
Global Compact's Communication On Progress for 2009

The Planet & Society Barometer

Results of 2008 targets and update of indicators for 2009-2011

Statement of continued support for the UN GC by Gilles Vermot Desroches, Sustainable Development Senior Vice President at Schneider Electric

"Schneider Electric has endorsed the Global Compact Principles since 2003 – to officially state its commitment regarding human rights, working conditions, environment and corruption.

Since 2005, Schneider Electric has released a «Communication On Progress» once a year. In 2009, our «Communication On Progress» presents the Planet & Society Barometer, which has been our sustainable development balance scorecard since 2005. At the beginning of 2009, we have launched a new company program, One Schneider, to drive our transformation over the next three years. The Planet & Society Barometer with its 13 progress plans is the indicator of the company program that shows the commitment of our company towards sustainable development and its different components (Planet, Profit, People). All progress plans have been updated to adapt the company's fast evolution & reality and address new challenges.

Furthermore, Schneider Electric has reaffirmed its commitment to disseminate the Global Compact Principles in its sphere of influence: since 2005, our target has been to make 60% of total purchases from suppliers who support the Global Compact. This target has been confirmed in the new Planet & Society Barometer over the period 2009 – 2011. At the end of 2008, 31% of total purchases stemmed from suppliers who support the Global Compact. This figure has been reviewed by an external statutory auditor in 2009."

03.18.2009

The Planet & Society Barometer

Our sustainable development scorecard

Schneider Electric is taking innovative actions to improve its sustainable development performance. The Planet & Society Barometer shows the measurable goals of these actions.

Our objectives:

- Communicate our progress plans.
- Measure our performance quarterly.
- Integrate sustainable development into the company program.
- Give the history of our actions.

All the objectives of the Planet & Society Barometer are voluntary; none were dictated by legal constraints.

The barometer is the answer to:

- socio-environmental challenges, such as reducing carbon emissions in the company's activities, quickly developing energy efficiency solutions and products or reducing accidents in factories;
- challenges that Schneider Electric considers to be strategic to enable it to continue to play a leading medium- and long-term role in its markets, such as the BipBop access to electricity program for the poorest populations on the planet, the commercial development of recovery services for devices containing SF6 gas or the satisfaction of its employees.

Our 13 progress plans for 2009-2011

Planet & Society Barometer	Global Compact Principles concerned
30,000T annual reduction of our CO2 emissions	Principle 7
2/3 of our products' revenues gained with Green Premium products	Principle 8
2/3 of our employees work in ISO 14001 certified sites	Principles 7 & 8
7pts above SE's annual growth gained by its Energy Efficiency business	Principle 9
10 countries implement a recovery process for SF6 gas	Principle 8
1,000,000 households from the bottom of the pyramid have access to energy with Schneider Electric solutions	
60% of our total purchases from suppliers who support Global Compact	Principles 1 to 10
4 SRI indexes select Schneider Electric	
10% annual decrease in the frequency rate of accidents	
More employees recommend our company as a great place to work	Principles 1 to 6*
2,000 employees trained on energy management solutions	
10,000 young people from the bottom of the pyramid trained in electricity	Principles 1 to 6**
500 new entrepreneurs from the bottom of the pyramid start their own business in the electricity market	Principles 1 to 6**

*All Schneider Electric's employees will be asked once a year if they recommend their company as a great place to work. The Employee Net Promoter Score is used to assess the satisfaction of employees, as Schneider Electric has already done for several years for its customers. Dedicated actions (trainings, reduction of accidents, etc.) are implemented to increase this score and reach the target set over the period 2009-2011. The employees' opinion on their company might be very negative if they note a non-respect of human rights or bad labour standards. It goes further than the strict observance of human rights and labour standards.

**Schneider Electric acts in favour of local communities to train and support businesses creation among people from the Bottom of the Pyramid. Training and business creation might act as a protection for individuals against human rights abuses and bad labour standards.

Measurement and monitoring

The result is a grade out of 10 representing the status of Schneider Electric's 13 sustainable development progress plans. Each progress plan is awarded a grade out of 10 in exactly the same way and contributes equally to the global indicator. These grades correspond to specific performance.

- The starting grade

Schneider Electric decided to launch the Planet & Society Barometer on 01/01/2009 with a starting grade of 3/10. The Group measures the actions already being taken in the areas concerned.

- The target grade

The goals of the action plans are set to allow the company to make progress: ambitious and realistic, they are applicable to all the entities of the Group. The aim is to reach at the end of 2011 a grade of 8/10.

The progress plans are monitored quarterly. The results from the local entities are consolidated centrally to give the performance of the entire Group. The information measurement and consolidation tools are audited annually by an external, independent company.

The sustainable development management builds and controls the Planet & Society Barometer. The departments directly concerned (human resources, environment, services & projects, the Foundation, etc.), each represented by a manager, implement the actions that will enable them to progress. This manager works in direct contact with the local company managers in their respective field.

Outcomes

The Planet & Society Barometer has been Schneider Electric's sustainable development balance scorecard since 2005. The performance of 10 indicators was measured for the previous company program New2 from 2005 to 2008. In 2008, Schneider Electric reached a global grade of 8.0 out of 10 in line with its initial target. Substantial progresses have been made in health and safety, Global Compact support by suppliers and products with on-line environmental profile.

Planet & Society Barometer (2005-2008)	Performance on Dec. 31, 2008	Grade
PEOPLE		
• Reduce the number of lost days from work accidents by 20%, per employee and per year	0,111	10,0
• Ensure that all employees have basic health insurance	98%	9,0
• Ensure that 20% of people under international mobility program are women	14,8%	4,8
ENVIRONMENT		
• Ensure that all manufacturing and logistics sites are certified ISO 14001	90,50%	6,8
• Provide an environmental profile for 120 products	152	10,0
• Reduce energy consumption per production site employee by 10% (in MWh/year)	13,9	10,0
COMMUNITY		
• Donate Euro 1 million worth of Schneider Electric equipment	2 572 564	10,0
• Ensure that 90% of our sites have a existing commitment with the Schneider Electric Foundations in the area of youth opportunities	84%	7,0
CORPORATE GOVERNANCE		
• Make 60% of total purchases from suppliers who support the Global Compact	31%	5,2
• Be included in the four major socially responsible investment index families	3	7,5
		8,0

About Schneider Electric's sustainable development policy

To learn more about our sustainable development commitment and performance, please refer to:

- Schneider Electric's website: schneider-electric.com > Sustainable Development
- The Planet & Society Barometer: barometer.schneider-electric.com

About Schneider Electric

As a global specialist in energy management with operations in more than 100 countries, Schneider Electric offers integrated solutions across multiple market segments, including leadership positions in energy and infrastructure, industrial processes, building automation, and data centres/networks, as well as a broad presence in residential applications. Focused on making energy safe, reliable, and efficient, the company's 114,000 employees achieved sales of more than 18.3 billion euros in 2008, through an active commitment to help individuals and organizations "Make the most of their energy."

www.schneider-electric.com