Digitization for an efficient and sustainable future

Gwenaelle Avice-Huet
Chief Strategy & Sustainability Officer

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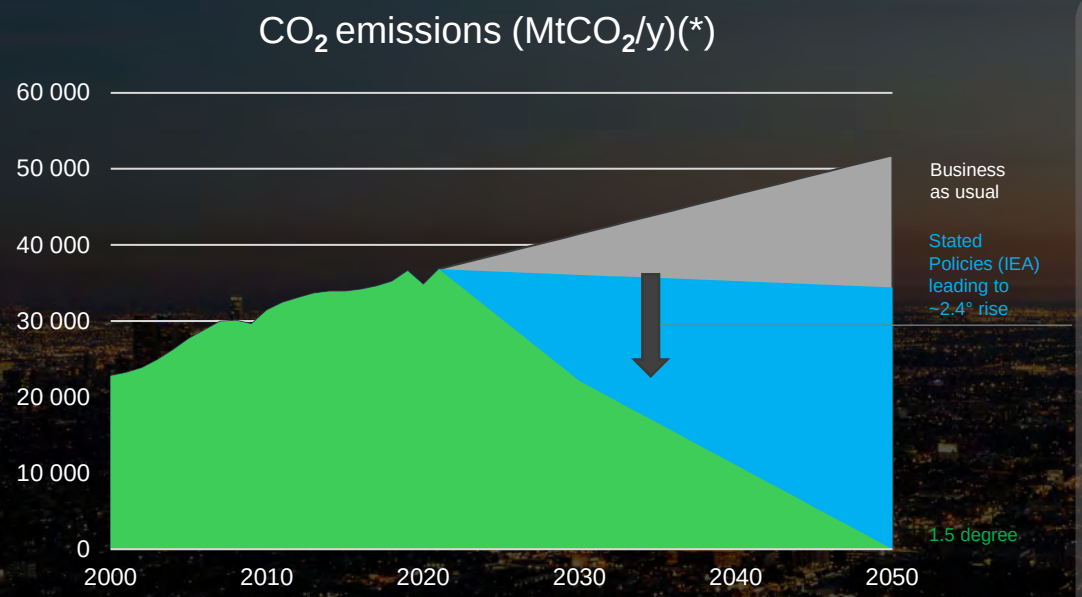
A case for change



Source: Schneider Electric™ Sustainability Research Institute
(*) energy-related and industrial process emissions. *10-15 Gt :Based on assessment of circa. 30 Gts energy-related CO_2 emissions from NAM, Europe, China, and the Asian OECD nations, for the building, transport, industrial and power generation sectors*

We need to save 3x more CO_2 emissions by 2030

Current annual CO_2 emissions savings pledged by 2030 leading to a 2.4 C rise

~4Gt CO_2/y

Minimum required annual CO_2 emissions savings by 2030 to meet the 1.5°C trajectory

~10-15Gt CO_2/y

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Electricity 4.0 is the fuel for a more **sustainable** and **resilient** Net-Zero World

Digital

Builds a Smart future

Electric

Makes energy Green

Digital makes the invisible visible, eliminating waste and driving efficiency

+

Electricity is the most efficient energy and the best vector of decarbonization

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Schneider Electric is committed to **Electrification, Digitization & Sustainability** for the New Energy Landscape

- Microgrid + AlphaStruxure GreenStruxure
- Smart Grid
- EcoStruxure Grid
- Smart Usages with EcoStruxure and Wiser
- Energy & Sustainability Services
- eMobility
- Storage
- External Investments uplight AutoGrid

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The shift in the SE business

impact Company

5 guiding principles

Performance
the foundation for doing good

All Stakeholders
in our ecosystem

All ESG
dimensions

Business
digital partner for Sustainability and Efficiency

Model & Culture
set up for global and local impact

Carbon Pledge & 6 Long term commitment

by 2050

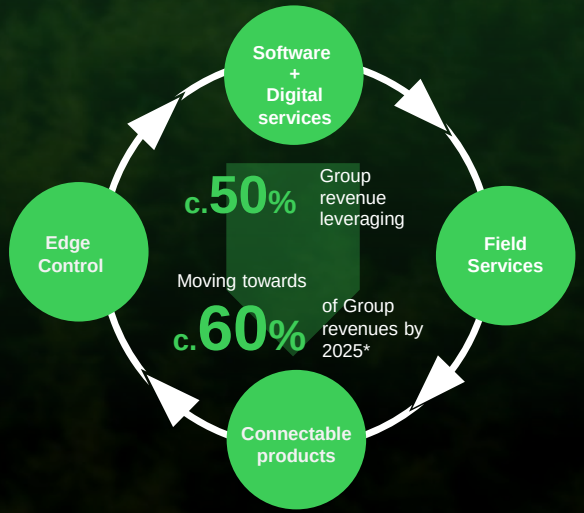
Net zero CO_2 emissions value chain and products

aligned with 1.5°C scenario
and validated by SBTi
with intermediate targets 2025 & 2030

6 Long-term commitment

Climate | Resources | Equal Generations | Trust | Local

Continuing our transition to a hybrid digital company



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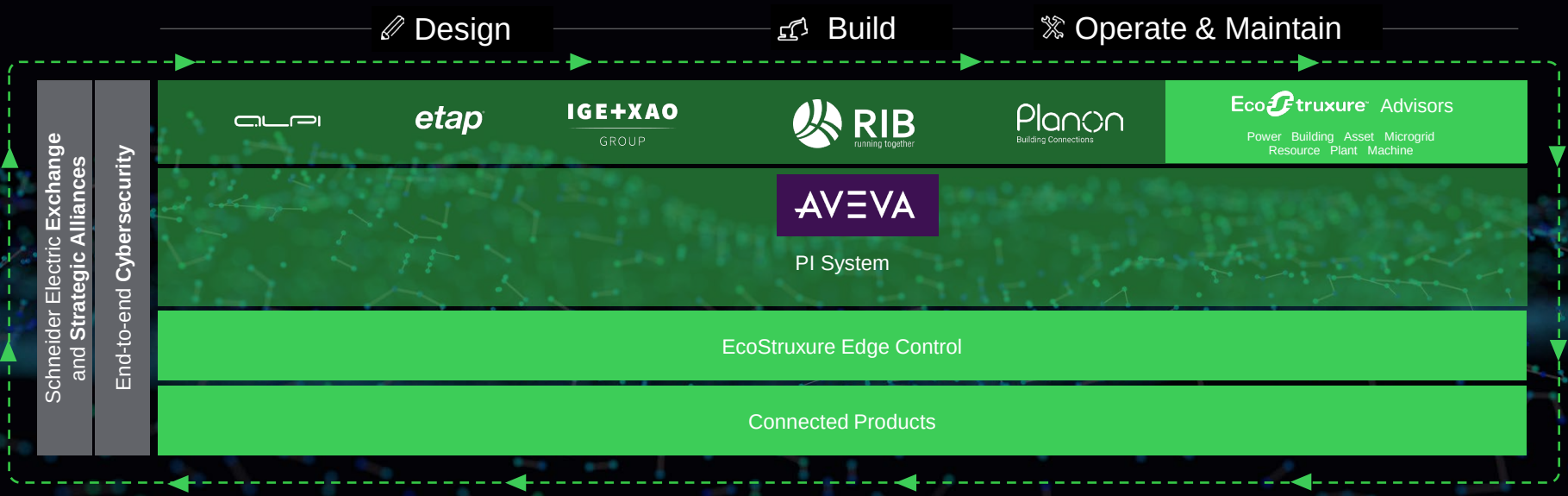
We drive **efficiency & sustainability** through lifecycle digitalization

with our strong agnostic software portfolio and world-leading independent software partners



REPowerEU for a more sustainable and resilient Europe

Welcome the European Commission's Plan to reduce Europe's dependence on Russian fossil fuels.

We promote a **10-point action plan** that the EU can take to achieve short-term and longer-term benefits.

Drive energy efficiency with digital technologies

Electrify end-uses and rethink heat

Decentralize the energy system

Build right from scratch

1. Drive energy efficiency in buildings with monitoring and control
2. Drive energy efficiency in industry with energy management systems
3. Electrify heating in buildings with connected heat pumps and smart controls
4. Electrify industry with better industrial processes
5. Decarbonize remaining industrial processes with green hydrogen and biogas
6. Deploy renewables with rooftop solar and self-consumption
7. Invest in demand-side flexibility sources
8. Develop micro-grids
9. Deploy electric vehicles and smart charging
10. Build better with digital designs and development

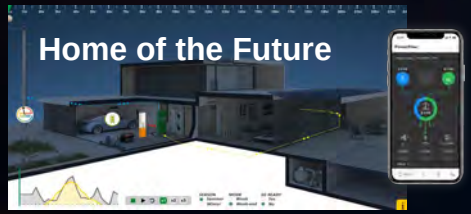
Homes of the future: Transitioning to All Digital, All Electric

Grid-tied and fossil fuel-based generation sets for backup power

Furnaces and boilers for heating
Gas-powered water heaters, ovens and burners

Inefficient lighting, shutters, heating systems and air conditioners

Manual controls, gas meters, traditional electrical distribution panels



Decentralized and decarbonized grid.
Self-generation with **Rooftop solar** panels and backup **battery systems**

Electrified heating and cooking

Home automation and smart powered lighting, shutter controls, thermostats

Home Energy Management System coupled with **smart Energy Centers** and smart meters

Impact

÷2 to 3	Total Energy Demand (kWh)
0	Fossil Spend ($USD/y)
-10 to -30%	Electricity Spend($USD/y)
÷4 to 10	Carbon Emissions ($kgCO_2/y$)
x5	**Total Addressable Market for Schneider**

Range of shifts in 2025 in USA (230m² in US South, individual, 2 storey home) and France (150m², individual, 2 storey home)

Sources: US Energy Information Administration AEO2021, Oxford Economics, Statista, BNEF, Schneider Electric™ Sustainability Research Institute

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Buildings of the future: Bridging Sustainability and Human Progress

Fossil Fueled
Grid-tied + fossil fuel-based gen sets for backup power

Low electrification
Furnaces and boilers for heating
Gas-powered water heaters, ovens and burners

Manual Control
Manual controls, gas meters, inefficient lighting, shutters, heating systems and air conditioners

Green electricity
Self-generation with **rooftop solar** panels and **energy storage**

Electrification at end use
Heat electrification for spaces and water heating

Digital efficiency
Active Energy Efficiency with IoT zone control combined with Energy Monitoring System

Impact

÷2 to 3	Carbon Emissions ($kgCO_2/y$)
÷2 to 3	Total Energy spend (USD/m2/y)
-30 to -50%	Total energy demand (Kwh/m2/y)

Sources: US Energy Information Administration AEO2021, Oxford Economics, Statista, BNEF, Schneider Electric™ Sustainability Research Institute

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Industries of the Future: Eco-efficient, agile, resilient

Limited remote oversight
>5.8bn Endpoints making up IIoT systems

Supply chain disruptions
94% Fortune 1000 companies hit by supply chain challenges

CO2 emissions
~32% of total CO2 emissions come from industry

Skill gap People-focused
Experts forecast a > 2.4M worker shortage by 2028

Next generation digital
Smart operations driven by IoT, software, automation, data analytics experience step-change advancements.

Efficient and resilient
Smart factories, digitally managed operations, supply chains are more robust, agile, eco-efficient.

Sustainable
Industrial enterprises prove sustainable operations advance business success.

People-focused
Investment in the new generation builds a more vibrant, efficient, and future-ready operation.

Impact

20%	improvement in production efficiency
>100	smart factories and distribution centers
15%	energy savings of up to 15%
30%	increase of workforce efficiency using digital solutions

Sources: Deloitte, IPCC Working Group, Gartner, Fortune

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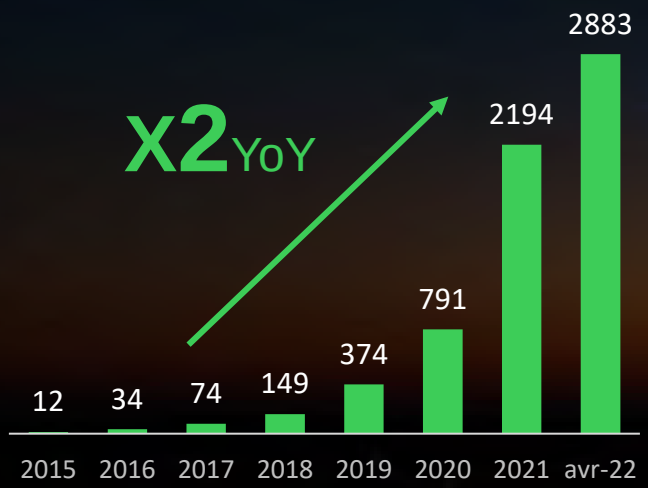
Companies are making bold commitments on climate action as well as shifting their business models

Companies with targets approved by SBTi



source: sciencebasedtargets.org www.worldwildlife.org

Across sectors, business models transform towards Sustainability

Engineering & Construction
BIM for efficiency
Renewables & Green materials

Agriculture & Food
Regional & Local food
Innovative technologies

Automotive & Transportation
Emission free mobility & transportation

Consumer Goods & Retail
Reuse & recycling
E-commerce, fair supply chain

Energy & Utilities
Renewable energy system
Smart Grid & Energy efficiency

High-Tech & Electronics
Digital disruption

Pharma & Health
Access and affordability of health
Preventive health

Source: BASF

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Our unique value proposition

is to support our customers on climate, from strategy setting to execution

3-step approach	STRATEGIZE	DIGITIZE	DECARBONIZE
Major steps involved	• **MEASURE** enterprise baseline • **CREATE** decarbonization roadmap • **STRUCTURE** program & governance • **COMMUNICATE** commitment	• **MONITOR** resource usage & emissions • **IDENTIFY** saving opportunities • **REPORT** and benchmark progress	• **ELECTRIFY** operations • **REDUCE** energy use • **REPLACE** energy source • **ENGAGE** value chain
Schneider Solutions	**Consulting** (Agnostic)	**Digital Platform & Services** (EcoStruxure Resource Advisor) (Neo-Network)	**SE Solutions** + **Partner Ecosystem** (Energy efficiency Electrification / Smart grid Green Premium products Services for circularity)

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Step 1: Define climate strategy to meet customer's ambition aligned with Science-Based Targets initiative

STRATEGIZE

MEASURE enterprise baseline	CREATE decarbonization roadmap	STRUCTURE Program & governance	COMMUNICATE commitment
• Enterprise Data Management Program	• 1.5° trajectory • Decarbonization levers • Roadmap & actions	• Strategy • Governance • Program Funding	• Internal engagement • External communication • ESG Reporting & Disclosures

EQT is First Private Markets Firm to Set Science Based Targets

OCTOBER 14, 2021

- *EQT accelerates its journey to address climate change*
- *Schneider Electric partnered with EQT to develop SBT strategy and roadmap for implementation*

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Step 2: Digitize to create
a single source of truth for energy and sustainability data

DIGITIZE

MONITOR
resource usage and emissions

- Energy usage, resource consumption & emission tracking

IDENTIFY
saving opportunities

- Opportunity assessment for emissions & cost reduction

REPORT
and benchmark progress

- Goal progress tracking
- Streamlined ESG reporting
- Peer benchmarking

EcoStruxure™ Resource Advisor

35B
Digitized data points

125M+
Metric tons of co_2 managed

100k+
Users across 140+ countries

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Step 3: Execute decarbonization strategy with 4 key levers

DECARBONIZE

ELECTRIFY operations

- Mobility
- Industry & Building processes
- Microgrid

REDUCE energy use

- Digitization
- Efficiency
- Optimization

REPLACE energy source

- Integrated sourcing
- Renewable energy
- Carbon credits

ENGAGE value chain

- Supplier Decarbonization
- Circularity
- Design & Build for Sustainability

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Complete portfolio of proven, digitally-enabled solutions to execute Decarbonization roadmap

ELECTRIFY

Operations

Mobility

EV Solutions

Industrial & Building Process

Electricity 4.0

Industry 4.0

Consulting

Microgrid

EcoStruxure Microgrid Operation

REDUCE

Energy Use

Digitization

Power Logic Power Meters

EcoStruxure Power

Home automation

Wiser

Efficiency

AirSet SF6-Free Switchgear

UPS

Altivar Variable Speed Drives

Optimization

EcoStruxure Plant & Building Advisor

Unified Operations Center

AVEVA

REPLACE

Energy Source

Integrated Sourcing

Energy Portfolio Management

Renewable Energy

Power Purchase Agreement (PPA)

Carbon Credits

Market Strategy & Advisory

ENGAGE

Value Chain

Supplier Chain Decarbonization

NEO Network Platform

Circularity

EcoFIT ™ Retrofit services

Design & Build for Sustainability

MTWO Construction Cloud Software

RIB etap

Plant Design

AVEVA

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Practitioner & provider of supply chain decarbonization programs

Helping companies decarbonize their supply chain emissions which are on average >10x operational emissions[1]

Challenges

- Large number of diverse suppliers
- Lack of competence for decarbonization
- Accessibility hurdles for small and medium size businesses

Our solution

A collaboration platform and community designed to accelerate renewable energy decision-making and decarbonization.

neo network

Sept 2020	Feb 2021	Nov 2021	Mar 2022
Walmart	Schneider Electric	Energize	pep+ pepsico positive REnew
Gigaton PPA Program	**The Zero Carbon Project**		

1. CDP report

Helping our customers meet their climate ambition

STRATEGIZE

ST, JPMorgan Chase & Co., IEQT, MSCI, Whirlpool, Roca, Greif, faurecia inspiring mobility, DuPont, VF, Velux, Johnson & Johnson

DIGITIZE

Blackstone, Marriott International, Saint-Gobain, MSCI, Whirlpool, JPMorgan Chase & Co., Hilton, faurecia inspiring mobility, VF, Alfa Laval, Johnson & Johnson

DECARBONIZE

Kellogg's, Signify, GAP, Energize, DSM, Walmart, Greif, faurecia inspiring mobility, DuPont, VF, Velux, Johnson & Johnson

Through our Digital solutions

EcoStruxure Resource Advisor – Marriott International

10-15% overall energy savings through centralized monitoring & control systems

neo network – Energize

Increase access to renewable energy for 10 pharmaceutical companies

EcoStruxure Workplace Advisor – JLL

30% reduction in energy use and operational costs

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