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FOR IMMEDIATE RELEASE:

**SCHNEIDER ELECTRIC LEADS INDUSTRY
IN ENVIRONMENTAL SYSTEMS MANAGEMENT**

*North American Operating Division Registers All 31 Facilities
For Internationally Recognized ISO 14001 Certification*

PALATINE, Ill. (July 7) – As auditable environmental management systems are becoming a bigger driver for Schneider Electric and its customers worldwide, the company's North American Operating Division recently completed registration for all of its 31 facilities to the internationally recognized ISO 14001 environmental management system standard.

"Recognizing the impact that its production and consumption have on the environment, the North American Operating Division of Schneider Electric is raising the bar on management of its own environmental impacts and issues, while helping its business partners see the benefits of doing the same," said David D. Petratis, president and chief executive officer of Schneider Electric's North American Operating Division.

North America was the first Schneider Electric division globally to be completely certified under a worldwide company mandate to achieve ISO 14001 certification by 2004. The North American Operating Division is one of four geographic divisions of Paris-based Schneider Electric, a leading global supplier of electrical distribution, industrial control and automation products, systems and services.

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According to Gladys Thomas, Schneider Electric's operations manager for safety, security and environment, a growing number of world-class corporations, including Ford Motor Co., are requiring their suppliers to be ISO 14001 certified. In addition, the process toward certification has helped raise the level of environmental awareness throughout the Schneider Electric workplace and organization. ISO 14001 certification also has well positioned the company for greater productivity and competitive standing for doing business internationally well into the 21st century.

First published in 1996, the ISO 14001 standard for both product- and service-related industries is an international environmental management standard that is auditable and certifiable. The ISO14001 standard requires companies to develop and maintain an environmental management system with key components including: establishing an environmental policy, determining environmental aspects and impacts of product/activities/services, generating environmental objectives with measurable targets, implementing a checking and corrective action process, and reviewing the system with management.

The Right Thing to Do

Moving toward actual compliance and certification ahead of many American corporations was not only the right thing to do for the environment, but it has benefited the business in numerous ways, not the least of which is the bottom line, Thomas explained. Increased efficiencies in the use of energy and materials among all of Schneider Electric's facilities are estimated to have saved the company millions of dollars over the last 10 years.

Other less tangible, but equally vital, benefits include cost or risk reduction through improved resource management, altered environmental perceptions among employees, and an environmentally enlightened public image for the company.

"The biggest benefit is that environmental awareness becomes an integral part of the everyday business," Thomas says. "It's no longer just one of those 'things' that an employee handles. It becomes part of the decision making process. For example, if you're going to bring in a new production line, an environmental management system causes you to think in advance about what kind of waste streams will be produced and how this will impact the environment. As a result of this new way of thinking, we don't experience issues of not being able to run a line because we have to wait for a permit. It's all part of a seamless planning and integration process."

Eco-Friendly Operations — Saving Money and Resources

Schneider Electric Canada's Waterman, Ontario, plant offers a strong example of commitment to environmental compliance and stewardship in its drive to create an eco-friendly operation, resulting in ISO 14001 registration. One key to continuous environmental improvement lies in the Waterman plant's paint line pre-treatment and powder coating processes. Initiatives have included reducing raw material consumption, substituting materials, making environmentally responsible modifications to equipment, reusing and recycling materials, and improving maintenance procedures. The improvements have resulted in substantial savings for the Waterman facility in material, labor and maintenance costs over two years.

In January 2004, when Schneider Electric's Huntington, Ind., facility became ISO 14001 certified, it set a goal of a 20 percent reduction of all waste streams going to a landfill. Employees at all levels contributed to the process, which, as Thomas pointed out, is an outgrowth of the enlightened environmental perspective that ISO certification fosters.

"With ISO 14001, employees at all levels are trained on environmental issues and on issues specific within the organization," Thomas explained. "It's about changing the way we think. Everyone looks for ways to reduce scrap to the lowest possible extent to reduce the effects on the environment. It takes everyone working together."

For example, it was a plant associate at Huntington who noticed that several trash loads of plastic bags were discarded daily, leading to his suggestion of recycling the plastic bags used to protect painted product. Overall, Huntington was able to far surpass its recycling goal in achieving a 50 percent reduction of general landfill waste despite a sales growth in excess of 35 percent. Ninety-nine percent of all waste generated is recycled.

"As part of ISO 14001 certification, we examined our waste issues company-wide. We realized that if we could reduce our hazardous waste streams, we would be in a better position for many years to come," Thomas explained. "We're better positioned than a lot of companies still generating large volumes of hazardous and nonhazardous waste."

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Surveying the Competitive Landscape

In addition to the primary environmental benefits reaped through ISO 14001 certification, Thomas says, certification is rapidly becoming a necessary qualification to remain competitive in the global marketplace. She added that she is often asked and speaks about Schneider Electric's environmental management successes in conversations with decision makers at diverse service- and product-related companies.

"ISO 14001 is going to be a driver for our customers in the future," Thomas says. "Customers that are ISO 14001 certified will want to buy from suppliers who also are certified. They want to know that their business partners are being environmentally responsible, and not putting their waste out the back door. The day is also coming when ISO auditors will require us to gauge whether or not we are working together with our customers and suppliers to address environmental issues in tandem."

Thomas explained that currently, Schneider Electric regularly communicates its ISO 14001 standards to its customers and suppliers in an effort to facilitate their own efforts toward environmental stewardship.

"We help point out to our suppliers and customers areas where they can implement ISO 14001 and ways that we can help them accomplish their goals," she added. "We help them get things organized, so they don't have to invest in outside consultants or fumble around to try to figure out what the ISO 14001 standards are and how to go about meeting them. We are very forthcoming in pointing out the benefits of embracing this movement because it's something we really want them to do."

A Decade of Commitment

Schneider Electric began implementing processes for environmental management systems certification in 1994 when it partnered with Underwriters Laboratory to become one of the top 10 companies registered to the draft environmental 01 standard. ISO 9000 provided a good foundation to implement an effective environmental management system. ISO 9000 provides an international reference for quality management requirements in business-to-business dealings across many industry types.

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“We’ve been at this a long time,” Thomas said, adding that Schneider Electric is well positioned as U.S. Industry joins its European counterparts in the drive toward environmental awareness and responsibility.

Thomas added that the paradigm on environmental responsibility is shifting rapidly in the United States, with the greatest momentum beginning around the turn of the century.

“There’s been a distinct change in thinking as more companies are becoming registered with ISO 14001,” Thomas says. “There are more suppliers in bigger companies saying, ‘This is important.’”

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Schneider Electric North American Operating Division

Headquartered in Palatine, Ill., the North American Operating Division of Schneider Electric had sales of \$2.6 billion (U.S.) in 2004. The North American Operating Division is one of four operating divisions of Schneider Electric, headquartered in Paris, France, and markets the Square D, Telemecanique and Merlin Gerin brand products to customers in the United States, Canada and Mexico. In the United States, Schneider Electric is best known by its flagship Square D brand, with Telemecanique becoming increasingly known in the industrial control and automation markets and supported by many Square D distributors. For 100 years, Square D has been a market-leading brand of electrical distribution and industrial control products, systems and services. Schneider Electric is a global electrical industry leader with 2004 sales of approximately \$12.8 billion (U.S.). Visit Schneider Electric on the Internet at:

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