

Strategies for one-planet prosperity

How to build lasting success
on our finite planet

August 2020

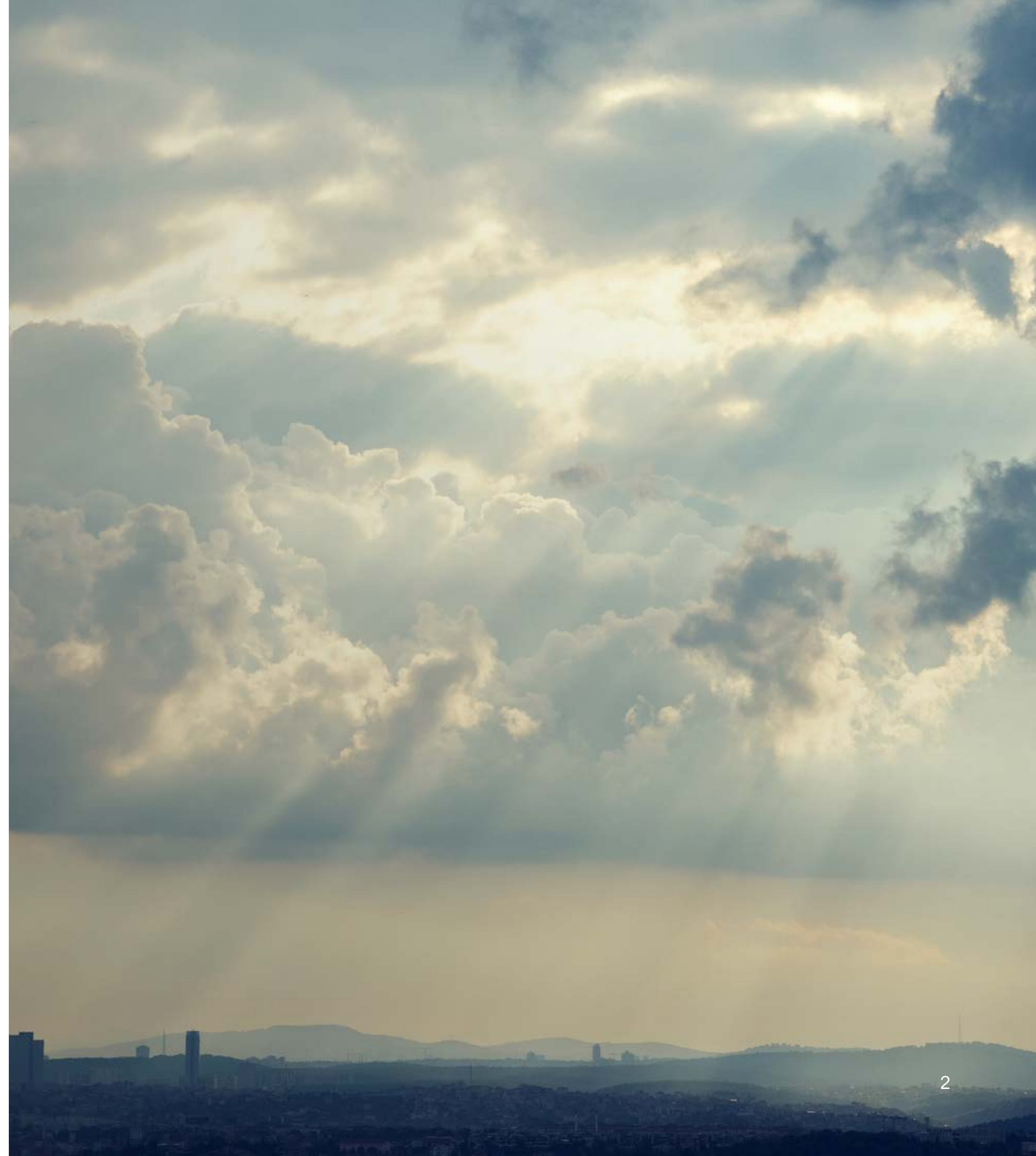
Life Is On

Schneider
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Global Footprint Network®
Advancing the Science of Sustainability

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In brief

Companies who prepare themselves for a one-planet compatible economy are better primed to build and maintain their competitive advantage.

Advantages emerge, for instance, through innovation in energy management and digitalization, which drive decarbonization and resilience.

In other sectors, advantages may arise from local, circular offerings, low carbon technologies, and resource efficient solutions.

Shifting the conversation around corporate sustainability from noble to necessary enables the groundswell for one-planet prosperity.



Welcome



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We are increasingly convinced that **one-planet prosperity** is an ever more necessary foundation for a successful business strategy.

This is why:

Global Footprint Network and Schneider Electric joined forces to further explore this notion and engage you in this conversation as we mark Earth Overshoot Day this August 22. That's right: this year, humanity demands as much from nature between January 1 and August 22 as our planet's ecosystems can renew in the entire year.

We are living far beyond our planet's means. In 2019, Earth Overshoot Day was three weeks earlier. However, this year's delay is hardly cause for celebration. Humanity has only been forced into slowing down its resource consumption by the coronavirus pandemic. But lasting change that makes our lives better and compatible with the ecological budget of our planet is what we need.

Still, this year's later date demonstrates that reversing trends is feasible. The challenge ahead of us is to transform the current crisis into an opportunity to reshape our economy so it becomes resilient and able to thrive within the ecological means of Earth.

We are also touched by how people around the world stepped up to meet the COVID-19 challenge. We have been inspired when witnessing the younger protect their elders and the more vulnerable members of society. In turn, let's serve the younger generation with the same passion and strength, and protect their future.

Climate needs attention. Living up to the promise which governments made in Paris in 2015 to keep global warming capped at 2°C, or even lower, requires retooling energy systems entirely and getting rid of all carbon emissions before 2050.

Delivering products and services that enhance humanity's ability to succeed is not about doing good, but doing what's necessary. This is precisely the focus of Schneider Electric's strategy, informed by one-planet prosperity. Schneider Electric delivers on this by helping customers achieve their goal of running successful businesses within the one-planet reality. Such strategies enable progress and a sustainable future for all. Prosperity can last if it respects the limits of our planet's resources and leaves no one behind.

As the fragility of life and our economies has been deeply felt this year, we all learned a big lesson: As we strengthen our own resilience, we are all better able to withstand future crises whether they impact the economy, public health, social peace, resource security, or the climate. Each one of us is needed for this massive project, whoever you are, wherever you live, and whatever your background may be. As much as a bright future is possible, it is only possible with you. Acting together makes us stronger. Together we can prosper on our one planet.

A satellite image of Earth showing the Western Hemisphere, including North America, Central America, and the Pacific Ocean. A large, prominent storm system is visible in the upper left quadrant. The text "Choosing one-planet prosperity" is overlaid in white on the left side of the image.

Choosing one-planet prosperity

A legacy of human ingenuity

Humanity's accomplishments over the last century have been extraordinary. People, goods and news travel faster than we ever thought possible. Unfathomable amounts of information have become accessible, instant, and cheap. Improved sanitation and rising urban standards of living are contributing to longer lives nearly everywhere in the world. Technological, scientific, and cultural achievements continue to astonish.

But what have been the trade-offs of such ingenuity and prosperity?

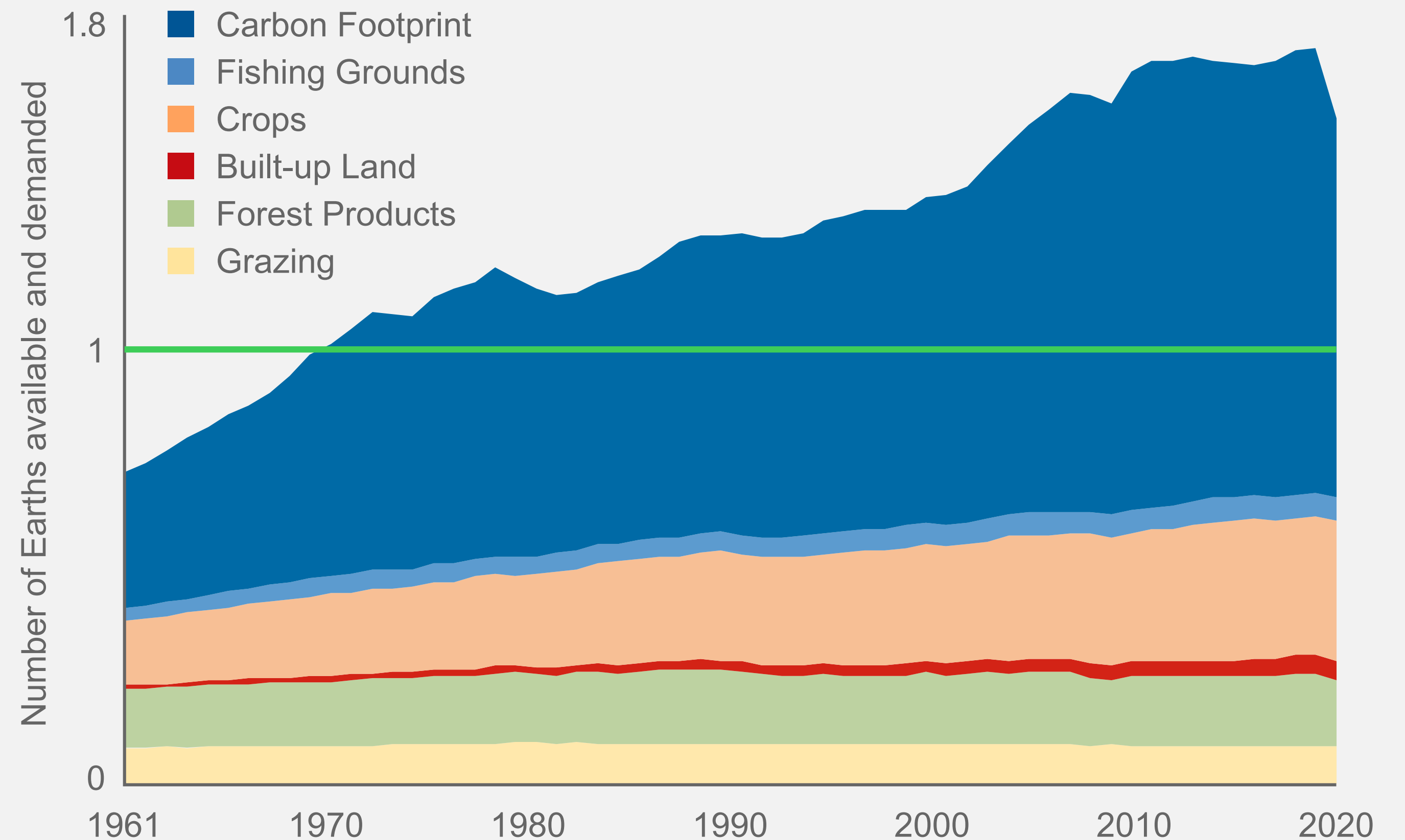


We demand more than the Earth can renew

Human demands on nature have been rising steadily. Humanity's Ecological Footprint is now 60% higher than what the world's ecosystems can renew. These demands include food, timber, fiber, land for urban use, and the capacity to absorb excess CO₂ from fossil fuel burning.

The effects of such a massive ecological overshoot are felt everywhere. They manifest in particular as climate change, biodiversity loss, stress on freshwater, and deforestation.¹ In 2020 the Ecological Footprint decreased due to widespread pandemic-induced lockdowns, however it is still far beyond what our planet can renew.

Humanity's Ecological Footprint by Component
(in number of Earths)²



Earth Overshoot Day lands on August 22

From January 1 to August 22, 2020, humanity used as much from nature as the planet can renew in the entire year.³

This makes August 22, this year's Earth Overshoot Day. It indicates that more than one-third of our annual demand comes from depletion.

Put in business terms: We will have exceeded the Earth's annual ecological resource budget by August 22.



Moving in the right direction, but for the wrong reason

The global response to COVID-19 has resulted in a dramatic reduction in economic activity. The longtail impact of widespread lockdowns will be most heavily felt by those among us who lack secure energy, safe housing and financial savings.

The drop in human activity has resulted in the 9.3% decrease in humanity's Ecological Footprint when compared to the same period last year. This reduction moved the date of Earth Overshoot Day back by more than three weeks.⁴

Since this drop in resource consumption came unexpectedly, it is bound to be short-lived. Our infrastructure has not improved and neither have business models across industry sectors. The task ahead is to recover and build resilience, resulting in lowering our resource dependence while improving people's lives.



A woman with dark curly hair, wearing a white t-shirt and a striped apron, stands in a greenhouse. She is holding a large bunch of leafy greens, possibly lettuce, in her gloved hands. The greenhouse is filled with rows of similar plants, creating a vast field of green. The lighting is bright and even, highlighting the freshness of the produce.

Measuring progress to one-planet prosperity

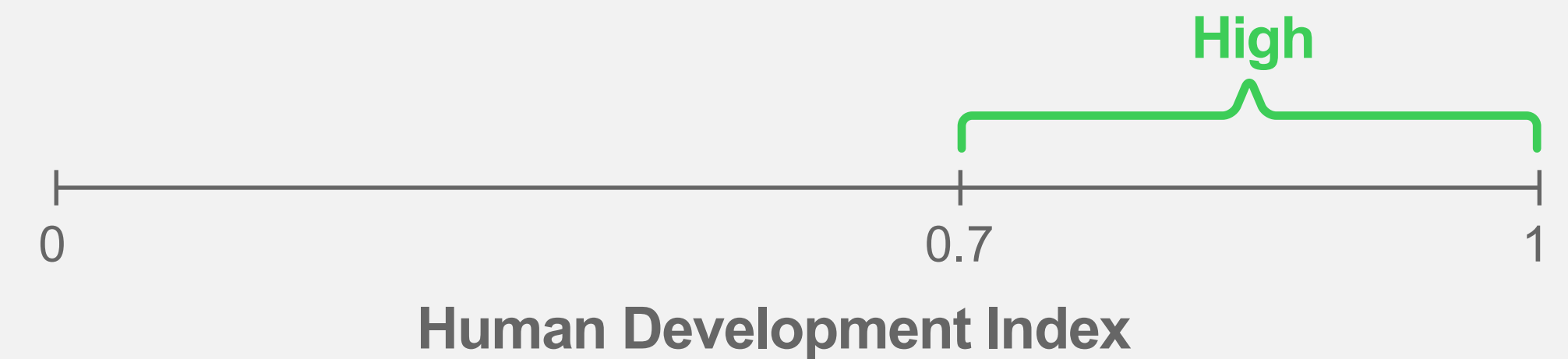
Prosperity for humanity

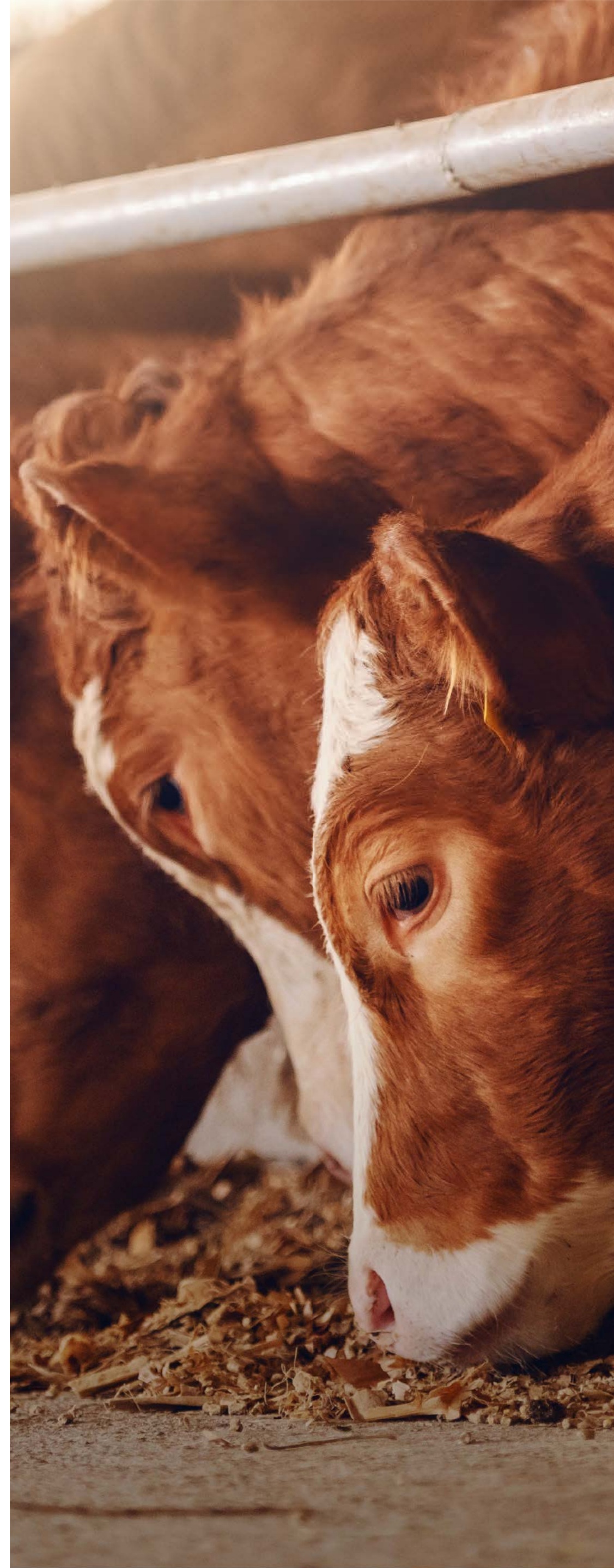
Let's start with prosperity.

The [Human Development Index](#) (HDI) is a summary measure of average achievement in three key dimensions of human development.

These dimensions are: life expectancy, access to education and a decent standard of living.

Today, the United Nations considers an HDI of over 0.7 as a “high” measure of human development.



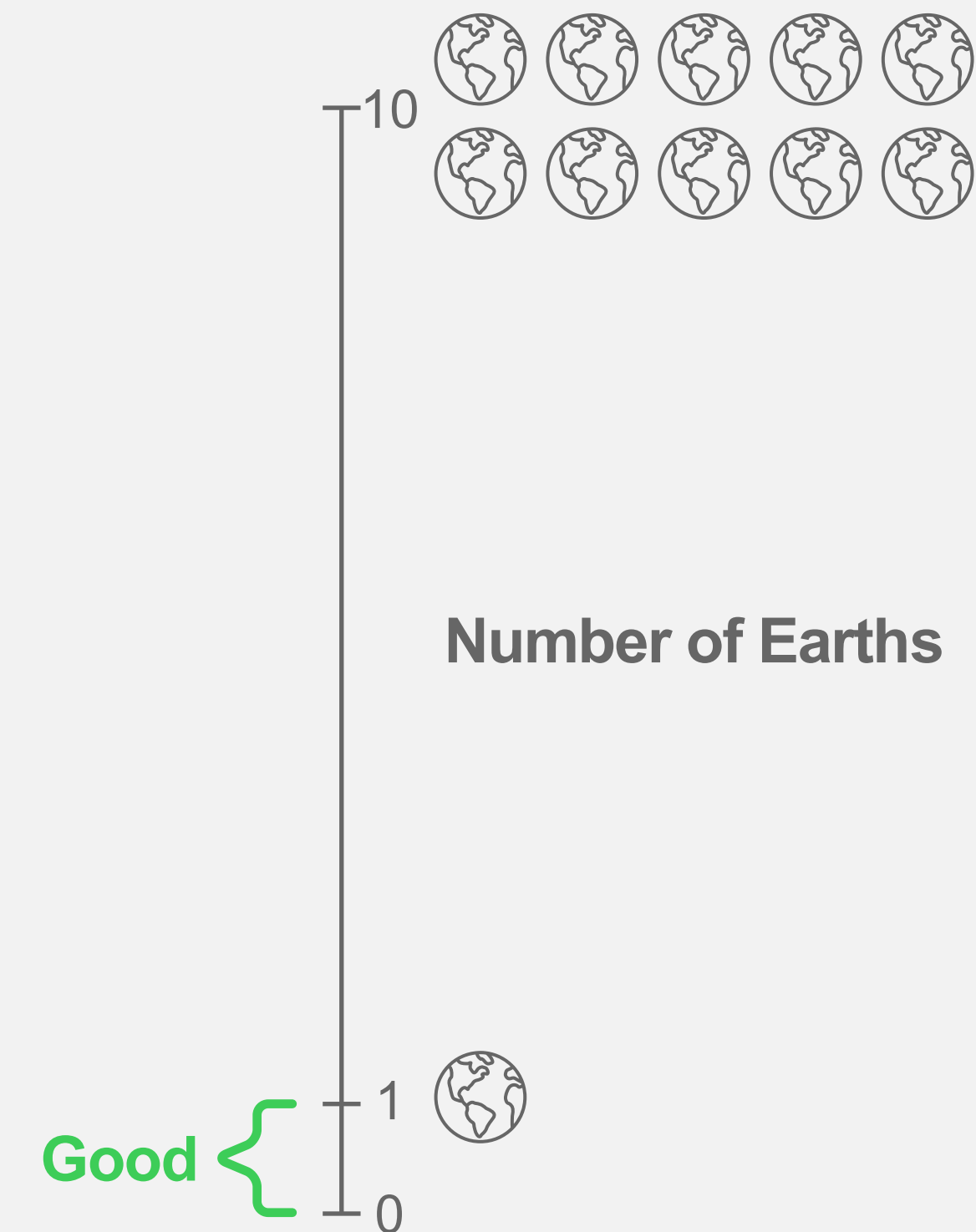


Demand on the Earth

The [Ecological Footprint](#) compares human demand to the capacity of Earth to renew this demand.

If the global Ecological Footprint were the equivalent of 1 Earth (“one-planet”), humanity would use the entire regenerative capacity of our planet to meet its needs for biological resources.

At 2 Earths, we would need twice as much as our planet can renew. Currently humanity uses 1.6 Earth. Yet we have only one Earth.⁵



One-planet prosperity

Put together, the two metrics allow us to assess whether we are meeting both the material condition of living within the ecological means of Earth, and the socio-economic condition of wellbeing for all. Both aspects are essential for [human prosperity](#) to last.

Effectively designing for the future requires enabling these two inextricable components of sustainability to be strengthened simultaneously.

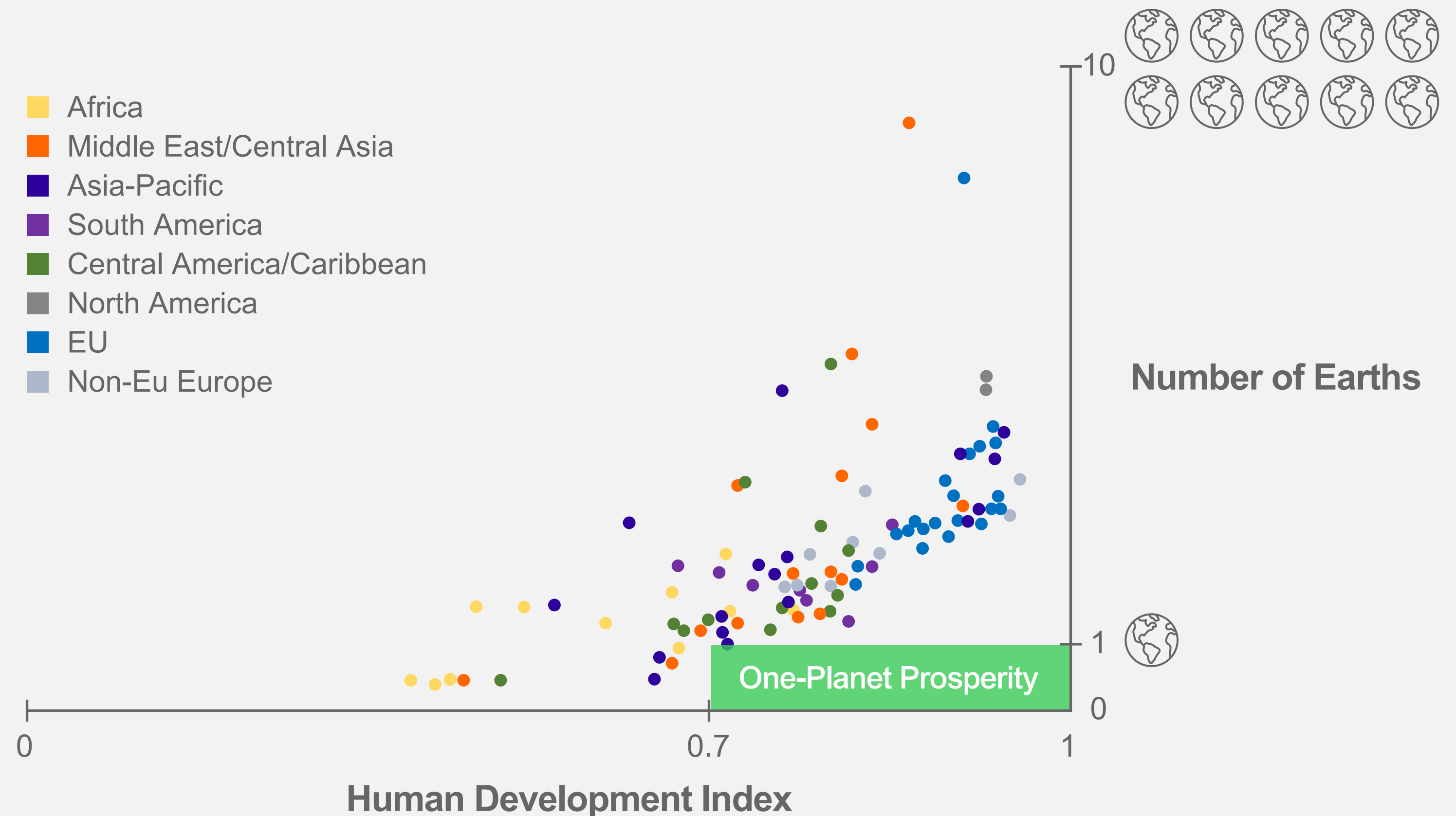


Do your solutions enable one-planet prosperity?

Today, very few countries operate in the one-planet prosperity quadrant. Economic development as we know it favors the increase of HDI trading off the ecological impact. Reversing the trend requires retooling our economic system entirely.

Companies have a crucial role to play in the shift towards the one-planet prosperity quadrant.

We are not making a moral argument here. Rather, it is the most essential strategic question a company may ask. Because, meeting humanity's inherent needs is the strongest insurance against business obsolescence.



Twin-strategy to unlock an exponential potential

Business success is driven by two fundamental, complementary strategies: pursuing lasting well-being and resource efficiency.

Strategy A

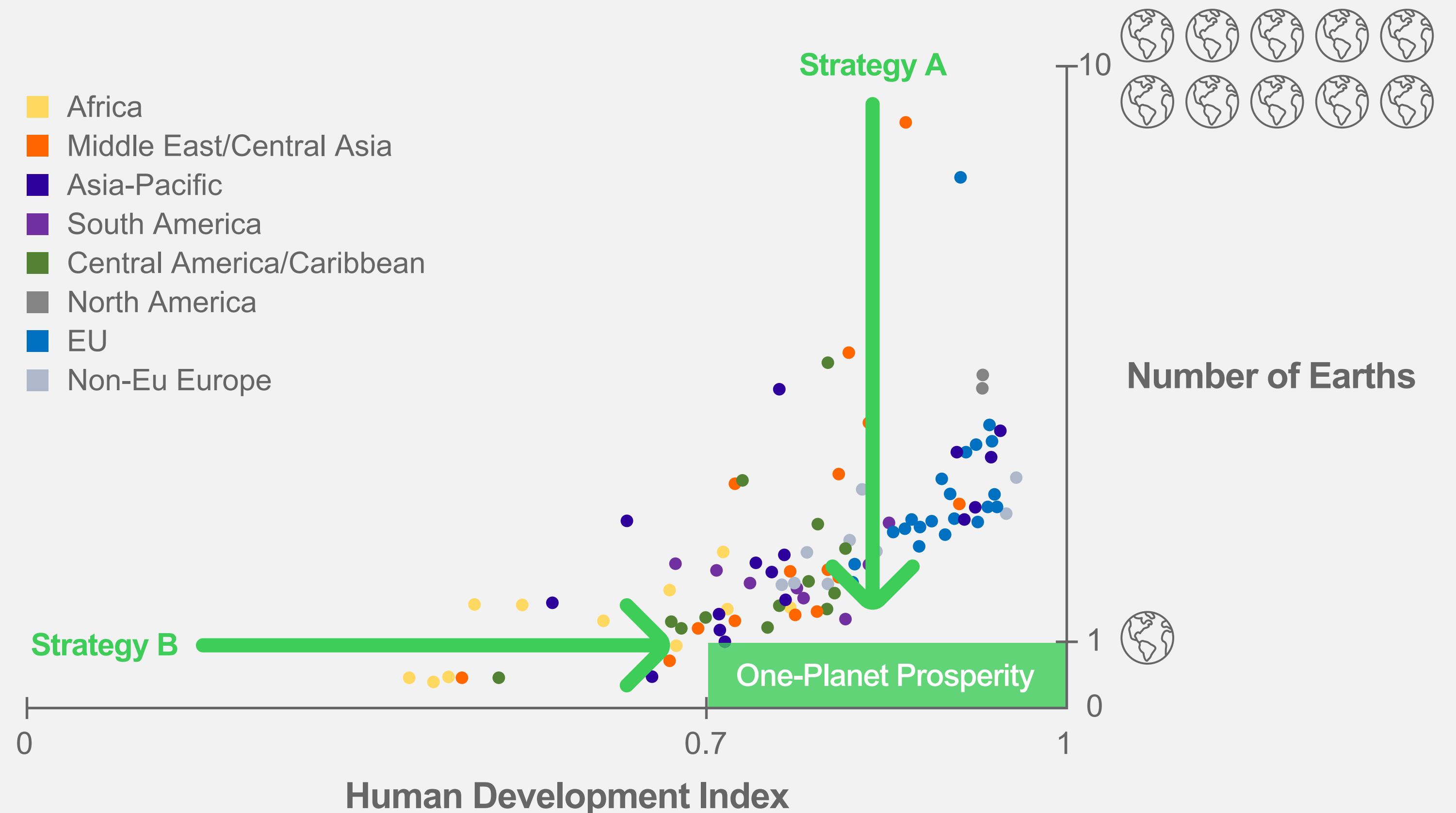
Accelerate Resource Optimization

Decrease resource dependence while maintaining human well-being.

Strategy B

Enable Lasting Well-being

Provide for human needs within the planet's ecological budget.



Are you sailing with the correct compass?

The one-planet prosperity framework allows companies to assess their strategy and compare their offer against one-planet prosperity.

By testing whether your products and services support your customers in getting closer to the one-planet prosperity quadrant, you evaluate your long-term relevance.

Are you contributing to their well-being while reducing their resource dependence?

Is your supply chain and operation frugal and resilient enough to succeed in a one-planet context?



Enjoy a tail wind

If your offering supports the transition to one-planet prosperity, your markets will continue to open and your business prospects will improve in the long-term.

Commercial success is not guaranteed. But more and more enterprises are already trimming their sails in order to optimize the swelling gusts that push humanity towards living within the means of our planet. Eventually, the phenomenon will make clear that unchartered waters have become the only navigable path towards humanity's long-term prosperity.

Steering your boat correctly not only makes your success more likely, but it also helps your offering remain relevant in a changing market.



Gaining a competitive advantage

One-planet prosperity strategies have already enhanced companies' competitive advantage

Those strategies:

Capture market shifts in favor of sustainable technologies and lifestyles.

Anticipate regulatory changes.

Avoid future liabilities and stranded assets.

Answer growing consumer expectations for transparency and traceability.

Protect operations from commodity price volatility and shortage risks.

Secure financing, with investors who increasingly value transition risks and opportunities.

Help attract best talents, seeking meaningful purpose @work.

Improve current and future P&L thanks to maximal resource consciousness and deliberate circular intention.

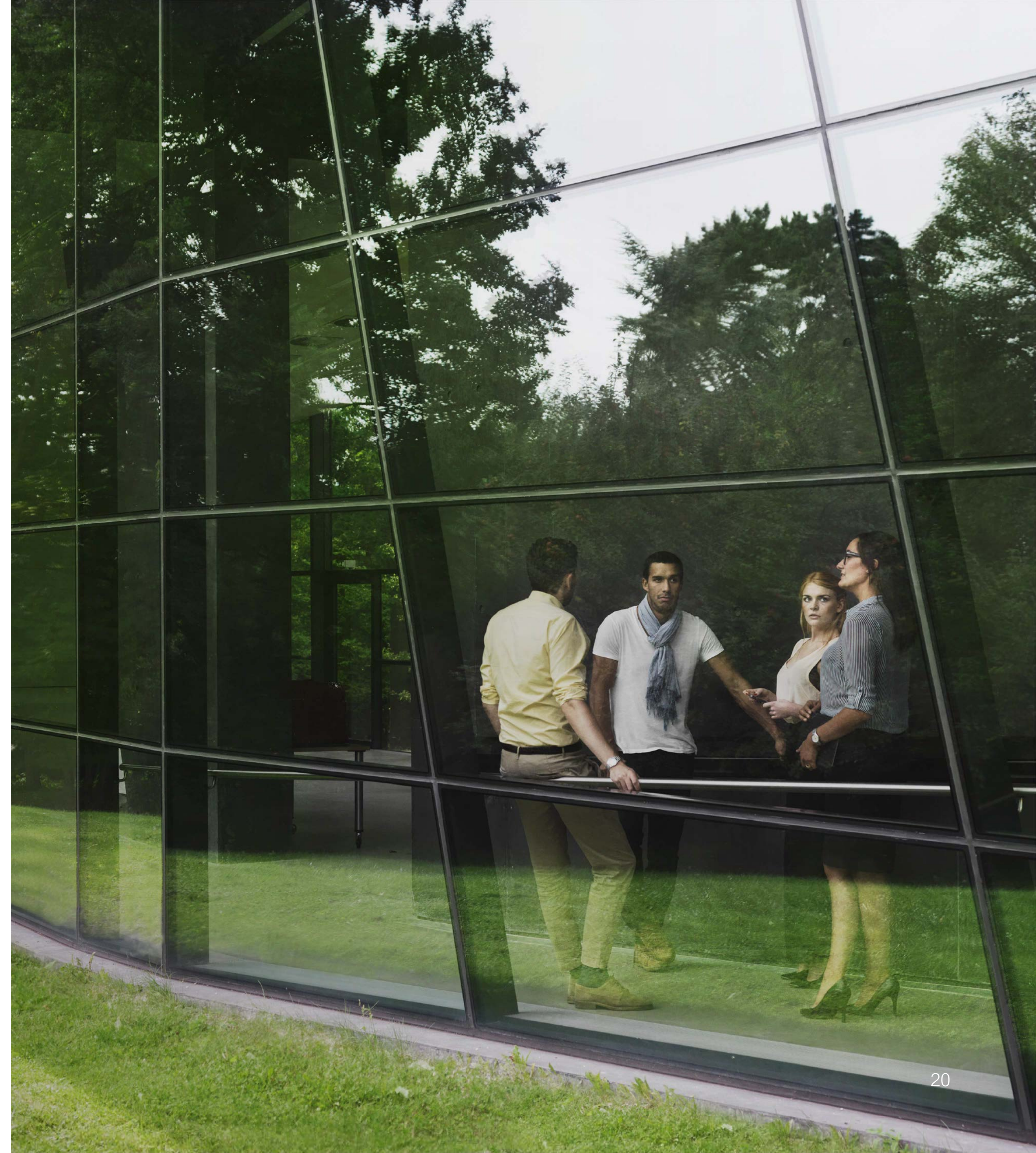
Learn more about those strategies [here](#).



Financial markets prefer one-planet prosperity companies for their resilience, especially during crises

Global lockdowns in response to COVID-19 had a dramatic impact on health, well-being, and business activity. From a financial outlook, the essential question has been, what are the hallmarks of resilience and how do we prepare better for future crises?

In the first quarter of 2020, Blackrock reported that they observed better risk-adjusted performance across sustainable products globally, with 94% of a representative selection of widely-analyzed sustainable indices outperforming their parent benchmarks.⁶



Together stronger

The twin-strategy can #MoveTheDate of Earth Overshoot Day. For every country, city, and company - including Schneider Electric - it strengthens the long-term success and resilience of the human enterprise.

The necessary capabilities and technologies are available today. And we possess the foresight and creative potential needed to innovate for tomorrow.



An aerial, high-angle view of a dense city skyline, likely New York City, during sunset. The sun is low on the horizon, creating a warm, golden glow and lens flare effects. A semi-transparent globe is overlaid on the city, centered on the sun. The buildings are packed closely together, and the sky transitions from a pale blue to a soft orange near the horizon.

**One-planet prosperity is not
only desirable and necessary,
it is possible**

**Here are examples from Schneider and
several other company's practices**

When our ecosystem thrives, we thrive

The interdependence of life means we are more likely to thrive in a flourishing ecosystem. This is true for businesses also. Solutions that support efficiency, sustainability and circularity are more likely to succeed.

Our success depends on the prosperity of our ecosystem and vice versa. Because both our success and our customers' successes are inextricably tied to humanity's ability to thrive, one-planet prosperity becomes our roadmap.



Tips to gauge your business against one-planet prosperity

Quantify the end-to-end environmental & social impacts of your offer and activities.

Assess their relevance and contribution in building one-planet prosperity.

Steer your strategy with bold concrete actions looking for instance at R&D, divestments, acquisitions, refocus, etc.

#MoveTheDate thinking is a necessary business strategy. It raises the genuine questions to position the company on a one-planet success path.

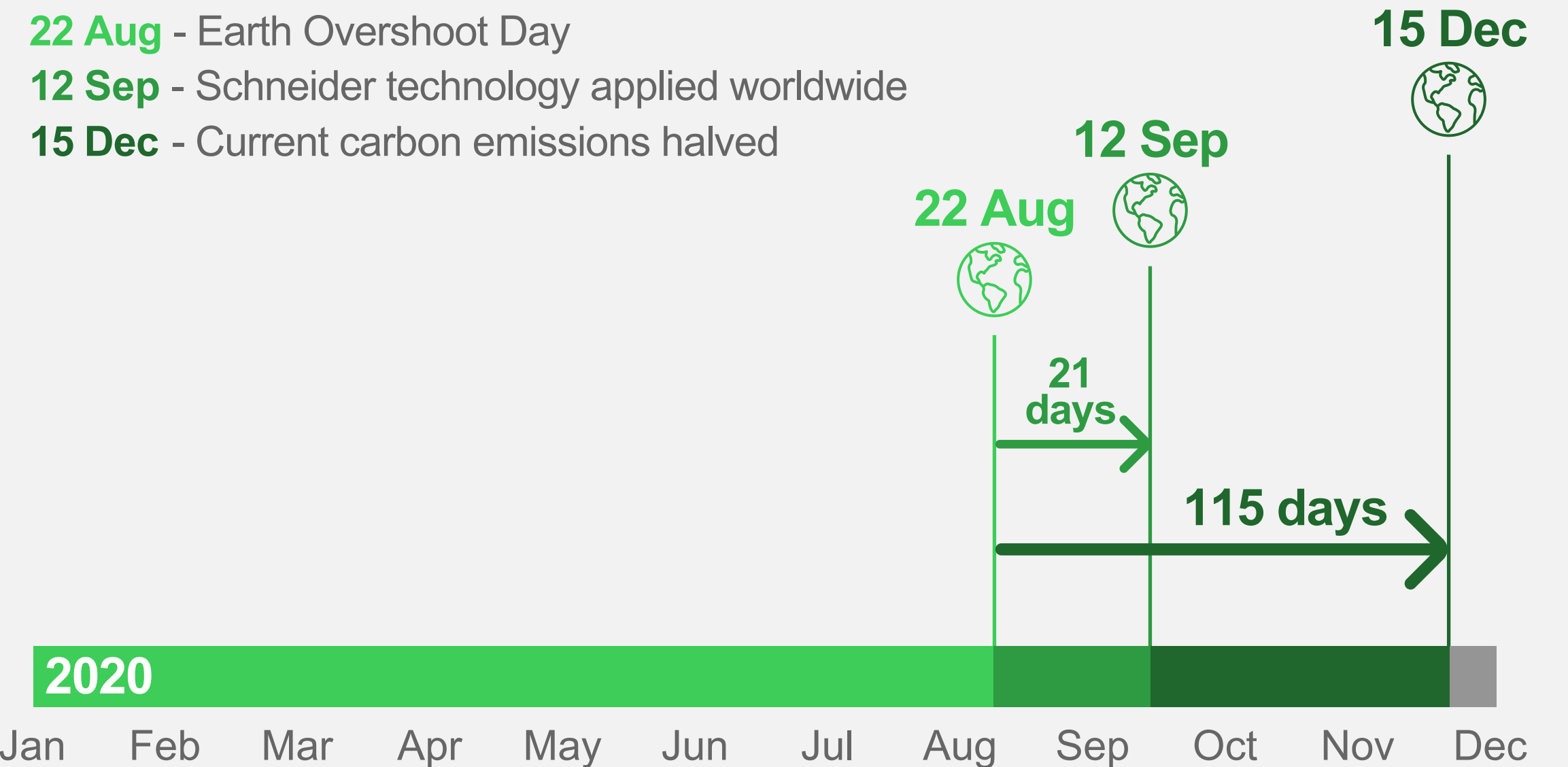


Existing energy efficiency and renewable technologies can #MoveTheDate

If humanity could cut carbon emissions by half without increasing the rest of our Ecological Footprint, Earth Overshoot Day would move to December 15 – a total shift of 115 days.

In their research, Global Footprint Network and Schneider Electric engineers estimated that the existing technology from Schneider Electric and its partners – if applied across the world in all possible applications from retrofitting existing buildings to industrial processes and electricity-production assets – could move the date by 21 days, while also increasing comfort, safety and reliability at lower operational costs.

Imagine if across industry sectors the lowest resource intensive applications and consumption practices were adopted!



One-planet strategies already exist

Boosting organic waste bioremediation



Drylet harnesses the power of microbiology, material science, and data in order to remediate organic waste and boost waste-to-energy, creating diverse outcomes that benefit people and planet.

Accelerating food-waste prevention



Leanpath makes food waste visible through measurement, providing the automated tracking tools, analytics platform, and behavior-change coaching to reduce food waste at scale.

Improving quality healthcare access for all



Philips strives to make the world healthier and more sustainable through innovation. They use a two-dimensional approach – social and ecological – to track progress improving people's lives.

Supporting innovation for a better electric future



PowerHouse connects start-ups, corporations, and investors to create an energy system that is decarbonized, decentralized, democratized, and digitized. Schneider Electric is among its investors.

Learn more about those strategies [here](#).



More Schneider, better planet

At Schneider, we measure carbon emissions saved by our technology in order to keep improving outcomes for our customers.*

This is how we know that, with Schneider solutions, our customers save an equivalent amount of emissions as the city of Montreal produces in a year (45 MtCO₂).

Meanwhile, we track the environmental efficiency of our offerings by comparing those savings to our own industrial carbon emissions. Because improving efficiency means increasing the multiplier between our impacts and the outcomes enjoyed by our customers, we also need to become ever more effective and less complacent.

* Read here the full white paper on how to measure climate impact for consumer durable and capital goods:

[Time for climate impact disclosure](#)



How Schneider customers #MoveTheDate



EcoDataCenter



Veolia Water



R.W.Kern Center



UST Global India

How can you #MoveTheDate?

Every decision we make shapes our future.

While our planet is finite, human possibilities are not. The good news is that this transformation is not only technologically possible, it is also economically beneficial and our best chance for a prosperous future.

Five key areas define our biggest levers of change, and all of them are shaped by our individual and collective choices.



Energy ⚡

How we power our economies
(focus on renewables, while regulating their competition with biologically productive areas)

City 🏠

How we design and operate cities
(highly compact, integrated cities with efficient building stocks)

Food 🍴

How we feed ourselves
(effective food systems, while avoiding food waste and lowering share of animal products)

Healthy Planet 🌍

On the supply side:
How we secure the health of all ecosystems

Population 👤

How many we are
(empowering girls and women, equal rights for men and women, and encouraging smaller families)

Let's join hands

Interested in investing in Schneider Electric? [Link](#)

Inspired to apply your skills at Schneider Electric? [Link](#)

Eager to explore one-planet prosperity strategies? [Link](#)

Ready to share solutions that help #MoveTheDate? [Link](#)

Wanting to learn more about our ecological context, country by country? [Link](#)

Are you wondering how this applies to your own life? Calculate your personal footprint. [Link](#)

Wish to know more about Earth Overshoot Day? [Link](#)



Endnotes

- 1 For more detailed results in comparing human demand with the amount Earth's ecosystems can renew, visit.
www.data.footprintnetwork.org

Climate change may be the most prominent impact of overshoot. NOAA reports that the atmosphere currently contains the greenhouse gas equivalent of 500 parts of CO₂ per million parts of air. The greenhouse gases consist mainly of CO₂, but also increasingly of methane, NO_x, and CFCs. In contrast, according to the 2014 IPCC report, 450 parts CO₂ equivalent per million per part of air is the threshold beyond which we have less than a 66% chance to cap global warming at 2°C.

www.ipcc.ch / www.esrl.noaa.gov/gmd/aggi/aggi.htm

Biological extinction rates are unprecedented.

www.ipbes.net

So is [deforestation](#).

- 2 This graph shows how much of planet Earth's regeneration is occupied by human demand. People's demand for food, fiber, timber, carbon sequestration competes for the planet's biologically productive areas. So does city and road space. The Ecological Footprint sums up all these demands. This graph expresses the demand against each year's regenerative capacity of the planet, and is measured in "number of planet Earths." Hence the green, horizontal supply line, representing the planet's biocapacity is 1. Human demand can be larger than the planet's biocapacity because we can overharvest forests, overfish, deplete groundwater and soils, and accumulate greenhouse gases in the atmosphere. For more information click here:

<https://www.footprintnetwork.org/our-work/ecological-footprint/>, for more on data click here

<http://data.footprintnetwork.org/#/analyzeTrends?type=earth&cn=5001>

Note numbers up to 2016 are based on UN data, 2017-2020 is extrapolated using other sources.

<https://www.overshootday.org/2020-calculation>

- 3 Earth Overshoot Day is the day in the year by which humanity's demand surpasses what the planet's ecosystems can renew in the entire year.
www.overshootday.org

- 4 How the date of Earth Overshoot Day 2020 was calculated.

www.overshootday.org/2020-calculation

- 5 To keep the planet resilient, humanity should ultimately use less than the entire biocapacity of our planet. For instance, E.O. Wilson suggests, that in order to maintain 85% of the Earth's biodiversity, humanity would need to use less than half the Earth's biocapacity. This would also be good to counteract climate change.

<https://www.half-earthproject.org/discover-half-earth/>

- 6 Research by BlackRock further established a correlation between sustainability and traditional factors such as quality and low-volatility, which themselves indicate resilience. As a result, we would expect sustainable companies to be more resilient during downturns.

Source: "Sustainable investing: resilience amid uncertainty" BlackRock, (PUBLICATION) March 2020.

<https://www.blackrock.com/corporate/about-us/sustainability-resilience-research>

Why a partnership between Global Footprint Network and Schneider Electric?

Global Footprint Network and Schneider Electric joined forces to explore the implications of planetary constraints for business strategy. Both realize that the business case and the need for global sustainability are far stronger aligned than typically recognized.

They conclude that moving out of ecological overshoot calls for the kind of creativity, ingenuity, and drive that can only be unleashed through new types of collaborative conversations between diverse players.

Visit websites: www.footprintnetwork.org, www.se.com.

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