Leading by Example to Empower Customers and Build an End-to-End Green Value Chain

Schneider Electric

PROJECT OVERVIEW

As a world-class enterprise with a history of over 180 years, Schneider Electric has long been committed to being a practitioner and enabler of sustainable development. It works with industrial partners and all sectors of society to explore efficient and sustainable development modes, maximizing its "sustainable impact".

Schneider Electric incorporated sustainability into its core strategy as early as 2002, integrating it into every aspect of its business operations. The company quantifies various indicators, formulates specific action plans, decomposes and implements them layer by layer across global departments, and conducts regular evaluations. Up to now, Schneider Electric has 20 "zero-carbon factories", 15 "green factories" recognized by the Ministry of Industry and Information Technology, 2 lighthouse factories, and 18 smart factories and smart logistics centers in China.

In addition to formulating overall sustainability commitments and goals, Schneider Electric has also made a net-zero carbon commitment in response to the challenge of climate change: to achieve "carbon-neutral readiness" at its own operational level by 2030; and to realize net-zero carbon emissions across the end-to-end value chain by 2050.

To fulfill this commitment, Schneider Electric has built an end-to-end green value chain covering green design, green procurement, green production, green delivery, and green operation and maintenance. It not only strives to achieve low-carbon development itself but also promotes the carbon reduction process of partners in the upstream and downstream of the industrial chain.

COMPANY/ORGANIZATION PROFILE

Life Is On | Schneider Electric 施耐德电气

Schneider's purpose is to create Impact by empowering all to make the most of our energy and resources, bridging progress and sustainability. At Schneider, we call this Life Is On.

As a global industrial technology leader, Schneider Electric has a global presence in over 100 countries and regions. We are bringing world-leading expertise in electrification, automation and digitization to smart industries, resilient infrastructure, future-proof data centers, intelligent buildings, and digital-intelligence homes. Anchored by our expertise, we provide integrated end-to-end lifecycle AI enabled industrial IoT solutions with connected products, automation, software, and services, delivering digital twins to enable profitable growth for our customers. Our mission is to become the trusted partner in Sustainability and Efficiency.

PROJECT OUTCOME

As early as 2002, Schneider Electric integrated sustainability into its core corporate strategy and embedded it into all aspects of its business operations. To quantify sustainability goals and track progress in a timely manner, the company launched the SSI Program in 2005 which is a quantitative indicator system for measuring its own sustainability performance. After calculation and third-party auditing, Schneider Electric achieved an SSI total score of 8.06 out of 10 in the second quarter of 2025, making steady progress toward its annual sustainability target of 8.80.

To drive carbon reduction among suppliers, Schneider Electric launched the Zero Carbon Program in 2021. Aimed at providing technical guidance, consulting services and other support, the program is designed to help 1,000 key global suppliers reduce carbon emissions by 50% at the operational level by 2025, including over 270 core suppliers in China. In the first quarter of 2025, Schneider Electric helped suppliers participating in the global Zero Carbon Program achieve an average carbon reduction of 42%.

PROJECT HIGHLIGHTS

To date, Schneider Electric has established 20 zero-carbon factories, 15 green factories certified by China's Ministry of Industry and Information Technology, 2 lighthouse factories, as well as 18 smart factories and smart logistics centers in China. Its practices in the field of sustainability have gained recognition from numerous global third-party organizations, including but not limited to the following:

- Ranked in the A-List of the Carbon Disclosure Project (CDP) for 14 consecutive years
- Included in the Dow Jones Sustainability World Index for 14 consecutive years
- Named to Corporate Knights' "Global 100 Most Sustainable Corporations in the World" list for 14 consecutive years, and claimed the top spot twice
- Recognized in Fortune's "World's Most Admired Companies" list for 6 consecutive years
- Included in the Bloomberg Gender-Equality Index (GEI) for 6 consecutive years

- Listed in Gartner's "Global Supply Chain Top 25" for 10 consecutive years, and secured the first place for three consecutive years (2023, 2024, and 2025)
- Featured in Fortune China's ESG Impact List 2025
- Ranked first in Time Magazine and Statista's "World's Most Sustainable Companies" list for 2024 and 2025

PROJECT IMPLEMENTATION

A key challenge for Schneider Electric in building an end-to-end green value chain is driving carbon reduction among suppliers. First, supply chain emissions are substantial. Data from Carbon Disclosure Project (CDP) shows they exceed a company's direct emissions by over five times. At Schneider Electric, its own factories account for less than 10% of total supply chain emissions, with over 90% coming from upstream and downstream partners. Second, many supply chain enterprises face hurdles in carbon reduction, such as unclear direction, vague pathways, insufficient execution, and uncertain returns, creating an urgent need for guidance from pioneers.

To address these issues, Schneider Electric launched the "Zero-Carbon Program" for suppliers in 2021. It aims to help 1,000 major global suppliers, including over 270 core Chinese suppliers, to cut operational emissions by 50% by 2025 through technical guidance and consulting services. The program offers four types of support:

- Theoretical support: sharing experience of carbon reduction, inviting industrial policy experts and green energy authorities for forward-looking guidance, and using green procurement policies to boost suppliers' motivation.
- Technical support: providing comprehensive assistance like plans of carbon reduction pathway, emission tracking tools, and hardware-software solutions to help optimize operations, improve energy efficiency, and lower emissions.
- Resource support: sharing resources and insights from third-party (e.g., green energy and certificate procurement opportunities), offering CDP reporting and certification services, and providing over 10 online courses for regular professional training.
- On-site support: expert teams conducting on-site assessments of carbon reduction potential, hosting factory tours and workshops, and collaborating to explore new modes for joint carbon reduction.

An enterprise's sustainable competitiveness also depends on the industrial ecosystem, not just itself. Schneider Electric not only leads by example in green and sustainable growth but also leverages its digital strengths and practical experience to empower customers and society. It will work with industrial partners and stakeholders to explore efficient, future-ready sustainable development modes, acting as a sustainable "impact creator."

1. Empowering Customers for Industrial Sustainability

Being an enabler requires long-term commitment to sustainability, rich practical experience, and actionable methodologies derived from practice.

1.1 Product and Solution Empowerment

Schneider Electric's practical expertise enables its customer empowerment. Drawing on deep industry knowledge, it offers AI-driven, end-to-end industrial IoT solutions covering interconnected products, automation, software, and services, along with cross-platform industrial data bases and "digital twins". These help Chinese enterprises boost efficiency while achieving green sustainability. It also integrates energy management and automation expertise to balance energy and process efficiency, delivering full solutions from consulting to implementation.

1.2 Sustainable Development Consulting

Sustainability demands profound changes in business operations, organizational structures, and ecosystems. Yet, companies still face challenges like unclear strategies and uncertain returns in carbon reduction. Schneider Electric addresses this with new consulting services, offering end-to-end support from strategic planning and implementation to performance tracking, tailoring transformation pathways for each enterprise.

2. Empowering Society to Strengthen Sustainability Foundations

To amplify its impact and foster sustainable talent, Schneider Electric has developed collaborative vocational education models through initiatives like the "BizBo Vocational Education Program" and "Green Low-Carbon Industry-Education Integration Project." These aim to train young professionals in industrial automation, smart manufacturing, and energy management. It has partnered with over 100 vocational colleges, benefiting more than 100,000 students.

In ecosystem collaboration, Schneider Electric launched the "Green Intelligent Manufacturing Innovation Program" in 2020, uniting governments, enterprises, and research institutions. It has attracted over 570 high-tech SMEs, with co-created solutions covering 25 industrial scenarios.

PROJECT IMPACT & SUSTAINABILITY

For an enterprise to achieve stable and long-term development, it not only succeeds commercially but also empowers the entire ecosystem, exerts sustainable influence, and works with industrial partners and all sectors of society to explore efficient and sustainable development modes for the future, acting as a sustainable "impact creator." Schneider Electric has developed a replicable mode:

First, taking management as the cornerstone. Management can be a booster for sustainable development. Comprehensive management approaches can ensure that the concept of sustainable development is integrated into all aspects of business and that the goals of sustainable growth are achieved.

Second, taking innovation as the engine. Innovative technology is the main engine of sustainable development, providing enterprises with strong driving force for growth. Adhering to the "China-centric" strategy, Schneider Electric applies three key technologies, including digitalization, electrification, and decarbonization, to promote carbon reduction.

Third, taking talent as the driving force. People are the greatest source of innovation and potential. In the process of implementing sustainable strategic goals, Schneider Electric attaches particular importance to enhancing employees' awareness and capabilities. It has established sustainable management mechanisms and a corporate culture of inclusiveness and care, linking sustainable development indicators with employee performance, empowering employees through an inclusive and diverse culture, and encouraging green and low-carbon innovation.

Fourth, building ecological influence. In building a business ecosystem, Schneider Electric empowers customers, supply chains, and partners with technologies and experience to create an end-to-end green value chain. In building a social ecosystem, it helps employees and young people grow sustainably through concept guidance and capacity building.

Fifth, creating sustainable performance. Sustainable impact creators pursue the mutual promotion of business and sustainability, focusing not only on economic returns but also on establishing long-term competitive advantages.

Expert Comments

Schneider Electric makes sustainability a core element of its corporate strategy, which is anchored in management excellence, driven by innovation, and powered by talent. The company continues to advance low-carbon initiatives and establishes multiple "zero-carbon" and "green factories" across China. It also sets the value chain carbon reduction targets for 2030 and 2050, proactively promotes carbon reduction throughout its supply chain, and builds a green value chain that spans "green design, procurement, production, delivery, and operation & maintenance". The company effectively accelerates industry-wide emission reduction through a range of ecosystem empowerment initiatives, with its "Zero Carbon Project" serving as an enabler for suppliers to reduce their carbon footprint.