Climate change is the greatest challenge of our generation and the next ten years will be crucial. Together we must reduce CO₂ emissions and halt the rise in temperature. At Schneider Electric, our commitment to be carbon positive is fully aligned with our strategy and purpose. This engagement emulates innovation for an all-electric and all-digital world. We openly advocate for bold measures, at every level, to accelerate the emergence of a low carbon world and to live up to the demands of the younger generations.”

Jean-Pascal Tricoire,
Chairman and CEO

Read more about our strategy on page 14.

Revenues +4.2% organic
€27.2bn

Adjusted EBITA +8.7% organic
€4.2bn

Net Income (Group part) +3.4%
€2.4bn

Free cash flow +65%
€3.5bn

Proposed dividend per share +8.5%
€2.55

Share price (at 31 December, 2019)
€91.5

Read more about our business on page 8.

This Universal Registration Document was filed on March 17, 2020 with the Autorité des Marchés Financiers (AMF), acting in its capacity as competent authority under Commission regulation 1129/2017/EU, without prior approval in compliance with Article 9 of this regulation. The Universal Registration Document may be used for purposes of a public offer of securities or admission of securities to trading on a regulated market if it is accompanied by an offering circular relating to securities and if applicable, a summary and any amendments made to the Universal Registration Document. These documents are approved by the AMF in compliance with Commission regulation 1129/2017/EU.

Welcome from our Chairman and CEO
Schneider Electric at a glance

+135,000 employees in over 100 countries

191 manufacturing plants

97 distribution centers

North America

20% ♦️

29% 🏴

26% €

Western Europe

26% €

Rest of World

19% 🌍

16% 🌍

Asia Pacific

35% 🌍

29% 🏴

Percentage of revenue by geography in 2019

Percentage of total employees by geography in 2019

Showcase Smart Distribution Centers

Showcase Smart Factories
In an all-electric and all-digital world, we are uniquely positioned to deliver digital energy and automation solutions for efficiency and sustainability.

Serving four end markets:

**Homes and buildings**
All residential, commercial and industrial buildings and facilities can be built or renovated to be safer, smarter and more sustainable to better fulfill the aspirations of occupants and increase their value.

**Data Centers**
Fueled by digital innovation, data centers and IT systems need to integrate energy efficiency, resilience and both cloud and edge connectivity to protect critical information and operations and support the booming digital economy.

**Infrastructure**
Energy transition challenges are driving growth as governments, towns and private enterprise rethink and transform transportation, energy and utility projects to better serve customers and citizens and meet sustainability goals through the efficient use of resources.

**Industry**
Manufacturing processes and energy-intensive industries require detailed insights and digitized efficiency to address energy and asset waste, streamline maintenance, mitigate their environmental footprint and comply with safety and cybersecurity regulations.

![Diagram](image-url)
A statement from Chairman and CEO, Jean-Pascal Tricoire

Planet friendly growth

2010 – 2019: a decade of disruption

When I look back at the last decade, I realize just how complex it has been. A decade of profound economic, social, geopolitical and environmental change, but also a decade of technological advances and upheaval within our industry.

Twelve years after the 2008 financial crisis, the revolution of both value and supply chains is ongoing. While poverty is globally receding, one unresolved, fundamental inequality is access to energy. Two billion people do not have access to reliable energy, barring them access to a safe and decent life. This has been aggravated by digital, which beyond energy, is the door to education and economic inclusion, creating another divide between the haves and the have-nots.

Facing total transparency and direct opinions through social networks, companies publicly explain their contribution to society, their purpose and justify their choices to stakeholders with very different opinions.

After 20 years of globalization, the world is becoming more fragmented and uncertain. Trade tensions escalate and – more importantly for our industry – a digital divide is now on the rise between regions, most visibly between the USA and China’s diverging worlds of technologies and apps. This is not completely new for a company like ours with one foot in electricals, an industry where standards between continents have always been split, but it reinforces the multi-local nature of our business.

Meanwhile, we have finally reached a tipping point in sustainability. After years of low awareness and slow progress, there is now broad recognition that our planet is on a critical climate trajectory. Climate change is all about carbon emissions, and carbon emissions are all about energy, both production and consumption. Fighting climate change requires defining a new energy model. Today’s model designed 150 years ago, is highly inefficient: a staggering 60% of primary energy is lost before it is used. We ought to rethink the way we live with energy.

Thankfully this tipping point is happening at a time when two disruptions, digital and renewables, allow us to rethink our energy value chain and address our carbon footprint in a completely different way. At Schneider Electric, we believe an all-digital, all-electric world can drive an entirely new level of efficiency and sustainability, for buildings, industries, infrastructures, IT and cities.

Last decade’s disruption has also shaken the established order of our industry. We’ve witnessed a deep reformatting of industry players, as a consequence of choices made 15 years ago, while our whole competitive landscape is being reshaped.

We have reinforced our position and tripled our size

15 years ago, we made three transformational choices to strategically position our company.

First, in the large industry of energy, we specialized in digital solutions for sustainability, combining energy management and automation for greater efficiency, and electing to be the partner of our customers in their journey towards sustainability. It’s taken the world time to prioritize sustainability and efficiency, but commitment levels have definitely changed in recent years, at all levels from society to investors. In September 2019, 87 large companies signed up to the “Business Ambition for 1.5°C: Our Only Future” campaign, committing to halve their carbon emissions within 10 years or become carbon neutral by 2050. By the end of January 2020, close to 200 companies had joined. Many other similar initiatives have emerged in recent years, among them the EP 100 for energy productivity, RE 100 for renewables, or EV 100 to push electric mobility adoption. Thousands of companies are putting together sustainability plans as they try to make the most of their energy and resources. Green business now makes up for more than 70% of our business.

Secondly, we bet on digital to step change and disrupt the efficiency equation, changing the way buildings, cities and industries are designed. We created EcoStruxure™ as a plug and play digital architecture for efficiency converging the Internet of Things (IoT), big data, software and artificial intelligence to manage energy, processes and resources more efficiently and securely. Connecting everything, aggregating data, expanding digital twins generates value far beyond
efficiency, increasing operator safety and skills through augmented reality, process reliability through predictive maintenance, and project collaboration through model sharing. This development in digital and services today makes up for more than 50% of our business, while software and services represent 25%.

Thirdly, we increased our efforts to deploying on a global scale towards emerging countries and Asia to offer our customers service on a global scale. We are today arguably one of the most global companies with very balanced geographical exposure guaranteeing a better dynamic and increased resilience. We do an equivalent amount of business in North America, Asia Pacific and Europe. New economies represent more than 40% of our revenues, and Asia Pacific grew seven-fold in the past 15 years.

A unique differentiated model to grow

Building on more than 15 years of engagement and innovation for a sustainable world, in 2019 we reaffirmed our meaningful purpose.

At Schneider Electric, we empower all to make the most of their energy and resources to ensure Life is On™ everywhere, for everyone, at every moment.

We differentiate by our focus on sustainability. In 2018 and 2019, we supported our customers on their sustainability journey, saving almost 90 million metric tons CO₂, equivalent to the total annual emissions of Toronto or Melbourne. We ourselves took decisive long-term commitments to become carbon neutral and rid of SF₆ in our medium voltage systems by 2025, be net zero emission by 2030 and operate a carbon-net-zero supply chain by 2050. After 20 years membership of the UN Global Compact and continuous execution and progress in social responsibility and sustainability, we also pledged to align more strictly with the United Nations Sustainable Development Goals. We apply our technologies to our own facilities. 80 of our factories now qualify as Industry 4.0 flagships, and 193 are committed to No Waste to Landfill thanks to a strong focus on circularity. In 2019, our commitments were again acknowledged by our inclusion in the Climate A list by CDP (since 2011), in the Dow Jones Sustainability World Index for the 7th consecutive year, and in the Most Sustainable Companies in the World by Corporate Knights, for a 8th year. At the World Economic Forum, we won The Circulars 2019 award in the Multinational category.

We also differentiate with our integrated model: one organization per country, one supply chain, one IT and one management and performance system to simplify our customers’ lives by providing them full solutions, hassle free.

Our unique multi-hub model empowers our geographical organizations to make decisions, and be the most local and agile organization, in order to adapt to the growing autonomy of each region of the world in trade and from a fast-changing technology point of view. As such, our people footprint reflects our business footprint, allowing local teams to react swiftly to market reality and avoid unnecessary centralization.

We extend Schneider’s capabilities through the largest network of partners in our industry. We structure our supply chain with partner suppliers, we reach into the market with distributors, we deliver most of our solutions with integrators and we innovate through partnerships with other technology companies, start-ups, universities, and financial institutions. One distinctive example is AlphaStruxure, a partnership venture founded with Carlyle in 2019, joining forces to retrofit US infrastructure in a robust and sustainable fashion. In 2019, we also launched our digital market place Exchange, where partners and Schneider users can meet and exchange tips, solutions and code to benefit each other.

Our people are at the heart of this. We believe that great people make a great company. At Schneider, we attract people who are passionate about our meaningful purpose and meaningful way to do business, people who want to work in a very inclusive and diverse environment and be empowered at every level to make an impact. Progress is led by people.

We also focus on trust, which is the foundation of any business, and the signature of our brand. Be it safety, quality, cybersecurity, ethics or governance, we put those pillars of trust at the very core of everything we do.

Our governance is strengthened by a very diverse board, in origin and gender, and a system of checks and balances supported by an independent lead director and five committees that prepare all board decisions. A strong asset of the Group has been the time spent on a very consistent strategy over the years, which has been scrutinized, challenged and supported by the board.

2019: a year of growth and a proof point

In 2019, we reached record levels in revenues, adjusted EBITA, net income and realized a step change in our free cashflow to EUR 3.5 billion, growing in all businesses and across all regions.

1. A strong execution of our strategy, delivering on all priorities

In 2019, we reached EUR 27.2 billion in revenue for the first time, growing by 5.6% overall and beating the market.

We delivered more products (+3%) through our growing network of partners, leveraging digital innovation to enhance customer value. We brought innovation to life for over 75,000 customers and partners at Innovation Summits and Innovation Days. We achieved this while digitizing 80 smart factories in our product supply chain. For these efforts, we progressed to 11th position in the 2019 Gartner Global Supply Chain.

We also grew our services business (+8%), tracking our installed base across regions and providing field, digital and sustainability services, confirming services as an accelerating growth catalyst.

We grew software double-digit organically, supported by a strong performance from AVEVA. We connect more and more products to our cloud (+50% YoY assets under management in 2019).

This confirms the success of EcoStruxure™ and demonstrates the company’s pivot to digital and services which now represent 50% of revenues.

We also improved our professionalism in systems, which both grew and did better in profitability.

2. Focus on high-quality business

We keep pruning our portfolio to focus on our highest quality business. In 2019, we divested EUR 600 million of turnover, a first step on our commitment to divest a total of EUR 1.5 to 2 billion less performing business in three years. We keep making very selective and accretive acquisitions like ASCO, IGE+XAO and Larsen Toubro’s Electrical & Automation business to reinforce our presence in faster growing and more profitable core business.
3. Responsible and consistent delivery
We deliver on our margin commitment with a simplified portfolio, tight operational management and by cross-selling technologies in channels and in solutions.

Over the past three years, following the targets set in 2016:

• We’ve grown our business by 4.7% on a yearly average and organically, above the 3% committed.
• We’ve grown our adjusted EBITA margin by a yearly average of +70 bps (+9.4% in average).
• We’ve also concluded 10 years in a row of progressive dividend growth, multiplied by 2.5 over the period.

Therefore, we confirm our ambition to increase the operating profit margin by 200 bps in the three years from 2019 to 2021, as validated by the 70 bps increased achieved in the first year of the plan. In 2019, we also generated for the first time EUR 3.5 billion of free cash flow, validating our strong operational performance and our strategy to focus on high growth and high-quality business.

Our 2020 vision
As we look ahead to 2020, business and markets look positive, albeit disturbed by temporary issues. Digital and sustainability sit on the top of the agenda for all our customers.

We stay focused on our 2021 ambition, towards our objectives across the cycle and committed to 1 to 3% organic growth in revenues in 2020, with an adjusted EBITA margin between 16 and 16.3% (excluding FX and impact of acquisitions). We will keep pivoting our portfolio, exit underperforming business, and integrate selectively acquired business. We shall continue to allocate more resources to R&D, digital, marketing and services.

We shall push digital to a new level, so that it brings a much higher level of efficiency and sustainability for customers through the four integrations:

• Bringing together energy and automation as the only way to achieve full efficiency, energy and process at the same time, to curb carbon emissions and resource consumption.
• A secure end point-to-cloud ecosystem made possible by the convergence of IoT, big data, and artificial intelligence from the shop floor to the control room, making all data transparent and available to all, from the operator to the expert and general manager.
• Digitally integrating the whole lifecycle of operations, from design and build to operations, eliminating all misunderstanding and inefficiencies in the transition from CapEx to OpEx phase, and enabling seamless collaboration.
• The ability to shift from site-by-site management to an integrated company approach for a big-picture view of energy and resource consumption, a complete benchmark of facilities, to bring unprecedented competitiveness and efficiency.

Over time, we have positioned Schneider to empower all to make the most of their energy and resources. Our technologies reconcile growth, access to energy for all and a carbon free future for our planet. We play a unique role in contributing to solve global issues. More than just economic actors, we bring ideas, skills and technologies and can act at any scale. We have both a very rooted global footprint and are integrated locally through our multifaceted network of partners, and through interaction with local communities.

At Schneider Electric, we are passionate about what we do, and we are convinced that how we do it is just as important. We embody these values across the company, and we will continue to do so. As a responsible company, we engage with our environment. We are responding to the climate emergency by developing tangible business actions, creating technological tools, and sharing expertise to galvanize a global impact. We want to turn the tide on carbon and resources while safely and securely powering the economy. Our consistent and concrete actions are anchored in territories and our interactions and transactions strengthen trust with the communities, companies, and countries we serve. I believe that companies can make a positive impact and contribute to societal progress.

We have the duty to be profitable. We also have the responsibility to build a desirable and sustainable future, where energy and digital – those fundamental human rights giving access to a decent and safe life and to education and economy – are available to all. Do good to do well and do well to do good: that is our program for the coming decade.

Jean-Pascal Tricoire,
Chairman and CEO

Read more about our strategy on page 12.

Some of the recognition Schneider Electric achieved in terms of sustainability commitments and people development in 2019
Successful execution of our strategy drives record 2019 performance

What were the highlights of Schneider Electric’s 2019 performance?
Relentless focus on our strategic priorities and strong execution were key to delivering our 2019 operational and financial performance. Our priority on more products, more services, more software and better systems resulted in +4.2% organic growth to reach EUR 27.2 billion in revenues. Our gross margin which has improved consistently over the past five years, reached 39.5% reflecting our focus on high value-added products, solutions and pricing power. We improved our adjusted EBITA margin by +70 bps (above expected target) reaching +15.6%. Recent acquisitions (Asco Power, IGE+XAO and AVEVA) also contributed positively with double-digit growth in revenue. This strong operational performance coupled with improved cost of financing, our adjusted net income increased by +14%.

Our free cash flow reached an all-time record of EUR 3.5 billion (including IFRS16 impact), increasing by 65% versus 2018, showing our capacity to convert our result in cash with good control on working capital in a growth environment and despite our digital and innovation investments. We continue to return cash, enabling us to increase our proposed dividend by +8.5% at EUR 2.55 per share.

As the Group focuses on core priorities, it progressed on delivering its three year portfolio optimization program of EUR 1.5-2 billion, with EUR 600 million addressed in 2019.

The Group targets an organic growth in operating profit in 2020, what are the key levers?
Our priority for 2020 is to continue to deliver profitable growth. To deliver this strong and sustainable performance, the Group will use two levers: firstly, topline growth where the Group targets organic growth between +1 and +3% and, secondly, adjusted EBITA margin within the range of +16.0 and +16.3% (excluding impact of FX and acquisitions).

Could you share your medium-term ambition to increase operating profitability?
The Group re-affirms its through-cycle objective of +3 to +6% organic growth in revenues, on average. During our 2018 results, we shared our ambition to increase our operational margin by 2021 and therefore move the Group towards a path of 17% adjusted EBITA margin range (at constant FX). This underlying improvement would be achieved through a combination of organic growth, organizational simplification and efficiency and continued productivity. The Group targets c. EUR 1.1 billion of industrial productivity over this timeframe and continued focus on efficiency and productivity gains, both in our supply chain and in our operations. Portfolio optimization is expected to contribute a few tens of basis points towards the margin ambition. Considering developing macro-economic trends, the Group will continue to deploy its strategic priorities in key markets and its focus on the c. +200 basis points (at constant FX) margin ambition for 2019-2021. At the end of 2019 the Group has already achieved close to half.

How do you intend to drive shareholder value in the next years?
We have positioned the company on two megatrends of Energy Transition and Industry 4.0 that are set to drive strong growth opportunities in the future. The Group focuses on execution of its strategic priorities enabling further scaling of its core activities. Also working on the development of its digital offers and continuing to improve efficiency. On top of our digital EcoStruxure™ platform, we believe that our focus on services adds another dimension to build stickier and ongoing customer relationships. Digitally-enabled revenues and services should also drive more growth for our connected products. All these elements will allow us to offer attractive returns to shareholders.

We are also very pleased with our systems, with a +40 bps margin in 2019 and we want to continue in that direction.

With close to +9.4% organic growth per year in our operating profit over the past three years, our objective is to continue generating strong earnings growth through a combination of top line growth and margin expansion. Combined with the strong free cash flow generation and our solid balance sheet, this allows us to offer attractive returns to shareholders through a progressive dividend policy and to achieve the current EUR 1.5 to 2 billion share buyback program by 2021.

Could you tell us more about the framework of actions that contribute to the future success of Schneider Electric?
Our Principles of Responsibility are instrumental, as this framework sets out the highest ethical and Corporate Environmental Responsibility standards and methods, organized around five pillars:

1. Human rights and people development
2. Ethical business conduct
3. Digitally trusted and secure partner for our customers
4. Act for the environment
5. Responsible corporate citizenship

Our customers and partners, our teams and our shareholders expect us to be very strict in their implementation and we are absolutely convinced that they are key for our future success.

Emmanuel Babeau,
Deputy CEO in charge of Finance and Legal Affairs

Read more about our strategy on page 12.
In 2019, the Group reached record performance in revenues, gross profit, adjusted EBITA and in free cashflow. The Group continued its portfolio optimization, organic margin improvement and focused on productivity and resource reallocation in R&D, digital, services and sales. The Group remained committed to strengthen its core and to pivot towards more connected products, automation, software and services. Customer adoption of the EcoStruxure™ architecture accelerated and growth in services, enabled by both field services and digitally-enabled services, built a solid base for growth in 2020.

Record performance, growing in both synergetic businesses and across all regions

Key Performance Indicators

Revenues were up +5.6% (+4.2% organic), a net scope effect of -0.6% mostly due to consolidation of Aveva and disposal of Pelco and the US panels business, and a positive exchange rate effect of +2% mainly driven by the appreciation of the USD against the euro. Both businesses saw strong organic growth, with Energy Management up +5.2% org., delivering solutions integrating Medium Voltage, Low Voltage, and Secure Power technologies, and with Industrial Automation at +0.8%. Across those 2 businesses, Digital and Services now account for around 25% of turnover, grow above the average, and bring both recurrent revenue and a deep customer relationship.

All geographies grew organically over the year with the largest region North America, growing at +6%. Asia Pacific delivered +4.4%, Western Europe +1.9% and Rest of the World +4.4%.

2019 Adjusted EBITA reached a record €4,238 million, increasing organically by +8.7%, exceeding the high end of the revised FY 2018 target, and the Adjusted EBITA margin improved +70 bps organically to 15.6%, thanks to strong volumes, good productivity and a balanced approach between investments and cost control. This represents the fourth consecutive year of Adjusted EBITA margin expansion, increasing by +280 bps organic over the period covering both lower growth and higher growth years.

* 2016 figures restated due to the deconsolidation of the Group’s solar activity.

The Net Income (Group Share) reached a record €2,413 million, up +3.4% from FY 2018. Restructuring charges were €255 million in 2019, up €57 million on last year, in line with the €200-€250 million range averaged over the next four years, as communicated in June 2019. Other operating income had a -€411 million negative impact, due to the H1 disposal of Pelco, some asset impairments, M&A and integration costs. Amortization and depreciation linked to acquisitions was -€173 million. Increased amortization due to intangible assets related to Aveva acquisition was offset by the Pelco disposal. Net expenses were down to -€261 million driven by continued decrease in the cost of debt. Income tax amounted to -€690 million. The effective tax rate was 22%, down from 22.5% last year, in line with expectations. The result of discontinued operations was -€3 million, related to the net result after tax of Solar activities. Share of profit on associates increased to +€78 million, from +€61 million last year. The Group share of Delixi net income was +€65 million, up c.+€15 million YOY.
Full-year revenues up +5.6%  
+4.2% organically

Full-year adjusted EBITA  
15.6%  
+50bps, +70bps organically

Record cash generation  
€3.5bn  
free cash-flow

Proposed dividend of  
€2.55  
up +8.5%

Share price against CAC 40 index over 10 years

Free cash flow

<table>
<thead>
<tr>
<th>Year</th>
<th>In millions of euros</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>3,476</td>
</tr>
<tr>
<td>2016</td>
<td>2,202</td>
</tr>
<tr>
<td>2017</td>
<td>2,283</td>
</tr>
<tr>
<td>2018</td>
<td>2,045</td>
</tr>
<tr>
<td>2019</td>
<td>3,476</td>
</tr>
</tbody>
</table>

Adjusted earnings per share*

<table>
<thead>
<tr>
<th>Year</th>
<th>In euros</th>
</tr>
</thead>
<tbody>
<tr>
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</tr>
<tr>
<td>2016</td>
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<tr>
<td>2017</td>
<td>2.20</td>
</tr>
<tr>
<td>2018</td>
<td>2.35</td>
</tr>
<tr>
<td>2019*</td>
<td>2.55</td>
</tr>
</tbody>
</table>

Dividend per share

<table>
<thead>
<tr>
<th>Year</th>
<th>In euros</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>2.00</td>
</tr>
<tr>
<td>2016</td>
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<td>2017</td>
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<tr>
<td>2018</td>
<td>2.35</td>
</tr>
<tr>
<td>2019</td>
<td>2.55</td>
</tr>
</tbody>
</table>

Free Cash Flow was very strong at €3,476 million, mainly due to the strong operating performance, and supported by favorable working capital evolution driven by end-to-end digital planning. Net capital expenditure reached €806 million, representing c.3% of revenues, due in part to supply chain capacity investment and capitalized R&D linked to new products. Changes in working capital were a tailwind in 2019, down €270 million. The impact of IFRS16 increased Free Cash Flow by €274 million. Taken on a normalized basis, Free Cash Flow, excluding IFRS16 impact, of €3,202 million and Net Income of €2,641 million (mainly excluding Pelco) show a cash conversion of 121% in 2019 (four-year average 109%).

Earnings per share were up strongly at +15%, mostly driven by operating margin expansion and share buyback, as the Group has repurchased 3.5 million shares for a total amount of c. €266 million in 2019. The Group remains committed to the share buyback program of about €1.5 to €2.0 billion to be completed over 2019-2021.

Combined with the strong free cash flow generation and a solid balance sheet, the margin increase allows the Group to offer an attractive return to shareholders through a progressive dividend policy meaning no year-on-year decline. The proposed dividend is €2.55 per share up +8.5% subject to Shareholders’ approval at Annual Meeting of April 23, 2020 for payment on May 7, 2020.

* In 2019, the Group has changed its definition of Adjusted Net Income, which includes the adjusted EBITA, PPA amortization (excluding impairment), net financial income & loss, income tax expense on the above at the effective tax rate, discontinued operations net income, share of profit & loss of associates and impact of non controlling interests. This new definition of Adjusted Net Income has been created to be more transparently derived from the financial statements. To reflect the revised definition for the 2018 Adjusted Net Income, this results in an increase of +€13 million compared to the published figure. The Adjusted EPS for 2018 improves by €0.02 to €4.64.
We believe access to energy and digital is a basic human right

Our generation is facing a tectonic shift in energy transition and industrial revolution catalyzed by accelerated digitization in a more electric world. For the first time in history, we can all participate in a step-change in efficiency and the rare opportunity to reconcile the paradox between progress for all, and a sustainable future for our planet.

Our business model

Our key resources and relationships

People
We are the most local of global companies with +135,000 colleagues, in +100 countries representing our diverse talents. 32% of our 2019 workforce were women.

Industrial
Our +80 smart factories and distribution centers deliver efficiency and productivity across our unique end-to-end supply chain to better serve customers. In 2019 EcoStruxure™ solutions reduced production downtime and quality issues by up to 15%.

Innovation
Our community of +1,100 certified R&D engineers are nurtured to fuel our innovation strategy. Schneider Electric holds more than 18,000 active patents and patent applications worldwide. +850 new patent applications on both our core and digital technologies filed in 2019.

Environment
We optimize our energy and resources across 230 ISO14001-compliant facilities and 193 sites committed to zero landfill waste. 50% of electricity from renewables in 2019. +97,000 tons of primary resource consumption saved with circular models.

Partners and Suppliers
We empower our +650,000-strong partner ecosystem to expand our coverage and we arm our +3,800 ecoXpert program partners to drive new digital business opportunities. We extend our sustainability excellence requirements to our suppliers representing EUR 12 billion in procurement volume.

Financial strength
Our organic growth, consistent margin improvement and disciplined capital allocation drives sustainable, positive free cash flows of EUR 3.5 billion.

Our unique way

Delivering strong growth (4.2%) from our portfolio of energy and automation solutions for efficiency and sustainability.

Energy Management
Adj EBITA margin 18.4%

We lead in delivering sustainability and efficiency in:

Homes and buildings
Data centers
Engage with our suppliers towards a net-zero supply chain.

Our sustainable value for all stakeholders

- **Focusing on the welfare of people**
  - We are committed to gender equality through equal opportunities for everyone, everywhere.
  - 99% of our global workforce covered by our Gender Pay Equity Framework.
  - We strive to guarantee the highest safety standards and eliminate workplace accidents.
  - Medical incidents per million hours worked reduced to 0.79.

- **Achieving sustainability goals with customers**
  - We help customers reduce their CO2 footprint with EcoStruxure™ solutions and Energy & Sustainability Services.
  - On average, businesses achieve 20% reduction in carbon emissions.
  - We enable sustainable performance providing comprehensive environmental information for all eco-designed Green Premium™ offers.
  - 55% of sales from Green Premium™ products in 2019.

- **Empowering underserved communities**
  - Our Access to Energy program supports training, entrepreneurship, startups and technologies for the world’s most energy-deprived populations.
  - 246,268 underprivileged people received vocational training.

- **Prioritizing ethical partnership with suppliers**
  - As responsible corporate citizens, we uphold the highest standards of ethical business conduct to strengthen collective trust, cultivate long-term viability and comply with local regulation.
  - 279 suppliers under Human Rights & Environment vigilance received specific on-site audits.

- **Delivering return and profits to shareholders**
  - Our business model delivers consistent, sustainable and strong financial performance and attractive returns.
  - +54% share price growth
  - EUR 53.2 billion market capitalization (December 31, 2019)
  - Proposed dividend per share EUR 2.55, +8.5% vs 2018

- We champion open, connected and interoperable solutions.
- We supply best-in-class products to partners to integrate in their solutions.
- We are obsessed with safety, and are renowned for reliability and cybersecurity solutions.
We empower all to make the most of their energy and resources, ensuring Life Is On everywhere, for everyone, at every moment.

Portfolio optimization
Ensure business growth with synergetic optimization of Energy Management and Industrial Automation portfolio driving more products, more services, more software and better systems.

Open ecosystem
Empower our unrivalled network of partners with digital innovation to seize new market values and champion open, connected and interoperable solutions.

2019 progress
- Double digit growth in Software
- Strong growth in Field, Sustainability and Digital Services
- 50% growth in connected assets under management
- Approval to combine Schneider Electric India’s Low Voltage and Industrial Automation with Larsen & Toubro Ltd. Electrical and Automation business
- ALPI, European leader in calculation and electrical design software joins Schneider Electric
- Pelco divestment closed in Q2
- Disposal of US panels business signed in Q2
- Sale of Converse Energy Projects GmbH completed in December
- Continued enhancement of Schneider Electric’s industry-leading channel partner ecosystem focusing on specialized applications and local expertise and coverage to improve customer service and delivery
- 70% of Energy Management revenues derived through a 650 000-strong service provider and partner network
- Launch of Schneider Electric Exchange, the world’s first cross-industry open ecosystem that unleashes the power of collaboration in an open environment
  - +53 000 registered users.
  - +300 offers.
- Continued deployment of our EcoStruxure™ platform, for new connected products, such as Tesys Island and Modicon 262 and for digital services, EcoStruxure™ Advisor software for Power, IT and Workplace applications
- Launch of SF6-free MV switchgear, reinforcing sustainability commitment
- Innovation World Tour 2019 hosted five Innovation Summits in Barcelona, Xiamen, Moscow, Hyderabad and Santiago, over 80 Innovation Days and 130 Innovation Talks reaching +75,000 customers
- Strategic partnership with Planon to manage building data and analytics for operators, occupants and service providers
- Strategic partnership with The Carlyle Group, creating the AlphaStruxure joint-venture for smarter infrastructure
- Schneider Electric extended the Pay Equity Framework to 95% of countries
- For the first time, more than 50% of eligible employees across 38 participating countries subscribed to the Schneider Electric Worldwide Employee Share Ownership Plan (WESOP) representing more than 56 000 employees and the third consecutive year of record participation
- Recognition received from Fortune, Financial Times, Forbes, Bloomberg, Great Place to Work, Glassdoor and other prestigious organizations for an authentic culture of meaningful purpose, inclusion and empowerment

2020 priorities
- Further scale digital offers
- Strong ambition to grow Services by twice Group average growth
- +3 to +6% organic revenue growth through the cycle
- Adj. EBITA margin: +200 bps by 2021
- Continued portfolio optimization (EUR 1.5-2 billion by 2021)
- Drive co-innovation with partners and improve digital customer experience
- Enhance EcoStruxure™ capabilities as a digital model across end-user applications to enable full lifecycle asset management from design and build to operate and maintain
Innovation

Build open and multi-local innovation programs based on bold ideas from both Energy Management and Industrial Automation businesses and by developing partnerships to disrupt markets, create new business models for future growth.

Culture

Strive to be the most diverse, inclusive and equitable company, globally. We value difference and welcome people from all walks of life, across our multi-hub organization built on truly global leadership and offering equal opportunities to all.

2019 progress

- Continued deployment of our EcoStruxure™ platform, for new connected products, such as Tesys Island and Modicon 262 and for digital services, EcoStruxure™ Advisor software for Power, IT and Workplace applications
- Launch of SF₆-free MV switchgear, reinforcing sustainability commitment
- Innovation World Tour 2019 hosted five Innovation Summits in Barcelona, Xiamen, Moscow, Hyderabad and Santiago, over 80 Innovation Days and 130 Innovation Talks reaching +75,000 customers
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2020 priorities

- Increase investment in:
  - R&D and innovation.
  - Digital.
  - Sales force skills.
  - Marketing and communication.
- Boost a high performance and innovation culture
- Attract, build and empower the workforce of the future
- Create more development and career opportunities for all
- Build the next generation of leaders to achieve the Group’s growth ambitions
INTRODUCTION

Our impact

2018 – 2020

SCHNEIDER
SUSTAINABILITY
IMPACT

INTRODUCTION

Our impact

Climate

Impact #1
50%
renovable electricity

Impact #2
4%
CO₂ efficiency in transportation

Impact #3
89 million metric tons
saved CO₂ on our customers’ end thanks to our EcoStruxure offers

Impact #4
24%
increase in turnover for our Energy & Sustainability Services

Circular economy

Impact #5
55%
of sales under our new Green Premium™ program

Impact #6
193
sites labeled Towards Zero Waste to Landfill

Impact #7
96%
cardboard and pallets for transport packing from recycled or certified sources

Impact #8
97,400
metric tons
of avoided primary resource consumption through ECOFIT™, recycling and take-back programs

* Results as at end 2019.
Health & Equality

Impact #9
64%
scored in our Employee Engagement Index

Impact #10
0.79
medical incident per million hours worked

Impact #11
47%
of employees have access to a comprehensive well-being at work program

Impact #12
99%
of employees are working in countries that have fully deployed our Family Leave Policy

Impact #13
62%
of workers received at least 15 hours of learning, and 30% of workers’ learning hours are done digitally

Impact #14
79%
of white collar workers have individual development plans

Impact #15
99%
of employees are working in a country with commitment and process in place to achieve gender pay

Impact #16
3.7 pts/100
increase in average score of ISO 26000 assessment for our strategic suppliers

Impact #17
279
suppliers under Human Rights & Environment vigilance received specific on-site assessment

Impact #18
94%
of sales, procurement, and finance employees trained every year on anti-corruption

Impact #19
x1.5
turnover of our Access to Energy program

Impact #20
246,200
underprivileged people trained in energy management

Impact #21
11,400
volunteering days thanks to our VolunteerIn global platform

Read more about Sustainable Development on page 84.
INTRODUCTION

Our leadership team

Inspiring the Group’s bold ideas for the future

Schneider Electric Executive Committee on January 15 2020 in the Technopole Innovation center in Grenoble, France.

1. Peter Herweck
   Executive Vice-President, Industrial Automation

2. Christel Heydemann
   Executive Vice-President, France Operations

3. Luc Remont
   Executive Vice-President, International Operations

4. Emmanuel Lagarrigue
   Executive Vice-President, Innovation

5. Chris Leong
   Executive Vice-President, Global Marketing

6. Philippe Delorme
   Executive Vice-President, Energy Management

7. Barbara Frei
   Executive Vice-President, Europe Operations

8. Jean-Pascal Tricoire
   Chairman and Chief Executive Officer

9. Yin Zheng
   Executive Vice-President, China Operations

10. Mourad Tamoud
    Executive Vice-President, Global Supply Chain

11. Fréderic Abbal
    Executive Vice-President, Services

12. Emmanuel Babeau
    Deputy Chief Executive Officer
    in charge of Finance and Legal Affairs

13. Olivier Blum
    Executive Vice-President, Global Human Resources

14. Annette Clayton
    Executive Vice-President, North America Operations

15. Leonid Mukhamedov
    Executive Vice-President, Strategy

16. Hervé Coureil
    Executive Vice-President, Digital