Press release

Life Is On | Schneider Electric

Schneider Sustainability Impact 2018-2020 has exceeded its target score of 5/10 for 2018, achieving 6.10/10

- **2018 turnover of Schneider Electric's *Energy & Sustainability Services* is up 13.8% compared to 2017**
- **45.7% of Schneider Electric's sales fall into its new *Green Premium* ecolabel**
- **75% of Schneider Electric employees are covered by the Group's new Global Family Leave Policy**

Rueil-Malmaison (France), February 14, 2019 – For the fourth year, Schneider Electric, the leader in digital transformation of energy management and automation, announces its financial and non-financial results together for the fourth quarter of 2018. Each quarter, Schneider Electric publishes 21 indicators from the Schneider Sustainability Impact, measuring progress towards its ambitious sustainability commitments for 2018 to 2020, in line with the COP 21 and United Nations objectives. With a total score of 6.10 out of 10 at end-December 2018, the Group has exceeded its Schneider Sustainability Impact target of 5 out of 10 for the end of 2018.

The non-financial results by indicator are as follows:

SCHNEIDER SUSTAINABILITY IMPACT	Schneider Sustainability Impact 2018 – 2020, Results as of Q4 2018	Objective 12/2018	Beginning 01/2018	Results Q3/2018	Results Q4 2018	
	Our megatrends 2015 – 2020 and targets 2018 – 2020	Overall Score of 10 **5/10**	3	5.25	**6.10**	↗
CLIMATE	80% renewable electricity		--	25%	30%	↗
	10% CO_2 efficiency in transportation		--	--	(1.8%)	↘
	100 million metric tons CO_2 saved on our customers' end thanks to our EcoStruxure offers		--	31	51	↗
	25% increase in turnover for our *Energy & Sustainability Services*		--	12.2%	13.8%	↗
CIRCULAR ECONOMY	75% of sales under our new *Green Premium* program		38.3%	41.4%	45.7%	↗
	200 sites labeled towards zero waste to landfill		140	167	178	↗
	100% cardboard and pallets for transport packing from recycled or certified sources		50%	60%	61.6%	↗
	100,000 metric tons of avoided primary resource consumption through EcoFit™, recycling and take-back programs		--	17,694	43,572	↗
HEALTH & EQUITY	70% scored in our *Employee Engagement Index*		65%	67%	67%	→
	1 medical incident per million hours worked		1.15	0.94	0.94	→
	90% of employees have access to a comprehensive well-being at work program		13%	UP	20%	↗
	100% of employees are working in countries that have fully deployed our Family Leave policy		--	--	75%	↗
	100% of workers received 12 hours of learning in the year with 30% digital learning		--	33%	57%	↗
	90% of white collars have individual development plans		32%	78%	78%	→
	95% of employees are working in a country with commitment and process in place to achieve gender pay equity		89%	89%	92%	↗
ETHICS	5 pts /100 increase in average score of ISO26000 assessment for our strategic suppliers		--	+1.47	+1.80	↗
	300 suppliers under Human Rights & Environment vigilance received specific on-site assessment		--	104	155	↗
	100% of sales, procurement, and finance employees trained every year on anti-corruption		--	47.4%	68.6%	↗
DEVELOPMENT	x4 turnover of our Access to Energy program		--	x1.33	x1.31	↘
	350,000 underprivileged people trained in energy management		148,145	190,836	196,162	↗
	12,000 volunteering days thanks to our VolunteerIn global platform		--	3,657	5,691	↗

↗↘ The arrow shows if the indicator has risen, stayed the same or fallen compared to the previous quarter. The color shows if the indicator is above or below the objective of 5/10. UP = Unpublished.

Gilles Vermot Desroches, Sustainability Senior VP at Schneider Electric, commented: *"As the 21 objectives of our Schneider Sustainability Impact have demonstrated an excellent performance in 2018, we have decided to raise the level of our ambitions. Therefore, we will accelerate the implementation of our action plans on key challenges such as climate change, biodiversity, development or health. Recognitions we received (*) in 2018 all incite us to continue our efforts and to drive the sector forward in picking up those challenges."*

(*) 'The Circulars 2019' prize in the 'Multinational' category, our selection among the World's Most Admired Companies by Fortune magazine, our presence in the CDP Climate A list for the 8th consecutive year; or our ranking in the Global 100 Most Sustainable Corporations in the World by Corporate Knights for the 7th consecutive year.

Quarter highlights

Climate:

- **The "CO$_2$ efficiency in transportation" indicator** registers a CO$_2$ emission increase by 1.8% in 2018 compared to the -1% target. This is mainly due to an increase in air freight in Q1 2018 in our ITD business, and an increase of CO$_2$ emissions in North America in Q1 and in Q2 due to a high level of domestic air freight.

- **The "increase in turnover for our *Energy & Sustainability Services*" indicator** shows very strong performance at +13.8% in 2018. The high growth is boosted by the energy efficiency business with the public sector in the US, and by key wins in the cleantech business. The energy sourcing business is contributing to the growth as well. *Energy & Sustainability Services* targets a 25% increase in sales in 2020 compared to the 2017 baseline.

Circular economy:

- **The "sales under our new *Green Premium* program" indicator's** result was 45.7% for the fourth quarter of 2018. Schneider Electric's *Green Premium* ecolabel was upgraded in 2018 to be more customer focused. By adding environmental claims and through collaboration with external organizations, Schneider Electric is able to deliver value propositions that support its customers' own sustainability goals. With the environmental information available through its *Green Premium* ecolabel, Schneider Electric has helped customers to achieve Green Building certifications. After products, the scope of the ecolabel will be extended as of 2019 to include services and software.

Health & Equity:

- **The "employees working in countries that have fully deployed our Family Leave policy" indicator's** result is presented for the first time this quarter. 75% of the Group's employees are covered by the new Global Family Leave Policy. 59 countries, including seven of Schneider Electric's top ten operating locations (China, France, India, Mexico, Spain, the UK, and the US) fully implemented this policy within its first year of deployment. The Global Family Leave Policy is industry leading in its scope and supports the Group's employees worldwide by providing paid personal time during moments when it matters the most, enabling them to better manage their unique life and work. The policy features global minimum paid leave

standards for primary and secondary parental leave, care leave for a family member that either needs elder care or care for a serious health condition, and bereavement leave for a death of an immediate family member. The Group has actively chosen to define "leave" and "family" in an inclusive way, recognizing that definition of family, life and work are changing every day.

Ethics:

- **The "suppliers under Human Rights & Environment vigilance received specific on-site assessment" indicator** reaches 155 audits at the end of 2018. In alignment with the Group strategy and vision, and to comply with the 2017-French law concerning the Corporate Duty of Vigilance, Schneider Electric committed to implementing a vigilance plan. This includes identifying and managing suppliers that are most exposed to risks in terms of labor practices, health & safety, and environment. In early 2018, a global supplier risk mapping has been performed with a recognized third-party expert mapping tool (Verisk Maplecroft) available through Schneider Electric's partnership with the Responsible Business Alliance (RBA). The Group's risk management process includes a number of prevention and control actions down to on-site audits for 300 of these suppliers in 3 years, chosen according to their level of risk and the procurement volume.

Development:

- **The "underprivileged people trained in energy management" indicator** continues to grow with 196,162 people trained in more than 45 countries. The program started in 2009 and aims to reach an additional 150,000 people within 2 years and a total of 1 million by 2025. With the support provided, trainees can access a skilled job or start a business and improve their prospects in life, contributing to better access to modern and reliable energy in their community. Today, the major challenge of the program is to multiply the impact of actions by pursuing a long-term partnership policy with local and global players able to replicate the projects. Three priorities guide the coming years: entrepreneurship, the integration of women into the energy professions, and the training of trainers. One of the major partnerships is with IECD (European Institute of Cooperation and Development) which enabled the opening of training centers in Lebanon, Morocco, Egypt, Nigeria, Ivory Coast and Vietnam.

Highlights:

- Schneider Electric is named one of the Fortune's World's Most Admired Companies for 2019
- Schneider Electric wins global award 'The Circulars 2019' in the 'Multinational' category for its contribution to the circular economy
- Schneider Electric is selected in the CDP Climate A list 2018 for the 8th consecutive year and is rated for the first time in the Water program with a B- grade
- Schneider Electric is ranked in Corporate Knights' Global 100 Most Sustainable Corporations in the World 2019 for the 7th consecutive year, reaching 3rd position in the Industrial Conglomerates
- Schneider Electric released the 2019 Corporate Energy & Sustainability Progress Report, a look at the global trends, barriers and opportunities impacting enterprise energy and carbon-management programs

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The non-financial results for the fourth quarter of 2018 are available on our site www.schneider-electric.com/sri

About Schneider Electric

Schneider Electric is leading the Digital Transformation of Energy Management and Automation in Homes, Buildings, Data Centers, Infrastructure and Industries.

With global presence in over 100 countries, Schneider is the undisputable leader in Power Management – Medium Voltage, Low Voltage and Secure Power, and in Automation Systems. We provide integrated efficiency solutions, combining energy, automation and software.

In our global Ecosystem, we collaborate with the largest Partner, Integrator and Developer Community on our Open Platform to deliver real-time control and operational efficiency.

We believe that great people and partners make Schneider a great company and that our commitment to Innovation, Diversity and Sustainability ensures that **Life Is On** everywhere, for everyone and at every moment.

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