

Schneider Electric Australian Modern Slavery Act Statement

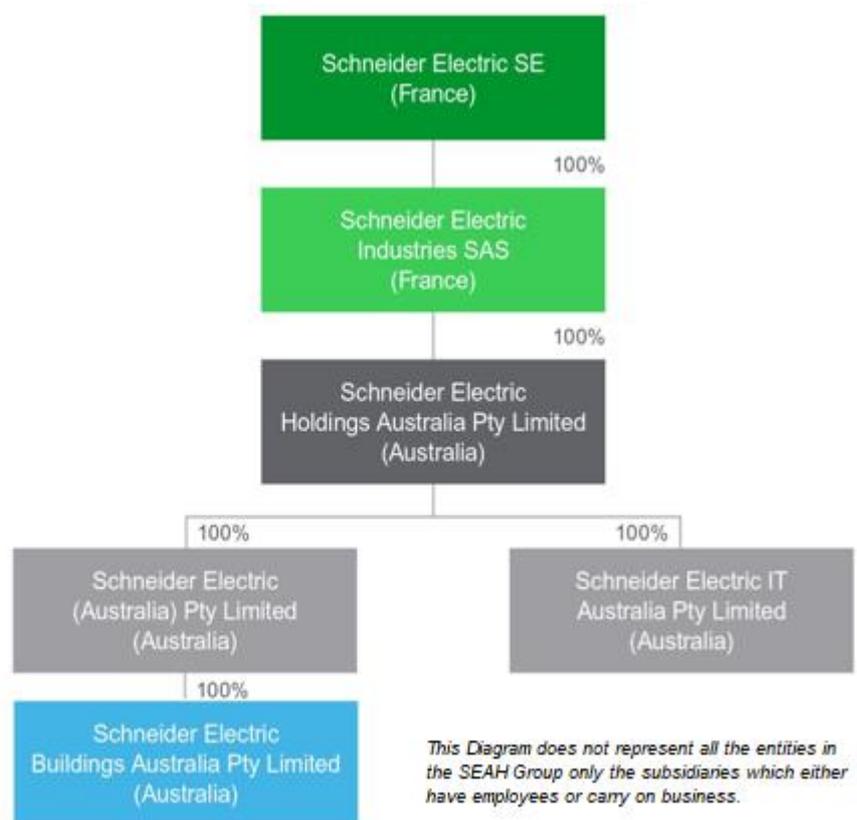
1. Our group

Organizational structure

Schneider Electric (Holdings) Australia Pty Limited (also called SEAH) is the holding company for the business divisions described in section 1.2.

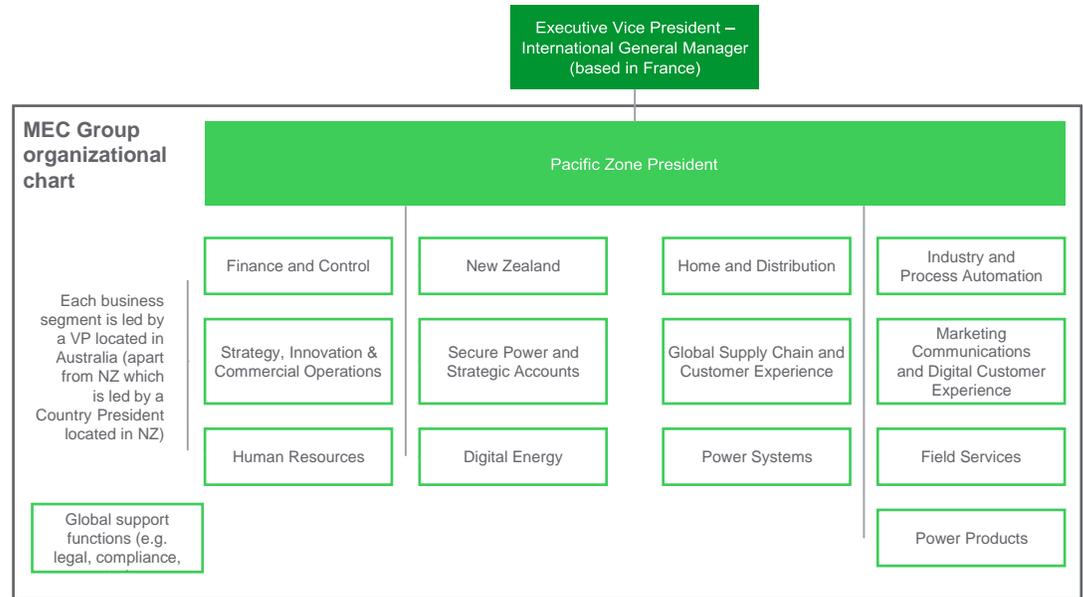
Name	Schneider Electric Australia Holdings Pty Ltd
ACN	105 310 781
Place of Registration	Victoria
Registered Office	Level 10, 2 Banfield Road, Macquarie Park NSW 2113
Current Directors	Veronique Blanc (app. 10 September 2007) Augustin Barrelet (app 21 November 2018) Gareth O'Reilly (app. 25 November 2014)

The group is part of the Schneider Electric group.



The Australian business is overseen by the Country and Pacific Zone President who is located in Australia and is the custodian of the businesses in Australia and New Zealand.

The Australian business is split into lines of business that are responsible for their overall results, both for product sales and the implementation of solutions (especially for end-market segments within their scope). Each of the businesses has its own appointed leader that reports into the Pacific Zone Country President. The Australia business segment VP's have an indirect reporting line to the Business Unit Executive VP who provide product support.



Business overview

The SEAH group (SEAH Group) is composed of the following companies:

- Schneider Electric Australia Holdings Pty Ltd (SEAH), is the holding company for the Schneider Electric business identified below.
- Schneider Electric (Australia) Pty Ltd (SEAU), the largest entity in the group is involved in the sales and distribution of "Schneider Electric" branded products, the development, manufacturing, sales and distribution of "Clipsal" branded products (relating to software and wiring devices fields), as well as the delivery of more complex customer projects for Digital Energy, Power Products and Power Systems.
- Schneider Electric IT Australia Pty Limited is responsible for the delivery of Secure Power products and services.
- Schneider Electric Systems Australia Pty Ltd (SEBA), the smallest business within the SEAH group is dedicated to the delivery of complex Process Automation¹ customer projects.
- Schneider Electric Buildings Australia Pty Limited formerly owned the Digital Energy business but this has now been transferred to SEAU. SEBA still employs the services team for Digital Energy.

The SEAH Group is engaged in Schneider Electric Group's various offers.

Schneider Electric's mission is to be the digital partner for sustainability and efficiency. We drive digital transformation by integrating process and energy technologies to realize the full efficiency and sustainability opportunities for businesses. We provide endpoint to cloud integration connecting products, controls, software and services. We enable lifecycle solutions from design and build to operate and maintain phases through a digital twin. We deliver capabilities to transform from site-to-site to an integrated company management platform.

1. Process Automation is a vertical reporting line which reports to the APAC regional PA management (based in Singapore and employed by Schneider Electric Systems Singapore) who in turn reports to the Global PA Management (based in France).

Our offers are built around four targeted end-markets requiring specific technologies:

- **Homes and buildings:** this relates to all residential, commercial and industrial buildings and facilities that 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:** covers data centers and IT systems that 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:** helps governments, towns and private enterprise revisit and transform transportation, energy and utility projects to better serve customers and citizens and meet sustainability goals through the efficient use of resources.
- **Industry:** improves manufacturing processes and energy-intensive industries with detailed insights and digitized efficiency to address energy and asset waste, streamline maintenance, mitigate their environmental footprint and comply with safety and cybersecurity regulations.

Offers belong to different lines of business: **Home & Distribution, Power Products, Secure Power, Digital Energy, Power Systems and Industry** and **Services**.

SEAH Group – Key figures

2,400+ Employees
in the Pacific

Presence in the Pacific

- Head office
- Major sales offices
- Regional sales office
- Regional representation
- Manufacturing facilities

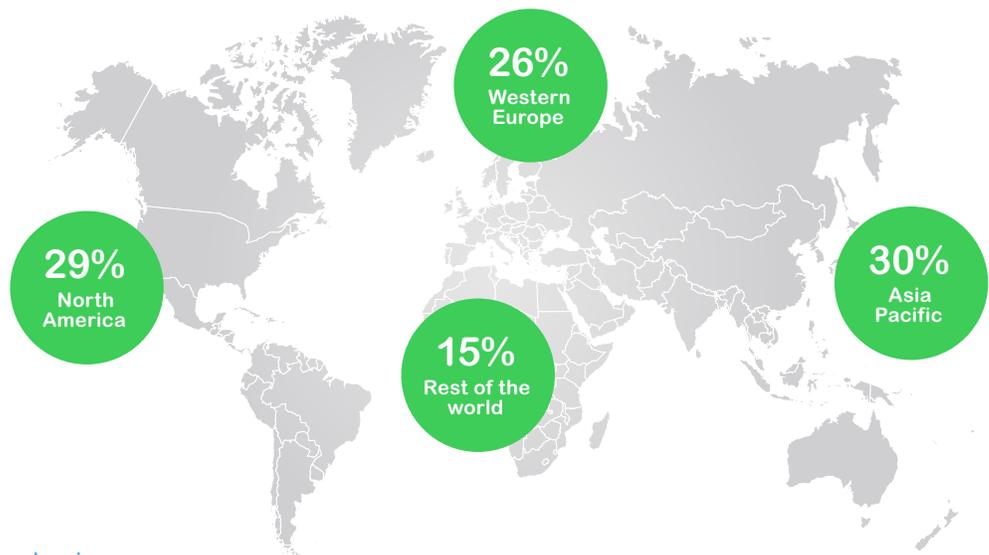


Schneider Electric's Group – Key figures

- 128,000+ employees in over 100 countries
- EUR25.2 billion revenues in 2020
- 41% of revenues in new economies
- 5% of revenues devoted to R&D

Global presence

2020 Revenues breakdown



Two businesses



2. Our operations and supply chains

SEAU has manufacturing activities in both Adelaide South Australia and in Benalla regional Victoria. We have distribution centres located in Eagle Farm Queensland, Ingleburn New South Wales, Dandenong Victoria and in Gepps Cross South Australia. We are partnering with DHL for third party logistics management in Western Australia, Northern Territory, Northern Queensland and Tasmania.

Across all states and territories of Australia we have sales, marketing and product management representatives.

Pacific footprint



- 2 countries
- 2,200 Employees
- 4 distribution centres
- 2 plants
- 1 adaption centre
- 5 3rd party logistics

Country	Plant	AC	DC	3PL
AU 	2	1	4	4
NZ 	-	-	-	1
Total	2	1	4	5

Distribution Centres

South Australia - Gepps Cross
 Queensland - Eagle Farm
 New South Wales - Ingleburn (+LAC)
 Victoria - Dandenong

3rd Party Logistics

Queensland - Mount Louisa
 Northern Territory - Darwin
 Tasmania - Launceston
 Western Australia - Malaga (in progress)
 New Zealand - Auckland (in progress)

Factories

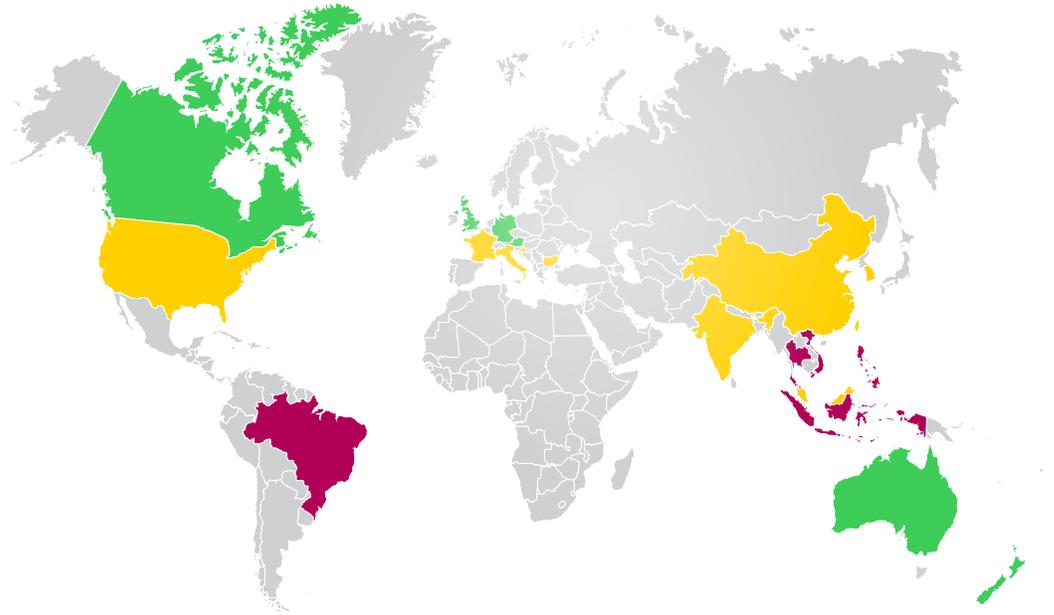
South Australia - Gepps Cross
 Victoria - Benalla

Employment stats



Flexible working conditions with offices fully renovated to be workplaces of the future.

Schneider Electric has a global portfolio of suppliers and is managed holistically using the Schneider Supplier Quality Management framework. We aim to establish long term relationships with our suppliers and see these relationships as needing to be mutually beneficial partnerships. Globally we continuously strive to simplify the supplier base and ensure it remains relevant to our ongoing operational needs.



23 countries where we source from

552 suppliers of materials and components for manufacturing

13,200+ unique materials and components for manufacturing

\$42 Million+ spend through suppliers

In Pacific we are:

1. In Gepps Cross factory mainly producing electro-mechanical devices related to low voltage switching and power supply for domestic and industrial use applications.
2. In Benalla factory we are designing and manufacturing medium to low voltage transformers and kiosk power supplies mainly for utility, defence and mining applications. With a level of adaptation of low voltage boards and medium voltage switchgears.
3. In Gepps Cross we have adaptation of Medium voltage reclosers and Controllers.
4. In Ingleburn Sydney we have adaptation of Air Circuit Breakers, Power Factor Correction and other specialty offers.
5. Throughout Australia we offer Field Services for install base offers, we offer Energy Efficiency Services for auditing and improving consumption and we also offer Cloud Service Analytics related to Energy Management.
6. In Gepps Cross South Australia we have R+D capabilities that are designing all new offers as they relate to low voltage switches, sockets, and wiring device accessories being sold into Pacific Markets. At this site we also have capabilities for design and manufacture of bespoke “Specials”.

The risks of modern slavery are identified, prevented, managed and mitigated at the level of the Schneider Electric group. SEAH fits into this framework.

3. Risks of modern slavery

As a Global Compact signatory, Schneider Electric has been involved in an ambitious approach to include sustainable development challenges in the supplier selection and working processes. This approach is all the more important as Schneider Electric's procurement volume represents more than €12 billion and more than 52,000 suppliers.

Schneider Electric has a risk management system to identify and manage critical suppliers, and uses a process called Supplier Risk Management SRiM, supported by specific capabilities of our digital Supplier Interaction platform to capture risks and ensure the follow-up of identified cases with an external source through action plans.

Our Human Rights vigilance plan: Risk Evaluation

In 2019, Schneider Electric developed a specific risk matrix for the implementation of its vigilance plan to meet legal requirements from the 2017 French law “Duty of Vigilance” covering management of risks related to Human Rights. The matrix was also updated in 2020. The methodology of this annual risk evaluation is consistent with the other risk evaluations maintained at the Group level but focuses specifically on the risks posed by Schneider on its environment and ecosystem. Human Rights has been identified as a key risk category of this evaluation which includes a Decent Workplace sub-category. The risk evaluation applies to Schneider Sites, suppliers, contractors and local communities and it scales from 1 – Non-Existent to 5 – Very High.

Based on this risk evaluation, Schneider Electric doesn't find any High or Very High risks regarding Decent workplace sub-category.

4. Our Anti-Modern Slavery program

Policies

One of the Group's cornerstone values is the commitment to ensure that the company operates in an ethical, sustainable and responsible manner worldwide. Schneider Electric has a zero-tolerance approach to any form of human rights abuses, including modern slavery and is committed to having in place effective systems and controls to safeguard against any form of modern slavery taking place within its business or supply chain.

Our Principles of Responsibility: Updated in 2019, [Schneider Electric's Principles of Responsibility](#) discuss the legal and ethical principles that must be followed by all employees of the Group in their work. It is intended to give general guidance in case of doubt or uncertainty regarding what actions to take.

Human Rights Policy: This [document](#) provides guidance on the company's way to respect human rights. Its objective is to define Schneider Electric's position on Human Rights and the rules applicable to its daily operations and subsidiaries. The company helps business partners upgrade their standards. With this Global Human Rights policy, Schneider Electric confirms its engagement to strive for the respect of all internationally recognized Human Rights, along its value chain.

References against forced labor – Schneider Electric's policies and directives

Based on the International Labor Organization definition, the term forced or involuntary labour means "all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily". Examples include, but are not limited to, human trafficking, slavery, debt bondage, and ID retaining. Concerning forced labour, Schneider Electric will neither use nor support the use of forced or involuntary labour of any kind, directly or indirectly throughout its entire supply chain.

Third-parties compliance

To communicate its expectations and manage the relations with suppliers, Schneider Electric is using the following documents:

General Terms and Conditions: Our approach is formalized by the [General Procurement Terms and Conditions](#) that have to be applied by all suppliers.

Supplier Guide Book: This [document](#) has been designed to provide Schneider Electric's suppliers an overall view of how the Group intends to drive the relationship in a mutually demanding and collaborative mindset, set expectations and define commitments.

Supplier Code of Conduct: Schneider joined the Responsible Business Alliance (RBA) in 2018 and is applying their [Code of Conduct](#). This document, which is applicable to the 52,000+ suppliers of the Group, includes a specific part on Freely Chosen Employment which states that "Forced, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery or trafficking of persons shall not be used."

Conflict Minerals rule

Schneider Electric is deeply concerned about social and environmental conditions in some mines that could supply metals for its products. The Group has taken a number of steps including the establishment of a “Conflict Minerals Compliance Program” supported and sponsored by the executive leadership. Schneider is working with an expert third party to identify the source of the minerals and ensure they are recognized as “Conflict-Free”. At the end of 2020, the Group confirmed that more than 90% of the relevant purchases are “conflict free” and is continuing its efforts to ensure that all such purchases are “conflict free”.

Duty of vigilance plan including Human Rights (French law - 2017) On-site supplier audits program

Schneider Electric has conducted a risk analysis of its suppliers with the help of a recognized third-party expert mapping tool available through the Responsible Business Alliance (RBA). All tier 1 suppliers are assessed with this tool (52,000+). Based on this analysis, the Group identified 1,500+ “high risk” suppliers and targeted 350 of them as part of a three years audit plan (2018-2020) which is included in the “Schneider Sustainability Impact” global dashboard. Schneider Electric is fully aligned with the methodology developed and shared by the RBA, and has been successfully audited by Ernst & Young again in 2020. Since 2018, Schneider Electric conducted 374 on-site audits (at the end of 2020) and has closed 94% of 2019 non-conformances, 6% for 2020 non-conformances, representing a cumulate rate of 71% over 3 years. For the remaining non-conformances, actions plans were put in place with relevant suppliers with the aim to have them closed before the end of 2021.

All critical cases of deviation are escalated to Group CPO in person, so that to align the entire organization on managing such situations.

For more information on Schneider Electric’s vigilance plan, please see [here](#).

ISO 26000 for suppliers

Since 2012, Schneider Electric has placed itself in a continuous improvement process with its suppliers by encouraging them to make progress according to the [ISO 26000](#) guidelines.

At the end of 2020, Schneider Electric has evaluated strategic suppliers, representing 60%+ of total purchases, according to the ISO 26000 guidelines, through a 3rd independent party. For every strategic supplier, the regular increase of their assessment score is a requirement and part of supplier performance evaluation. The average score of ISO 26000 assessment for our strategic suppliers is part of the [2018-2020 Schneider Sustainability Impact](#).

Training and awareness

Awareness

Schneider Electric has developed educational kits for managers. These tools, first developed in 2014 and upgraded every year, present situations of ethical dilemmas that have been collected from employees' experience and reflect real situations. Managers are encouraged to use these case studies to facilitate discussions about ethics with their teams. The goal is to create a space for open discussions about ethical dilemmas to ensure that employees are not alone when facing this type of situations.

Training

The supplier vigilance plan is deployed in several steps. First, a specific training campaign is carried out for Schneider Electric buyers and auditors involved as well as suppliers targeted by the program. Online modules translated in multiple languages are already available through the RBA online platform, including topics such as: child labor; forced labour; environmental pollution; health and safety; working conditions. Responsible Business Alliance on-site trainings are conducted in factories, webinars are made available to management through the RBA e-learning academy.

Governance and whistleblowing system

The plan is governed by the Duty of Vigilance Committee, set up in 2017. The steering committee meets twice a year in normal circumstances. Overall, since the creation of this instance, 11 committee meetings have been held (five in 2017, two in 2018, two in 2019, two in 2020). The committee's objective is to provide a discussion on strategic orientations and prioritize initiatives and the resources allocated to their implementation. This committee also reviews the actions in progress and their results, then defines decisions on next steps for action.

In addition, Schneider Electric relies on two alert systems: the Red Line for employees (to report internal or external cases) and the Green Line for the external stakeholders (to report internal or external cases).

5. Assessment of our Anti-Modern Slavery program

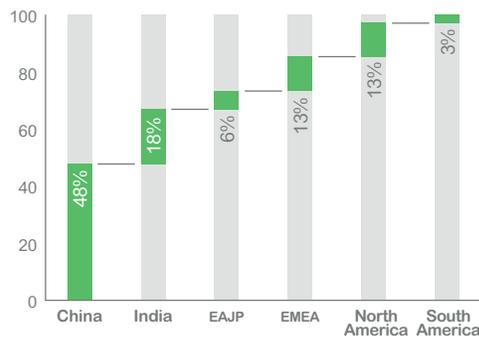
The results of on-site audits suppliers' audits are compiled are reported every year. In 2020, audits performed are showing the following types of Top priority non-conformances:

Labor standards (53% of top priorities non-conformance issues): lack of respect of working time and resting days (time measurement systems are often insufficient); poor overtime reporting and payment; lack of formalization of working contracts;

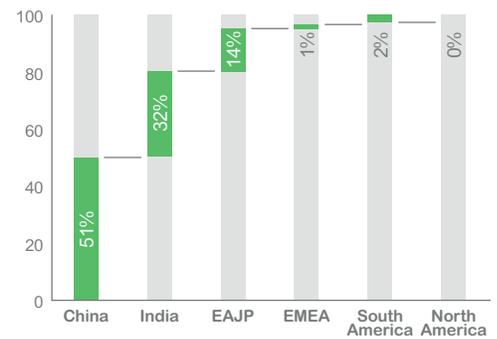
Health and safety (34% of top priority non-conformance issues): weak emergency procedures; insufficient emergency training issues and preparation drills; insufficient fire alarm and protection systems; lack of medical response equipment; and lack of training;

Environment and management systems (13% of top priorities): lack of administrative compliance, management tools, and systems; and insufficient waste management and pollution prevention systems.

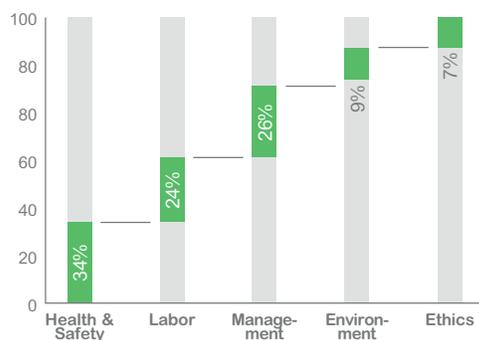
% Risky suppliers identified in 2020 by geography - Graph 1



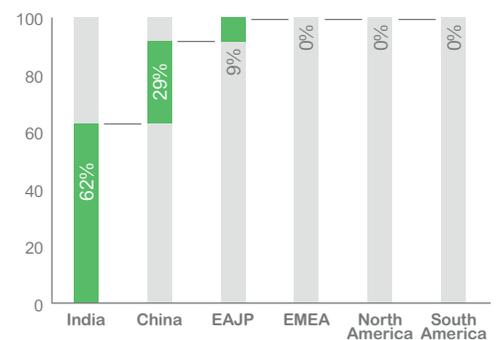
% Audits carried out in 2020 by geography - Graph 2



% Non conformances in 2020 by topic - Graph 3



% Non conformances in 2020 by geography - Graph 4



In 2020, to reinforce awareness of suppliers on specific Human Rights situations, Schneider has sent a specific letter on that subject to suppliers in more than 10 countries.

6. Other relevant information

Schneider Sustainability Impact 2018-2020 targets

Target #16: average score of ISO26000 assessment for strategic suppliers to increase by 5,5 pts/100 => +6,3 at the end of 2020

Target #17: 350 suppliers under Human Rights & Environment vigilance to receive specific on-site assessment (374 were actually assessed at the end of 2020)

Working together in an effort to eradicate forced labour

Schneider Electric considers that collaboration with institutional organizations is essential in its ethical journey. Combining efforts and sharing knowledge on such issues is key to achieve human rights standards worldwide. This is why the Group has built partnerships with other entities to join a larger coalition, for fighting against modern slavery.

United Nations Global Compact

Since 2002, Schneider Electric has been a signatory of the [UN Global Compact](#) and its human rights working group, a forum for discussion with peers and experts. Furthermore, Schneider Electric's Chairman & CEO is sitting on the Board of the United Nations Global Compact.

Business for Inclusive Growth (B4IG)

In 2019, the Group joined the [Business for Inclusive Growth \(B4IG\)](#) initiative, a group of major international companies sponsored by the French Presidency of the G7 and overseen by the OECD. Schneider Electric co-leads the "Advancing human rights in direct operations and supply chains" working group.

The Responsible Business Alliance (RBA)

In 2018, Schneider Electric joined the [Responsible Business Alliance \(RBA\)](#), a non-profit coalition of more than 120 companies from the electronic, retail, automobile and leisure industries. The alliance's aim is to promote and guarantee high standards in human rights, safety and security, environmental protection and business ethics.

In addition, Schneider Electric joined the Responsible Labor Initiative, promoting the rights of workers vulnerable to forced labor globally.

Entreprises pour les Droits de l'Homme (EDH)

[Entreprises pour les Droits de l'Homme](#) (Businesses for Human Rights) is an initiative led by French international companies focusing on human rights. Through the exchange of best practices and the development of tools, EDH promotes the implementation of vigilance procedures.

Schneider's policies and guidelines are communicated on a regular basis to teams across the company. "Principles of Responsibility" training is mandatory for all employees and taken every year. Specifically on Human Rights risks and the laws combating these risks (anti-slavery laws such as the United Kingdom one or the Australian Anti-Slavery Act), a specific managerial information is cascaded in 2021 to key manager of commercial front offices and supply chain entities, in order to raise their level of awareness, and strengthen their engagement on the subject.

This statement is made pursuant to the Commonwealth Modern Slavery Act 2018 and was approved by the Board of Directors of Schneider Electric Holdings Australia Pty Limited in June 25th 2021.



Gareth O'Reilly
Chairman of the Board
Date: June 30th, 2021

Schneider Electric
© 2021 Schneider Electric. All Rights Reserved.
998-21508785