	83,485	120 000
	x5 turnover of Access to Energy program to promote development	-	x3	x3.3	x5
Ethics	100% of our recommended suppliers embrace ISO 26000 guidelines	48%	66%	72%	100%
	All our entities pass our internal Ethics & Responsibility assessment ⁱⁱⁱ	-	72% ^{iv}	79%	100%
People Indicators					
Health & Equity	30% reduction in the Medical Incident Rate (MIR)	-	35%	37%	30%
	One day training for every employee every year ^v	79%	78.4%	83%	85%
	64% scored in our Employee Engagement Index ^{vi}	61%	63%	63%	64%
	85% of employees work in countries with Schneider gender pay equity plan ^{vii}	-	57%	57%	85%
Development	150,000 underprivileged people trained in energy management	73,339	113,439	119,140	150,000
	1,300 missions within Schneider Electric Teachers NGO	460	1,099	1,203	1,300
Overall combined score (out of 10)		3	6.97	7.65^{viii}	8

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Ref. Number :
PR_G_2016Q3ISR_EN

Gilles Vermot Desroches, Sustainability Senior VP at Schneider Electric, commented: *“This quarter, Schneider Electric’s sustainability performance was greatly rewarded by the community of non-financial raters. We are first in our Industry in the Dow Jones Sustainability Index for the fourth consecutive year, and once again in the highly recognized “Climate A list” of CDP. Schneider Electric is the only company among its sector to get an A grade every year for 6 years. Our Group is also ranked 4th in the Carbon Clean 200 list, the list of companies contributing to the energy transition, and for the first time it is named among the Fortune magazine’s Companies That Are Changing the World. This convergence of positive opinions on our non-financial performance is the echo of our proactive commitment to sustainability for the benefit of the planet. This performance is naturally reflected in the Planet & Society barometer this quarter which, at the end of September 2016, exceeded its year-end target”.*

In Q3 2016, 15 out of 16 indicators have been published, and 14 indicators boosted the overall barometer score.

Highlights of this quarter

On the Planet pillar:

- **The indicator “10% CO₂ savings from transportation”** shows 8.5% CO₂ savings since early 2015. In Q3 2016, all transportation modes contribute positively to the result. The long-distance freight is the largest contributor to this performance, with 23% of CO₂ savings from the transition from air to sea. The short-distance freight, on the road, recorded a 1% reduction. This indicator includes emissions from transport of goods purchased by Schneider Electric. The data is corrected for activity in tons transported;
- **The indicator “100% of products in R&D designed with Schneider ecoDesign Way™”** shows a strong increase in the third quarter of 2016 from 20.8% to 46% of products in R&D designed with Schneider EcoDesign Way™. The objective of this program is to embed a methodology within the Group to develop new products for a better environmental footprint. The approach is to measure improvement regarding: the impact on climate change including CO₂ footprint; the consumption of raw materials; the reduction of chemicals that are hazardous to health; the energy efficiency; the serviceability of the product (repair, recycling, reuse, etc.); the circularity for recyclability at end of life; and the product packaging. The weight of these different aspects on the environmental performance of the product is customized for each product based on their appropriateness.

On the Profit pillar:

- **The indicator “75% of product revenue with Green Premium™ eco-label”** posted a performance at 66.3%. This result is slightly below the expected performance to achieve the goal of 2017. This is partly explained by the fact that the results include Invensys, acquired by Schneider Electric in January 2014, which must integrate the Green Premium criteria since 2015 in the qualifications of its products. Indeed, all activities involved in energy management are included in the Green Premium program for 2015-2017: Industry (including former Invensys), IT, Infrastructure (including former Areva), Partner (including North America offerings - NEMA);

- **The indicator “100% of our recommended suppliers embrace ISO 26000 guidelines”** displayed a performance of 72%, 6 percentage points higher than the previous quarter. This indicator relies on a suppliers’ evaluation conducted by a third party. Since 2011, sustainability has become one of the seven pillars used to measure supplier performance, allowing the highest-performing suppliers to become “recommended” suppliers.

On the People pillar:

- **The indicator “One day training for every employee every year”** reached 83% of employees who received at least one training day on a rolling year, the equivalent of seven hours. In the third quarter of 2016, the third Learning Week was held in all Group sites. More than 30,000 learning hours in classroom and more than 20,000 learning hours on webinars were provided;
- **The indicator “1,300 missions within Schneider Electric Teachers NGO”** already shows 1,203 missions at the end of the third quarter of 2016, with a target of 1,300 at the end of 2017. The Schneider Electric Teachers missions are performed by Schneider Electric employees and retirees around the world, on a voluntary basis, in vocational or educational NGOs, in NGOs fighting fuel poverty, and in companies supported by the Schneider Electric Energy Access Fund.

The non-financial results for the third quarter of 2016 are available on our site 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**.

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Sustainability Report

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APPENDIX

Schneider Electric's COP21 10 Sustainability Commitments

1. Ensure **CO₂ impact** quantification for **100% of new large customer projects**;
2. Design **100%** of new offers with **Schneider Electric ecoDesign Way™^{ix}** and realize **75%** of **product revenue with Green Premium™** eco-label^x;
3. Avoid **120,000 tons of CO₂** 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 SF₆ issues with new alternatives in 5 years and **eliminate SF₆ from Schneider Electric products in 10 years**;
7. Reduce Schneider Electric **energy intensity by 3.5% per annum**;
8. Reduce Schneider Electric **transportation CO₂ 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 CO₂ R&D** across Schneider Electric businesses.

ⁱ 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.

ⁱⁱ Results measured from end-2016 (measurement tools deployed in 2015-2016).

ⁱⁱⁱ Bi-annual results in Q3 and in Q4.

^{iv} Q3 2015 result.

^v Measurement on a rolling year.

^{vi} Bi-annual results in Q2 and in Q4.

^{vii} Annual result in Q4.

^{viii} Target Q3 2016: 6.75/10 (year-end target 2016 restated at 7.5/10 instead of 6/10).

^{ix} Including CO₂ profiling

^x With full digitized CO₂ information