




Schneider Electric leads sustainability change

DIGITAL REPORT 2021



The Schneider Electric logo is positioned in the upper left corner. It features the word "Schneider" in a large, white, sans-serif font, with the word "Electric" in a smaller font below it. To the left of "Electric" is a white circular icon containing a stylized 'E' symbol. The entire logo is set against a green rectangular background that has a subtle grid pattern.

Schneider
Electric™

**SCHNEIDER
ELECTRIC
LEADS
SUSTAINABILITY
CHANGE**



Schneider Electric is proud to be named the world's most sustainable company – however, as *Natalya Makarochkina* explains, its journey to drive efficiencies and cut emissions has only just begun

Schneider Electric has been quietly but determinedly embracing sustainability for the last 20 years and its efforts were recognised when it was awarded the prestigious title of 'The World's Most Sustainable Company' by Canadian media and research company Corporate Knights in January 2021.

"It was a great honour to receive the award," reflects Natalya Makarochkina, Senior Vice President, Secure Power Division, International Operations, after it jumped from 29th place the previous year. "It proves that every time we define a target, we fulfil it and lead by example."

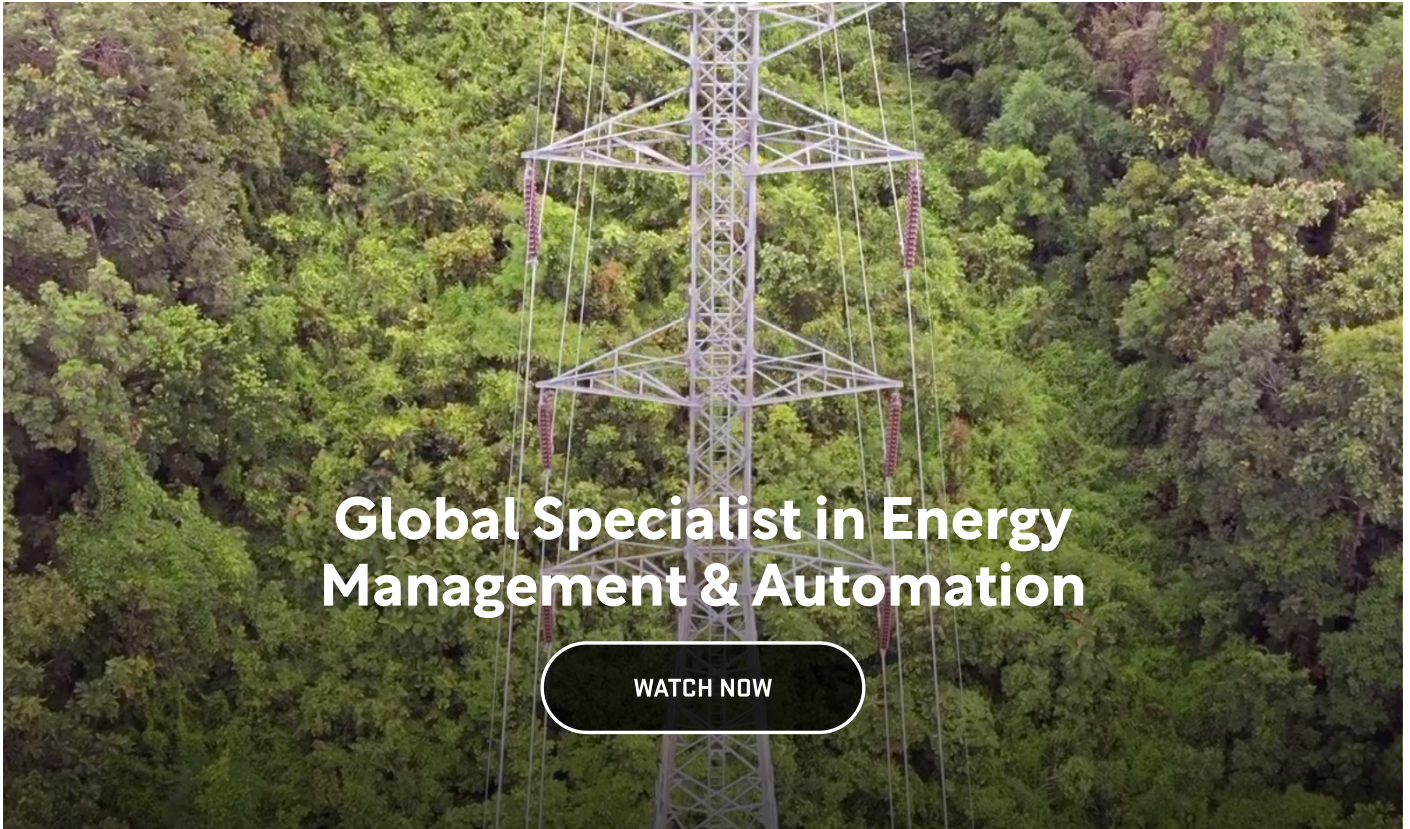
Five months on, you won't find any complacency among Makarochkina nor her peers. The French company, which came fourth in Gartner's more recent annual ranking of corporate supply chains, is busy focusing its attention on two key strategies simultaneously – aiming to eliminate its own climate footprint by 2025 via its Sustainability Impact Program, and driving down emissions amongst its customers across more than 100 countries.

"We are still at the early stages of our transformation programme – we want to cut CO2 emissions among our top 1,000 suppliers by 50%," she said. "Future sustainability is key to us and we want to conserve our resources and protect our planet. Schneider Electric will continue to develop new products and ideas, and continue our goal of sustainability."

To many, Schneider Electric is the first name in power management, whether that's medium or low voltage or secure power, and automation systems – and sustainability is now linked to "multiple customer wins," as cited within its Q1 results statement. It now earns 70% of its revenue from, and directs 73% of its investments toward, sustainable solutions.



Natalya
Makarochkina



Global Specialist in Energy Management & Automation

WATCH NOW

Its 'Life Is On' brand strategy, in which the benefits of connectivity and efficiency were first promoted six years ago, seems more pertinent than ever as countries now

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NATALYA MAKAROVICHINA
SENIOR VICE PRESIDENT, SECURE POWER
DIVISION, INTERNATIONAL OPERATIONS FOR
SCHNEIDER ELECTRIC

place greater emphasis on sustainability and meeting net-zero targets.

For data centres, be they traditional or micro edge, Schneider's expertise and know-how are critical to success. At the moment, data centres consume 1% of global electricity use, but it's forecast to increase significantly as demand for data grows.

“The more data we receive, the more energy we need to process it,” she said. “Previously everyone thought that everything would go to cloud. Now we understand that traditional, hyperscale and colocation will continue to expand. We need more transformation at the Edge.”

During COVID, it has seen the emergence of many Edge solutions – and rise in ‘plug-and-play’ and prefab concepts. “It's extremely important to deliver software too, enabling customers to not only observe the centre, but analytics to make sure they can foresee the potential risks and take the appropriate measures in advance,” she said,

adding that hybrid solutions have been most in-demand.

Micro Edge Data Centres are definitely growing and this will pose challenges for the industry at large. “The problem with Edge is that while individually, they consume a small amount of energy, if you look at the total amounts they consume, it’s huge amounts of power – it can be twice as much as traditional data centres.”

It recently expanded its EcoStruxure™ Micro Data Center C-Series with the new 43U, offering the greatest capacity in the company’s commercial and office line of micro data centers.

By helping customers deploy IT simply, securely, and reliably in any edge computing or commercial environment, the new solution is our largest, fully equipped model, eliminating the need for a purpose-built IT room, saving up to 48 percent on CapEx in 20 percent less time. The integration of EcoStruxure IT yielded 35% in energy savings and 30% cost savings in maintenance for the largest data centre in North Africa.

Another new addition is its Edge Software and Digital Services programme, a complete suite of benefits, support tools and certifications that enables IT solution providers to create a managed power services practice.

‘Glocal’ approach and onset of Electricity 4.0

It is important for Schneider Electric to be seen as international and local, she adds. “It’s a very flexible company and adapts to the needs of the customers. It’s not just about having offices in different parts of the world, but R&D and factories too.” Examples of local projects so far include:

- Fostering equal access to digital learning for 24,000 students in India by powering 100 co-educational schools with solar energy

NATALYA MAKAROCHKINA

TITLE: SVP, SECURE POWER DIVISION,
INTERNATIONAL OPERATIONS

INDUSTRY: ELECTRICAL & ELECTRONIC
MANUFACTURING

LOCATION: MOSCOW

Natalya Makarochkina is the Senior Vice President (SVP) of Secure Power at Schneider Electric, on a mission to lead more than 1000 seasoned professionals in delivering sustainable, innovative ways to support customers and partners in their digital transformation.

Natalya is a passionate executive with strong expertise in leading successful transformations within IT and Energy Management industries. Previous leadership roles include various senior management and sales positions across international technology companies comprising HPE, Philips, Oracle, 3COM and others.

Secure Power provides complete physical infrastructure solutions for data centers, distributed IT environments, and industrial applications. As SVP position Natalya constantly empowers business success within multiple geographies – Asia, Pacific, India, Middle East, South America and CIS.

Natalya holds an Executive MBA from the University of Antwerp, and Masters degree from the Higher School of Economics.

EXECUTIVE BIO





SCHNEIDER ELECTRIC'S 6 SUSTAINABLE COMMITMENTS

1. Creating a climate-positive world
2. Efficient resource consumption
3. Credibility principles
4. Equal opportunities
5. Inclusion of all generations
6. Strengthening communities

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- Transition to a 100% electric company car fleet in Norway by 2023
- Encourage Korean employees to support the shift to electrical vehicle
- Add 150 circular product references to Schneider’s internal shop catalogue for employees in France.
- Increase five-fold Schneider’s spend with indigenous-owned suppliers in Australia as part of the Reconciliation Action Plan
- Give electrical products a second life through donations to an online marketplace for educational purposes, and to improve the electrical installations of families at risk of energy poverty in Spain

Natalya explains that ‘Electricity 4.0’ encompasses electric and digital to create a sustainable future. “It’s really ‘green energy’, using it in the most efficient way,” she said. “It will require a lot of enabling supply and demand efficiency and lifecycle software. It’s extremely important that customers can really integrate digital products and services, where they will require a lot of saved data, moving at high speeds. We try and ‘future proof’ our customers.”



WHAT ARE THE TOP TRENDS WITH ELECTRICITY 4.0?

» There are four defined needs for future data centres – Sustainable, Efficient, Adaptive and Resilient. They will need to be achieved through cost optimisation and reducing the risk of downtime.

How do you see the industry evolving in 2021?

Sustainability will remain top of the agenda, and it will become increasingly important for companies to assess and target the value chain, and Scope 3 emissions. Tech trends include ‘digital first’ and ‘remote

first’ models, which will offer more value-add experiences; we also need to look at integrated and sustainable supply chains, which will allow customers to have scalable digital experiences.

How important is technology in driving sustainable practices?

It’s extremely important, for private and public sectors. We have developed a lot of software and technology never stops. I believe that sustainability is a priority because it’s key to the next generation – and that’s why it’s core to Schneider’s DNA.

DID YOU KNOW...

“One of the challenges is the multi-layered approach. Electricity is everywhere so we must have good software that connects the dots. Customers are not just looking at prices but partners that can reduce carbon.”

Last year was challenging, but the benefits of digitization allowed people to connect and businesses to stay operational, she adds.

More companies, especially in the industrial sector, are now entering the market at much faster speeds, as companies seek ‘quick win’ solutions. Industry 4.0 is being characterised by connectivity, data and computational power; analytics and intelligence; human-machine interaction and advanced engineering.

“We’ve also seen a big increase in e-commerce – this will require more energy, and companies will need to be more sustainable, resilient and efficient. It will be much quicker than the last 20-to-30 years,” she said. US ecommerce forecasts have been revised upwards with 18% growth expected in 2021, and growth in other regions, such as Sub-Saharan Africa, are being driven by rising mobile penetration.

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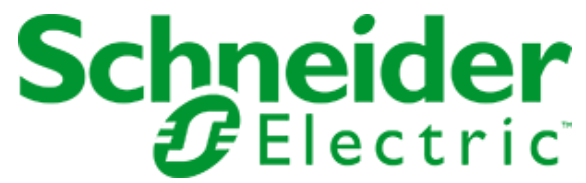


The trend to ‘building back better’ is seeing major changes in the Data Centre industry. Leading Edge Data Centres, for example, are bridging the divide between regional and metropolitan Australia – and were acknowledged at the Datacloud Global Awards as a winner of The Edge Award 2021 .

Another byproduct from the crisis has been the peak in online education, so learning has become more widely distributed. “That will stimulate digitization in other areas,” she said

She signs off our interview on an optimistic note – confident in Schneider’s ability in delivering solutions to meet sustainability challenges. “It is not by chance that we are called the most sustainable company in the world. I’m confident we will meet the targets.”





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