Supporting the Sustainability goals of the Food & Beverage industry

Building a sustainable, resilient and credible Value Chain with EcoStruxure for Food & Beverage
Our mission is to be your digital partner for Sustainability and Efficiency
Rethinking next generation industries: business resilience and sustainability performance for lifecycle integrated management
We help on every step of the value chain

**Efficient facilities**
Safer, more available, and greener resources

**Resilient supply chain**
Manage complexity and improve visibility

**Agile manufacturing**
Boost manufacturing flexibility & efficiency
Food Safety & Traceability
Ensure compliance and increase trust across the whole value chain

Energy & Sustainability
Reduce environmental footprint and meet sustainability goals

Asset Performance
Maximize return on asset investment

Workforce Empowerment
Take teams efficiency to the next level

Digital Engineering
Cut time, cost and risks of capital project engineering

... enabled by transversal digital transformation capabilities
Empower all to make the most of our energy and resources, bridging progress and sustainability for all.

Our difference

Leading by example in our ecosystem

Being part of the solution for our customers

#1
Our journey to making a better world
Sustainability everywhere

Our DNA
Meaningful, Inclusive, Empowered

Our business
EcoStruxure, Green Premium, Energy and Sustainability Services

Our incentives
Sustainability components incorporated since 2011 (STIP)

Our commitments
Schneider Sustainability Impact program
Our journey to making a better world

2018-2050 engagements

2018 -’20

Design New Principles of Responsibility

2025

- Carbon neutrality
- Phase out SF₆
- Invest €10bn in R&D
- Train 1m people
- Energy access 50m people
- Support 10,000 entrepreneurs

2030

- Sc 1+2 – Net-zero
- Sc 3 – -35%
- 100% renewable electricity
- 2x energy productivity (vs 2005)
- 100% EV

Net-zero supply chain

2050

Global Compact LEAD

UN GLOBAL COMPACT
2020, a historical year for ESG rankings and awards

#1 Most Sustainable Corporation + SSERI = 100%

10\textsuperscript{th} year in a row
(only competitor with same rating is Vestas)

10\textsuperscript{th} year in a row
(only competitor with same rating is Vestas)

#1/26 in industry

#1\textsuperscript{st} among peers with $37.3\textendash$70.8 bn billion market cap,
2/159 in the industry group (Low Risk)

Platinium rating, Top 1\% among 50,000 companies assessed

#2 in industry after Siemens Gamesa, Member of the Euronext
Vigeo Eiris World 120, Europe 120, Eurozone 120 and France 20 indices.

#1 most sustainable corporation
100 MtCO₂ saved for our customers (2018-2020)
A unique methodology, designed to become an industry standard

Our ambition is to prove ‘More Schneider is a better climate’:

120 MtCO₂ saved through our EcoStruxure offers

from 2018 to 2020

Customers are increasingly taking C-level commitments on climate; energy and CO₂ efficiency are becoming a business differentiator

In 2018, we launched a new indicator in Schneider Sustainability Impact to quantify CO₂ savings delivered to our customers

This innovative methodology is rigorous, conservative and transparent; it is designed to become an industry standard
6 long-term commitments

1. Act for a **climate** positive world by continuously investing in and developing innovative solutions that deliver immediate and lasting decarbonization in line with our Carbon pledge.

2. Be efficient with **resources** by behaving responsibly and making the most of digital technology to preserve our planet.

3. Live up to our Principles of **trust** by upholding ourselves and all around us to high social, governance and ethical standards.

4. Create **equal** opportunities by ensuring all employees are uniquely valued and work in an inclusive environment to develop and contribute their best.

5. Harness the power of all **generations** by fostering learning, upskilling and development for each generation, paving the way for the next.

6. Empower **local** communities by promoting local initiatives and enabling individuals and partners to make sustainability a reality for all.
### 6 long-term commitments

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<tr>
<th>CLIMATE</th>
<th>1. Grow our green revenues to 80%</th>
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<tr>
<td></td>
<td>2. Deliver 800 million tons of saved and avoided CO₂ emissions to our customers</td>
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<td>3. Reduce CO₂ emissions from top 1000 suppliers’ operations by 50%</td>
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<th>RESOURCES</th>
<th>4. Increase green material content in our products to 50%</th>
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<tr>
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<td>5. 100% of our primary and secondary packaging is free from single-use plastic and uses recycled cardboard</td>
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<th>TRUST</th>
<th>6. 100% of our strategic suppliers provide decent work to their employees</th>
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<td>7. Measure the level of confidence of our employees to report behaviors against our Principles of Trust</td>
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<th>EQUAL</th>
<th>8. Increase gender diversity, from hiring to front-line managers and leadership teams (50/40/30)</th>
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<td></td>
<td>9. Provide access to green electricity to 50 million people</td>
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<tr>
<th>GENERATIONS</th>
<th>10. Create opportunities for the next generation – 2X number of opportunities for interns, apprentices, and fresh graduate hires</th>
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<td>11. Train 1 million underprivileged people in energy management</td>
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<tr>
<th>LOCAL</th>
<th>+1. 100% of Country and Zone Presidents define 3 local commitments that impact their communities in line with our sustainability transformations</th>
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Watch the new sustainability video

empower all to make the most of our energy and resources

Watch the video
The Food & Beverage Ecosystem Reality
Market Outlook and Manufacturers’ Challenges
The Food & Beverage Ecosystem Reality

Sources:
- Allianz Risk Barometer 2020;
- Which50, 2020;
- Incentivizing Food Systems Transformation, WEF, Jan 2020
- Schneider Electric Perspectives, 2020.
- Food industry failing to address supply chain emissions: ‘Engagement is relatively shallow, Food Navigator, Dec 2020

"We urgently need to change the way we produce and consume food so we can feed everyone in the world while raising incomes, improving health and nutrition and protecting the planet."

Laura Tuck, Vice-President, Sustainable Development, The World Bank

"Nearly one-third of the food produced each year is uneaten"
The Food & Beverage Ecosystem Reality

End-consumers turn to more sustainable brands

Market Outlook

• End consumers asking for more information on «how sustainable brands and products are».
• CSR = key market differentiator for businesses as more consumers look to purchase products from companies that «act responsibly»

Manufacturers’ Challenges

• Prove with real tangible results the achievements of the brand commitments
• As sustainability is directly linked to End-to-End traceability, gain more insights, to design and improve operating practices to build a sustainable and credible supply chain from source to store

Source: IBM Research Insights, May 2020
The Food & Beverage Ecosystem Reality
More complex and stricter regulation & standards, accelerated by the COVID-19 pandemic

Market Outlook
- EU Green Deal – Farm to Fork Strategy for a healthier and more sustainable EU food system
- ISO 20400 - world’s first international standard for sustainable procurement
- Towards a mandatory EU system of due diligence for supply chains
- Evolving labeling rules (e.g. Nutriscore, Country-score, climate/eco/carbon score, Animal welfare, ….)

Manufacturers’ Challenges
- Integrate a “holistic” sustainability approach into procurement
- Deal with all different regulations & standard requirements in different countries
- Engage the entire ecosystem

Sources:
- EITfood, 2020: From Farm to Fork Strategy, 2020
- EU Green Deal/Farm to Fork, 2020

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The Food & Beverage Ecosystem Reality

Supply Chain credibility and responsible sourcing

Market Outlook

• Increasing number of Indexes and Standards: Dow Jones Sustainability Index, B-Corp certification for Sustainable Sourcing & ISO 20400 for Sustainable Procurement

• Investors are starting to link sustainability to Valuation: social responsibility, sustainability, product origin, ethical trading, animal welfare

Manufacturer’s Challenges

• Gain more insights on the full supplier’s network

• Engage and onboard the entire suppliers’ ecosystem into the journey

Sources:

• Gartner on sustainability in supply chain; Lumina intelligence report, 2020;
• Innovation with a Purpose: Improving Traceability in Food Value Chains through Technology Innovations, 2019, World Economic Forum in collaboration with McKinsey
• Sustainable Supply Chain Initiative (Consumer Goods Forum)
• Due diligence, Modern Slavery Act

90% of all disclosed emissions in the food sector come from supply chains

Total global GHG emissions directly related to agricultural production 24%

Learn more
The Food & Beverage Ecosystem Reality

“Net Zero” target and carbon neutral commitments

Only 16% of food companies have targets that address supplier emissions

79% of consumers include sustainable packaging in their purchasing decisions (83% in Millennials)

Sources:
- Perspectives Carbon neutrality
- EITfood, 2020
- CDP Global Supply Chain Report 2020, Feb 2021
- Crippa, M., Solazzo, E., Guizzardi, D. et al. Food systems are responsible for a third of global anthropogenic GHG emissions. Nat Food
The Food & Beverage Ecosystem Reality
The product life cycle End-to-End

Market Outlook

• Plastic Packaging contributes around 1.8 Billion tonnes of carbon emissions!
• Food Waste: more than 30% of all food produced is thrown away!
• **Green and Digital product passport** with standardized and trustworthy information on the circularity of a product

Manufacturer’s Challenges

• Engage a complex ecosystem to manage End-to-End product life cycle: from agriculture to packaging recycling
• No standardized information flow
• Information unavailable, confidential or lost

Sources:
• IBM Research Insights, May 2020
• Circularity datasheet, Luxembourg
• 4 lessons from nature to build a circular economy, WE Forum
• This is how social innovators are leading the race to zero emissions, WE Forum
• How Food & Drink businesses are creating a circular economy, April 2021

Traceability and transparency are crucial to getting a clear understanding of the environmental impact of a company’s supply chain.

Dexter Galvin, Global Director of Corporations & Supply Chains at CDP

Food loss and waste account for 9% of planet-warming greenhouse gases
The Food & Beverage Ecosystem Reality

How to build a more sustainable Value Chain?

Digital Technologies are the most robust solution to the recovery and transformation of the food system in order to build a resilient, credible and sustainable Supply Chain.

“New technologies are creating a more diverse food ecosystem. This ranges from new food manufacturers to the rise of technology enabled platforms which connect food businesses to consumers, and online-only players offering convenient food at lower prices.”

53% Manufacturers plan to implement new technologies to manage their supply chain.

Sources:
- Incentivizing Food Systems Transformation, 2020
- 2020 Digital supply chain survey- Grant Thornton
Reduce your environmental footprint and meet your sustainability goals

End to End Decarbonization
Tackle your energy challenges by creating an optimized way to access reliable, green, and resilient energy. Reduce GHG emission, scope 1, 2, 3 to address climate change

Efficient and sustainable operations
Meet your energy and sustainability goals and reduce costs with smart energy, water and waste management at your facilities

Minimize footprint on environment
Reduce impact on the planet by helping farmers improving productivity and better managing the usage of resources. Protect agriculture and ecosystems.

Responsible Value Chain, end to end
Increase visibility across your entire Value Chain, from raw materials to finished goods to improve transparency and build a sustainable Value Chain.

Towards Net Zero emissions

Up to 30% energy cost reduction

For a better future from agriculture to packaging

Build a sustainable Value Chain
Energy & Sustainability

Reduce your environmental footprint and meet your sustainability goals

**End to End Decarbonization**
Tackle your energy challenges and access reliable, green, and resilient energy. Reduce GHG emission, scope 1, 2, 3 to address climate change

**Minimize footprint**
From agriculture to packaging, we support in reducing impact on the planet and protect ecosystems

**Fields & Farms** → **Cooperative** → **Manufacturing** → **Distribution** → **Retailer** → **Consumers**

**Make the most of your resources**
Do more with less by reducing your energy consumption, saving money on energy, stewarding natural resources.

**Responsible value chain**
Increase visibility across your entire Value Chain, from raw materials to finished goods to improve transparency and build a sustainable Value Chain.
Reduce your environmental footprint and meet your sustainability goals

Let’s engage in this journey!

- Towards Net Zero
- Doing more with less
- Minimizing impact on environment from agriculture to packaging
- Building a responsible and sustainable Value Chain, end to end
- Communicating sustainability goals, projects and achievements with all company stakeholders.

Up to 50% energy cost savings
Up to -5% of OpEx savings
Up to 40% CO₂ footprint reduction.
Reduce your environmental footprint and meet your sustainability goals

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# EcoStruxure for Food & Beverage / CPG

## Agile manufacturing
Boost manufacturing flexibility and efficiency
- Manufacturing Operation Management
- Industrial Information Management
- Process Control System
- HMI and data Integration
- Process Automation
- Packaging Automation

## Efficient facilities
Safer, more available, and greener resources
- Smart Building Management
- Power Safety & Availability
- Power Quality & efficiency
- Renewable Energy & Microgrids
- IT Infrastructure Management

## Resilient supply chain
Manage complexity and reduce logistics costs
- Agriculture Efficiency & Sustainability
- Suppliers Management
- Supply Chain Optimization
- Cold Chain Monitoring
- Product Information Management

## Food Safety & Traceability
Ensure compliance and trust across the product life cycle
- Food Defense
- Cybersecurity Services
- Digital Calibration
- Raw material traceability
- Production traceability
- Product Identification & Tracking

## Energy & Sustainability
Reduce footprint and meet sustainability goals
- Sustainability Consulting
- Energy Demand Services
- Strategic Energy Sourcing
- Enterprise data management
- Energy as a Service

## Asset Performance
Maximize return on capital expenditure
- Assessment and Consulting
- Enterprise Asset Management
- Condition Monitoring
- Predictive Analytics
- Line & Process Optimization
- Modernization services

## Workforce Empowerment
Improve staff knowledge, productivity and collaboration
- Operator Training Simulator
- Augmented & Virtual Reality
- Workflow Management
- Staff Schedule Management
- Operator Knowledge Sharing

## Digital Engineering
Cut time, cost and risks of capital project engineering
- Electrical CAD
- Building Information Modelling
- Integrated Engineering-Design
- Digital Asset Visualization
Let’s talk about EcoStruxure™
Innovation At Every Level
for Food & Beverage