

SUSTAINABILITY



**Driving ESG Impact through
Supplier engagement & collaboration
For practical scope 3 emissions reduction**



Christophe Quiquempoix, VP Sustainable Procurement

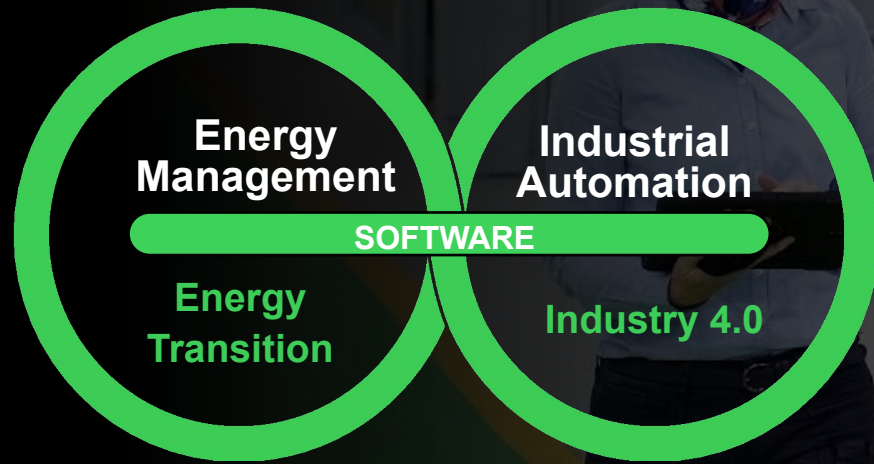
Schneider Electric provides energy & automation digital solutions for efficiency and sustainability

€38bn

Group FY 2024 revenues

160k

Employees in over 100 countries



Revenues
(by Geography)



Schneider Electric Supply Chain

150+

Factories

80+

Distribution Centers

45

Countries

Our mission

Create impact by empower all to make the most of our energy and resources, bridging progress and sustainability for all



DOES WELL TO DO GOOD AND VICE VERSA



Performance
The foundation for
doing good



Business
Part of the solutions



**All ESG
dimensions**

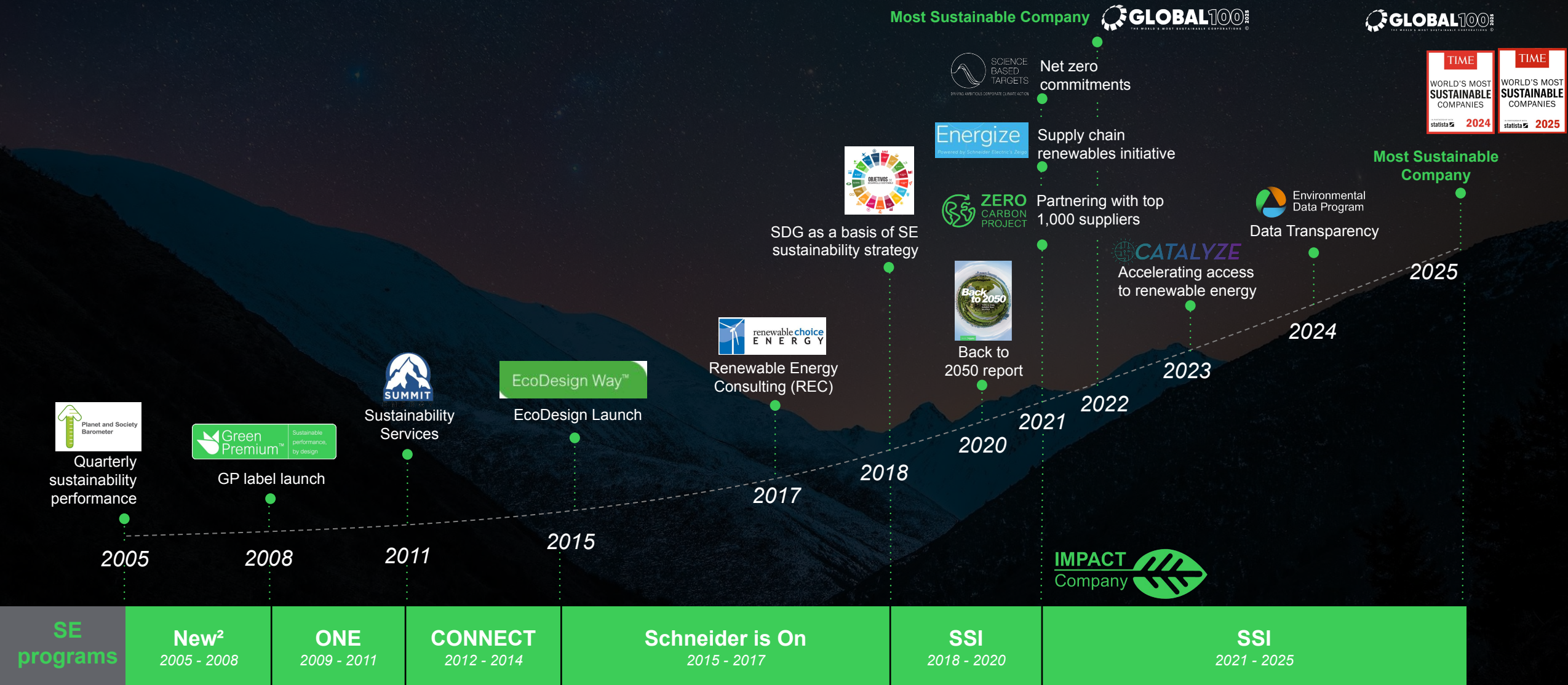


Model & Culture
Set up for global and
local impact

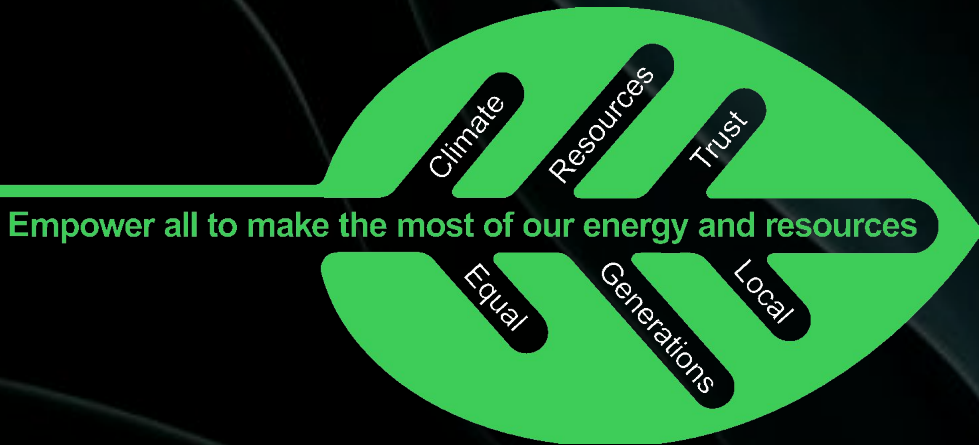


All Stakeholders
in your ecosystem

... with Schneider Electric at the forefront of sustainability at every step



6 Long-term Commitments



Act for a **climate** positive world

Be efficient with **resources**

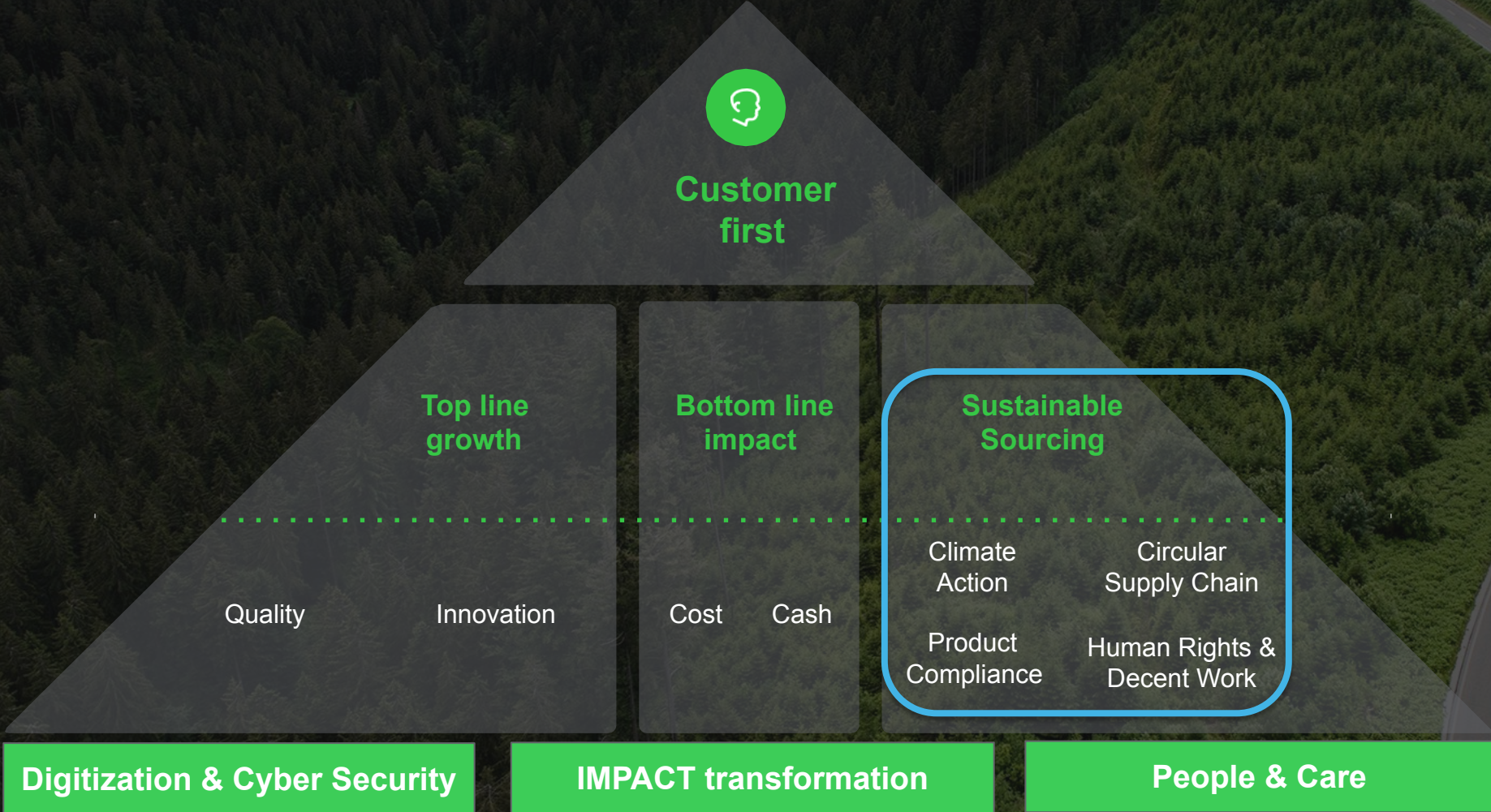
Live up to our Principles of **trust**

Create **equal** opportunities

Harness the power of all **generations**

Empower **local** communities

Procurement Mission



Partnering with high quality, innovative, agile, competitive, and responsible suppliers are key

Supply chain building a sustainable and resilient future

Ranked #1

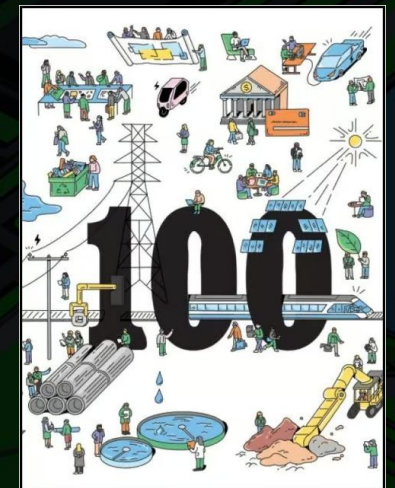
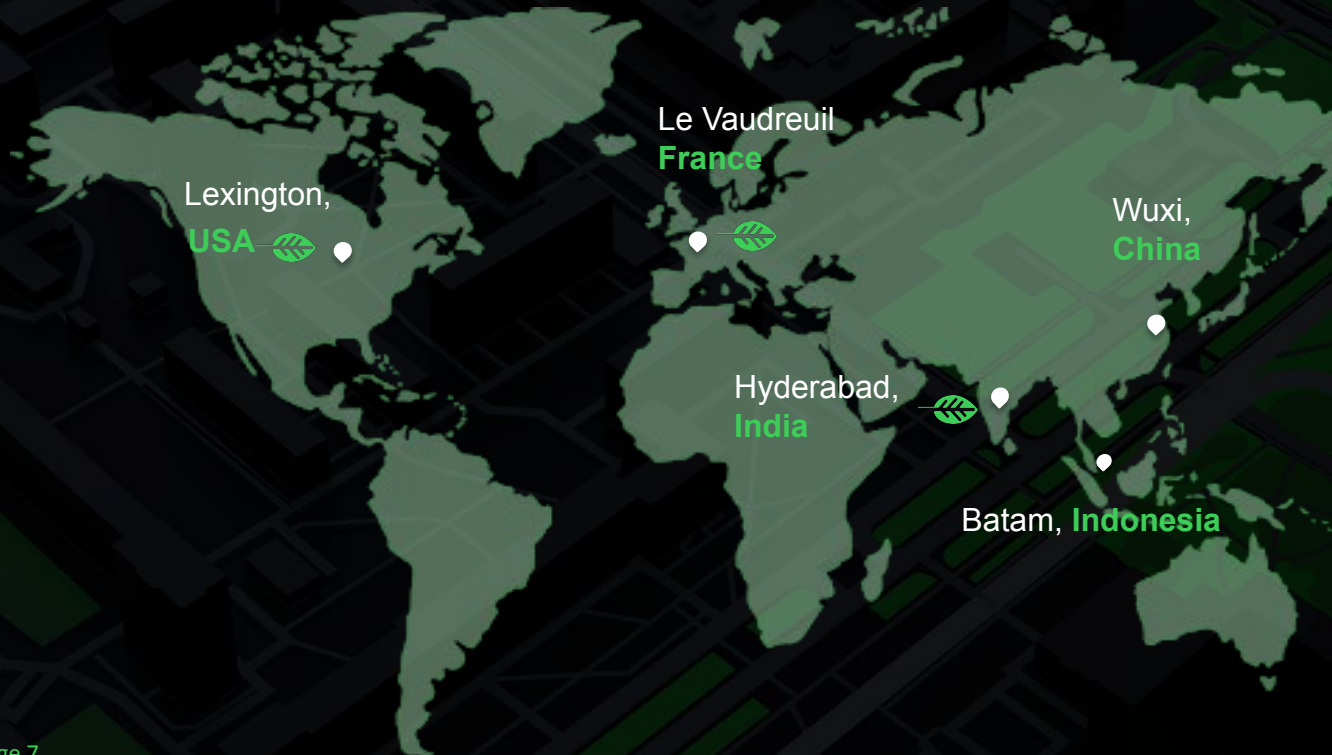
Top 25 **Gartner** Supply Chain two consecutive years

World's Most Sustainable Corporation 2025

Ranked #1



World Economic Forum Sustainability & Advanced Lighthouse Recognition



by Corporate Knights

Schneider Electric Sustainability commitments to reach in 2025



2021-2025
SCHNEIDER
SUSTAINABILITY
IMPACT

CLIMATE



RESOURCES



TRUST



EQUAL



GENERATIONS



Global

1. Grow our green revenues to 80%¹
2. Help customers save and avoid 800M metric of tons of CO₂ emissions
- 3. Reduce by 50% operational CO₂ emissions from top 1,000 suppliers**
4. Increase to 50% green material content in our products
5. 100% primary and secondary packaging free from single-use plastic and using recycled cardboard
6. 100% strategic suppliers who provide decent work to their employees
7. Level of confidence of our employees to report unethical conduct
8. Increase gender diversity in hiring (50%), front-line management (40%), leadership teams (30%)
9. Provide access to green electricity to 50M people
10. Double hiring opportunities for interns, apprentices and fresh graduates
11. Train 1M people in energy management

+Local

100% Country and Zone Presidents with local commitments that impact their communities

Sustainable Procurement framework 2021-2025

Vision: *Collaborate* with global supplier network for an inclusive and carbon neutral world, where ecosystems and resources are preserved, and people get access to economic opportunities and decent lives

Environment

Social

Governance

<p>The Zero Carbon Project</p> <p>Reduce CO₂ emissions from top 1000 suppliers' operations by 50%</p> <p>(SSI#3)</p>	<p>Green Materials</p> <p>Increase green material content in our products to 50%</p> <p>(SSI#4)</p>	<p>Sustainable Packaging</p> <p>100% packaging uses recycled cardboard & no single-use plastic</p> <p>(SSI#5)</p>	<p>Compliance</p> <p>REACH, RoHS, Conflict Minerals + Cobalt</p> <p>Continued adherence and compliance to regulations governing hazardous materials and conflict minerals</p> <p>Moving to FMD</p>	<p>Decent Work</p> <p>100% strategic suppliers provide decent work to their employees</p> <p>(SSI#6)</p>	<p>Social Excellence</p> <p>Deploy a "social excellence" program through multiple tier of suppliers</p> <p>(SSE#12)</p>		<ul style="list-style-type: none"> •ESG supplier qualification •ESG supplier performance measurement •ESG supplier performance communication (QBR...) •ESG T's & C's in contractual document •Trust line •ESG in all our decision-making processes + in our Procurement Excellence System (strategic status, business award,....)

SO26000: Improve sustainability profile of suppliers through leading ESG practices (strategic suppliers)

Code of Vigilance: ESG de-risking program – 1,000 + 3,000 suppliers assessed under Vigilance Program (SSE#17)

Code of Conduct: Summarizes the most fundamental requirements from Schneider Electric towards its Suppliers



Schneider Electric Net-Zero Commitment

7.6 MT \leftarrow X 33 \rightarrow 0.23 MT



2050*

Net-Zero CO₂ value chain
(90% reduction target and CO₂ removals for residual emissions)

* 2030 and 2050 targets are aligned with



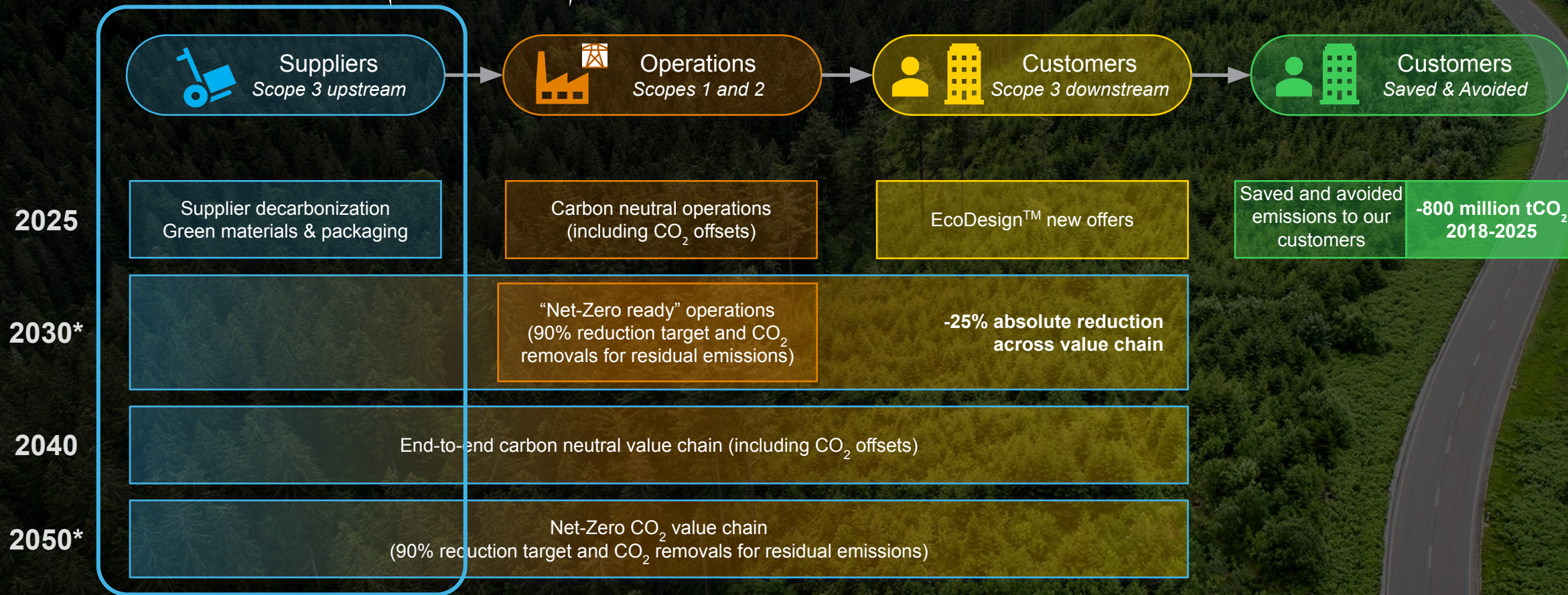
SCIENCE
BASED TARGETS
Corporate Net-Zero Standard

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



Schneider Electric Net-Zero Commitment

7.6 MT **X 33** 0.23 MT



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SCIENCE BASED TARGETS
Corporate Net-Zero Standard

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



The Zero Carbon Project

How to aggressively address & reduce scope 3 upstream

Objective: *Reduce CO₂ emissions from top 1000 suppliers' operations by 50%*



Analytics



Measure



Ambition



Set target



Action

Reduce

Energy Efficiency

Electrify

Electrification

Replace

Renewable



The Zero Carbon Project

How to aggressively address & reduce scope 3 upstream

Objective: Reduce CO₂ emissions from top 1000 suppliers' operations by 50%

Analytics

Ambition

Action

Energy Efficiency

Electrification

Renewable

2021

Technical Trainings
1500 Participants

2022

Renewables Initiative
To accelerate access to renewable energies

2023

2024

2025...
Execution



Global Kick-off



Maturity assessment



Customized support
CO₂ calculation,
Peer-to-peer exchange,
community calls...



Zeigo-Hub phase1
Supplier engagement
portal launch



Zeigo-hub phase2
Premium content +
Digital Emissions
Calculator



Playbook



Zeigo Activate
Full digital suite for SME's



More local support



Green Supply Chain
Financing

Participants

1,008

active suppliers

Carbon footprint

100%

computed their GHG emissions

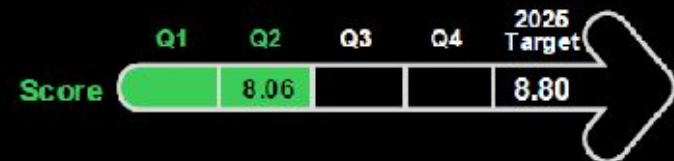
Decarbonization KPI

48%

average carbon intensity reduction



Q2 2025 Results



6 long-term commitments

Score	Program Baseline ¹	Q2 2025	2025 Target	Program Ambition	
	3/10	8.06/10	8.80/10	10/10	
CLIMATE					
1. Grow Schneider Impact revenues ²	70%	0%	74%	75%	80%
2. Help our customers save and avoid millions of tonnes of CO ₂ emissions ³	263M	0	734M	800M	800M
3. Reduce CO ₂ emissions from top 1,000 suppliers' operations	0%	0%	48%	49%	50%
4. Increase green material content in our products	7%	0%	41%	50%	50%
5. Primary and secondary packaging free from single-use plastic, using recycled cardboard	13%	0%	81%	90%	100%
6. Strategic suppliers who provide decent work to their employees ⁴	1%	0%	79%	96%	100%
7. Level of confidence of our employees to report unethical conduct ⁵	81%	0%	83%	84%	91%
RESOURCES					
8. Increase gender diversity in ⁶ : hiring (50%), front-line management (40%), and leadership teams (30%)	41%	0%	40%	45%	50%
	23%	0%	31%	36%	40%
	24%	0%	32%	30%	30%
9. Provide access to green electricity to 50M people ⁷	30M	0	59M	60M	50M
TRUST					
10. Double hiring opportunities for interns, apprentices and fresh graduates ⁸	4,939	x1	x1.63	x1.0	x2
11. Train people in energy management ⁹	281,737	0	1,017,704	1M	1M
EQUAL					
GENERATIONS					
LOCAL					
+1. Country and Zone Presidents with local commitments that impact their communities	0%	0%	100%	100%	100%

¹ Current cycle baseline ² Per Schneider Electric definition and methodology; 2019 baseline ³ cumulated since 2018 ⁴ 2022 baseline
⁵ 2021 baseline ⁶ From 2025 onwards, diversity targets shall not impact local incentives in countries or entities prohibiting the establishment of such targets
⁷ cumulated since 2009 ⁸ 2019 baseline

The Zero Carbon Project - Challenges

The Challenge

How We are Addressing

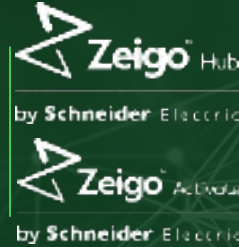
Maturity



- 70% of suppliers new to decarbonization
- 2/3 of our suppliers are SME

extensive training infrastructure: **200+**
Free live trainings completed

Digital tool
Diagnostics
Solar calculator
Playbook



Regional Disparities



- Regulations around access to renewable energy vary across regions
- Sensitivity to climate change issue in general varies across regions

Localized on-site support

Dedicated decarbonization events

Intensive procurement involvement to drive engagement



Data Quality



- Accuracy and quality of data reported

Digital Tools
Quality check
Public declaration of data





Conclusion

It needs to come from the **top** & you need to engage **All**

Be **bold** *(even if you don't have all the answers)*

but start **small**: make the 1st step achievable for your suppliers

Favor **action & speed** over perfection

Listen carefully to your suppliers

Be ready to **invest** resources, tools & time

Start & start now!.....

collaboration

A glowing blue and green Earth is shown from space, centered in the background. The planet is illuminated, showing continents and clouds. The background is a dark, starry space.

The time to act is **NOW**

Q & A