Circular Economy in Practice: Corporate Adoption

Amy Haddon, Schneider Electric Energy & Sustainability Services

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The circular revolution

Circularity dominates the 2019 global sustainability headlines

Circularity is a business imperative, say Swarovski innovation speakers

Circles, not lines: Circularity is getting Kiwi incumbents to switch to circular business models

Circularity has finally hit the mainstream as Nestle, Mars, Danone and Clorox join Loop to test reusable packaging

Newsweek Study on Circularity in Business Shows that Circularity has Come of Age

A CALL TO ACTION FOR A CIRCULAR FASHION SYSTEM

5 drivers of corporate circularity adoption

Increasing stakeholder pressure

Operational sustainability & resilience

Natural resources depletion & security

Financial & environmental costs

Business opportunity & innovation

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Components of circular business models

Two predominant approaches to replace take-make-waste industrial model

Biological Cycles
Consumption of biologically-based materials designed to feedback into the ecosystem through composting, anaerobic digestion, etc. Emphasis on regeneration and renewability of systems and resources.

Technical Cycles
Recover and restore products, components, and materials through reuse, repair, remanufacture, or recycle.

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Real-world examples

What companies are doing to practice circularity: biologic, technical, or digital

Re-Use Programs

Sharing/As-a-Service

Modularity

Take-back/buy-back/trade Programs

Circular Design

Schneider Electric, leading the digital transformation of Energy Management and Automation
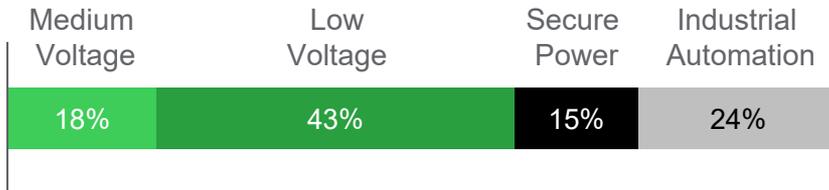
€24.7 billion
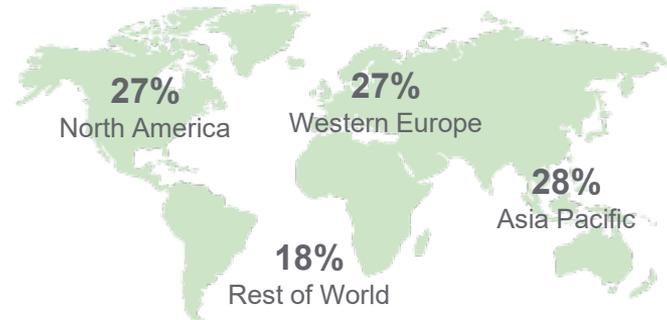FY 2017 revenues

~5%
of FY revenues devoted to R&D

142,000+
people in 100+ countries

Our Products & Solutions
– FY 2017 revenues

Medium Voltage	Low Voltage	Secure Power	Industrial Automation
18%	43%	15%	24%

Balanced geographies – FY 2017 revenues

27%
North America

27%
Western Europe

28%
Asia Pacific

18%
Rest of World

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Circularity at Schneider Electric: Why it matters

Planet

- Planet Compatibility; Earth Overshoot Day 1st Aug 2018

- Climate Compatibility: Target below +2°C

- Life preservation compatibility: chemicals

Customer

- Longer asset lifespan, lower total cost of ownership

- Peace of mind → Focus on 'core' activities

- Capex to Opex: EaaS

Government

- Local jobs creation

- Local capture of value-add on 2nd, 3rd, end-of-life services

- Targets for efficient resource consumption

Business

- 'Relationships-for-life' with customers

- New 'Circular' business opportunities: intimacy through IoT

- Efficiency → Bottom-line impact

A winning approach for all stakeholders

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Our public 2020 Circular Economy targets

75% of product sales under our new Green Premium program

200 sites labeled towards zero waste to landfill

100% cardboard / pallets from recycled or certified sources

120,000 metric tons of primary resource consumption avoided through Ecofit, recycling, and take-back programs

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4 domains of circular innovation at Schneider

Resources Circularity

- ecoDesign
- Materials + packaging
- End-of-life instructions (like recycling, WEEE, etc.)

Product Circularity

- Total cost of ownership
- Continuity of operations
- Longer lifespan
- Repairability/upgrade-ability

Value Prop Circularity

- Energy-as-a-Service
- Connected objects + cloud services
- Energy Performance Contracting

Supply Chain Circularity

Raw material selection & optimization

Scrap recycling

Packaging minimization & reuse

Circular business models: Schneider Electric's actions & commitments

Current Level of Circularity

I. Resources circularity

- Circularity dimensions while designing new offers
- Using responsible / recycled / bio-sourced materials

II. Product circularity

- Retrofit Services to upgrade functions & increase lifespan
- Other circular services for product 2nd life, repair, refurbish

III. Value proposition circularity

- Energy Management as-a-service, leasing, take-back offers
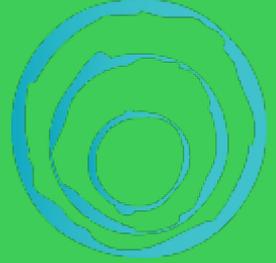- Predictive maintenance & remote management leveraging IoT

IV. Supply chain circularity

- Waste & packaging minimization, re-use, recycling
- Re-use of obsolete stock, returns, spare parts

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Recognition: 2019 Circulars Award

Schneider honored in the Multinational category

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