



# Mise en place du plan de vigilance de Schneider Electric

Maxime Goualin – Business Ethics & Human Rights Manager – 16 février 2018

# La société évolue, les attentes changent

## BUSINESS

### Sécuriser & Croître

- Une préoccupation grandissante pour les parties prenantes

Clients

Fournisseurs

Employés

LARRY FINK'S ANNUAL LETTER TO CEOs

A Sense of Purpose



Responsible Business Alliance  
Formerly the Electronic Industry Citizenship Coalition  
Advancing Sustainability Globally

## REPUTATION

### Protéger & Améliorer

- Protéger l'image

*T-Mobile Policy Violated Labor Law, Judge Rules* *Nestlé Admits Slavery in*

*Coke's not it: 16 workers sue, call giant 'cesspool' of racial discrimination*

*Thailand While Fighting Child Labor Lawsuit in Ivory Coast*

**Bangladesh building collapse toll soars past 1,100**

**Oxfam: German companies complicit in**

**human rights violations**

*Child labour uncovered in Apple's supply chain*

- Améliorer la réputation



vigeo



Dow Jones  
Sustainability Indexes

2017 WORLD'S MOST  
ETHICAL  
COMPANIES™  
WWW.ETHISPHERE.COM

## REGULATIONS

### Se Conformer & Anticiper

- Principes Directeurs des Nations Unies relatifs aux entreprises et aux droits de l'homme
- Principes Directeurs de l'OCDE pour les entreprises multinationales
- Autres lois nationales: Devoir de vigilance (France); Modern Slavery Act (UK); Human Trafficking Act (US); Wet Zorgplicht Kinderarbeid (NT)
- Potentiellement: Suisse; Espagne; Traité aux Nations Unies, etc.





# Intégrer les ODD au plan de vigilance

## OBJECTIFS DE DÉVELOPPEMENT DURABLE



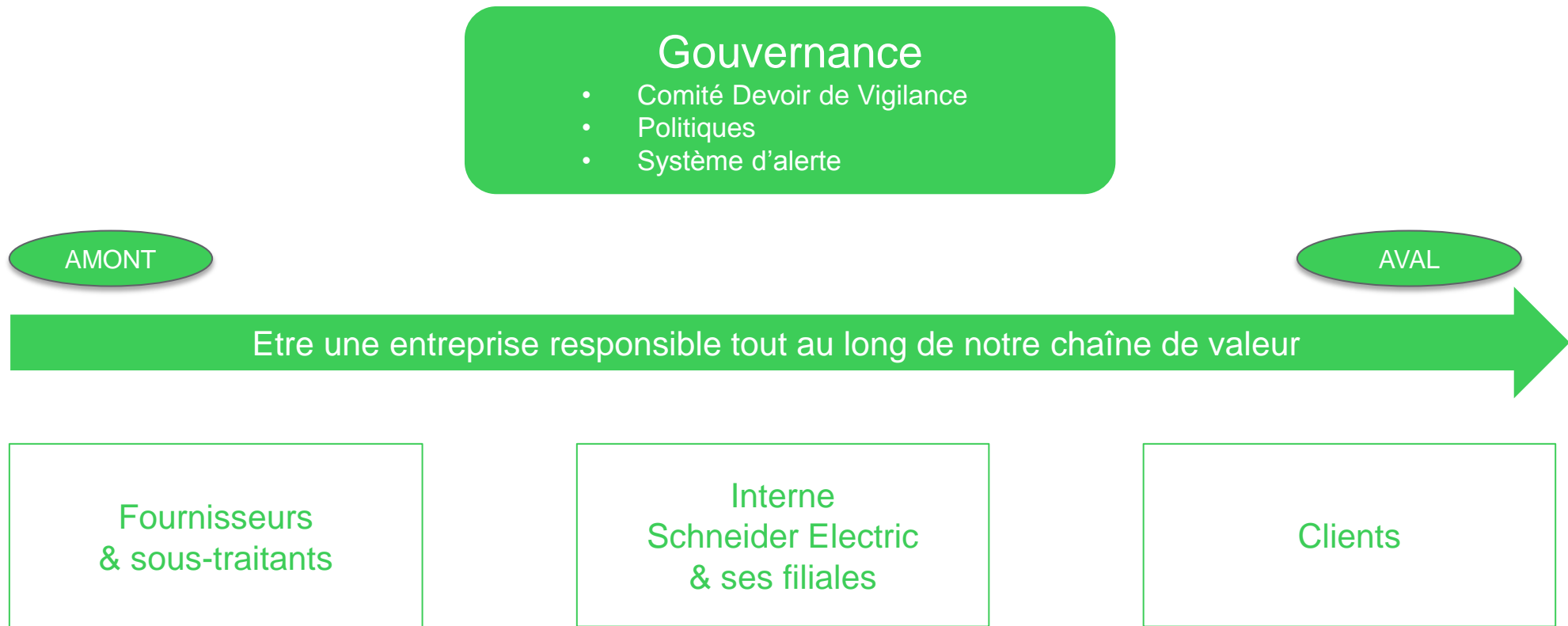
# Un plan de vigilance reposant sur 3 piliers

Co-construit avec les équipes DD, Achats, Environnement, Santé & Sécurité



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# Mise en place du Comité Devoir de Vigilance



**Gilles VERMOT DESROCHES**  
SVP Sustainability



**Xavier HOUOT**  
SVP Global Safety,  
Environment, Real Estate



**DK SINGH**  
Chief Procurement Officer



**Kevin BARNES**  
VP Global Procurement  
Sustainability & Effectiveness



**Maxime GOUALIN**  
Business Ethics & Human Rights



**Marine BUTTNER**  
Environment Governance



**Bernard FAURE-GEORS**  
Supplier Vigilance Program Leader

CREATION  
DE POSTE



**Emilienne LEPOUTRE**  
Sustainability Performance



**Alcyon GRANDIZO**  
GSC Procurement  
Sustainable Development

# Des politiques dédiées à chaque sujet

**Our Principles of Responsibility**

Sorumluluk  
Nos Principes  
Naše zásady  
Our Principles of Responsibility

Schneider Electric

## Security Policy

Together, we protect our assets and our people

**Let's stay free for action: let's secure what needs to be secured!**

Our people, our assets and our sensitive information need to be well protected. This is a key condition that enables us to continue our strategic development.

Security is global. It applies for activities, locations and activities. Security is about means and action taken in order to make sure the our sites, people, information and objects are well protected against any sort of malice or (intentional, theft, piracy, fraud, economic, industrial, espionage, etc.).

Our Security team has been created to ensure the highest level of security for our customers and employees. We are committed to ensure the highest level of security for our people, assets and information in everyday life.

Security is like a chain, as strong as its weakest link. Security is the general goal of management. Security, quality, service and innovation are the pillars of our business. We are committed to ensure the highest level of security for our people, assets and information in everyday life.

We can learn from every Security incident. Incidents are not an exception, they are the result of a failure that we need to prevent in the future.

Networks is an efficient way of working when tackling Security issues.

Networks Security is a key element of our security. We are committed to ensure the highest level of security for our people, assets and information in everyday life.

John Pascal FRIGOLE  
President and Chief Information Officer

Schneider Electric

## Diversity is our heritage and our future

Learn about the Diversity and Inclusion Policy at Schneider Electric

Schneider Electric

## Our Environmental Policy

Aligned with it's Principles of Responsibility, Schneider Electric is committed to:

- Reduce the environmental impact of our products and solutions, from their whole life cycle, especially by optimizing their energy and natural resources consumption and by promoting recycling solutions at the end of their life.
- Offer the services that best respect the environment and also help our clients to optimize the energy use.
- Minimize the environmental impact of our facilities, especially by reducing the consumption of natural resources and the generation of waste and emissions related to Corporate activities, and by implementing Best Available Techniques (BAT).
- Involve our employees, suppliers and partners in our continuous improvement process, with our customers, to better satisfy the community's expectations.

Meaning several environmental requirements and exceeding them when relevant.

Design products and solutions that respect the environment through its eco-design process.

Offer to customers products and solutions that are safe, energy efficient and environment friendly.

Linking innovation and continuous improvement to meet new environmental challenges.

Implementing environmental measures by providing training for everyone and developing expert services for best practices.

Continuously improve its environmental performance by the ongoing satisfaction of the customers for the Company services, as well as its end users, employees, customers and stakeholders, both today and tomorrow.

Reporting to its stakeholders about the impact of the Company activities on the environment.

Contributing to the planet's sustainable development.

We are committed to safeguarding our planet

John Pascal FRIGOLE  
Chief of the Management Board

Schneider Electric

## Schneider Electric Energy Policy

First publication: September 1971 2016  
Current publication: September 1971 2016  
Version: v 18316  
Document type: Group Policy

Life Is On Schneider Electric

## Quality Policy

Think Customer. Act Customer. Be Customer

**The fact:** Customer Experience is always in constant evolution. It grows and evolves through digital service delivery to our customers.

**Our goal:** Schneider Electric, like all the Customers of the world, we deliver the best Customer Experience, fast and consistent in all our services. We deliver the best Customer Experience, fast and consistent in all our services. We deliver the best Customer Experience, fast and consistent in all our services.

It's not enough to be a customer when it comes to quality. It's not enough to be a customer when it comes to quality. It's not enough to be a customer when it comes to quality.

**Our guiding principle:**

- Customer Centricity: Customer Centricity is the core of our business. We deliver the best Customer Experience, fast and consistent in all our services.
- Other Quality: We provide a non-negotiable premium quality along the life cycle of our products, services and solutions. We provide a non-negotiable premium quality along the life cycle of our products, services and solutions.
- Innovation: We are always ready to connect our Customer Experience into the digital ecosystem. We are always ready to connect our Customer Experience into the digital ecosystem.
- People: We empower our teams to manage their priorities & decisions to maximize the business value for our Customers. We are always ready to connect our Customer Experience into the digital ecosystem.

John Pascal FRIGOLE  
Chairman & CEO  
March 2017

The policy is supported by a robust Quality Management System we engage in a continuous and regular manner through efficient processes. It is based on continuous improvement. We ensure the best performance to our Customers, and therefore have quality programs in operation to ensure the best performance to our Customers.

Life Is On Schneider Electric

## Global Data Privacy Policy

January 2015

Schneider Electric

## Health & Safety Policy

Together, we protect our Health & Safety

All our employees and contractors must benefit from the highest possible standards of Health & Safety in our work activities

That safety is never acceptable when it comes to the health and safety of our people.

We want to be a leading reference company regarding Occupational Health & Safety. We want to be a leading reference company regarding Occupational Health & Safety. We want to be a leading reference company regarding Occupational Health & Safety.

Our group policy and key commitments are defined globally and include the following:

- Occupational Health & Safety: We are committed to ensure the highest level of Occupational Health & Safety in all our activities, services and solutions.
- Health & Safety: We are committed to ensure the highest level of Health & Safety in all our activities, services and solutions.

Each entity strives for continuous improvement by implementing a Health & Safety management system.

A dedicated Health & Safety management system is an efficient way to better understand and manage risks.

John Pascal FRIGOLE  
President and Chief Information Officer

Schneider Electric

## Human Rights Global Policy

First publication in: 01/12/2015  
Current publication: 01/12/2015  
Version: 1  
Document type: Policy  
Scope: Global

Life Is On Schneider Electric

# Une nouvelle politique Droits Humains

## Reprenant les engagements de Schneider Electric

- Approuvée par le Comité Ethique & Conformité et signée par le PDG



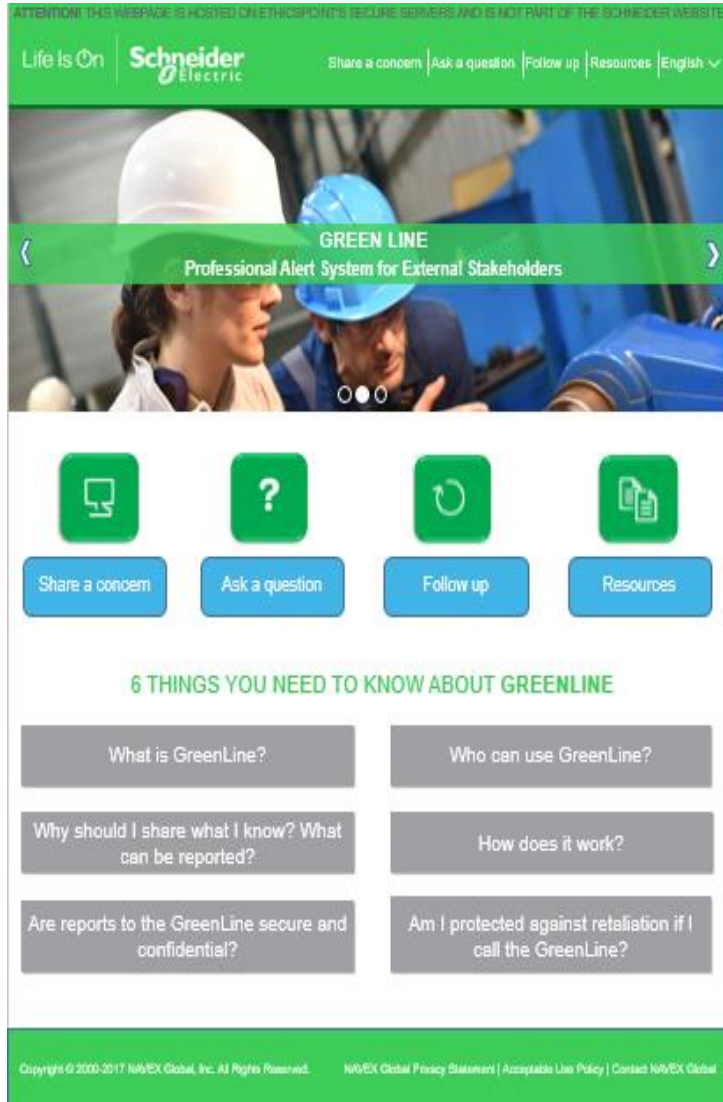
*“With this policy, Schneider Electric confirms its engagement to strive for the respect of all internationally recognized Human Rights, along its value chain.”*

*Jean-Pascal Tricoire  
Chairman & CEO*

*Child labor; forced labor; freedom of association & collective bargaining; health & safety; working time & leave; wages & benefits; harassment; security; data privacy; non discrimination; diversity & inclusion; development of competencies & employability; local communities & indigenous people*



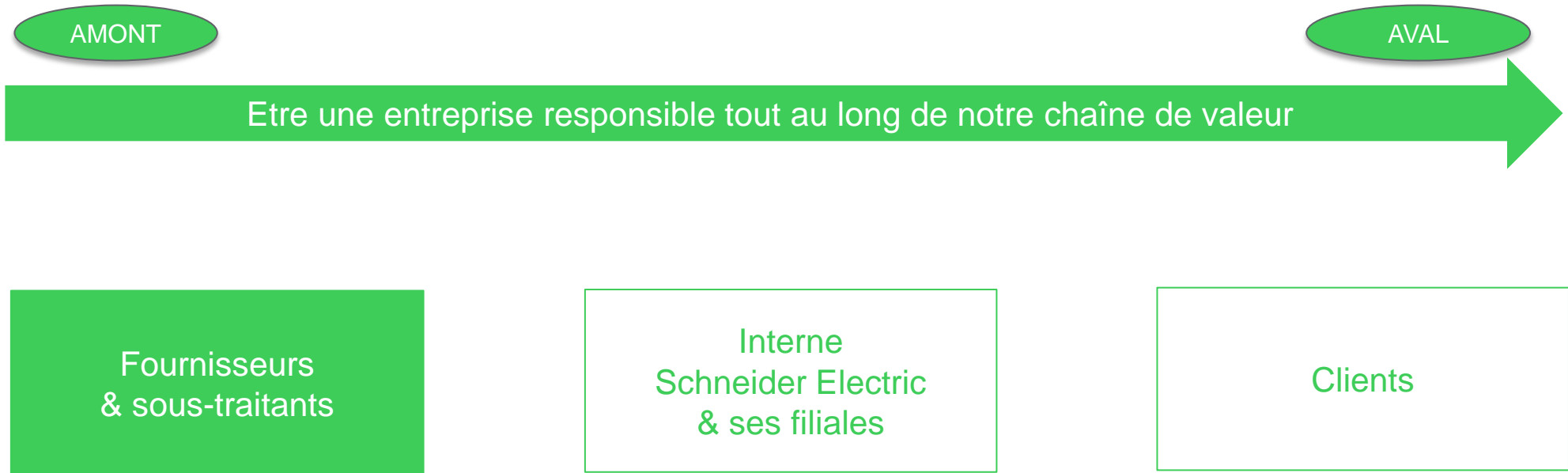
## Un nouveau système d'alerte pour nos parties prenantes externes



- Qui ?  
Toutes nos parties prenantes externes: fournisseurs; clients; sous-traitants.
- Quoi ?  
Corruption; conflict of interests; falsification of documents; accounting and auditing manipulation; theft; fraud; embezzlement; child labor; forced labor; human trafficking; health & safety; environmental pollution

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# Les questions éthiques & EHS sont déjà intégrées à nos processus d'achat

## Pour tous les fournisseurs

### Supplier Code of Conduct

- Mis à jour en 2017
- S'applique à tous les fournisseurs
- Intégré aux conditions générales d'achat

### Schneider Supplier Quality Management

- Processus de qualification des nouveaux fournisseurs
- évaluer l'adéquation du fournisseur au regard de l'ambition RSE du Groupe

### Situations "hors limite"

- les risques sur la sécurité des employés ;
- les pollutions environnementales ;
- le travail des enfants.

## Pour les fournisseurs "stratégiques"

### ISO 26000

- ~1300 fournisseurs; 62% du volume des achats
- 7 piliers de mesure de la performance, notamment l'environnement et l'éthique
- Plan de progrès demandé et revu par le Supplier Leader lors de la business review

### EcoVadis

- Depuis 2012 une approche qui s'appuie sur une évaluation réalisée par une tierce partie
- > 1000 audits (desk assessment)
- Average score 49, 9% (minimum acceptance rate: 25; SE score: 81)

### Supplier Day

- En septembre 2016, Schneider Electric a rassemblé plus de 100 fournisseurs stratégiques à Hong Kong afin de partager nos orientations, rappeler nos attentes et nos valeurs.
- Un prix remis pour l'engagement en matière de développement durable

# Un programme dédié aux fournisseurs sous vigilance...

## Cartographie des risques fournisseurs par pays et par typologie d'achat

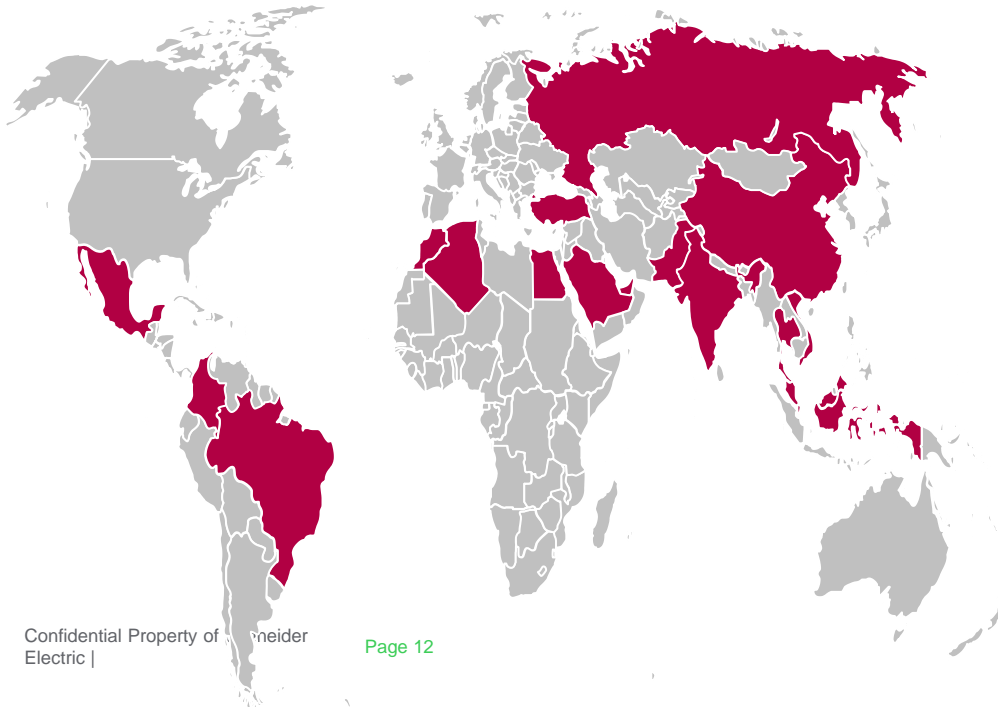
**Risque inhérent**  
Information provenant  
d'index internationaux



**Activités de SE**  
Business & salariés  
par pays



**Exposition globale**



**Environnement**

**Droits  
Humains**

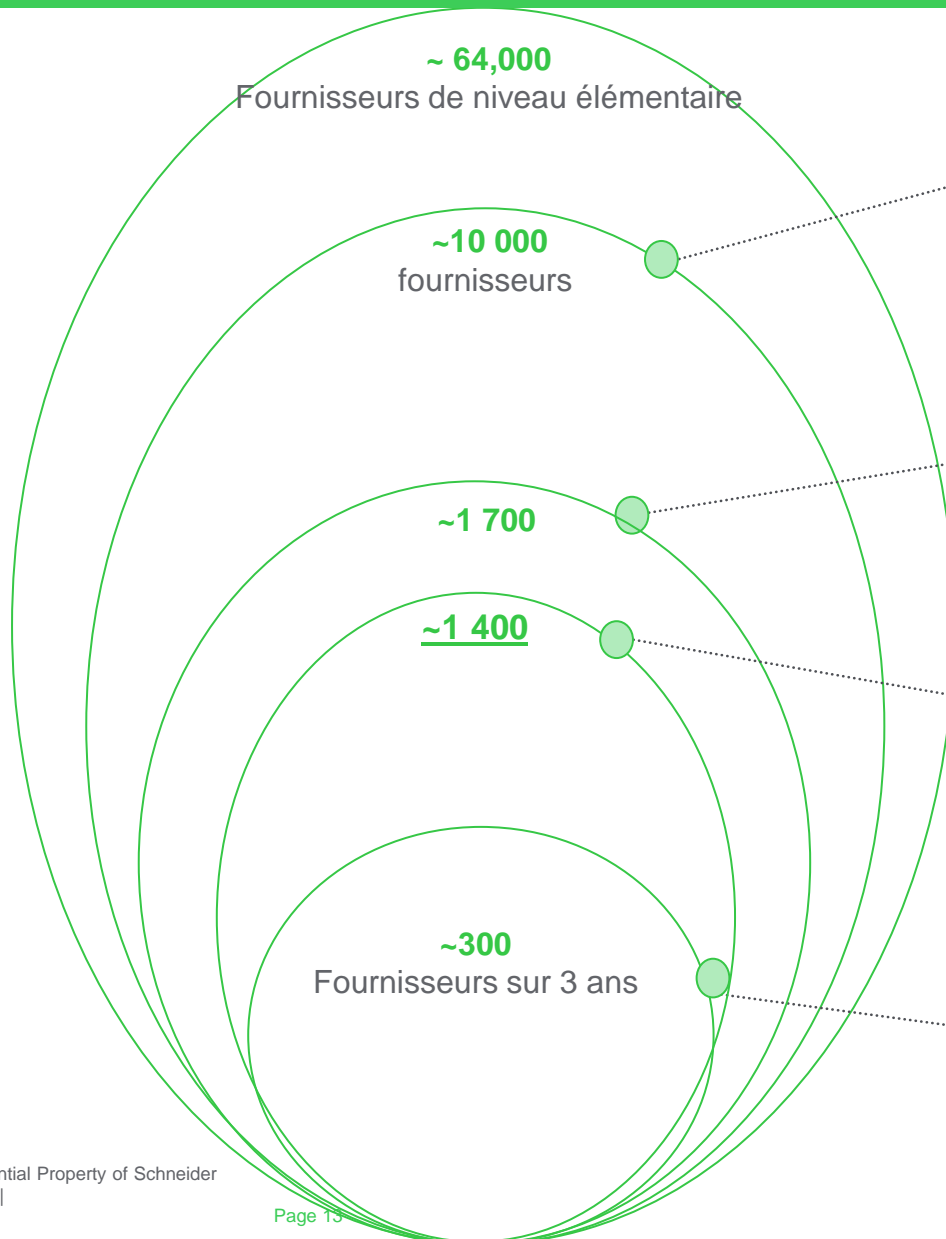
**Santé &  
Sécurité**

**Commodités identifiées à  
risque**

- Fasteners
- Metal Stamping
- Sheet Metal, Roll-forming, Coating
- Die Casting, Forging, Sintering
- Electromechanical relays, fuses and fuses holders, fans and electrical motors
- Static Windings, Electromagnet, Hall effect current sensors, current filters and soft ferrite
- Batteries
- Surface and heat treatment
- Electro-mechanical assembling
- Travels
- Temporary Employment



# ...entre prévention & contrôle



## Niveau 1.1

Analyse du risque inherent via l'outil de Verisk Maplecroft – plus de 90% du CA

## Niveau 1.2

Ajout de fournisseurs de rang 2 et exclusion des fournisseurs stratégiques

## Niveau 2

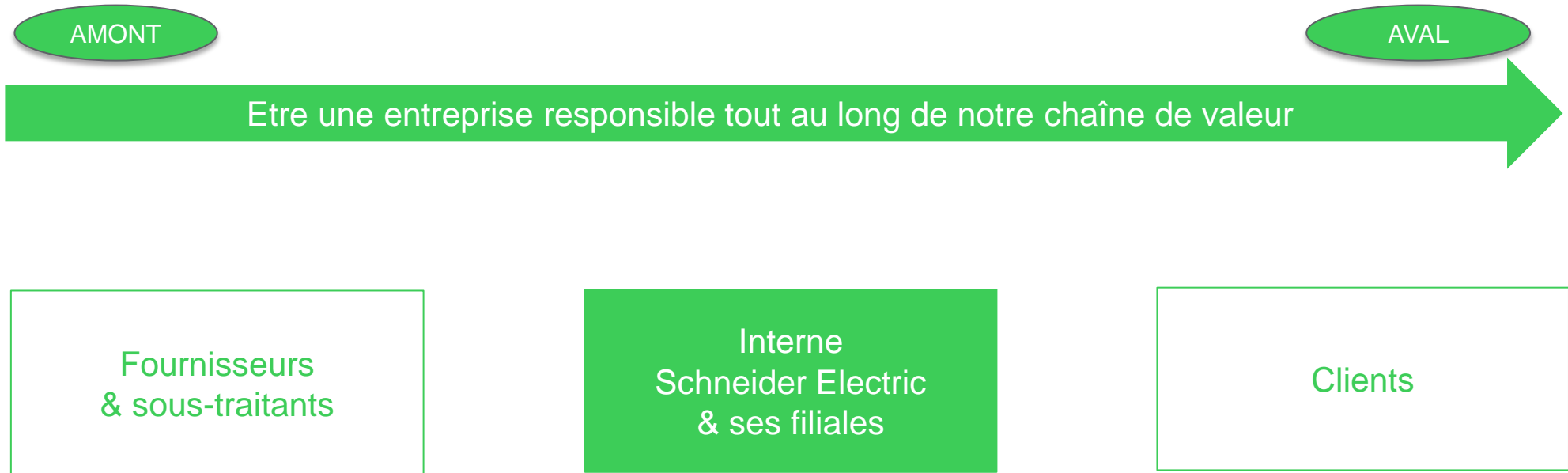
Actions de prévention et de contrôle modérées: prise de contact; formations en ligne; questionnaires

## Niveau 3

Actions de prévention et de contrôle renforcées: accompagnement privilégié; formations plus poussées; audits sur site

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# Renforcement des processus internes

## Prévention

- Formations sur les programmes suivants:
  - Environnement: green supply chain, energy management, eco-design, chemical risk analysis (EN50581), *etc.*
  - Sécurité: road, machines, ergonomics, *etc.*
  - Ethique & Responsabilité: *droits humains et intégrité dans les affaires*

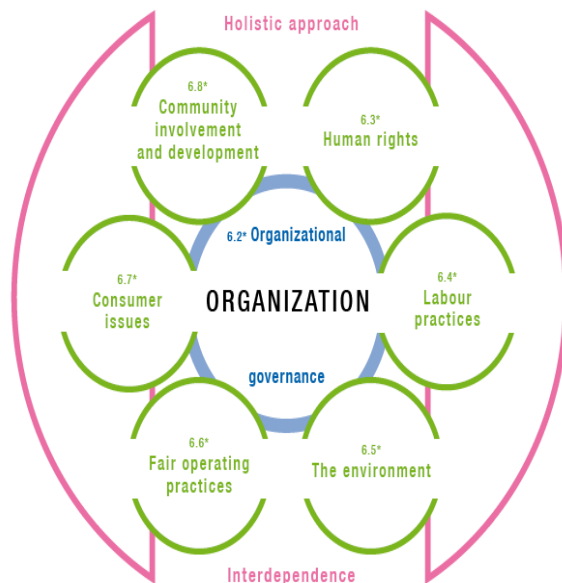
## Evaluation

- Programme Schneider Performance Systems sur les thématiques EHS + travail des enfants et travail force
- Intégration post-acquisition
- EHS risk profiling (at site level or coordinated globally –e.g. CLEARR)
- Indicateur dans le Baromètre Planète & Société 2018-2020
  - “300 suppliers under Human Rights & Environment vigilance received specific on-site assessment”

# Formations obligatoires pour tous les acheteurs

- ISO26000 Basic Introduction
- How to manage the Sustainable Development section of your Business Review

## Social responsibility: 7 core subjects



## Make sustainable development part of SE Purchasing and Supplier's DNA



Engage **Recommended** Supplier panel (as per Supplier Orientation Chart) on ISO 26000 journey and demonstrate regular progress

- Progress action plan shared and challenged during Supplier Business Review
- Supported by regular maturity and progress external 3<sup>rd</sup> party assessment

- For all Suppliers, NO off-limits situations
  - Safety
  - Child labor
  - Environmental pollution



- For all relevant Suppliers, compliance with Schneider Electric environmental footprint reduction ambition





# Formations spécifiques sur les situations hors-limite à partir de cas pratiques



## Cases cover a variety of situations



### Safety : « Jim and his protection masks »

- How would you react if you saw an operation in a Supplier's floor that you would not feel safe doing yourself ?



### Environmental Pollution : « Backyards' garbage dump »

- What would you do if you saw a supplier's backyard that looks like a dump ?



### Child labor : « The case for Ethical copier »

- What would you do if you found out that one of the most important contract you are about to award is to a company that has questionable background on Child labor ?

« Are they children ? »

- How would you react, if, when visiting a supplier's factory, you have serious doubts about the age of some of the workers



### Conflict of Interests : « My dear brother-in-law! »

- How would you react if you found out your brother in law works for a company responding to and RFQ for a significant contract that you are responsible to award

# Formations spécifiques sur demande



## REACH – RoHS



## Conflict Minerals

### REACH regulation

→ Registration, Evaluation, Authorization and restriction of Chemicals: European regulation implemented in 2006 and managed by ECHA.

**Objectives**  
Protection of people health against SVHC\*  
\*SVHC: Substance of Very High Concern

**REACH process**

- Candidate list**: SVHC used above 0.1% must be declared.
- Annex XIV Authorization**: SVHC can not be used above 0.1% without authorization after the sunset date.
- Annex XVII**: SVHC are forbidden to use unless it complies with the conditions of the restriction (scope, threshold).

At this date (April 2018):

Candidate List	168	subst.	SE Products containing SVHC
Annex XIV	31	subst.	SE Products with SVHC > 0.1%
Annex XVII	64	entries	Forbidden in SE Products

Regular evolution

Schneider commits to apply REACH worldwide

Need to supply parts / materials **without post sunset date SVHC**

Need to obtain updated, accurate and complete **data from supplier**

For technologies using SVHC, work closely with supplier on **substitution topics**

### Conflict Minerals overview

Section 1502 – Dodd-Frank Wall Street Reform and consumer protection Act

- Four minerals covered 3TG
  - Tin (Cassiterite ore)
  - Tungsten (Wolframite)
  - Tantalum ore (Coltan ore)
  - Gold
- Conflict Minerals are: Minerals mined in conditions of armed conflict and Human rights abuse, notably in the Democratic Republic of Congo (DRC) and adjacent countries.

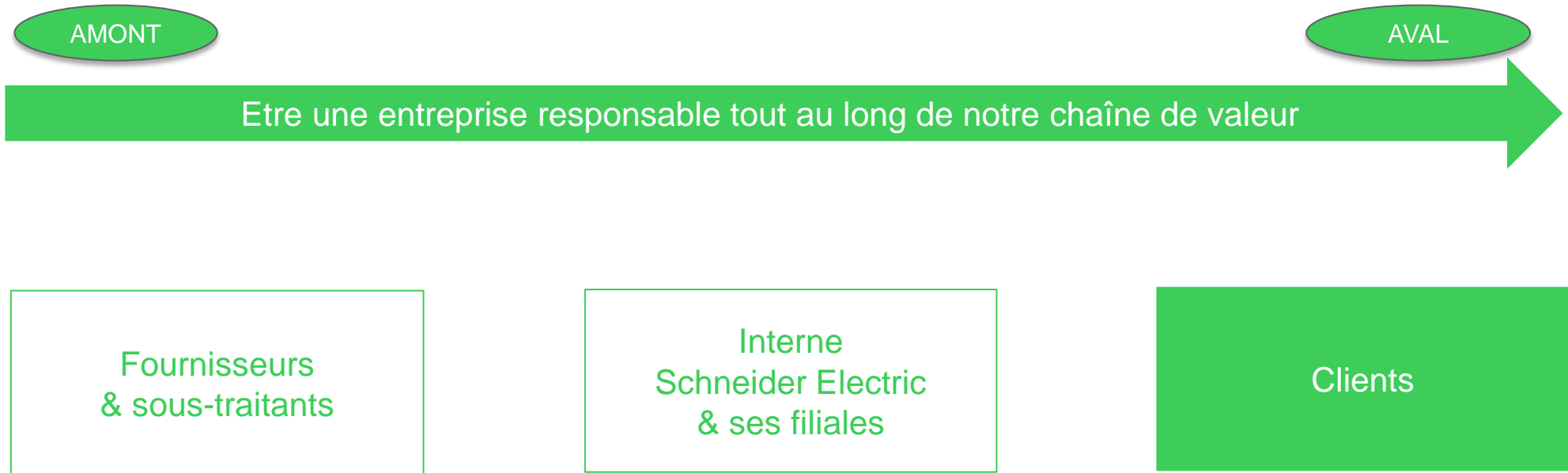
SEC listed companies have to publicly disclose their use of these Minerals

**Schneider is not directly subject to the SEC rule BUT .... Many of our key Customers are**

DON'T FORGET!

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# Développer la diligence raisonnable pour l'activité de projets

- Objectif
  - Make sure we are not accused of being complicit of human rights abuses through our customers activities
- Moyens
  - **Due diligences** on major projects to be implemented based on the size of the potential deals and the risk exposure due to the industry sector & customer location



# Nos partenaires



Life Is On



**Schneider**  
Electric

