

## To accelerate decarbonization, focus on the power of electrification and digitalization, Schneider Electric urges as Davos meeting kicks off

- Top Schneider Electric executives attending World Economic Forum annual gathering
- Clear benefits in tackling corporate and supply chain emissions

**Rueil-Malmaison (France), January 15, 2024** – Far greater deployment of existing technologies is needed to keep climate change from spiraling out of control, [Schneider Electric](#), the leader in the digital transformation of energy management and automation, urged today.

Accelerating climate change, geopolitical tensions, see-sawing energy prices, and pressure from stakeholders to address these risks, have pushed environmental sustainability and energy resilience to the top of the corporate and policy agenda in recent years. They form the backdrop to the [World Economic Forum's](#) annual meeting in Davos, Switzerland, from 15-19 January, [which several senior Schneider Electric executives are attending](#).

“With energy accounting for 80% of carbon emissions, the energy transition is central to decarbonization,” said Peter Herweck, CEO of Schneider Electric. “The potential of AI is currently capturing everyone's attention. But let's not forget that existing technologies – both renewable energy generation and digital and electrification tools that lower energy demand by rendering sites and operations far more energy efficient – can sharply reduce emissions *now*. There's no time to wait for tomorrow's solutions when much more can be achieved with what we have today.”

Action from the private sector – by companies around the globe – is key to lowering emissions. Encouragingly, the business world is increasingly making commitments to sustainability and decarbonization. As of January 2024, more than 4,200 companies worldwide have set emissions-reduction targets [validated by the Science Based Targets initiative \(SBTi\)](#), for example.

The power of energy efficiency, in particular, is gaining more recognition. Last year, Schneider Electric partnered with the International Energy Agency to bring together government and business leaders for a [major conference on the topic](#).

[A new report published by the World Economic Forum on January 8](#), found that acting on energy consumption through energy savings, energy efficiency and value cooperation partnerships could unlock up to \$2 trillion in savings for the wider economy, and avoid building 3,000 additional power stations if actions are taken before 2030.

And [research conducted by Schneider Electric recently showed](#) that installing digital building and power management solutions in existing buildings could sharply reduce their operational carbon emissions, with a payback period of less than three years – highlighting the huge potential in that area alone.

## Challenges and opportunities in tackling Scope 3 emissions

Another key area of focus is tackling the indirect emissions generated by companies' ["Scope 3" emissions](#) activities. These come from their upstream and downstream value chains and account for the largest part of a company's carbon emissions – [more than 70%, according to the UN Global Compact](#).

The global supply chain disruptions of the past few years have helped push this topic up the corporate agenda. More than two-thirds of [business leaders interviewed for a report](#) last year by Schneider Electric, in partnership with [Women Action Sustainability \(WAS\)](#), said that regulatory pressure was pushing them to initiate decarbonization planning with supply chain partners. Those surveyed also said they were seeing an increased demand for supply chain decarbonization information from investors and/or financial entities.

"Businesses that are serious about decarbonization need to look beyond their *own* operations and address their entire value chain. And they need to realize that encouraging and helping their suppliers, customers, and other business partners to strive for greater energy efficiency – through electrification and digital technologies – and cleaner energy procurement, is a huge part of the answer," said Olivier Blum, Executive Vice President of Energy Management at Schneider Electric.

### Related resources:

- Commentary, Peter Herweck: [Climate change won't wait for AI – and we must not either](#)
- Commentary, Jean-Pascal Tricoire: [Less is more: time to wake up the power of energy efficiency](#)
- Commentary, Gwenaëlle Avicé Huet, [Unleashing Climate Action for Profitable Business Growth](#)
- Commentary, Olivier Blum: [Toward net-zero value chains: How to minimize your Scope 3 emissions](#)

### About Schneider Electric

Schneider's purpose is to **empower all to make the most of our energy and resources, bridging progress and sustainability** for all. We call this **Life Is On**.

Our mission is to be your **digital partner for Sustainability and Efficiency**.

We drive digital transformation by integrating world-leading process and energy technologies, end-point to cloud connecting products, controls, software and services, across the entire lifecycle, enabling integrated company management, for homes, buildings, data centers, infrastructure and industries.

We are the **most local of global companies**. We are advocates of open standards and partnership ecosystems that are passionate about our shared **Meaningful Purpose, Inclusive and Empowered** values.

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