Schneider Electric
Global Supply Chain

Powered by EcoStruxure
Investor visit, Le Vaudreuil (France)
June 26, 2019
Disclaimer

All forward-looking statements are Schneider Electric management’s present expectations of future events and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. For a detailed description of these factors and uncertainties, please refer to the section “Risk Factors” in our Annual Registration Document (which is available on www.se.com). Schneider Electric undertakes no obligation to publicly update or revise any of these forward-looking statements.

This presentation includes information pertaining to our markets and our competitive positions therein. Such information is based on market data and our actual revenues in those markets for the relevant periods. We obtained this market information from various third party sources (industry publications, surveys and forecasts) and our own internal estimates. We have not independently verified these third party sources and cannot guarantee their accuracy or completeness and our internal surveys and estimates have not been verified by independent experts or other independent sources.
Using EcoStruxure for enhanced efficiency in industrial end-markets
Global Supply Chain
A vast worldwide set-up across the value chain

Orders
- 150,000 order lines per day
- 260,000 references

Logistics
- 98 distribution centers

Manufacturing
- 200 factories
- 46 countries

Procurement
- €13.1 B purchases*

86,000 employees  (Total industrial headcount incl. procurement, manufacturing, and logistics)

December 2018 (including Delixi)
* Production and non-production purchase
Our Tailored Supply Chain journey

We have seen several breakthroughs towards customer-centricity and cash efficiency, while delivering improved performance on productivity.

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<th>Year</th>
<th>Description</th>
<th>Footprint and lean manufacturing</th>
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<td>2009–2011</td>
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<td>2012–2014</td>
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<td>2015–2017</td>
<td>TSC 4.0 Tailored Sustainable Connected</td>
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<td>TSC 2.0 Tailored Supply Chain 2.0</td>
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Schneider is On Best-in-class across industry
Our supply chain is recognized externally

**Gartner recognition**
- **2019:** Schneider Electric ranked No.11 in Global
- **2018:** Schneider Electric ranked No.12 in Global
- **2017:** Schneider Electric ranked No.17 in Global
- **2016:** 10/10 on Corporate Social Responsibility

Recognized for creating a centralized supply chain and Tailored Sustainable Connected 4.0 Supply Chain transformation initiatives

**SCM Awards**
- **2019:** Winner for the Chainnovator for Industrial Manufacturing
- **2018:** No.2 Power of the Profession Awards
- **2016:** Top five in Supply Chain Breakthrough
- **2015:** Winner of Talent Breakthrough category

**2019 Gartner Supply Chain**
Schneider Electric ranked no.3 in Europe
A complete portfolio for industrial end-markets leveraging energy management and industrial automation

Combining energy management and industrial automation for enhanced performance:

Schneider integrated offers at every level

*Schneider Electric is a Strategic Technology Partner & Reseller of AVEVA.
Smart Factory - Eating our own food
Deploying our complete technologies in our own Global Factories and Distribution Centers

Smart Factory value proposal:
• Enhanced efficiency for new and existing plants
• Applied on differing levels of automation
• Deployed without manufacturing disruption
• Compelling ROI

Optimize end-to-end efficiency, achieve asset reliability, and deliver customer value:
• Using EcoStruxure for Industry
• Leveraging innovative technologies, IT solutions, and data analytics

Contribute to growth:
• Opening our smart factories to customer visits
• Scaling EcoStruxure for Industry showcases
Smart Factory deployment

**2017**  
Launch the program

**11 showcases**  
smart factories and distribution centers

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**2019**  
Q2 2019

Think big. Act small. Scale fast.

**60 smart factories**

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**2020**  
Catalyze optimization with a high level of platforming data

**Reach 100+**  
smart factories and distribution centers

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Capitalizing on a global roadmap with all regions and testing solutions from idea to feasibility, to pilot and scale. Deploy global governance and appropriated centers of excellence.

Investment within factories based on strict financial return guidelines
Several successful deployments driving value

Wuhan, China

Monterrey, Mexico

Le Vaudreuil, France

Evreux, France

Lexington, USA

Hyderabad, India

Batam, Indonesia

Control Tower, Singapore
Smart Factory empowered by EcoStruxure

Selection of EcoStruxure solutions deployed – becoming a standard of manufacturing

**Resource Advisor**
Energy and sustainability data visibility.

**Power Advisor**
Performance and power reliability.

**Power Monitoring Expert or Facility Expert**
Energy optimization.

* for sites >1GWh/yr

**Maintenance**
AVEVA Enterprise Asset Management (EAM)

**Augmented Operator Advisor**
Maintenance and settings with in-hand information.

**AVEVA Lean Digitization System (LDS)**
Performance, Andon, work order, Kanban, work instructions.

**AVEVA Process Management System – Wonderware System Platform**

**AVEVA Insight**
From IIoT to analytics
Smart Factory resonates with customers

Industrial customer needs

Digital transformation

Efficiency & sustainability

Sharing Schneider GSC journey with customers through EcoStruxure solutions

Specialized consulting teams sharing on:

- Lean manufacturing
- Digital transformation
- Cybersecurity
- Change management
- Performance improvement

> 5,000 customer visits across segments
Introducing the Le VaudreuUIL factory

1975
Plant opening

360
employees

14,200
m² buildings

4
Certifications
ISO 14001, 2015 repository (environment)
ISO 9001, 2015 repository (quality)
OHSAS 18001, 2007 repository (health and safety)
ISO 50001, 2011 repository (energy management)

Drives and starters

Contactors

In the world’s top nine lighthouse factories
Contactor subassembly video

Video used in Wuhan – translation in progress (1’31”)

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EcoStruxure™ solution covered in Le Vaudreuil, France

6 Domains of Expertise

- EcoStruxure Grid
- EcoStruxure Power
- EcoStruxure Building
- EcoStruxure Plant
- EcoStruxure Machine
- EcoStruxure IT

3 Innovation Levels

- Solar Panel, SE inverters
- Connected meters and gateways (PowerTag, EGX, Com’X, IEM355)
- VarSet capacitor batteries, PowerLogic PM800, PowerTag
- Upgraded lighting control, HVAC control, blind control, curtain control, ice water system control, cooling unit control

Additional technology

- Machine Learning
- Senseye
- AVEVA Insight
- AVEVA Lean Digital System (LDS) & Wonderware MES
- EcoStruxure Augmented Operator Advisor
- EcoStruxure IT Struxure On
- EcoStruxure Resource Advisor
- EcoStruxure Power Advisor
- Building Management System (BMS)

IT/OT edge boxes

- Modicon PLCs
- Mobile Devices
- EcoStruxure IT Expert

- Magelis HMIs
- Altivar drives, motor sensors, Harmony buttons, RFID sensors, ZigBee sensors
- Micro data center (Smart bunker)

End to End Cybersecurity

- Apps, Analytics & Services
- Edge Control
- Connected Products

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Digital journey with EcoStruxure

Limited investment with high ROI

~€550 K investment

<3 year ROI

-80% on red maintenance time\(^1\)

-15% on energy consumption over past three years

+7 pts on OEE\(^{1,2}\)

A non-invasive technology

- Implemented in few months
- No downtime during deployment
- Empowering operators

\(^1\) For equipment deployed
\(^2\) Overall Equipment Efficiency

In the world’s top nine lighthouse factories
Contributing to business growth

Close collaboration with business, sales operation, and supply chain

> 1,500 visitors in 2019
> 2,000 in 2018

35% influenced opportunities

€5 M won opportunities

Across segments
Discrete  Hybrid  Process