

Industries of the Future

Digitalization and Decarbonization



Foundations

1838 – 1930s



Miniaturization

1940s – 1970s



Increasing intelligence

1980s – 1990s



Internet era

1990s – 2010s



Industry 4.0 and beyond

2020s →

Three years of challenges and accelerations

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COVID-19
Pandemic

Digitization

Energy
Transition

Electrification

Climate
Impacts

Sustainability

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Minimum required
annual reduction by
2030 for 1.5 °C

~10-15 Gt/a

What's been **currently**
pledged by 2030*

~3 Gt/a

We need to save **3-5x**
more CO₂ emissions

between now & 2030 to be on course to
limit global warming to 1.5°C

Technologies already exist to make companies energy resilient and net zero

70%

CO₂ emissions can be removed using existing technologies

Impact of key transformations on decarbonization



Save

Digitization as disrupter
Energy Efficiency
Process Efficiency
Circularity
Digital Twin & Metaverse

Electrify

Electricity 4.0
IT
EVs
Heat Pumps

Decarbonize Supply

Smart Grid
Microgrid
Renewables
Storage
VPP, aggregation, contract & demand management



Source: Schneider Electric™ Sustainability Research Institute

Two inflections for a different future

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DIGITAL + **ELECTRIC** = **SUSTAINABLE**
For Efficiency For Decarbonization Smart & Green

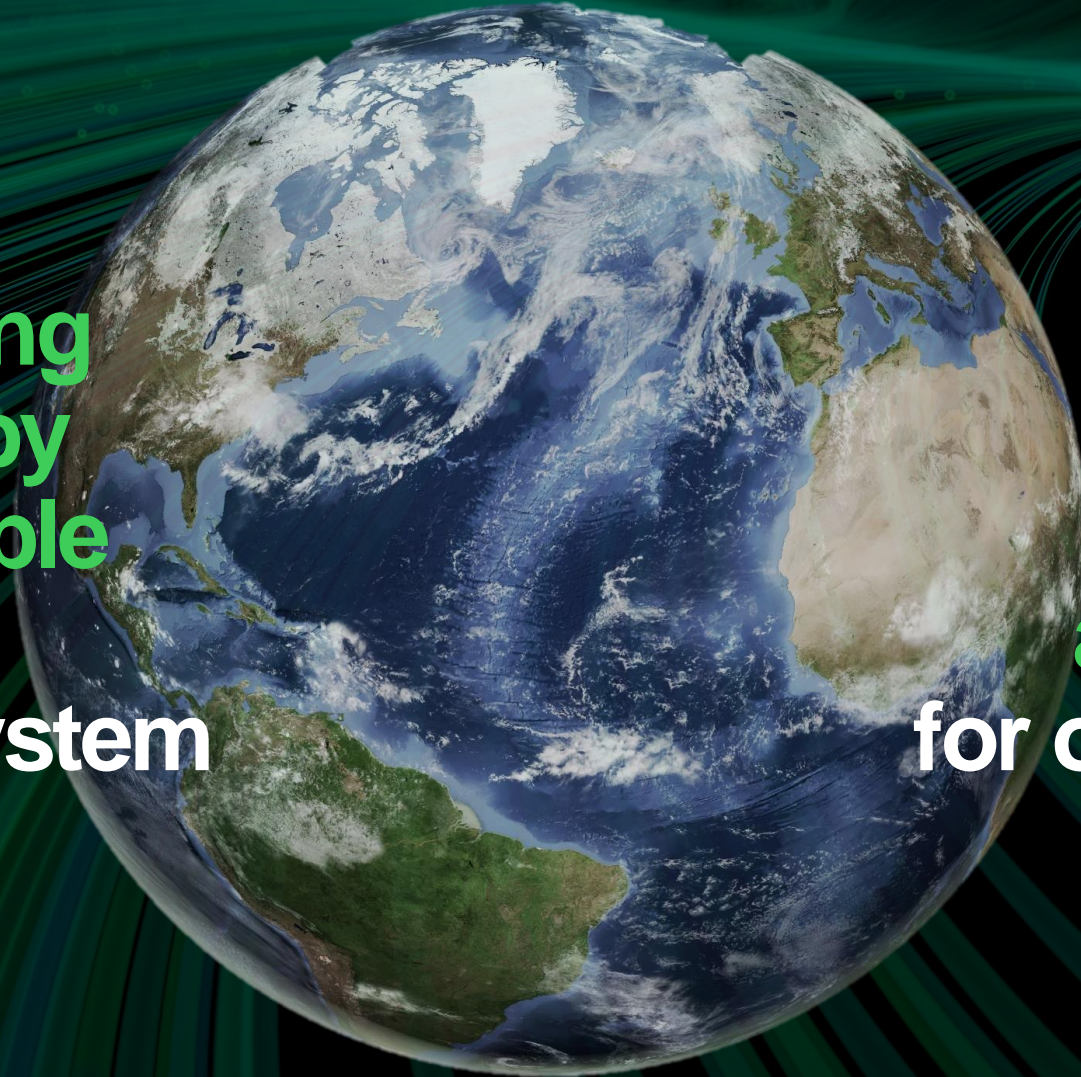
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We continue to accelerate our commitment to Sustainability

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**Leading
ESG by
example
in our
ecosystem**

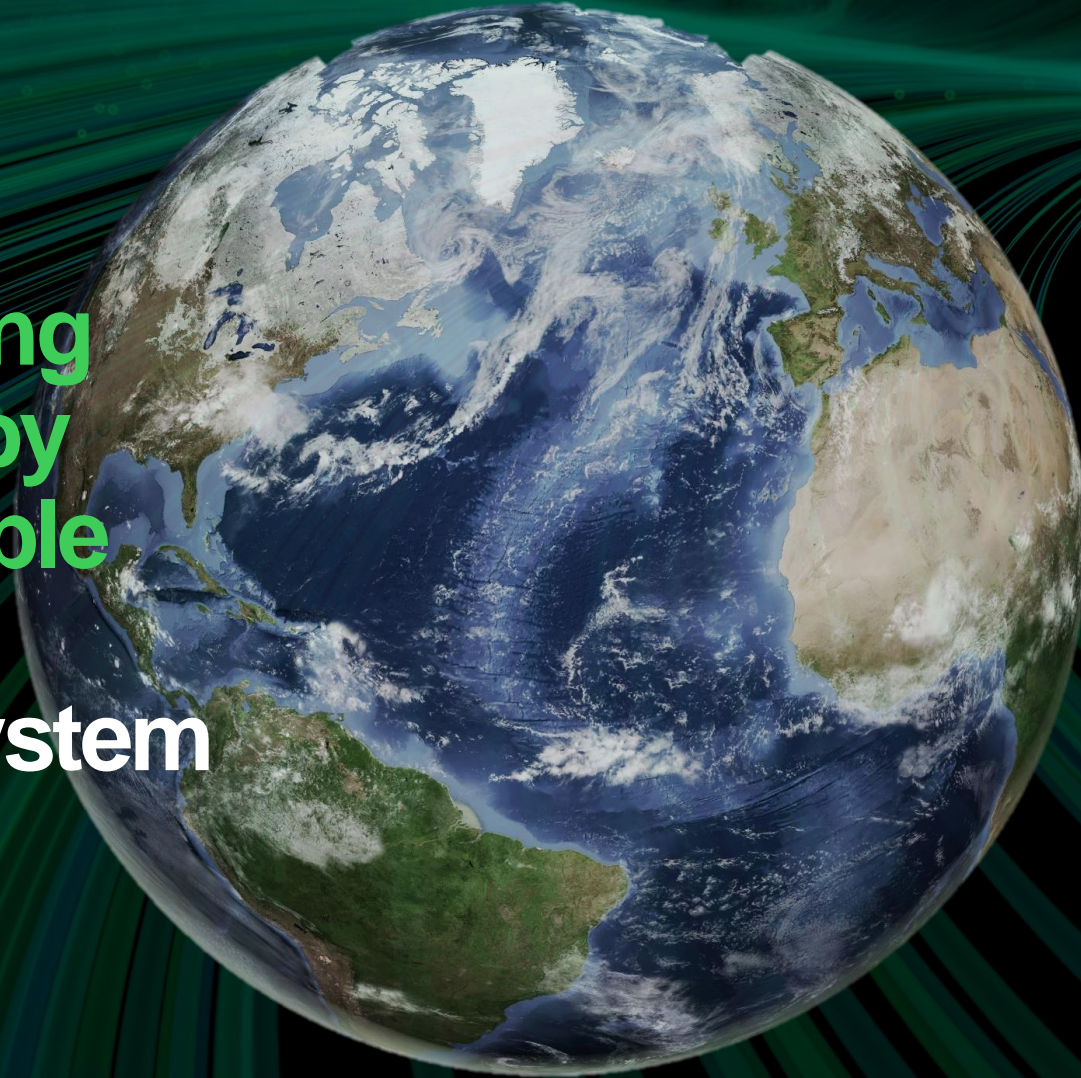


**Be the digital
partner for
Sustainability
and Efficiency
for our customers**

We continue to accelerate our commitment to Sustainability

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**Leading
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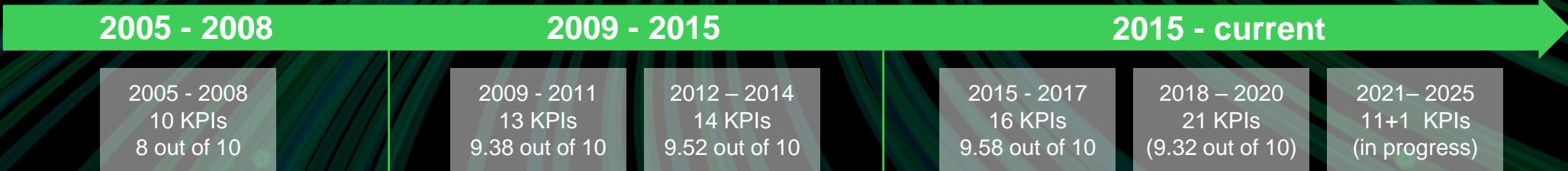


Sustainability legacy @Schneider Electric over the last 15 years

Purpose & Mission



Sustainability Barometer (SSI)





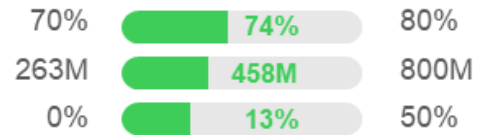
6 long-term commitments

CLIMATE



- 1. Grow Schneider Impact revenues*²
- 2. Help our customers save and avoid millions of tonnes of CO₂ emissions³
- 3. Reduce CO₂ emissions from top 1,000 suppliers' operations

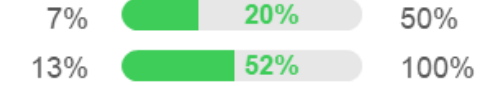
Baseline **Q1 2023** **2025 Target**



RESOURCES



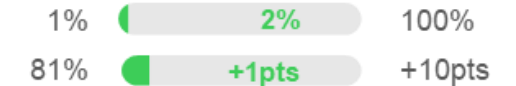
- 4. Increase green material content in our products
- 5. Primary and secondary packaging free from single-use plastic, using recycled cardboard



TRUST



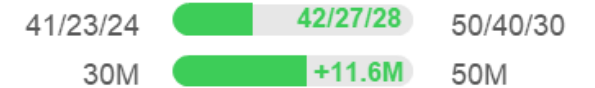
- 6. Strategic suppliers who provide decent work to their employees⁴
- 7. Level of confidence of our employees to report unethical conduct⁵



EQUAL



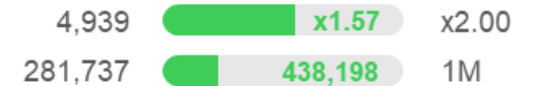
- 8. Increase gender diversity in hiring (50%), front-line management (40%) and leadership teams (30%)
- 9. Provide access to green electricity to 50M people⁶



GENERATIONS



- 10. Double hiring opportunities for interns, apprentices and fresh graduates²
- 11. Train people in energy management⁶



LOCAL



- +1. Country and Zone Presidents with local commitments that impact their communities



*Per Schneider Electric definition and methodology

¹ 2021 baseline 3/10, 2025 target 10/10

² 2019 baseline

³ cumulated since 2018

⁴ 2022 baseline

⁵ 2021 baseline

⁶ cumulated since 2009

Going beyond the scope

of operations, we aim to mobilize our entire ecosystem to act for a climate positive world



1. As per by Schneider Electric definition and methodology

 **Employees**
Carbon neutral
in our operations

 **Suppliers**
÷2 emissions
of highest emitting 1000 suppliers

 **Customers**
800 Mt of CO₂ saved
and avoided delivered through our solutions



 **Communities**
50M people access to green electricity
1M people trained in energy management

 **Investors**
80% green revenues¹
ESG disclosure & compliance

We continue to accelerate our commitment to Sustainability

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Sanwa's Technological Revolution

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SME Kickstarter Decarbonisation Programme

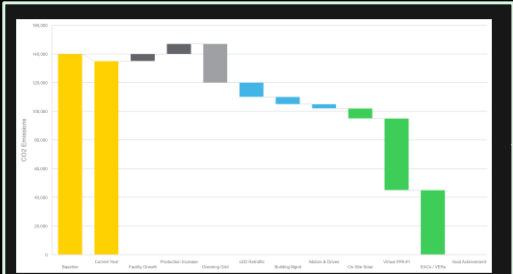
Programme supported by



Aligned with the **SG Green Plan 2030**, the programme aims to **accelerate the decarbonisation roadmap** and journey for SMEs.

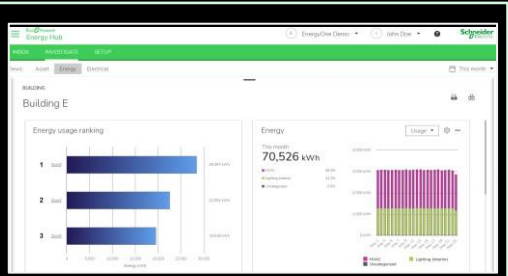
Target sectors: Aligning to Industry Transformation Maps (ITMs) industries clusters:

Precision Engineering, Electronics, Food Manufacturing, Logistics, Hotels



- **MEASURE** Scope 1 & 2 GHG Baseline Calculation
- **CREATE** Scope 1 and 2 Decarbonisation Roadmap

- **ELECTRIFY** operations
- **REDUCE** energy use
- **REPLACE** energy source



- **MONITOR** Energy Usage and Scope 1 & 2 GHG emissions
- **IDENTIFY** saving opportunities through Energy Assessment
- **REPORT** and support deployment and progress tracking

SME Decarbonisation Programme (3-years)

Implementing Decarbonisation Solutions



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Energize Our Journey...

GSK

AstraZeneca

Bristol Myers Squibb

MSD

Johansen-Johnsen

Pfizer

sanofi

NOVARTIS

AMGEN

Biogen

Novo Nordisk

Takeda

ucb

teva

Roche

Chiesi

Boehringer Ingelheim

Progress in 2022

- **450+ suppliers** have registered for Energize since launch
- **21 Live Education webinars** attended by **475+ individuals**
- Supplier electrical load equals **28TWh**
- **8 Additional Sponsors** joined in 2022 (17 Total)
- Suppliers participating in **Aggregate EAC purchasing exercise** resulting in emissions reductions in 2022

Q2 2023 Update

- **500+ suppliers** registered for Energize
- Programme endorsed by **Pharmaceutical Supply chain initiative (PSCI)**
- **2+ Aggregate VPPA Buyers cohorts** for US and Europe (upto 10 companies & 2 TWhs ~ 500,000 homes)
- 2nd **VPPA Buyers cohort** being formed in Europe
- Expansion of **EAC Aggregation offer** in 2023 for regions or load unattractive for VPPA

Becoming the preferred partner of corporates at all stages of their Sustainability journey

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STRATEGIZE



DIGITIZE



DECARBONIZE



Blackstone



JPMORGAN
CHASE & CO.



JPMORGAN
CHASE & CO.



Energize



faurecia
inspiring mobility



faurecia
inspiring mobility



faurecia
inspiring mobility

Life Is On



EcoStruxure™ for Industry

Innovation At Every Level

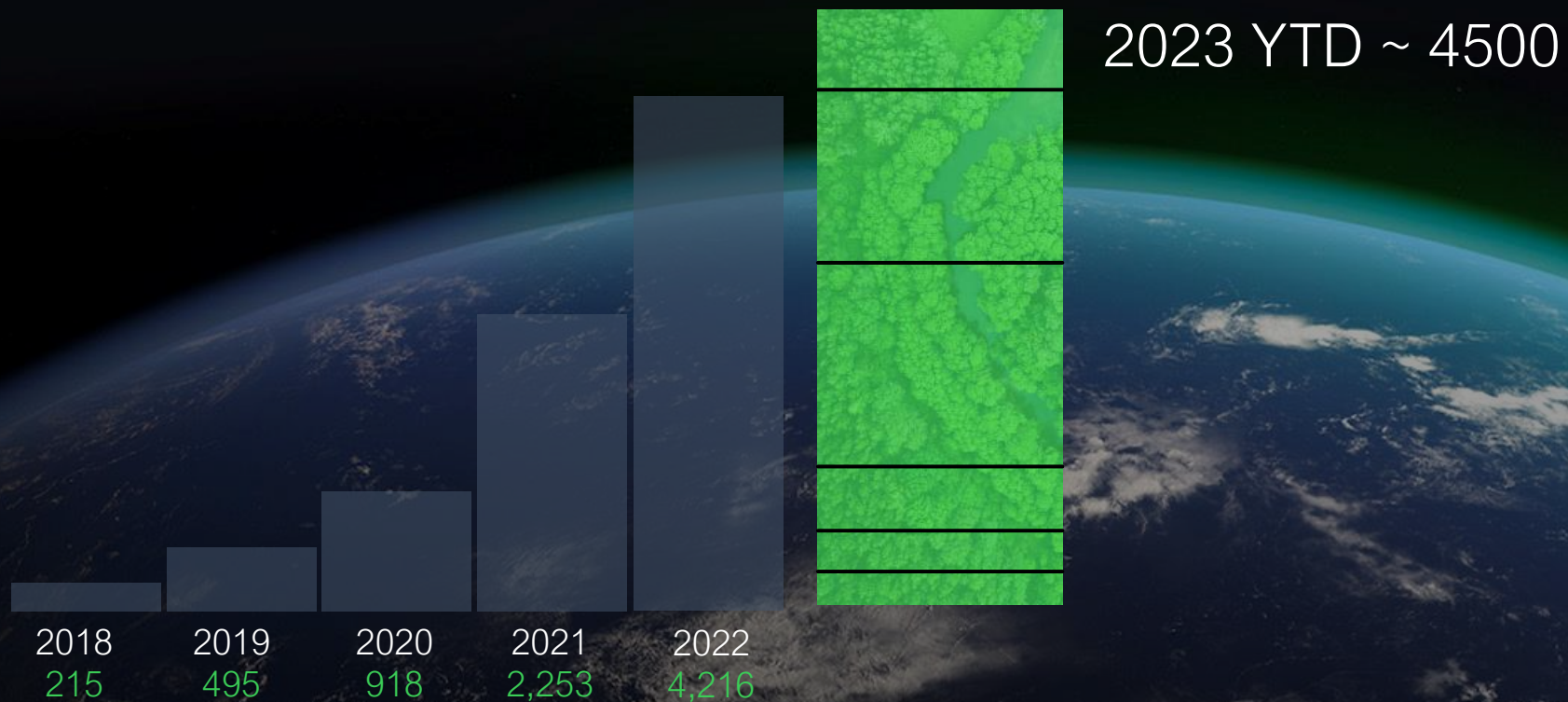


*The Schneider Electric industrial software business and AVEVA have merged to trade as **AVEVA Group Plc**, a UK listed company. The Schneider Electric and Life is On trademarks are owned by Schneider Electric and are being licensed to AVEVA by Schneider Electric.

2x

Number of companies committed to setting science-based targets¹

Commitments to SBTi targets YoY¹



¹ SBTi Progress, Progress Report, 2022



THE CLOCK IS TICKING



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