

## Press release

### **Schneider Electric, the first industrial company to sign Nicolas Hulot's Ecological Pact**

**Rueil-Malmaison, France, April 2, 2007 – Jean-Pascal Tricoire, Chairman of the Schneider Electric Management Board, has just signed Nicolas Hulot's Ecological Pact, confirming Schneider Electric's commitment to its Sustainable Development approach. With this move, the group becomes the first industrial company to sign the Pact.**

Signing the Pact is a new stage in Schneider Electric's global approach in support of environmental conservation. Jean-Pascal Tricoire, Chairman of the Schneider Electric Management Board, explains his position: "Schneider Electric has unrolled an action plan to consume better and consume less. Our commitment to our customers is to make significant improvements in their energy efficiency, whether in their buildings, factories, infrastructures or homes. In addition, we supply them with products and solutions that are in advance of current environmental compliance regulations".

Since 1996, Schneider Electric has been committed to an approach that takes the environment into account in the group's internal operation, particularly by improving the energy efficiency of its sites, encouraging eco-design and developing environmental awareness in its employees and partners. In this context, Schneider Electric has set itself the objective of a 10 % reduction in the level of energy consumption per employee in its production sites by the end of 2008. More than 90 % of its sites are already ISO 14001 certified (100% in France). Moreover, the group has responded to the European RoHS (Restriction of Hazardous Substances) directive, which came into effect on July 1<sup>st</sup> 2006, going even farther than the directive demands. It has generalised the elimination of these substances by 2008, including all of its products in its low-voltage offer. Schneider Electric signed the Global Compact in December 2002. Since 2003, its main effort has been to promote this commitment with its partners and the group has set an objective of making 60 % of its purchases from suppliers that have signed the Global Compact. Finally, a world programme has been unrolled to improve health and safety at work. In this context, Schneider Electric aims to ensure that all of its employees have basic social insurance, particularly in the emerging countries, and has set an objective of a 20 % annual reduction in days lost through work accidents over the period of its new<sup>2</sup> corporate programme (2005-2008).

The Planet and Society Barometer, a corporate measuring tool introduced in 2005, enables us to mobilise employees throughout the world to converge around the company's major commitments and to share, with all the involved parties, the monitoring of its action plans. This tool has just received the audit assurance of the Official Auditors.

By signing the Ecological Pact, Schneider Electric pledges to include most of the 10 proposed objectives (see annex) in its corporate policy and participate in the convergence of society's players towards more sustainable development.

**Media Contact**  
Schneider Electric  
Véronique Moine  
Tel. +33 (0)1 41 29 70 76

**Contact Sustainable Development**  
Schneider Electric  
Patricia Benchenna  
Tel. +33 (0)1 41 29 88 70

**DGM**  
Michel Calzaroni  
Sonia Fellmann  
Tel. +33 (0)1 40 70 11 89



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### **The Schneider Electric Planet and Society Barometer: progress objectives**

By certifying the conformity of the Barometer's indicators with regard to the reference standards established by the group, Ernst & Young enables Schneider Electric to assess its performance in an objective manner. The methodology employed by the auditing firm has brought out the exhaustive nature, relevance, neutrality and clarity of the reference standards, which include all the definitions, measuring procedures and information collecting methods adopted by Schneider Electric.

The Planet and Society Barometer was introduced in the framework of new<sup>2</sup> company programme, which places great emphasis on progress objectives relating to Sustainable Development. Among the indicators followed, ten are directly concerned with Sustainable Development and feature in the Barometer, which measures Schneider Electric's corporate social responsibility performance.

With criteria covering people, environment, community and corporate governance issues, it expresses the group's commitment to promoting Sustainable Development to both internal and external audiences.

The Planet and Society Barometer pursues three imperatives:

- establishing a Sustainable Development training and awareness raising tool,
- defining strategic vectors of progress,
- communicating to interested parties the company's results and performance in terms of the results or lack of results of the process.

*"By creating the Planet and Society Barometer, our aim is to communicate precise results and have a simple educational tool that is immediately visible to interested parties, both internally and externally. Very clear progress has been achieved in the health/safety field, with a 38 % reduction in the number of days lost because of work accidents in 2006",* explains Gilles Vermot Desroches, Schneider Electric's Vice-President, Sustainable Development.

Every quarter, the Planet and Society Barometer follows the progress of the 10 Sustainable Development strategic indicators and communicates the results obtained. Each of the indicators is scored. The Group's general performance rose from 4/10 in 2004 to 7.01/10 in 2006. The objective is to achieve a performance of 8/10 by the end of 2008

### **About Schneider Electric**

*Schneider Electric is the world leader in electrical distribution and automation & control. Through its world-class brands, Merlin Gerin, Square D and Telemecanique, Schneider Electric develops a global offer of products and services for the residential, building, industry, energy and infrastructure markets. Schneider Electric employs 105,000 people, sells in 190 countries and, in 2006, made sales of € 13.7 billion through its distributors' 13,000 sales outlets. [www.schneider-electric.com](http://www.schneider-electric.com)*



**Media Contact**  
Schneider Electric  
Véronique Moine  
Tel. +33 (0)1 41 29 70 76

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Tel. +33 (0)1 40 70 11 89

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### Annex: The 10 objectives of Nicolas Hulot's Ecological Pact

#### **Objective 1 Economy: the quest for sustainability**

In brief: designing industrial products to last, to be repaired or recycled in order to reduce the quantity of materials, waste and energy.

#### **Objective 2 Energy: working towards reducing consumption**

In brief: working against global warming by massively reducing oil, gas and coal consumption in order to decrease our greenhouse gas emissions fourfold by 2050.

#### **Objective 3 Agriculture: producing differently**

In brief: combining agricultural production with environmental protection, rural work, quality produce and health.

#### **Objective 4 Land use: containing peri-urban expansion and relocating human activities**

In brief: conserving natural and rural areas, stopping the multiplication of infrastructures and the "artificialisation" of surfaces, working against urban sprawl by shortening the distance between the home and the workplace.

#### **Objective 5 Transport: moving past road travel**

In brief : reducing demand for modes of transport using high quantities of oil and producing high levels of greenhouse gases (lorries, cars and planes), increasing the availability of less resource-heavy and cleaner means (trains, public transport, river transport, cycling).

#### **Objective 6 Taxation: establishing the real price of nature's services**

In brief: taking into account the real economic cost of human activities, ceasing public subsidies leading to environmental degradation, steering the budget towards sustainable development.

#### **Objective 7 Biodiversity: incorporating nature into land policies**

In brief: incorporating the conservation of natural heritage into overall sustainable development strategy by creating a national ecological network connecting all protected spaces and protecting their ecological functions.

#### **Objective 8 Health: prevention is better than cure**

In brief: assessing the share of environmental degradation in the overall cost of diseases, implementing a policy based on prevention, particularly regarding diet, the use of pesticides and the spread of GM's.

#### **Objective 9 Research: making the environment a driving force behind innovation**

In brief: making research compatible with plans for a sustainable society; fostering links among different research areas.

#### **Objective 10 International policy: taking the initiative**

In brief: making the ecological challenge and the threats to global security a diplomatic priority.

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### Annex

Objectives by the end of 2008	Score out of 10 2006
<b>People</b> - Reducing the number of days lost through work accidents (per employee, per year) by 20 %  - Ensuring that 100% of employees have basic health insurance  - Ensuring that, annually, 20 % of the people under international mobility programmes are women	8.60  10  4.5
<b>Environment</b> - Ensuring that 100% of manufacturing and logistics sites are ISO 14001 certified  - Providing 120 Product Environmental Profiles for products representing more than 50 % of total product revenue.  - Reducing energy consumption per employee by 10 % in our production sites (in MWH/year)	6.86  5.4  7.5
<b>Community</b> - Donating the equivalent of € 1 million worth of Schneider Electric equipment  - Ensuring that 90 % of our sites have a lasting commitment with the Schneider Electric Foundation in the area of youth opportunities	10  7
<b>Corporate governance</b> - Making 60 % of purchases from suppliers who support the Global Compact  - Ensuring Schneider Electric's presence in the four major SRI* index families	2.6  7.5
<b>Global performance on 31.12</b>	<b>7.01</b>
<b>* SRI: Socially Responsible Investment</b>	