

Human Rights Global Policy

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Life Is On

Schneider
Electric

Policy name

Human Rights Global Policy

Purpose

Provide guidance on the company's way to respect human rights.

Objectives

This policy's objective is to define Schneider Electric's position on Human Rights and to define the rules applicable to our daily operations. This Policy is a minimum standard. Where local legislations define higher standards, Schneider Electric entities will comply with them. As mentioned in Our Principles of Responsibility, Schneider Electric complies with local laws in every country where it operates.

Beyond the law, this Policy is mainly guided by international human rights principles encompassed in the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises, the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights and the United Nations Declaration on the Rights of the Child.

Audience

The Human Rights Policy applies to Schneider Electric and all operating companies and subsidiaries directly or indirectly controlled by Schneider Electric. In the following document, "Schneider Electric" or "the Company" will be used to represent the entire scope.

The Company is committed to working with and encouraging its stakeholders to uphold the principles in this Policy and to adopt similar policies within their operations. The Company is committed to include this Policy as a reference in the selection of its main business partners.

The Company is committed to refrain from working with business partners refusing to upgrade their standards with regards to child labor, forced labor, and health and safety working conditions.

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Our Vision

« As a global company, Schneider Electric's responsibility goes beyond fulfilling regulatory and legal requirements, especially in the field of Human Rights »



Jean-Pascal TRICOIRE
Chairman & CEO

As a leading and influential company, operating in most countries, Schneider Electric commits to operate in a responsible manner worldwide. Sustainability is at the heart of our company strategy and we are convinced that access to energy is a basic human right.

In 2011 the United Nations issued the Guiding Principles on Business and Human Rights that precisely defined the roles and responsibilities of states and businesses. As a business leader, Schneider Electric intends to follow and promote these principles.

With this Human Rights Global Policy, Schneider Electric confirms its engagement to strive for the respect of all internationally recognized Human Rights, along its value chain.

The Executive Vice-President of Global Human Resources is responsible for operationalizing and deploying this Policy throughout Schneider Electric with the active support of the Sustainable Development department, the Global Supply Chain, the territories, and the compliance functions.

1. Global Labor Standards

1.1. Legal employment

1.1.1. Child labor

Schneider Electric is committed to respecting the Rights of the Child, including the right to free education, and therefore is committed to contribute to elimination of child labor. In practice, Schneider Electric will not engage in or support the employment of children under the age of 18. Some exceptions are accepted for children between the age of 15 and 18 when professional experience is part of their education path (e.g. trainees, apprentices).

Schneider Electric, to the best of its knowledge, will refrain from working with business partners that are using child labor in their operations.

Schneider Electric is committed to be proactive in eliminating child labor through local initiatives promoting education.

1.1.2. Forced labor

Based on the International Labor Organization definition, the term forced or involuntary labor shall mean all work or services for which the person has not offered themselves voluntarily or willingly. Examples include, but are not limited to, human trafficking, slavery, debt bondage, ID retaining.

Schneider Electric will neither use nor support the use of forced or involuntary labor of any kind, directly or indirectly. Schneider Electric, to the best of its knowledge, will refrain from working with business partners that are using forced or compulsory labor in their operations.

1.2. Freedom of association and collective bargaining

Schneider Electric considers freedom of association as the basis of a regular dialogue between a company and its employees.

To that purpose, Schneider Electric respects the individual right of its employees to freely join, participate in or quit labor organizations to assert and defend their interests. Subsequently, Schneider Electric guarantees that any employee wishing to do so shall be protected against any internal measure limiting his or her freedom of association such as discrimination of any kind, pay loss or dismissal.

Schneider Electric also recognizes the importance of dialogue with freely appointed employee representatives, employee representative bodies (such as Works Councils or employee forums) or organizations (like trade unions), and supports collective bargaining.

1.3. Work conditions

1.3.1. Health & Safety

As set out in its Global Health & Safety Policy, Schneider Electric ensures high standards of health and safety for all its employees in the company's work activities. This includes providing personal equipment (PPE) and implementing health and safety management systems to sustain continuous improvement. The Company will also integrate safety across processes, continuous education and promote a strong safety culture.

Schneider Electric ensures that it provides its employees with access to medical coverage. Schneider Electric commits to provide financial security to employees' dependents in the event of an employee death in the form of a minimum standard of Life assurance coverage.

1.3.2. Working time and leave

Schneider Electric pays attention to the overall well-being of its employees, which includes the right to have time dedicated to social, mental and physical well-being dimensions in their life.

Schneider Electric states that a work week should not be more than 60 hours, including overtime, except in emergency or unusual situations. Workers shall be allowed at least one day off per seven-day week.

1.3.3. Wages and Benefits

Wherever it operates, Schneider Electric guarantees the minimum wages set by local regulations.

Where there is no such regulation or where the minimum wage is insufficient to meet basic needs, Schneider Electric strives to compensate its employees to meet them.

We define basic needs as a wage sufficient to provide the essential necessities for an acceptable standard of living.

1.3.4. Harassment

In order to protect personal dignity and moral integrity of each of its employees, Schneider Electric strives to avoid any kind of harassment. If such cases occur, Schneider Electric implements procedures to handle the situation and prevent repetition.

1.3.5. Security

Schneider Electric strives to provide secure working conditions in the workplace for employees. This includes prevention against physical or verbal violence originating in internal or external threats.

Schneider Electric considers the external security environment and is committed to taking precautions to reduce the security risk for its employees.

Where security guards are provided, Schneider Electric ensures the rights of its employees and other individuals affected by its operations. Respect for privacy and dignity shall be maintained in any situation.

1.3.6. Data privacy

As set out in its Data Privacy Global Policy, Schneider Electric is committed to protect the personal information of all individuals and to leverage data as an enterprise asset and mitigate risk of data breach, data losses or misuses.

Therefore, Schneider Electric adopted an effective framework to regulate the use of personal information and to demonstrate its accountability in addressing the growing concerns about privacy and data protection, including with business partners.

1.4. Equal opportunities

1.4.1. Non-discrimination

Schneider Electric is committed to help prevent discrimination in employment, recruitment, advertisements for employment, compensation, termination, upgrading, promotions, and other conditions of employment against any employee or job applicant on the bases of – including but not limited to: race, color, ethnicity or national origin, gender, gender identity and expression, sexual orientation, age, religion, creed, health condition, disability, pregnancy, marital status, union membership, political affiliation, covered veteran status.

Schneider Electric is also committed to ensure non-discrimination based on the same criteria for its relationships with other stakeholders.

1.4.2. Diversity & Inclusion

As set out in its Diversity & Inclusion Policy, diversity and inclusion are a strategic asset for Schneider Electric and are based on respect and dignity.

Diversity and inclusion are the foundations for fairness and equality and their principles apply across the entire company and cover all facets of diversity. Specific programs have been implemented to promote diversity and inclusion in terms of gender, gender identity and expression, disability, ethnicity or national origin, and seniority.

Schneider Electric mirrors the diversity of the communities in which it operates, encouraging collaboration among colleagues, as it believes differences make them grow as a company and as individuals.

1.4.3. Development of competencies and employability

Schneider Electric is committed toward its employees to ensure development of competencies and employability.

Schneider Electric provides with regular development means (education, experience, exposure) on topics that it finds relevant to the business, and to the function of the employee and his/her expected behavior as a professional. Schneider Electric promotes at least one day of learning for every employee each year to keep their skills relevant in the market.

2. Local Communities and Indigenous People

Schneider Electric is committed to respect the cultures, customs and values of the people in communities in which it operates.

Schneider Electric, through its operations, contributes to the social and economic development in countries where it operates and pays particular attention to development opportunities for local communities (e.g.: access to energy solutions).

Schneider Electric also respects the rights of communities by identifying, preventing and mitigating impact to the local environment and way of life.

Schneider Electric seeks to establish regular dialogue and lasting relationships with these communities.

3. Human Rights Policy Governance

3.1. Implementation

Beyond the formulation of this Policy, Schneider Electric is committed to provide its employees with periodical communications, trainings and support to promote this Policy, including a program of internal capacity building.

Moreover, Schneider Electric is committed to conduct due diligences of relevancy in high risk locations or projects and to incorporate this Policy through the annually key internal control campaign led by internal audit.

3.2. Compliance

Schneider Electric commits to comply with the applicable law of every country where it operates.

- In case local law contradicts the above Global Labor Standards by being less protective of Human Rights, these Standards must be considered as a minimum that Schneider Electric commits to apply;
- In case the application of Schneider Electric Global Labor Standards would breach the applicable law in a given country, Schneider Electric will search alternatives to act according to its Human Rights values as defined in this Policy while not breaching the applicable law.

If an employee of Schneider Electric believes that there is a conflict between this Policy and the local law, he or she must escalate the case to the Zone Compliance Officer to assess the potential conflict and provide legal support to local management to find alternative solutions.

3.3. Grievance and remediation

Schneider Electric considers that this Policy's implementation and adherence must be supported by grievance and remediation mechanisms.

To that purpose:

- The company alert escalation process must be followed by any employee who has identified or has been made aware of a potential violation of this Policy;
- A dedicated alert escalation process will be at our external stakeholders'⁽¹⁾ disposal to report any breach to this Policy – currently under development, to be deployed in Q3/2017. The violation may involve Schneider Electric employees or one of its business partners. Each case should be reported by email or by phone and will be managed with the highest level of seriousness by the company's Fraud Committee.

The Fraud Committee commits to protect the identity of any alerter using this grievance mechanism in good faith.

⁽¹⁾ By external stakeholder, we mean contract workers, suppliers' workers, customers' workers, local communities, end-users of our products & services

- In situations where Schneider Electric has caused or contributed to a negative impact, the company commits to provide or help provide remedy to those harmed. The company's Fraud Committee ensures that people who were impacted receive an effective remedy.

No employee, whatever his or her position, has the authority to order, request or even influence another employee or stakeholder to violate this Policy.

Moreover, each employee is invited to promote and enhance this Policy to other employees and stakeholders.