

With a score of 8.91/10 in Q2 2017, the Planet & Society barometer continues its rapid growth towards its end-of-year target at 9/10

- 100% of Schneider Electric's products in R&D are eco-designed according to the demanding criteria of the *Schneider ecoDesign Way*
- Nearly 75% of the revenues on the Group's products are made with *Green Premium* label
- At 64%, the Group's Employee Engagement Index remains at the target level

Rueil-Malmaison (France), July 27, 2017 – 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 second quarter of 2017. Schneider Electric uses 16 indicators from the 2015-2017 Planet & Society barometer to measure its ambitious commitment to sustainable development on a quarterly basis. Reaching a total score of 8.91/10 at the end of June 2017, Schneider Electric exceeds its barometer target of 8.25/10. The barometer's score having reached 8.48/10 at the end of December 2016, its 2017 target has been restated at 9/10 instead of 8/10 initially.

The non-financial results by indicator are as follows:

Planet & Society barometer		Start 2015	Results Q1 2017	Results Q2 2017	Targets 2017
Planet Indicators					
Climate	10% energy savings	-	7.2%	8.7%	10%
	10% CO ₂ savings from transportation ⁱ	-	11.2%	17.2%	10%
Circular economy	Towards zero waste to landfill for 100 industrial sites	34	99	109	100 sites
	100% of products in R&D designed with <i>Schneider ecoDesign Way</i> TM	-	100%	100%	100%
Profit Indicators					
Climate & Development (sustainable offers)	75% of product revenue with <i>Green Premium</i> TM eco-label	60.5%	75.2%	74.6%	75%
	100% of new large customer projects with CO ₂ impact quantification ⁱⁱ	-	16%	16%	100%
	120,000 tons of CO ₂ avoided through maintenance, retrofit and end-of-life services	-	122,250	139,004	120,000
	x5 turnover of Access to Energy program to promote development ⁱⁱⁱ	-	x2.04	x2.10	x5
Ethics	100% of our recommended suppliers embrace ISO 26000 guidelines	48%	83.7%	84.1%	100%
	All our entities pass our internal Ethics & Responsibility assessment ^{iv}	-	93.4%	93.4%	100%
People Indicators					
Health & Equity	30% reduction in the Medical Incident Rate (MIR)	-	27%	40%	30%
	One day training for every employee every year ^v	79%	87.2%	85.3%	85%
	64% scored in our Employee Engagement Index ^{vi}	61%	64%	64%	64%
	85% of employees work in countries with Schneider gender pay equity plan ^{vii}	-	75%	75%	85%
Development	150,000 underprivileged people trained in energy management	73,339	131,153	136,906	150,000
	1,300 missions within Schneider Electric Teachers NGO ^{viii}	460	1,119	1,202	1,300
Overall combined score (out of 10)		3	8.79	8.91	9

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Gilles Vermot Desroches, Sustainability Senior VP at Schneider Electric, commented: *"With a score of 8.91/10 in the second quarter of 2017, the Planet & Society barometer 2015-2017 is rapidly progressing towards its end-of-year target set at 9/10. We are particularly proud that nearly 75% of the revenues on our products are made with Green Premium label. This quarter, the indicator already takes into account the new REACH¹ list unveiled in July. We have almost achieved the 2017 target and are in the process of designing the new Green Premium program that will prevail for the next barometer 2018-2020 and beyond. All the teams in charge of sustainability across the Group are currently mobilized to draw, challenge, and test the next barometer for the period 2018-2020. The latter will be announced in February 2018."*

Highlights of this quarter

On the Planet pillar:

- **The indicator "10% CO₂ savings from transportation"** shows more than 17% of CO₂ emissions saved since the beginning of 2015, thanks to measures implemented through the Group, in partnership with its transport suppliers. All modes of transport contributed positively to the overall performance of the indicator: long-distance freight (by air or sea) achieved 31% CO₂ savings, while short-distance freight (by road) achieved 7% CO₂ savings. The indicator includes emissions from freight transport bought by Schneider Electric, covering 71% of the Group's transport purchases. The initial objective was to reduce CO₂ emissions by 3.3% each year (2015-2017), i.e. 10% over the total duration of the program. The data is corrected for activity, in tons transported.
- **The indicator "100% of products in R&D designed with Schneider ecoDesign Way™"** has reached its target at the beginning of the year. From now on, the Group's new eco-design criteria, defined in 2015 as *Schneider ecoDesignWay*, are an integral part of the Group's Offer Creation Process. They apply to the development of products beyond a certain amount. This eco-design approach allows to place on the market products offering greater maintainability, reparability, capacity for retrofitting, and reprocessing at the end of the life cycle. It also places emphasis on energy efficiency and decreases CO₂ impacts compared to baselines.

On the Profit pillar:

- **The indicator "75% of product revenue with Green Premium™ eco-label"** is down slightly this quarter to 74.6% against 75.2% last quarter. This is explained by two main factors: on the one hand, the indicator is now calculated on the turnover for year n-1 (2016) and no longer for year n-2; on the other hand, a new REACH list was published by ECHA² on 10 July 2017 and the indicator is now calculated on this current list (V17) as well as the previous one (V16). The indicator is on track to reach the 75% target by the end of the year.
- **The indicator "100% of our recommended suppliers embrace ISO 26000 guidelines"** shows 84.1% of "recommended" (i.e. strategic) suppliers having successfully passed the third-party

¹ REACH is a regulation which aims progressively to remove the most dangerous chemicals from the European Union. The REACH lists, which are updated every 6 months, identify these substances. Schneider Electric's Green Premium products comply with the REACH regulation.

² European Chemical Agency

evaluation according to the ISO 26000 guidelines. The indicator, which started at 48% early 2015, and reached 82% at the end of 2016, still has to win almost 16 points by the end of the year. In 2016, the evaluation process identified 16 suppliers with insufficient performance. This figure is down by almost 25% compared to last year. This evaluation process requires suppliers to put in place a corrective action plan, the elements of which are an integral part of the business reviews scheduled between buyers and suppliers on a quarterly to annual basis depending on suppliers. The Group has also set a target for the increase in the average score resulting from the evaluation. Suppliers with insufficient performance and no improvement are ultimately excluded from the recommended supplier base. This indicator is integrated into the performance incentive of the Purchasing employees receiving a bonus.

On the People pillar:

- **The indicator "64% scored in our Employee Engagement Index"** is stable at 64% since the last measure at the end of 2016. The internal survey "OneVoice" was set up in 2009 to measure employee satisfaction. Employees respond to a short questionnaire that assesses their engagement and measures motivation factors such as diversity, training, well-being, etc. Analyzed by country and by unit, the results of the survey give rise to feedback sessions within the teams in order to foster dialog and build relevant action plans. In Q1 2017, the Employee Engagement Index at the Group level is above the industry average of 59% (source: Aon Hewitt). The OneVoice survey in figures is: 100% of employees surveyed twice a year, which amounts to 157,000 emails sent, 82,000 people contacted via the kiosks on 272 production sites, and 3,300 managers receiving a dedicated report; the participation rate is constantly improving, from 62% in 2011 to 79% in 2016. In Q1 2017, the participation rate even reached the record level of 80%.
- **The indicator "1,300 missions within Schneider Electric Teachers NGO"** has reached 1,202 missions carried out since the launch of the program in 2012. The NGO organizes volunteer missions for the benefit of Schneider Electric Foundation partners. Its two priority axes of action are teaching programs and professional training programs for access to energy; as well as the support of families affected by fuel poverty. The missions are suggested to both Group employees and retirees.

The non-financial results for the second quarter of 2017 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 ~€25 billion in FY2016, our 144,000 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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ⁱ With the exception of the annual results, there is a time lag of one quarter in the reporting of this indicator: in Q_n, the reported result is that of Q_{n-1}.

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

ⁱⁱⁱ Following the disposal of a subsidiary at the end of 2016, its sales were excluded from the 2016 result without modifying either the baseline 2014 or the target by 2017.

^{iv} Bi-annual results in Q3 and in Q4.

^v Measurement on a rolling year.

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

^{vii} Annual result in Q4.

^{viii} A change in the method for calculating this indicator was carried out in 2016, in order to avoid having the same volunteer, taking action several times during the year in the context of local missions, counted several times.