

A scenic mountain landscape at sunset. The sun is low on the horizon, casting a warm, golden glow over the scene. In the foreground, a large, cylindrical, metallic structure, possibly a water tower or a specialized building, stands prominently. The background features rolling mountain ranges under a hazy sky. The overall mood is serene and majestic.

Schneider Electric Sustainability Way

Schneider Electric 2017 – G7 Environment Side Event – June 11th, 2017 - Giles Vermot Desroches

Schneider Electric for Sustainable Development

1

By our Business strategy

2

By our responsibility journey / Planet and Society Barometer

3

By our Carbon neutrality Commitments

..... Acces to energy

Life Is On

Schneider
Electric



Our technologies ensure that **Life Is On**
everywhere, for everyone and at every moment.

Life Is On

Schneider
Electric



Energy is the base of life.

Life Is On

when Energy is on.....

We ensure energy is on by making it

- Safe
- Reliable
- Efficient
- Sustainable
- Connected



Megatrends are provoking a rise in Energy Demand



URBANIZATION
+2.5B

people in cities by 2050

Source: United Nations, DESA



DIGITIZATION
50B

connected things by 2020

Source: Cisco



INDUSTRIALIZATION
+50%

Energy consumption by 2050

Source: IEA



1.3

billion people currently do not have access to electricity

Another **1** billion more have unreliable and intermittent supply of electricity

Source : IEA, Economist

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We believe access to energy is a
BASIC HUMAN RIGHT

...and the present way of managing energy is
UNSUSTAINABLE



Our Challenge in the next 40 years

x1.5

ENERGY
CONSUMPTION

÷2

CO₂ EMISSIONS
NEED TO
BE HALVED

3x

WE HAVE TO
BECOME 3 TIMES
MORE EFFICIENT

Note: Forecast for 2015 compared to 2009 levels

We have an opportunity to co-create greater environmental business



**More
ELECTRIC**

**More
DIGITIZED**

**More
DECARBONIZED**

**More
DECENTRALIZED**

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We defined sustainability megatrends most impacting Schneider Electric for the years 2015-2020

Climate

Increase in temperatures is projected to likely exceed 1.5 degree by 2100, **up to 4.8 degrees** (IPCC fifth report).

COP21 (Dec. 2015) must lead to a legally binding **climate agreement**, applicable to all countries from 2020, to maintain global warming below 2 degrees.

Health & Equity

Health determines an individual's **ability to produce and consume**.

In developing countries, human health will be increasingly affected by climate change (heat waves, floods) & rapid urbanization (e.g. in Asia).

Other countries will face increased stress and lifestyle-based disorders such as cardiovascular diseases, obesity and diabetes.

Ethics

The OECD has published the **Anti-Bribery Convention**, the first multilaterally agreed code of business conduct that governments have committed to promoting.

The **UN "Ruggie Framework"** states the companies' responsibility to respect human rights and avoid causing or contributing to adverse human rights impacts.

Circular economy

The decline in ecosystems is making natural resources **scarcer, more expensive and less diverse** (KPMG "Expect the unexpected").

A circular economy seeks to **restore capital**, applies to entire systems -not only products-, and e.g. sells "performances" instead of "goods" with a **higher profit margin** (Ellen MacArthur Foundation).

Development

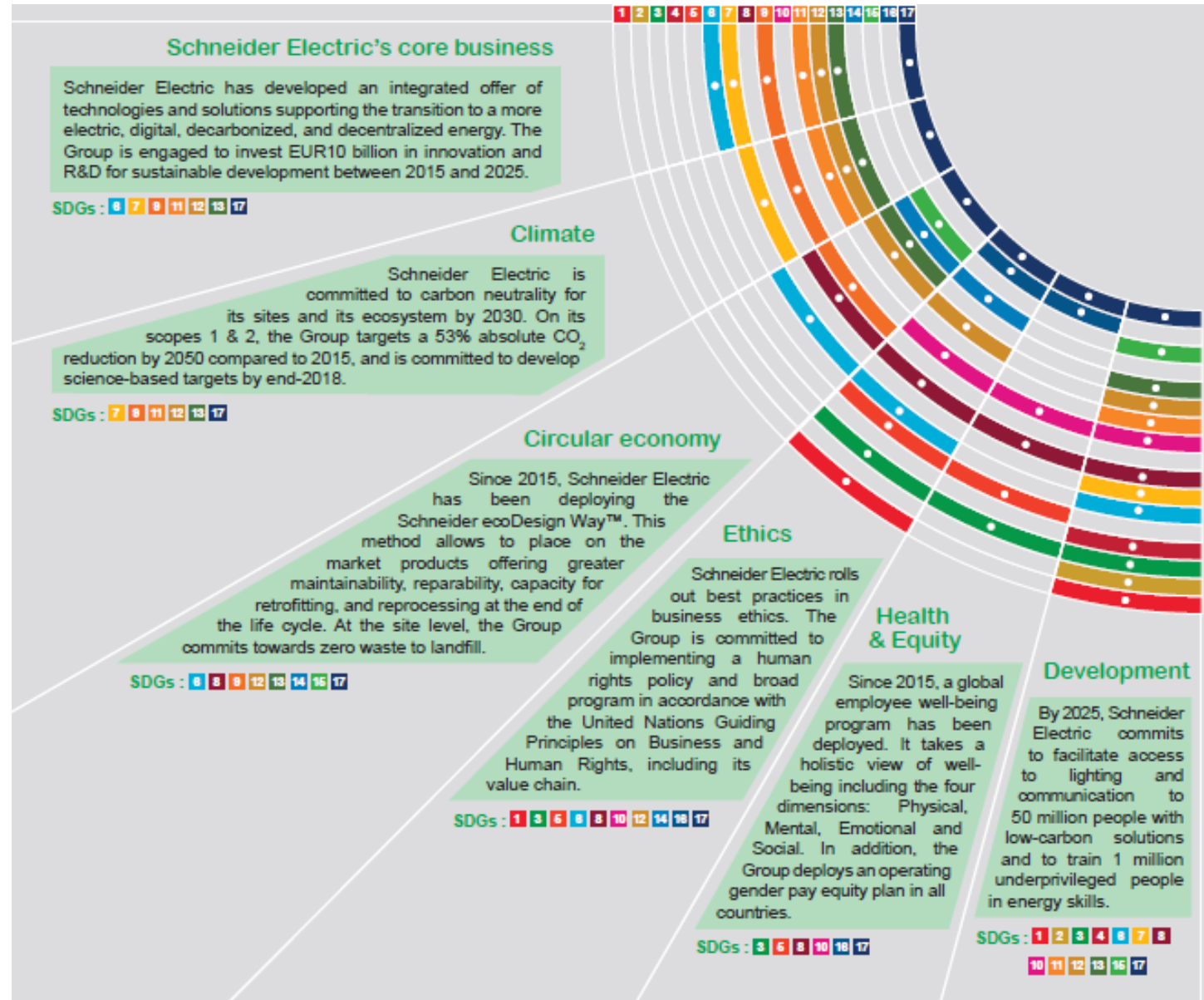
"End poverty in all its forms everywhere" and "Ensure access to affordable, reliable, sustainable, and modern energy for all" are two of the **UN Sustainable Development Goals** to succeed the UN Millennium Development Goals after 2015.

SUSTAINABLE DEVELOPMENT GOALS



Schneider Electric commits to the “Sustainable Development Goals”

Schneider Electric, the global specialist in energy management and automation, undertakes to contribute to the Sustainable Development Goals (SDGs), a universal call to action launched by the United Nations to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. The Group is engaged to accomplish the 17 SDGs through its core business and its five sustainability megatrends: Climate, Circular economy, Ethics, Health & Equity, and Development.



The Planet & Society barometer 2015-2017 - Results as of Q1 2017

Planet & Society barometer

Our megatrends 2015-2020 and our targets 2015-2017

			Start 01/2015	Results Q4 2016	Results Q1 2017	Target 12/2017	
			Overall score (out of 10)	3.00	8.48	8.79	9/10
 PLANET	CLIMATE	1 10% energy savings	-	7.1%	7.2%	10%	
		2 10% CO ₂ savings from transportation	-	11.2%	11.2%	10%	
	CIRCULAR ECONOMY	3 Towards zero waste to landfill for 100 industrial sites	34	99	99	100	
		4 100% of products in R&D designed with <i>Schneider ecoDesign Way</i> TM	-	81.6%	100%	100%	
 PROFIT	CLIMATE + DEVELOPMENT (Sustainability offers)	5 75% of product revenue with <i>Green Premium</i> TM eco-label	60.5%	74.8%	75.2%	75%	
		6 100% of new large customer projects with CO ₂ impact quantification	-	16%	16%	100%	
		7 120,000 tons of CO ₂ avoided through maintenance, retrofit and end-of-life services	-	101,508	122,250	120,000	
		8 x5 turnover of Access to Energy program to promote development	-	x2.1	x2.04	x5	
	ETHICS	9 100% of our recommended suppliers embrace ISO 26000 guidelines	48%	82.3%	83.7%	100%	
		10 All our entities pass our internal Ethics & Responsibility assessment	-	93.4%	93.4%	100%	
 PEOPLE	HEALTH & EQUITY	11 30% reduction in the Medical Incident Rate (MIR)	-	33%	27%	30%	
		12 One day training for every employee every year	79%	92%	87.2%	85%	
		13 64% scored in our Employee Engagement Index	61%	64%	64%	64%	
		14 85% of employees work in countries with Schneider gender pay equity plan	-	75%	75%	85%	
	DEVELOPMENT	15 150,000 underprivileged people trained in energy management	73,339	123,839	131,153	150,000	
		16 1,300 missions within Schneider Electric Teachers NGO	460	1,065	1,119	1,300	

The arrow shows if the indicator has risen, stayed the same or fallen compared to the previous quarter. The colour shows if the indicator is above or below the objective of 9/10.

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Our COP21 commitments: on the road to carbon neutrality

10

Commitments

to a sustainable future
from Schneider Electric

On the eve of the Paris Climate Change Conference (COP21), Schneider Electric presented its 10 commitments for sustainability. In accordance with the Planet & Society barometer, these commitments contribute to the United Nations Sustainable Development Goals and support the objective to make the Group sites and its ecosystem carbon neutral by 2030.



Product & solutions portfolio

1



100%

Ensure CO₂ impact quantification for 100% of new large customer projects.

2



75%

Design 100% of new offers with Schneider Electric ecoDesign Way™ solutions (including CO₂ profiling) and realize 75% of product revenue with Green Premium™ ecoLabel (with full digitized CO₂ information).

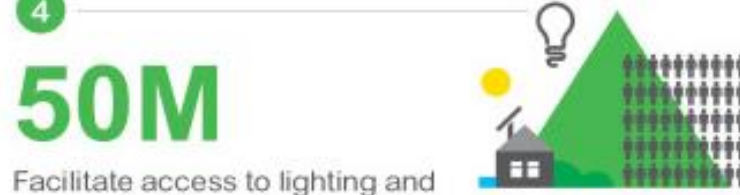
3



120,000T

Avoid 120,000 tons of CO₂ through circular economy “end-of-life” services.

4



50M

Facilitate access to lighting and communication with low-carbon solutions for 50 million inhabitants from bottom of pyramid in 10 years.

5



Implement storage initiatives to develop renewable energy and mini grids.

6



5 years

Solve SF₆ issues in 5 years and eliminate SF₆ from Schneider Electric™ products in 10 years.

Product conception & supply chain

7

3.5%

Reduce our energy intensity by 3.5% per annum.



€10B

Invest €10B in R&D innovation for sustainability in the next 10 years.

9



3.5%

Reduce our transportation CO₂ emissions by 3.5% per annum.

8

10

Issue a climate bond to finance low CO₂ R&D across our business units.





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