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Net-Zero  
Commitment

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# Schneider Electric Net-Zero Commitment

Schneider Electric is as an **Impact company**, committed to bridge progress and sustainability for all. Not only are we a sustainability enabler, supporting partners and customers with our digital solutions and services, we are also a sustainability practitioner, leading in ESG and committed to become Net-Zero across our end-to-end value chain. Here is our roadmap to do so, with concrete Net-Zero targets **validated by the Science Based Targets initiative**. We are already tackling the reduction of emissions across all scopes (1, 2 and 3) and we will keep bringing our ecosystem along, in line with our ambition to contribute to limiting global temperature rise to 1.5°C.

**25% absolute reduction across our entire value chain and “Net-Zero ready” in our operations**

(90% reduction of CO<sub>2</sub> emissions and removals for residual emissions)

**2030**



**Net-Zero CO<sub>2</sub> emissions across our entire value chain**

**2050**



**2025**

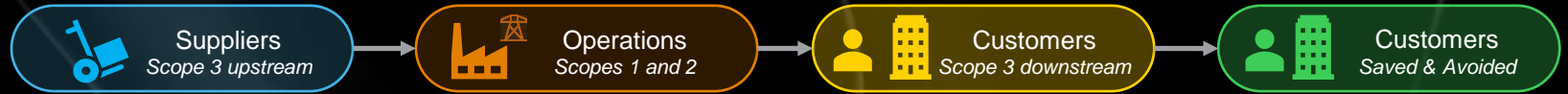
**Carbon neutral in our operations**  
(including CO<sub>2</sub> offsets)

**2040**

**Carbon neutral across our entire value chain**  
(including CO<sub>2</sub> offsets)



# Net-Zero roadmap: across all scopes



<b>2025</b>	Supplier decarbonization Green materials & packaging	Carbon neutral operations (including CO <sub>2</sub> offsets)	EcoDesign™ new offers	Saved and avoided emissions to our customers	<b>-800 million tCO<sub>2</sub> 2018-2025</b>
<b>2030*</b>		"Net-Zero ready" operations (90% reduction target and CO <sub>2</sub> removals for residual emissions)	<b>-25% absolute reduction across value chain</b>		
<b>2040</b>	End-to-end carbon neutral value chain (including CO <sub>2</sub> offsets)				
<b>2050*</b>	Net-Zero CO <sub>2</sub> value chain (90% reduction target and CO <sub>2</sub> removals for residual emissions)				

\* 2030 and 2050 targets are aligned with



SCIENCE  
BASED  
TARGETS

Corporate Net-Zero Standard

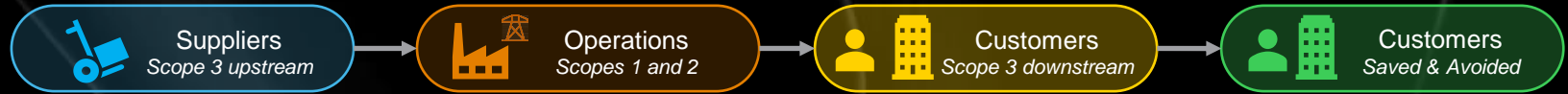
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

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# Net-Zero roadmap: key initiatives



By 2025

Reduce CO<sub>2</sub> emissions from the operations of our top 1,000 suppliers by 50%

Increase green material content in our products to 50%

100% of our primary and secondary packaging is free from single-use plastic and uses recycled cardboard

15% CO<sub>2</sub> efficiency in transportation

Avoid 420,000 metric tons of primary resource consumption through “take-back” at end-of-use since 2017

 Operations  
Scopes 1 and 2

150 Zero-CO<sub>2</sub> sites

90% electricity sourced from renewables

15% energy efficiency in our sites

One-third of corporate vehicle fleet comprised of electric vehicles (100% by 2030)

200 “Waste-to-Resource” sites

 Customers  
Scope 3 downstream

100% substitution with SF<sub>6</sub>-Free medium voltage technologies

80% of product revenues covered by Green Premium™

 Customers  
Saved & Avoided

Deliver 800 million tonnes of saved and avoided CO<sub>2</sub> emissions to our customers

## Definitions

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- **“Carbon neutral”**: a state in which the GHG emissions released into the atmosphere have been reduced or avoided and the remaining ones are compensated with carbon credits. To achieve carbon neutrality, carbon credits from projects that reduce, avoid or temporarily capture GHGs are accepted. Source: UNFCCC<sup>1</sup>
- **“Net-Zero”**: as per the SBTi’s “Corporate Net-Zero Standard”, it means reducing emissions at a pace that is in line with the latest climate science and balancing any remaining residual emissions through carbon removal credits (vs reducing carbon credits). Source: SBTi<sup>2</sup>
- **“Net-Zero ready”**: our Scope 1 and 2 emissions will have decreased by -90% in 2030, compared to 2017. In addition, residual emissions will be balanced through carbon removal credits. Therefore Scope 1 and 2 emissions will be “ready” for meeting the long-term Net-Zero target, when Scope 3 emissions achieve the same level of reduction.

Therefore, a critical distinction lies in two aspects between the “carbon neutral” and “Net-Zero” concepts. Indeed both “Net-Zero” and “Net-Zero ready” targets of Schneider Electric are a combination of a drastic reduction target and the use of carbon credits on the one hand, and on the other hand, the carbon credits can only be sourced from removal credits (and not from reduction credits).

- **Offsets**: offsets or carbon credits represent GHG emissions that have been reduced, avoided or captured through projects that are verified according to credible standards. Source: UNFCCC<sup>1</sup>
- **Removals**: measures that companies take to remove carbon from the atmosphere and permanently store it within or beyond the value chain. Source: SBTi<sup>2</sup>
- **Residual emissions**: emissions sources that remain unabated in a specific year of a mitigation scenario. Source: SBTi<sup>2</sup>

## Baseline

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- The baseline year for the 2030 target on Scopes 1 and 2, which is to reduce our emissions by 90%, is 2017. All other targets have a 2021 baseline year.

Sources: <sup>1</sup> UNFCCC, “Climate Neutral Now: Guidelines for Participation”, Mar. 2021; <sup>2</sup> “SBTi Corporate Net-Zero Standard”, Oct. 2021

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