

# Sustainability at Schneider Electric

September 2013



# Agenda



Stakes and commitment



Focus on key projects



Questions & Answers

# Schneider Electric at a glance

## The global specialist in energy management

### Large company

**24**

billion € of sales in 2012

**41%**

of sales in new economies

**140 000+**

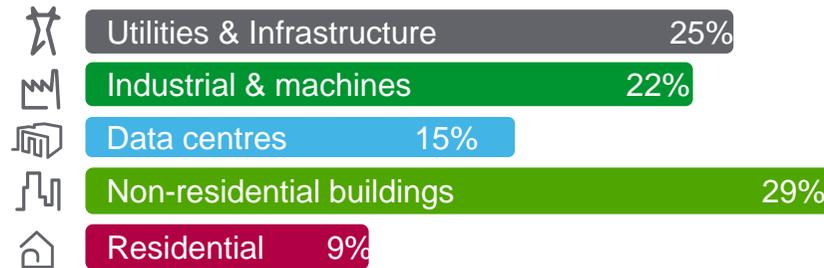
employees in 100+ countries

**4-5%**

of sales devoted to R&D

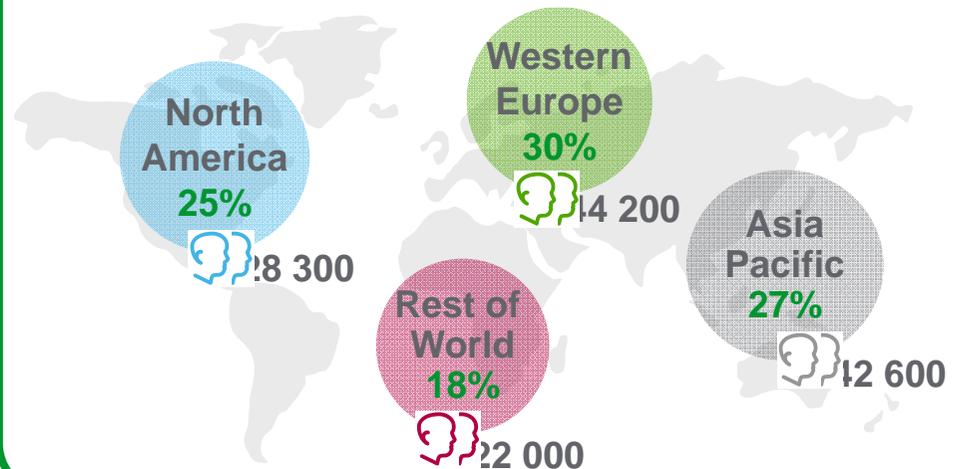
### Diversified end markets

FY 2012 Sales  
(billion €)

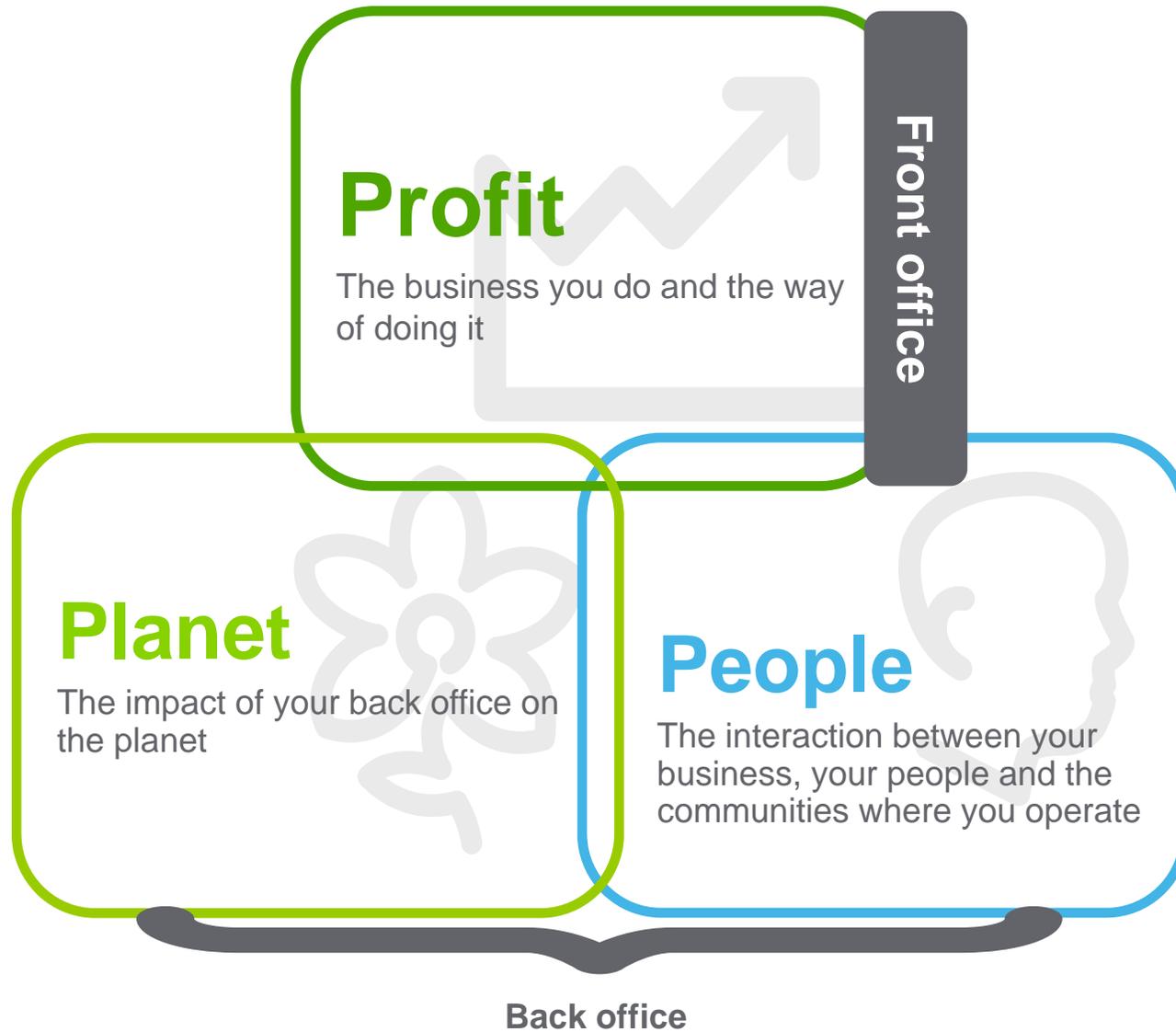


### Balanced Geographies

FY 2012 sales  
Year-end 2012



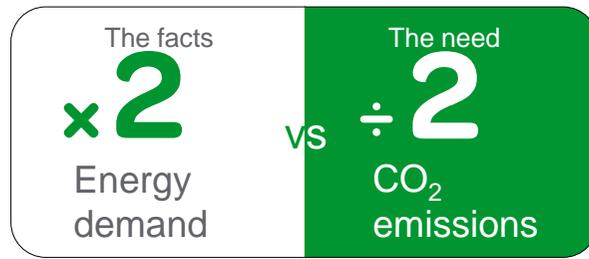
# Defining sustainability



# Understanding the world we are living in

## Sustainability as a megatrend

### The energy dilemma



Energy efficiency and resources efficiency are a must  
**for the planet and the bottom-line!!!!**

### The rise of awareness



Develop comprehensive disclosure on environmental, social and governance data  
**to go not only comply but make it a competitive advantage and transformation driver**

### The energy gap



Need to find business solutions for long-term development  
**collaborating with public and private actors**

# Sustainability commitment at a glance

## Solutions for Efficiency



**Active Energy efficiency, Energy management & Sustainability services**



**Smart grid** (renewable, flexible distribution, electric vehicle, demand response,)



**Smart cities**

## Ethics & Responsibility



**Business practices**



**Products and sites**



**Employees**



**Communities**

## Solutions for the energy gap

### Fostering energy access



Spreading access to reliable, affordable and clean energy through a combined approach of training, offers, business models and investment

### Fighting fuel poverty

## A measured commitment: The Planet & Society Barometer

- > **Measuring** sustainability
- > **Communicating** quarterly
- > **Auditing** annually



\*Base of the Pyramid

# Agenda



Stakes and commitment



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# Our business is at the heart of sustainability

Combining energy and IT technologies for sustainability and performance

**60%**

of the world's final energy consumption come from buildings and industry



**Providing energy efficiency and management solutions**



Source: World Energy Outlook 2012, IEA

**Power grids**

worldwide are aging and need huge investments for upgrade and maintenance



**Enhancing the smart grid revolution**



**75%**

of global energy consumption happen in cities



**Supporting urban efficiency**



Source: UN State of the World Cities Report 2012

**Educating and collaborating**



# We walk the talk in our operations

...and beyond

**Being our #1 Customer**

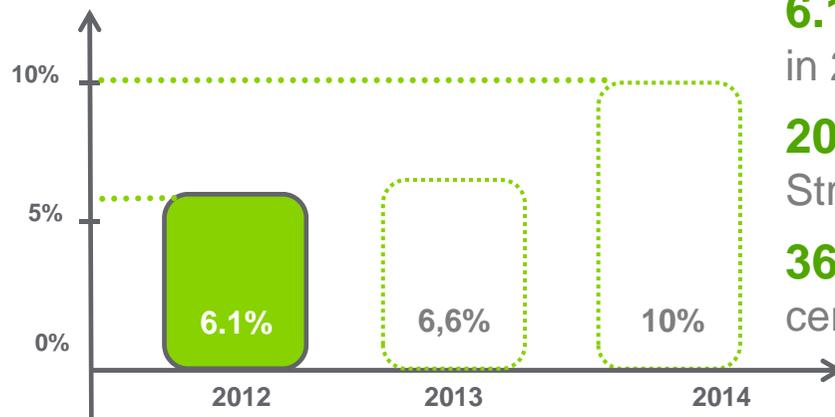
- The most efficient sites
- Decreasing our energy bill
- Improving our solutions



**Target 2014: 10% energy consumption savings**

- Reducing the energy consumption using our **own solutions**
- **3.3% energy savings annually** (2012-2014)
- Data normalised from weather and activity

**Promising first results as of 2012**



**6.1%** energy savings in 2012

**200** sites reporting in Struxureware

**36** sites ISO 50001 certified



**-10%**

carbon emissions on transportation



**75%**

revenue with Green Premium products

- REACH
- RoHS
- Product Environment Profile
- End of Life Instructions

# An employer of choice

**Safety as a priority**

**Developing our people**

Striving for one day of training per employee/  
year

**Fostering corss-  
mobility**

**Encouraging  
employee sharholers**

**World's Most Attractive Employers**  
Schneider Electric has ranked among  
the global top 50 of the World's Most  
Attractive Employers in 2013 and 2012.



## Attracting talents

**Student International Business Case  
Challenge**

**Go Green | Paris**  
in the City | June 2013



**Partnerships with top  
international universities**

- Moscow Power Engineering University
- Cairo University
- INSEAD, HEC, ParisTech, Supelec
- College of Engineering of Bangalore,
- South China University of Technology
- University of Toronto
- Virginia Tech
- SP JAIN
- etc.



# Enhancing the well-being of our people

- **Safety** as an absolute priority
- **Skills** development with *Schneider Electric University*
- **Diversity**, focusing on gender balance
- Sharing rewards with **employee shareholding plan**
- Employee **energy efficiency** and **sustainable development** trainings



**86%**

Percentage of employees willing to make extra efforts to support our strategy



**84%**

Percentage of our industrial sites certified to OHSAS or ILOOSH standards



**66,000**

Employees took the e-learning on energy efficiency since 2009



2012 Award for **best employee ownership practice**



**Brazil** Among **Top 25 Employer of Choice**



**China:** Top 20 CSR companies



French Certified **Equality Label**



**USA:** Red-cross medal for world-class operational safety practices

# Fostering access to reliable, affordable and clean energy

A combined approach of business and philanthropy

## investment



- Funding local entrepreneurs around energy, with public or private partners expecting a mid-term return on investment

## Solutions & business models



- Bring the right solutions to improve local energy access and development whilst ensuring long term profitability

## Vocational training



- Train young people to ensure local competencies to maintain, develop and sell solutions

Partners & collaboration to succeed



Since 2009

**11** investments in France, Africa and India

**1.5** Million households Gained access to energy

**23 000** people supported to be trained in energy

How do we do



# The Planet & Society Barometer ID

## Key facts and figures

Date of Birth	2005
Issued period	Each company programme
Expiration date	12/2014*
Creator	Schneider Electric
External audits	Yes
Update period	Quarterly
Rate	3 to 10 scale
Pilot	Sustainable development

\*renewed every three years

## Calculation Methodology

The results for each of the key performance indicators (expressed in tons of CO2 emissions, growth points, number of employees, percentages...) are converted into a score out of 10 (not presented in the Barometer). The Planet & Society Barometer score is composed of the equally weighted average of the scores of all indicators. Schneider Electric decided to start the Planet & Society Barometer with an initial score of 3/10 to enhance the work already undertaken in the relevant fields. The Group wishes to attain a score of 8/10 at the end of each company program.

# The Planet & Society Barometer

Our sustainability scorecard 2012-2014 in details

## The Planet & Society Barometer

(objectives for 2014)

			Start 01/2012	Results Q1 2013	Results Q2 2013	Target 12/2014
Overall score (out of 10)			3.00	6.25	6.09 ↻	8/10
Planet	Carbon <sup>1</sup>	10% CO <sub>2</sub> savings on transportation	-	14.80%	29% ↻	10%
	Prod. & Solutions	75% of our product revenue with Green Premium products	63%	65.8%	67.3% ↻	75%
	Energy	10% energy consumption savings	-	5.8%	7.4% ↻	10%
Profit	Green growth	7 pts growth turnover EcoXperts above transactional growth turnover	-	3.9 pts	-0,25 pts ↻	7 pts
	Access to Energy	1 million households at the Base of the Pyramid have access to energy	0	432,707	514,266 ↻	1,000,000
	Suppliers	90% of recommended suppliers embracing ISO 26000 guidelines	0	9.9%	12.4% ↻	90%
	Rankings	3 major ethical stock market indices select Schneider Electric	3	3	3 →	3
	Best practices	300 sites recognised "Great place to work - Cool site"	0	92	116 ↻	300
People	Safety	30% reduction of the medical incident rate (MIR)	-	42%	43% ↻	30%
	Engagement <sup>2</sup>	70% scored in the employee engagement index	-	55%	57% ↻	70%
	Diversity	30% women in the talent pool (~ 2,500 people)	23%	27%	26% ↻	30%
	Training	1 day of training for each employee every year	-	-	19% ↻	100%
	Access to energy	30,000 people at the BoP trained in energy management	0	14,165	21,864 ↻	30,000
	Communities	300 missions within the "Schneider Electric Teachers" NGO	0	77	95 ↻	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 8/10.

<sup>1</sup> Except for the annual results, this indicator reports with one quarter of delay: at Qn, published result is Qn-1.

Schr <sup>2</sup> From 2013, the measure of the Employee Engagement Index becomes semi-annual (Q2 and Q4).

# Integrating sustainability in compensation & benefits

Other teams depending on the cascading of each manager

## Variable compensation

### Executive committee

- 15 personnes
- Since 2010
- Criteria linked to their scope
- Up to 15% of total variable compensation

### Supply chain teams

- 5,000 people
- Since 2009
- Criteria: safety, CO2 and responsible purchasing
- Up to 15% of total variable compensation

## Performance shares

### Beneficiaries

- 2500+ people
- Since 2012
- Criteria: Planet & Society Barometer score
- 20% of the variable part

## Intéressement et participation

### French territory people

- 18000 people
- Criteria: Planet & Society Barometer score
- 20% of the calculation of the « intéressement »

# An awarded and recognized commitment

## A recognised commitment



World  
Europe



**Global 100**

Most Sustainable Corporations



**Ethisphere**

Most ethical companies

## Awards & recognitions

### Gigaton award

by Carbon War Room, UK,  
For our commitment to smart  
grid and energy efficiency



### Zayed Future Energy prize

by Masdar, UAE  
For our contribution  
to renewables and  
sustainable development



### Green cross

by National Safety  
Council, US  
For our health & safety practices



### Local distinctions

ECO in Brazil, CEMEFI in  
Mexico, Top Employers in  
France, Golden Peacock in India



## In-line with the global standards

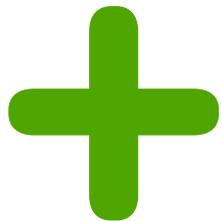
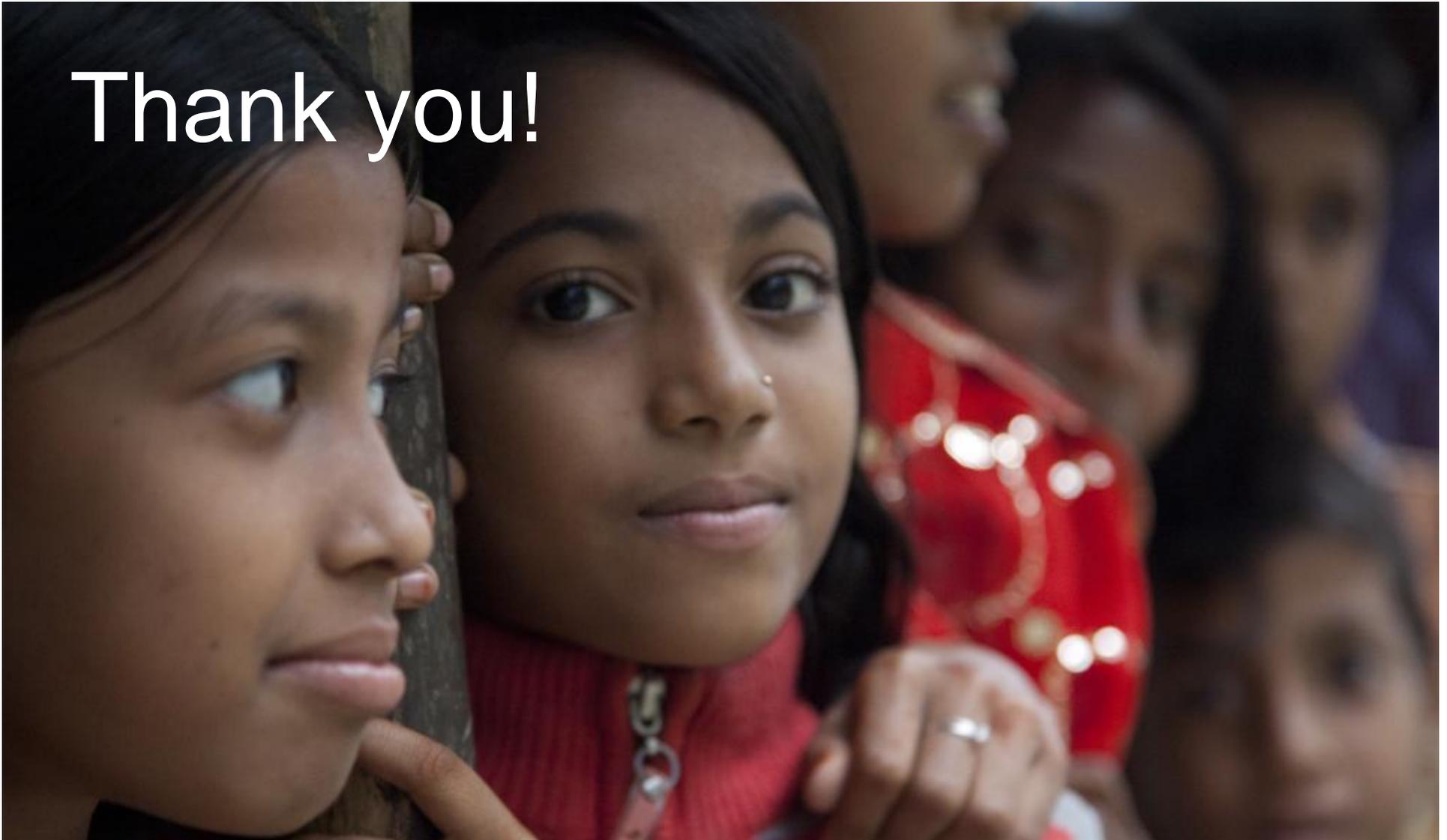


UN  
Global Compact  
since 2003



Global  
Reporting  
initiative since  
2011

Thank you!



[schneider-electric.com/barometer](https://schneider-electric.com/barometer)  
[SDreport.schneider-electric.com](https://SDreport.schneider-electric.com)