INNOVATION

At the Edge

Life Is On | Schneider Electric

Schneider Electric provides **energy and automation** digital solutions for **efficiency and sustainability**

Life Is On | Schneider Electric

Energy and automation solutions for efficiency and sustainability

Energy Transition

Energy Management

Industrial Automation

Industry 4.0

Energy Efficiency

Up to

~65%

(Average 30%)

Productivity

Up to

-50%

CapEx (integration)

Reliability & Safety

Up to

50%

Fewer incidents

Sustainability

Aiming at

0

Carbon emissions

Serving 4 end-markets:

Buildings	Data Centers	Infrastructure	Industry

Life Is On | Schneider Electric

Deep Domain Expertise

20 of the largest **Oil and Gas** companies

9 of the 10 largest **Mining, Metals and Minerals**

11 of the top brands within **Food & Beverage**

40k Water & Wastewater installations in **120** countries

1 Mil+ million+ **buildings** including 3 of top 5 **hotel** chains and approx. 40% of the world's **hospitals**

10 of the world's top electric **utilities**

4 of the top 4 **hyper-scale cloud** providers

8 of the top 10 **packaging machine** builders

10 of the biggest **Automotive Companies** globally

1 of the top 4 **semiconductor manufacturers** recognized us as 2018 Preferred Quality Supplier

10 of the world's largest **Airports**

Life Is On | Schneider Electric

What is

INNOVATION at the EDGE?

*A Schneider Electric program that transforms **bold ideas** into customer solutions at the "edge" to go faster, test without disrupting the core and create new growth engines.*

Life Is On | Schneider Electric

Innovation critical in the Core Business & at the Edge

New Products
New Features
R & D

Innovation
at the Core

Innovation
at the Edge

Investments
Incubations
Partnerships
Joint Ventures

Life Is On | Schneider Electric

Innovation at the Edge turns ideas into growth

IDEAS

internal and external ideas to solve customer problems

PARTNER
Co-innovate with startups; proof of concepts, pilot, scale-up

INVEST
SE Ventures direct investment or through fund of funds

INCUBATE
Build new businesses from 0-1, leveraging incubation partners

JOINT VENTURE
Build new companies with established corporations

Life Is On | Schneider Electric

At the Edge is a low risk strategy to test new ideas

SCOUT FOR IDEAS

Look for ideas, partners and business models internally and externally

APPLY A STRATEGY

Incubation, **p**artnership investment, joint-venture, alliance, fund-of-fund

COLLABORATE TO GENERATE VALUE

Run pilots, co-innovate, test technology, provide market access and gain traction

Life Is On | Schneider Electric

Our Areas of Interest

New Energy

Landscape

Creating a Decentralized,
Decarbonized, Digitally Enabled
All-Electric Future

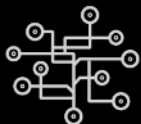**Buildings and infrastructure
of the future**

Intelligently Connecting the Built
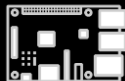Environment: Home, Buildings,
Datacenters, Airports, etc.

Industry of the future

Sustainable and Smart Approaches to
Industry 4.0 Asset Intelligence,
Automation &
Connected Workforce

Low cost sensing   **Edge computing**   **Networking/
communications**   **AI/ML**   **Machine Vision/
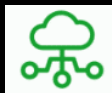Perception**   **Cybersecurity**   **Data & Analytics**   **VR**

Life Is On | Schneider Electric

Interest Areas shaped by COVID 19

Themes

Remote work and digital acceleration

Social distancing

Regionalization of manufacturing

Supply chain resiliency

Potential implications

- Enhanced cybersecurity
- Increase need for data centers, micro-data centers
- Increased digitization of work and collaboration tools

- Access to real-time data and tools with fewer human interactions
- Computer vision to verify social distancing
- Enhanced access control

- Software-defined manufacturing to allow multiple SKUs produced from given factory
- Connected factories, augmented operations with real-time data, remote control
- As-a-service business models to drive lower capex and better cost control

- Track and trace technologies
- Supply chain automation and resiliency with multiple manufacturing alternatives
- E-commerce and innovation in channels

Life Is On | Schneider Electric

Schneider Electric's Innovation Ecosystem in Israel

- Innovation hubs in Israel, China, US, UK and France

- Israel has largest concentration of innovative startups per population and capital

- Partner with Grove Ventures & SOSA to expand ecosystem, incubate, and partner

- Working with ~60 Israeli startups to partner, co-innovate

Life Is On | Schneider Electric

Working with Schneider Electric has taught us how large companies work and function. We now feel more comfortable navigating big corporates and hope that they are as fast and eager to learn as Schneider Electric."

Emanuel Salmona,
Vice President Global Partnerships
Claroty

- Schneider Electric invested in Claroty

- Deployed solution at all production lines

- Now reselling as integrated solution

Life Is On | Schneider Electric

Case Study: Partnering and Investing in Founders

INSPEKTO

- World's first Autonomous Machine Vision System

- Quickly moved from initial meeting to tests and operation on the shop floor of numerous plants

- Expanding to Mexico, USA and India

Schneider Electric was lightning-quick to embrace the newcomer to the Industrial Automation Family, recognize its disruptive potential to plants in any industry, tier or geography - and help put it on the fast track to category domination. With our friends at Schneider Electric we feel we are working with a 160,000 employee STARTUP - with invaluable insights, invaluable corporate channels, and invaluable team and collaborative efforts.

The collaboration between Inspekto and Schneider Electric is, literally, a match made in heaven.

Harel Boren
CEO and Exec Chairman
Inspekto

Life Is On | Schneider Electric

Innovation in Schneider Electric Brazil

Cross-functional innovation team focused on 3 main clusters:

Customers

Connecting our customers to startup's and digital environment through open innovation and workshops

Efficiency

Digital innovation methodologies to improve efficiency and bring savings in the back-office.

Culture

Innovation methodologies shared with the employees to empower the team to conduct their own projects.

Schneider increased more than 100 positions in Brazil's rank of most innovative companies in 2019.

Innovation cases

GRANADO
— PHARMÁCIAS —
DESDE 1870

Granado Pharmacy, founded in 1870 is one of the main cosmetic companies in Brazil.

Advanced Manufacturing
Digital Transformation through EcoStruxure

- Implementation of EcoStruxure Hybrid DCS and Wonderware Inbatch platform in factory

Energy and Sustaintability Services

Consulting services; energy efficiency projects; sustainability, energy procurement, software

Life Is On | **Schneider Electric**

Our Learnings on Innovation

- Harness the best talent, ideas and technology from inside and outside your company

- Take many small bets

- Disruptive ideas are best incubated outside the core organization

- Take a long-term approach

- Establish the right distance with startups and the core business

Life Is On | Schneider Electric

Life Is On | Schneider Electric