WRITTEN QUESTIONS

On March 22, 2018, the Board received a letter from PHITRUST, shareholder holding 12,460 shares of the company, who asked the two following questions:

Your company signed up to the Science Based Targets initiative which sets a scientific monitoring of the reduction in greenhouse gas emissions, based on the company’s activities, linked to the objectives of the Paris Agreement in connection with the limitation to 2°C of the climate warming.

1. When do you intend to release the targets set by the group as part of this initiative?

2. Could you specify the modalities to be implemented within the Board to ensure achievement and monitoring of the said targets?

After deliberation thereon, the Board wishes to bring the following answers, which will be put online on the company’s website and communicated to the shareholders at their ordinary and extraordinary general meeting today at 3pm.

Answers from the Board of directors:

1. The objectives which Schneider Electric is working on and will be submitted to the scientific committee of the Science-based targets initiative by 2020 at the latest, comprises of two parts:

   • On emissions known as scope 1 and 2, the target is to reduce, at Group level, CO₂ emissions by more than 50% in absolute value by 2050 compared to 2015. Two projects are contributing to this target: to pursue the reduction of energy consumption as part of the initiative launched more than 10 years ago on sites using our own solutions, by doubling our energy productivity by 2030 compared to 2005 (commitment through Energy Productivity 100 initiative, or EP100, of Climate Group); and to reach 100% of renewable energies in our mix by 2030 with an intermediary step of 80% in 2020 (commitment through Renewable Energy 100 initiative, or RE100, of Climate Group);

   • On emissions known as scope 3, the Group committed to propose alternate solutions to the use of gas SF₆ by 2020, and to no longer use this gas in Schneider Electric products by 2025. Schneider Electric also encourages its suppliers who are the largest CO₂ emitters, to reduce their own emissions.

Lastly, in 2018 Schneider Electric started to quantify the number of tonnes of CO₂ avoided at clients’ sites thanks to EcoStruxure offers. The first objective set for 2020 is to avoid 100 million tonnes of CO₂ over 3 years.
2. The Board of directors strongly supports initiatives undertaken by the Group in respect to the Science Based Targets and follows up on their impact as part of the quarterly results of the Planet & Society Barometer, which is published every quarter together with the financial performance of the Group and audited once a year by an independent firm.

On April 9th, 2018, the Board received a letter from M. Sebastien Groyer representing EQUINOMY, shareholder holding one share of the company, who asked the two following questions:

1. The first one deals with the management’s annual incentive, focused mainly on the company share performance and not on other objectives such as environmental protection, by the full transformation of your company into an ecological company. Why would the main part of the management’s compensation not be based on an extra-financial compensation of an ecological nature, to the benefit of the environment?

2. The second one is linked to the composition of the board where the representatives of customers are still absent. The Notat-Sénard report in connection with the draft law “Pacte” suggests to increase the number of employees’ representatives, which will hopefully be adopted. Why not take this occasion to add a first representative of your clients?

After deliberation thereon, the board wishes to bring the following answers, which will be put online on the company’s website and communicated to the shareholders at their ordinary and extraordinary general meeting today at 3pm.

**Answers from the Board of directors:**

1. 75% to 80% of the total compensation of the corporate officers is variable, paid in cash in the form of annual incentive or allocated in the form of long term performance shares. The CSR criteria is based on ambitious performance objectives within the Planet & Society Barometer, the results of which are published every quarter together with the financial performance of the Group and audited once a year by an independent firm. These determine 6% of the annual incentive for 2018 and 20% of the number of performance shares eventually acquired by the corporate officers at the end of a 3-year performance period. Beyond corporate officers and members of the executive committee, the whole management of the Group, i.e. about 7,500 individuals, is incentivized through a variable compensation based on non-financial Group performance measured on social and environmental criteria.

2. The composition of Schneider Electric’s board is the shareholders’ prerogative. In the candidate selection process, the Board has always prioritized diversity, competence and independence. The addition of a client to the Board may not be compatible with the
governance requirements and best practices which require the board members to not have potential conflicts of interest, which could arise from business relationships.

This is why, the candidacy of Mr. Anders Runevad’s, Chief Executive Officer of Vestas Wind Systems A/S, one of Schneider Electric’s clients, has been submitted to the shareholders only after verifying that the business relationships were not material for either of the parties.

We hope that Mr. Runevad’s candidacy as board member will be supported by the shareholders, not because he would represent a client’s point of view, but because Mr. Runevad will bring to the board his experience in companies’ growth and turnaround strategies, in-depth knowledge of the new energy landscape, and of Schneider Electric’s business and its business environment.

Lastly, as last year, we remind you that beyond their representation at the board, customers vote every day for or against Schneider Electric through their decision to place or not place orders.