



SCOPE



DEPTH



SCALE

Collective corporate impact strategies to **deepen the impact** on particular communities

CASE STUDY SCHNEIDER ELECTRIC

INTRODUCTION

Creating scalable and lasting social change cannot be done by one actor alone. Some of the most progressive companies and corporate social investors (CSIs, e.g. corporate foundations, impact funds, social businesses) are therefore starting to think about how they can complement the unique strength and opportunities of individual impact structures to **create more holistic impact approaches**.

Companies with multiple corporate social investors can do so by aligning on a common impact vision and moving towards a **collective corporate impact strategy**, in which each organisation complements and enhances the work of each other. Doing so, these organisations can **broaden their impact** on society, **scale the impact** of a societal solution, or **deepen the impact** on particular communities.

This case study highlights how **Schneider Electric, Schneider Electric Energy Access (SEEA)** impact fund and **Schneider Electric Foundation** are pursuing such a **collective strategy to provide deeper support** to communities in Sub-Saharan Africa* who do not have access to energy.

DEPTH



When CSIs and their related company provide **deeper support to particular communities**, they address **different root causes and challenges** the final beneficiaries face to provide more holistic support and instigate long-term change.

* Schneider Electric's **Access to Energy programme** is a global programme that transcends Sub-Saharan Africa. For the purpose of this case study, however, we focus exclusively on the collective corporate impact strategy of Schneider Electric, Schneider Electric Energy Access impact fund and Schneider Electric Foundation within this particular region.



“From the beginning, the idea of the Access to Energy programme was to create a holistic approach. We did not only want to address the lack of technology for electrification, but also promote skills and provide capital for innovative start-ups in the energy sector. Therefore, we combined the capabilities of the company, the corporate foundation and the impact funds in the Access to Energy Programme”

–
EMILIENCE LEPOUTRE,
ACCESS TO ENERGY, STRATEGY & PERFORMANCE DIRECTOR

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ORGANISATIONS' PROFILE



Schneider Electric Energy Access

LEGAL STRUCTURE: Simplified Joint stock Company (French SAS)

ESTABLISHED IN: 2009

GEOGRAPHIC FOCUS: Europe, Sub-Saharan Africa

MISSION: Supporting and financing early-stage companies with social and/or environmental impact, developing innovative energy access and energy efficiency solutions

FINANCIAL INSTRUMENTS: Equity and Quasi Equity

YEARLY INVESTMENT: € 785,000

SOCIAL PURPOSE ORGANISATIONS (SPOs)

SUPPORTED: SPOs with a potentially financially /self-sustainable business model

STRATEGIC ALIGNMENT WITH THE RELATED COMPANY: Thematic alignment



Schneider Electric Foundation

LEGAL STRUCTURE: Corporate Foundation

ESTABLISHED IN: 1998

GEOGRAPHIC FOCUS: Global

MISSION: Supporting innovative and forward-looking initiatives to give as many people as possible the energy they need to succeed; and helping build a fairer, lower-carbon society to give future generations the keys to transform our world

FINANCIAL INSTRUMENTS: Grants

YEARLY INVESTMENT: € 20 Million

SOCIAL PURPOSE ORGANISATIONS (SPOs)

SUPPORTED: SPOs that will never be financially/ self-sustainable or SPOs with a potentially financially/ self-sustainable business model

STRATEGIC ALIGNMENT WITH THE RELATED COMPANY: Thematic alignment



Schneider Electric

LEGAL STRUCTURE: Company

ESTABLISHED IN: 1836

GEOGRAPHIC FOCUS: Global

MISSION: Empower all to make the most of our energy and resources, bridging progress and sustainability for all

CORE BUSINESS: Electrical equipment

SOCIAL RESPONSIBILITY STRATEGY: Schneider Electric's strategy is to embed environmental, social and governance considerations into every facet of its activities, while assisting its customers and business partners in achieving their own sustainability objectives. The company has recently been rewarded the world's most sustainable company

SHARED VISION

Achieving universal energy access through training, innovative solutions and impact investing.

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THE COLLECTIVE CORPORATE IMPACT STRATEGY

SOCIAL CHALLENGE

- Sub-Saharan Africa is the **region with the lowest energy access in the world**. Around 573 million people have no access to electricity.
- **Most people in the region live on less than two dollars per day** and cannot afford typical energy access services and products.
- To reach universal electricity access in Sub-Saharan Africa by 2030, the region faces an **investment gap of at least USD 27 billion per year**, also affecting local entrepreneurs with innovative energy access solutions.
- To build a well-functioning energy sector, trained electricians/technicians are needed, but **formal education programmes are very scarce in the region**.

SHARED VISION

Achieving universal energy access through training, innovative solutions and impact investing.

SOCIETAL SOLUTION

- Providing universal access to energy in Sub-Saharan Africa requires **different interventions and actors to work together**.
- **Schneider Electric Energy Access** provides start-ups with innovative clean energy solutions capital to **develop (scalable) business models**.
- **Schneider Electric Foundation** develops **vocational trainings** to help disadvantaged people gain the skills to access the growing workforce in the energy sector.
- **Schneider Electric** develops **sustainable and affordable energy products** tailored to the low-income population in remote rural areas.

THE ROLE OF Schneider Electric Energy Access Fund

While local entrepreneurs in Sub-Saharan Africa are developing **promising energy access solutions**, they often lack financial support during early development stages, limiting their ability to turn them into viable and scalable business models. Schneider Electric Energy Access (SEEA), an impact investment fund, was therefore set up to **fund social enterprises with innovative clean energy solutions**.

SEEA provides equity and/or convertible loans and offers additional technical assistance through corporate volunteers. By doing so, the fund helps their investees develop **proof of concept** and a **self-sustainable business model** to then attract capital from more traditional investors. This is an important step towards attracting more commercial investors to the region and **decreasing the funding gap** to achieve universal electricity access in Sub-Saharan Africa.



SEEA Fund invested in **Eenix International**, a Ugandan social enterprise that developed a solar home system, which allows people – even in the most remote areas – to produce their own electricity. The enterprise offers customers payments in the form of small lease-to-buy instalments via mobile banking, making the technology accessible and affordable even to low-income populations. The fund supported the enterprise with a convertible loan and technical assistance for the enterprise to develop a profitable business model.

THE ROLE OF Schneider Electric Foundation

As more energy access solutions are developed and deployed within the region, more **jobs for electricians and technicians** to install and sustainably maintain such new systems will become available. However, the availability of vocational education is still very low in most Sub-Saharan countries.

Schneider Electric Foundation therefore supports the **development of energy- and technology-related training centres**, making sure that **disadvantaged people** can gain the necessary qualifications to **access new jobs in the growing energy sector and escape poverty**. The foundation also **trains local entrepreneurs from underprivileged backgrounds** more generally on how to develop proper business models. This is a strong factor to change the socio-economic conditions in the region and improve living conditions in local communities.



Schneider Electric Foundation collaborated with the French Education Ministry and the Vaal University to **establish the Centre of Excellence E:SASEC** in South Africa. The centre has so far trained more than 350 aspiring technicians on topics related to electricity and energy, boosting local workforce qualification and fostering the professional integration of youth. Following the centre's success, there are plans to replicate this model and open about 20 centres across southern Africa.

THE ROLE OF Schneider Electric

Commercial actors and products are important for the region to develop a thriving energy sector in the long term and to further reduce societal inequalities. Yet, **traditional products and services would not be economically viable in the region**, as people living in the rural communities of Sub-Saharan Africa have very low disposable income.

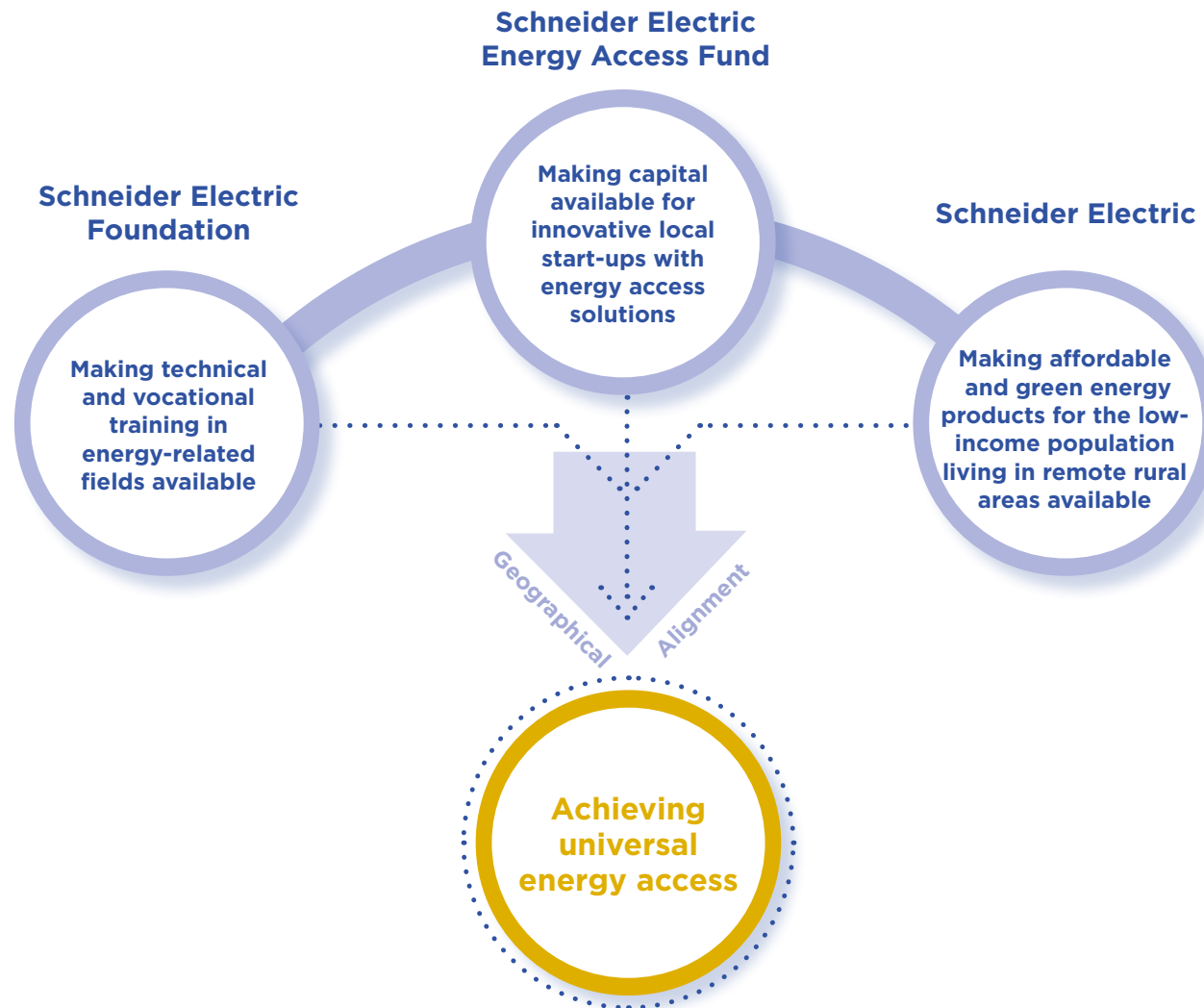
Schneider Electric therefore established an **inclusive business** within the company to develop **new sustainable and affordable energy products**, such as portable lamps that can also recharge mobile phones, solar home systems, or decentralised micro grids. Even though these services are not for-profit oriented, the company wants to make sure they are at least financially sustainable. This approach makes it possible to serve new customer segments, while also setting a positive example for other private sector organisations.



Schneider Electric developed a portable solar lantern **Mobiya Lite**. This portable solar system works completely off the grid and provides safe, green and reliable access to energy to customers wherever they are. The solar lantern is not only used for lighting, but also to charge small devices like mobile phones. Mobiya Lite is sold at very low cost and produces sustainable energy, making it an affordable energy access solution for low-income populations.

THE COLLECTIVE STRATEGY IN A NUTSHELL

By aligning on a common vision and focusing on selected key areas, such as Sub-Saharan Africa, Schneider Electric Foundation, SEEA and Schneider Electric have been able to provide deeper and more holistic support to communities facing electricity challenges. Building on the unique tools and knowledge of a foundation, an impact fund and a company, they are able to **offer a wide range of solutions to address various root causes and challenges related to energy access simultaneously.**



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OPPORTUNITIES

IMPACT BENEFITS

Instigating profound and long-term change for a particular community



Providing a range of complementary solutions, from impact-driven to commercially-driven, helps address the complexity of societal change. For example, the company can install a new technology while the foundation can ensure that people have the skills locally to use and maintain it. By acknowledging that societal impact is multidimensional, the organisations can work together to **instigate sustainable and long-term change** for communities.

Catalysing systemic change

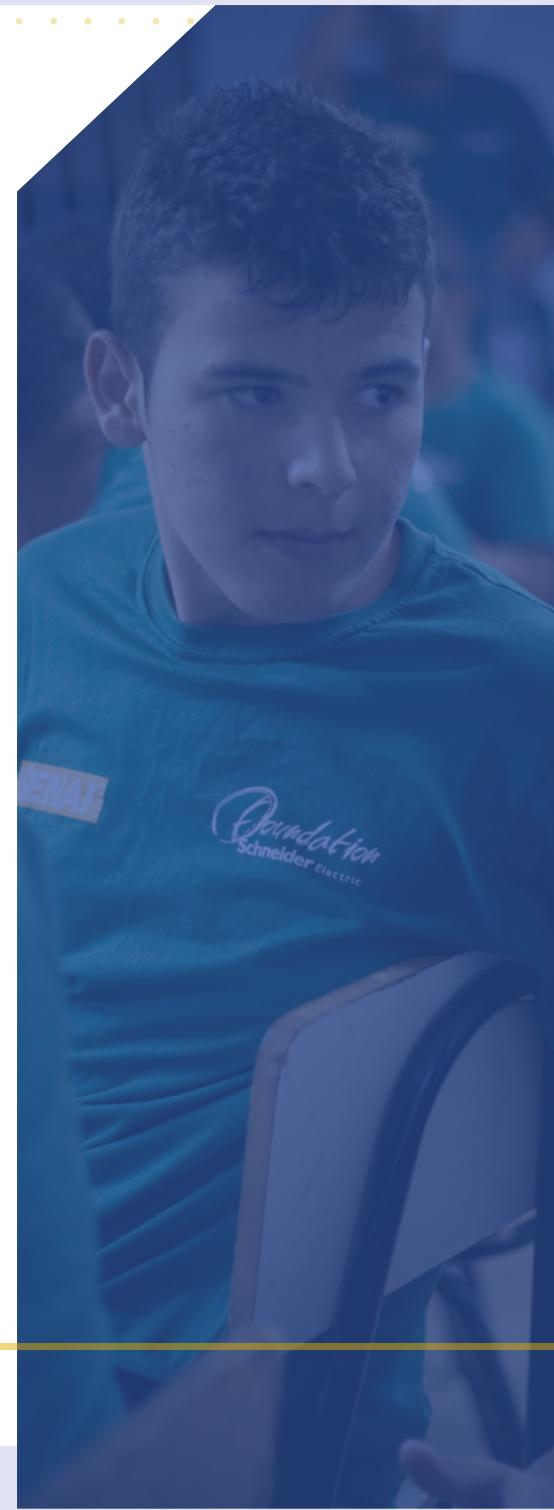


To change underlying conditions within a particular community, it is important to understand how **different challenges and actors are interrelated**. For this reason, Schneider Electric, its impact funds and foundation come together at least once a year to reflect on the challenges surrounding energy access, how they are evolving, and what role each of them can play in addressing them. Building on their respective areas of expertise and networks helps the organisations identify new potential levers for systemic change.

Building an enabling environment around a societal challenge



Building different sectors and social infrastructures is important, particularly in deprived areas. Schneider Electric is particularly well placed to do so, having a foundation strengthening the educational sector, an impact fund contributing to the (impact) investing sector and the company building a commercial energy sector. At the same time, the organisations can also **utilise their respective networks** to connect all relevant stakeholders, like NGOs, academics, start-ups, electricity companies and financial institutions, and encourage **more cross-sector collaborations**.



BUSINESS RELEVANCE

A learning lab for the company's inclusive business journey



A company which aims to become a purpose-led business needs to pivot towards developing new, meaningful solutions and business models. Schneider Electric can therefore build on the insights and experiences of the foundation, impact fund and inclusive business which can all contribute **complementary perspectives on societal needs** through their close proximity to the beneficiaries. This helps the company to design more relevant and meaningful products for underserved communities.

Gaining an in-depth understanding of a new market segment



Having various structures working in-depth with people from a particular area is a great opportunity for the company to acquire **insights into a potentially new customer segment**. For example, Schneider Electric can benefit from the insights from the foundation, the impact fund and the inclusive business to understand consumers' needs and preferences in the region, and use this information to develop more meaningful products.

Accelerating the development of pre-commercial markets



The development of pre-commercial markets is a long-term process that can take years, if not decades. By working together, the organisations can channel their efforts and **accelerate the development of a particular region**. For example, Schneider Electric has, either directly or through the impact fund, been able to support the development of new product innovations and payment schemes, which have been key in connecting previously underserved market segments to inclusive and sustainable products.

Strengthening the corporate brand within particular communities



Through the far-reaching support and touchpoints with various beneficiary and stakeholder groups in a particular area, this strategy is also a great opportunity for a company to build **unique recognition as a pioneer in the communities** and even beyond, as the company's [recent award](#) as the world's most sustainable company highlights.

KEY SUCCESS FACTORS

JOINT GOVERNANCE

In order to effectively coordinate individual efforts, the foundation, the impact funds and the inclusive business all report to the Head of Sustainability and the Head of Corporate Citizenship, under the supervision of the Chief Strategy & Sustainability Officer. While each structure operates relatively independently from each other, a **shared governance** structure ensures that all organisations are working towards the same vision and establishes a formal information flow between them.

COMMON IMPACT TARGETS

In order to move from common vision to action and **joint measurable impact**, Schneider Electric recently established six different impact areas: health, agriculture, community, women, education, and emergency, which the company, the foundation and the impact funds are reporting on. Having these common objectives helps highlight synergies between the different vehicles and ensure that they do **not operate in silos**.

LONG-TERM VISION

At least once a year, Schneider Electric organises a strategic seminar with its foundation and impact funds to discuss their **joint objectives** to address the energy access gap for the following ten years. These meetings are important to define and refine an impact-led strategy towards energy access for all and to ensure that everyone is **moving in the same direction**, while pursuing their individual ambitions.

THE ROAD AHEAD



Testimony: Towards system value for common good

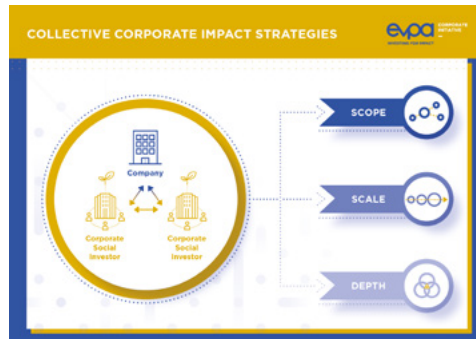
“My vision is to go from shareholder value to system value for the common good. We need to be together in the system value, the company, the impact funds, the foundation, and the partners, to contribute to the common good. I see the foundation and the partners as a big learning expedition for the company. It is not the cherry on the cake. It’s how to change the cake. Through them, we can be more innovative.”

—
GILLES VERMOT-DESROCHES,
SENIOR VICE PRESIDENT, CORPORATE CITIZENSHIP & INSTITUTIONAL AFFAIRS

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FURTHER RESOURCES

Interested to know more about collective corporate impact strategies?
We have a range of materials available for you:



- A short, comprehensive [leaflet](#) on **collective corporate impact strategies**
- A [video](#) on **collective corporate impact strategies**
- A [video session](#) on the **depth strategy**
- A [case study](#) and a [video session](#) on the **scope strategy**
- A [case study](#) and a [video session](#) on the **scale strategy**
- A [video](#) on **top tips to convince your corporate leaders to set up a social impact fund**

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