

Our strategy

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.

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
- 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

- 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

Our impact

2018 – 2020

SCHNEIDER SUSTAINABILITY IMPACT

Climate

Impact #1

50%

renewable electricity

Impact #2

4%

CO₂ efficiency
in transportation

Impact #4

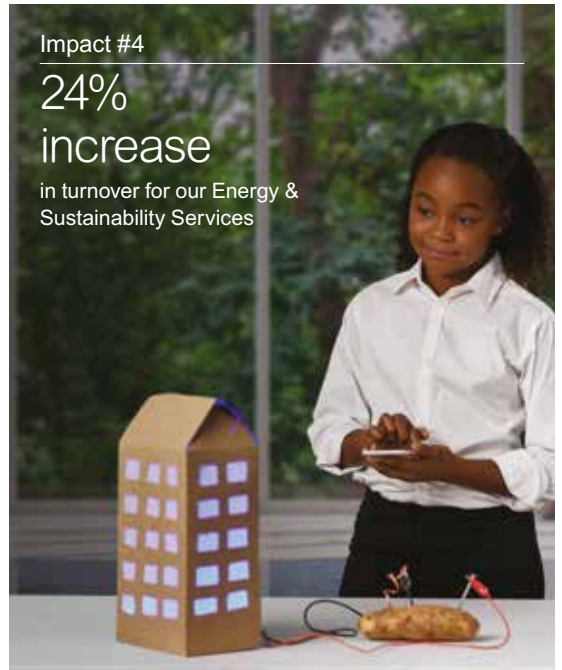
24%
increase

in turnover for our Energy & Sustainability Services

Impact #3

89 million metric tons

saved CO₂ on our customers' end thanks to our EcoStruxure offers

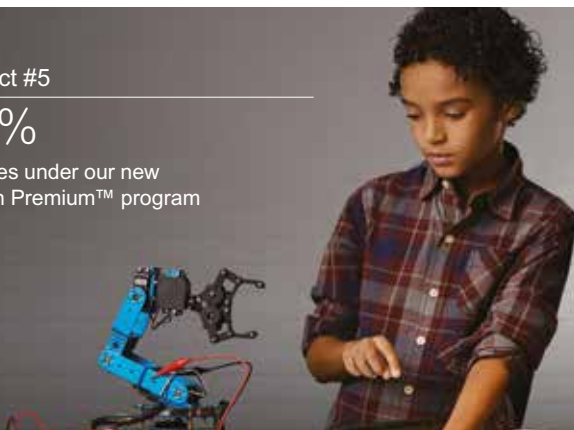


Circular economy

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

* Results as at end 2019.

Health & Equality

Impact #9

64%

scored in our Employee Engagement Index



Impact #11

47%

of employees have access to a comprehensive well-being at work program

Impact #13

62%

of workers received at least 15 hours of learning, and 30% of workers' learning hours are done digitally

Impact #12

99% of employees

are working in countries that have fully deployed our Family Leave Policy



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 #10

0.79

medical incident per million hours worked

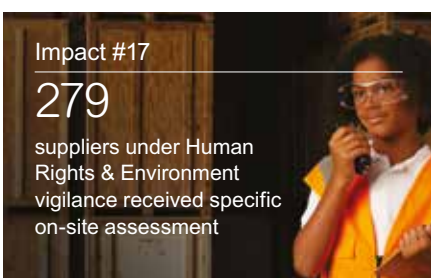


Ethics

Impact #16

3.7 pts/100

increase in average score of ISO 26000 assessment for our strategic suppliers



Development

Impact #19

x1.5

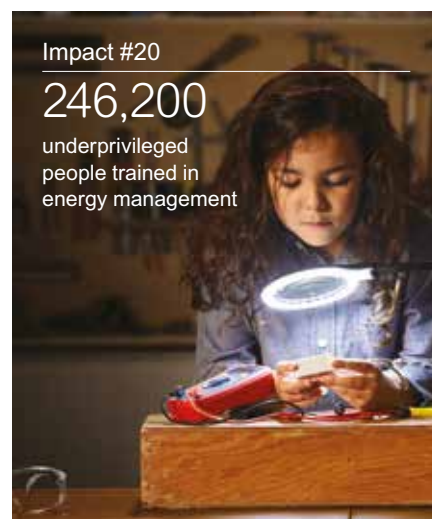
turnover of our Access to Energy program



Impact #20

246,200

underprivileged people trained in energy management



Impact #18

94%

of sales, procurement, and finance employees trained every year on anti-corruption

Impact #21

11,400

volunteering days thanks to our VolunteerIn global platform

Read more about Sustainable Development on page 84.