Supplier Code of Conduct (SCoC)

Supplier Key Expectations for ESG

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Message from the Chief Procurement Officer

Schneider Electric is a global energy technology leader, driving efficiency and sustainability by electrifying, automating, and digitalizing industries, businesses, and homes. Our technologies enable buildings, data centers, factories, infrastructure, and grids to operate as open, interconnected ecosystems, enhancing performance, resilience, and sustainability. We are convinced that companies like ours play an active role in making the world a better and more sustainable place.

We are fully committed to the 17 United Nations Sustainable Development Goals, in particular through our Trust Charter, Schneider Electric's Code of Conduct, translated into tangible business actions. The impact we have on society is not limited to our own operations but extends across the value chain. Hence, we collaborate and coordinate our efforts with all our partners to fulfill these goals.

As a value-chain partner, we need your full support and collaboration to catalyze the industry, reinvent conventional approaches and drive positive transformation while respecting planetary boundaries and adopting a humane and just transition.

We consider sustainability as a strategic driver fostering business performance, resilience, reputation, talent attraction and retention, and corporate citizenship. We expect you, as a business partner, to ensure that the commitments set forth below are acknowledged and implemented through standards and actions which facilitate this vision and mission.

Thank you for your commitment to this important work.

Regards,

Ard Verboon
Chief Procurement Officer

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Preamble

This document summarizes the most fundamental ESG requirements from Schneider Electric towards its Suppliers.

We expect the principles illustrated in this document to be applied by all suppliers delivering goods or services to Schneider Electric. These expectations apply to suppliers' own operations and, where relevant, to subcontractors, labor agents, contractors and upstream suppliers involved in goods or services delivered to Schneider Electric.

This implies implementation of a strong management system to ensure conformance with these key expectations, mitigate the risk of deviation and guarantee continuous improvement. More specifically this should include responsibility assignment, legal compliance, risk assessment, objectives, training, worker and stakeholder engagement, documentation, monitoring, corrective actions and cascade to sub suppliers.

Schneider Electric's Sustainability agenda – **IMPACT 2030** – is visible through our commitment to the United Nations Sustainable Development Goals and the extension of our Trust Charter, Schneider Electric's Code of Conduct, to our suppliers. The **IMPACT 2030** agenda focuses on four themes to bring about change:

1. **We electrify the world**
   Invest in breakthrough solutions and lead the Energy Tech transition - *by deploying electrification and digitalization, starting with ourselves and scaling for all*
2. **We reinvent our industry**
   Engage and elevate the entire value chain to set new standards in the industry - *by rethinking how we design, source and promote, and engaging suppliers for decent work and decarbonization*
3. **We unlock human potential**
   Open the way to progress and share prosperity - *by securing energy access for all and investing in skills and people opportunities*
4. **We empower local communities**
   Promote local ecosystems and amplify grassroot voices - *by turning sites into community anchors and empowering our people to be agents of change*

To proceed with those expectations, we require all our Suppliers to review their own operations, take ambitious targets, and initiate bold actions in the areas mentioned in this Supplier Code of Conduct.

Your commitment and action are a prerequisite for being a supplier to Schneider Electric.

As part of our global performance management system, Schneider Electric may require some suppliers to leverage ISO26000 guidance, EcoVadis or equivalent third-party assessments and maintain minimum rating requirements.

For Schneider Electric, every employee is individually committed to follow and align with the Trust Charter, Schneider Electric's Code of Conduct. This Charter includes basic conditions and behaviors in the context of relationships with third parties and relevant stakeholders.

We aim to create a sustainable legacy through collective action and collaboration.

Environment

Schneider Electric is committed to protecting the environment, and environmental responsibility is at the core of how we operate. We expect suppliers to implement appropriate management systems, organizational structures and procedures to assess environmental risks, implement adequate controls, mitigate impacts, maintain environmentally responsible business practices, and appoint competent persons to manage environmental topics. In particular, we expect key focus on:

- **Comply with environmental regulations:**
  Suppliers shall identify and adhere to all applicable legal environmental requirements, including obtaining applicable permits, licenses or registrations in a valid and up-to-date manner, meeting prescribed performance thresholds, conducting discharge and emissions monitoring, and submitting all required returns and filings on time. Suppliers shall disclose in a timely manner all substances required by regulations.
- **Address climate change and reduce greenhouse gas (GHG) emissions:**
  Suppliers should quantify their greenhouse gas emissions, share data with Schneider Electric, including Scope 1, Scope 2, relevant Scope 3 and product-level carbon footprint (PCF) data where applicable, and adopt ambitious emission reduction targets to actively contribute to Schneider Electric's 2030 and 2050 science-based (SBTi)net-zero commitments. , Suppliers are encouraged to adopt their own SBTi targets and define low carbon transition plans. The required policy should go beyond energy efficiency, electrification, adoption of renewable energy and encourage innovation by revisiting the raw material composition/technology use to transition towards low carbon materials and extending the measures to their own supply chain.

- **Prevent environmental hazards and pollution:**
  Suppliers shall implement adequate management systems or equivalent processes to identify, manage, communicate and reduce environmental hazards from their operations, including impacts such as air emissions, effluent discharge, waste disposal, hazardous substances and accidental releases. Suppliers should implement continuous improvement plans, adopt ambitious targets and create roadmaps for all material environmental aspects.
- **Manage water responsibly:**
  Suppliers shall identify water-related risks in their operations and value chain, especially in water-stressed areas, monitor water use, prevent contamination, and apply water efficiency, reuse or conservation actions where relevant.
- **Develop resource conservation and circularity:**
  Suppliers shall strive to conserve and use natural resources responsibly, including raw materials, minerals and fossil fuels, by revisiting production processes and technologies, material profiles and composition, increasing recycled or responsibly sourced content where feasible, exploring alternate materials, reducing residual waste and implementing circular business models.
- **Protect biodiversity, prevent deforestation and conserve land:**
  Suppliers shall assess and manage material biodiversity, deforestation, ecosystem conversion and land-use impacts linked to their operations and sourcing. Suppliers shall not contribute to illegal deforestation, illegal land conversion or degradation of protected areas, and should promote land conservation and restoration where relevant.
- **Build traceability and accountability along the upstream value chain, on ethics and environment:**
  Suppliers shall adhere to all regulatory and customer requirements regarding prohibited or restricted substances, substances of concern and very high concern, conflict minerals (3TG), critical minerals,

packaging materials and other materials prone to sourcing from conflict-affected or high-risk areas (CAHRAs), promoting conflict financing, human rights abuses and other risks. Suppliers shall respond in a timely and appropriate manner to any due diligence, transparency or traceability request mandated for goods, raw materials or services procured by Schneider Electric. Where this requires reaching out to sub-suppliers or upper tiers in the value chain, suppliers shall take the necessary actions to enable Schneider Electric to fulfill legal and ethical obligations.

Human Rights & Decent Working Conditions

Suppliers are committed to upholding the human rights of workers, treating them with dignity and respect, and ensuring decent working conditions as defined by the International Labour Organization (ILO) and the United Nations Global Compact (UNGC). This applies to all workers including temporary, migrant, student, contract, direct employees and any other type of worker, and extends to suppliers in subsequent tiers.

- **Human rights due diligence and grievance mechanism:**
  Suppliers are expected to conduct continuous human rights due diligence within their own operations and extended networks to ensure strict compliance with this Code, identify malpractices, prevent and mitigate adverse impacts, and remediate confirmed issues. Suppliers must maintain or participate in effective, transparent grievance mechanisms that allow workers to safely report violations without fear of retaliation.
- **Child labor and young workers:**
  Employment of child labor is strictly prohibited in any form. The term child refers to any individual under the age of 15 or under the legal minimum age, as defined by local law, whichever is higher. In the case of young workers aged 15 to 18, appropriate safeguards shall be implemented to prevent exposure to hazardous working conditions, night work, excessive working hours and work that interferes with education or development. In the case of students or interns as part of educational training, legal minimum age criteria must be respected, and all measures relating to nature of work, duration of work, compensation and records must be strictly adhered to.
- **Freely chosen employment:**
  No individual shall be employed against their will. Forced, bonded, debt-bonded, involuntary prison labor, slavery, human trafficking, coercion or exploitative recruitment practices shall not be used. All workers shall have basic liberty, dignity, freedom of movement, access to identity documents and clearly written contracts in a language understandable to them. Workers shall be free to leave employment with reasonable notice without penalty or obstruction. Suppliers and any agents or intermediaries shall not withhold original documents or wages of workers, migrant or otherwise.
- **Responsible recruitment:**
  Suppliers shall ensure that employment opportunities are available freely and based solely on merit. Workers shall not pay recruitment fees or related costs, and neither suppliers nor workforce providers shall accept payment or benefits in cash or kind for employment opportunities. If such fees or costs are found, suppliers shall reimburse affected workers within a reasonable timeframe.
- **Working hours and weekly rest:**
  Suppliers shall ensure that working hours, including overtime, do not exceed applicable legal requirements. Where such requirements do not exist, working hours should not exceed 60 hours per week including overtime. Workers should receive at least one day off after six consecutive days of work.
- **Wages and benefits:**
  Compensation extended to workers shall meet or exceed legal minimum standards and should be at least equal to a living wage based on the place where work is performed, and shall be paid in a timely manner. This includes legally mandated benefits such as social security and paid leave. Overtime shall be paid at a premium rate. Wage calculations, payments and standard deductions shall be clear, transparent and communicated in writing, for example through wage slips, in a language understandable to workers. Disciplinary wage deductions are prohibited.
- **Freedom of association and collective bargaining:**
  In conformance with local laws, suppliers shall respect the right of all workers to form and join trade unions of their own choosing, bargain collectively, engage in peaceful assembly, and refrain from such activities. Suppliers are encouraged to provide worker awareness or training mechanisms explaining these rights where legally permissible.

- **Compassionate treatment and harassment prevention:**
  Workers shall not be exposed to corporal punishment, disciplinary measures or any behavior that violates dignity, liberty or basic human rights. Any behavior, including gestures, language or physical contact, that is sexual, coercive, threatening, abusive, exploitative, intimidating, degrading or harassing is prohibited.
- **Non-discrimination and diversity:**
  There shall be no discrimination against workers or discriminatory conditions of work, including remuneration, based on gender, race, color, creed, age, sexual orientation, ethnicity, religion, political affiliation, union membership, marital status or other protected status. Suppliers are expected to actively review the various stages of the employee lifecycle to identify implicit or explicit discriminatory practices, including gender-based pay gaps where applicable, and implement measures to address them.
- **Employee well-being, upskilling and flexible work:**
  Suppliers are expected to acknowledge that workplace stability and economic stability are vital for well-being and mental health. Suppliers should actively support employee resilience through continuous upskilling and professional development. To foster a healthy working environment, particularly during periods of economic uncertainty, suppliers are encouraged to implement mental health support programs and flexible work arrangements that promote healthy work-life balance.

Occupational Health & Safety

Worker health, safety and well-being are very important to Schneider Electric. Suppliers shall provide and maintain a safe work environment and integrate sound health and safety management practices into their business. This should include occupational health and safety risk assessment, implementation of the hierarchy of controls, communication and training to workers.

- Workers should have knowledge of inherent risks involved in the process, including chemical, physical, ergonomic and biological risks where applicable, and access to adequate protection. Workers have a recognized right to refuse unsafe work and to report unsafe or unhealthy working conditions.
- Suppliers shall provide workers with appropriate personal protective equipment and properly maintain physical guards, interlocks and barriers where machinery presents an injury hazard to workers.
- Suppliers shall commit to comply with applicable health and safety regulations, including periodic health check-ups where required.
- Physically demanding work shall be identified, evaluated and controlled. Onsite workplace health and safety training must be provided. Ready access to potable water, sanitary food preparation and clean toilets shall be made available.
- When provided by suppliers, housing facilities and food services shall be maintained in hygienic conditions in accordance with local laws.
- Suppliers should implement emergency preparedness measures, including fire prevention, evacuation procedures, emergency drills, injury and illness reporting, incident investigation and corrective actions proportional to site risks.
- Recognized management systems such as ISO 45001 and ILO Guidelines on Occupational Safety and Health can be used as references.

Fair Business Practices

Schneider Electric expects from its employees and its suppliers the highest standards of fair business practices and ethical conduct in all endeavors.

- **Business ethics, anti-corruption and improper advantage:**
  Suppliers shall conduct their business ethically and act with integrity in every aspect of their business, including relationships, practices, purchasing and operations. All forms of bribery, corruption, extortion and embezzlement are clearly prohibited. Improper advantage is also prohibited. Suppliers shall not offer, promise, give, request or accept any improper advantage intended to influence business decisions. Suppliers are also expected to report to Schneider Electric any business misconduct from a Schneider Electric employee.

- **Conflict of interest:**
  Suppliers shall avoid actual or potential conflicts of interest and disclose relevant situations to Schneider Electric where appropriate.
- **Anti-competitive conduct:**
  Suppliers shall comply with all applicable competition and antitrust laws. Suppliers shall not engage in price fixing, bid rigging, market allocation, exchange of competitively sensitive information, abuse of dominant position and other anti-competitive conduct prohibited by law.
- **Transparency in doing business and reporting:**
  Information regarding suppliers' labor, health and safety, environmental practices, business activities, structure, financial situation and performance shall be disclosed in accordance with applicable regulations and prevailing industry practices.
- **Intellectual property and counterfeit prevention:**
  Intellectual property rights shall be respected. Transfer of technology and know-how shall be done in a manner that protects intellectual property rights, and customer information shall be safeguarded. Suppliers shall implement reasonable measures designed to prevent counterfeit materials, parts or products from entering the supply chain and shall promptly notify Schneider Electric upon becoming aware of any actual or potential counterfeit product affecting product or subcomponents supplied to Schneider Electric.
  Privacy and data protection:
  Suppliers shall protect personal data, confidential information and business-sensitive information in accordance with applicable data protection requirements, contractual commitments.
- **Partnering in global initiatives:**
  Schneider Electric encourages its suppliers to actively engage in its global initiatives. Effective actions, especially related to climate change, decent work and social excellence, are Schneider Electric requirements for recommended and strategic suppliers.

Grievance Redressal

- **Protection of identity and non-retaliation:**
  Suppliers shall implement or participate in effective processes that allow workers and relevant stakeholders to raise concerns confidentially, without fear of retaliation and with protection of identity where legally permitted. The process should ensure that confidentiality, anonymity and whistleblower protection are maintained.

Inspection and Corrective Actions

To ensure and demonstrate compliance with this Supplier Code of Conduct, suppliers shall keep records of all relevant information and provide Schneider Electric supporting documentation upon request. Schneider Electric reserves the right to engage, visit, inspect or audit suppliers, with or without third-party support, to ensure that all tenets of this Supplier Code of Conduct are satisfactorily met.

If the results of such an exercise cause Schneider Electric to believe that suppliers do not comply with this Supplier Code of Conduct, suppliers shall take necessary corrective actions in a timely manner, as directed by Schneider Electric. In case of severe or unresolved non-compliance, Schneider Electric may act, including suspending or terminating activities with the supplier.

Sustainable Procurement

- **Responsible procurement:**
  Suppliers shall engage in procurement in a responsible manner. They shall engage socially and economically diverse categories of suppliers through inclusive sourcing processes that promote equal opportunities.
- **Supplier cascade:**
  Suppliers shall communicate the above Key Expectations as a Schneider Electric supplier to their own suppliers and shall monitor their suppliers' compliance. Schneider Electric reserves the right, where required for legal, regulatory, customer or risk-management purposes, to cooperate with suppliers in assessing

relevant upstream suppliers. Suppliers are expected to extend Schneider Electric supplier engagement to their own suppliers, with clear expectations defined on health&safety, environment preservation and fair business practices, and a proactive approach to support improvement where needed, especially in the fields of climate change and decent work.

- **Risk-based screening and prioritization:**
  Supplier screening and prioritization of their own supply chain may consider country risk, sector risk, commodity risk, technology/process risk, human rights risk, environmental risk, business ethics risk, spend, strategic importance, business criticality and upstream-tier exposure.
- **Inclusive sourcing:**
  Suppliers are encouraged to support inclusive sourcing and diversity in their own supply chains, including opportunities for underrepresented, vulnerable or locally rooted supplier groups where feasible and legally permissible.

Access to Remedy

In its business relationship with Schneider Electric, if a supplier or its employees feel that Schneider Electric employees are not adhering to the letter and spirit of this Supplier Code of Conduct or Schneider Electric's Trust Charter, Schneider Electric's Code of Conduct, they are required to report such instances via the stakeholder reporting channel, the Trust Line.

The Trust Line is Schneider Electric's global helpline for external stakeholders. It is a confidential channel through which suppliers, supplier employees and external stakeholders can ask questions and raise concerns about ethics, compliance, Schneider Electric's Trust Charter, Schneider Electric's Code of Conduct and related policies.

Advancing Energy Tech

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