

# Creating Shared Value

2011 - 2012 Strategy & Sustainability Highlights

In Bangladesh, in the village of Saharial, 40 kilometers away from the capital city Dhaka, Schneider Electric™ is partnering with Grameen Shakti to provide families with reliable, affordable, and clean energy. It is part of our worldwide effort to help people make the most of their energy.

**Schneider**  
Electric

## To our dear customers

Reflecting our commitment to sustainability, this document has been printed on demand, as close to your location as possible. At every step, we have respected stringent environmentally friendly paper and printing processes. We are pleased to share with you the Schneider Electric corporate vision and 2011 highlighted achievements.





2012 INTERNATIONAL YEAR OF  
SUSTAINABLE ENERGY  
FOR ALL

## Schneider Electric aligned with UN effort

The United Nations Secretary-General recently launched a pioneering new initiative, 'Sustainable Energy for All', to mobilize urgent global action. The initiative brings all sectors of society to the table: businesses, governments, investors, community groups, and academia in support of three interlinked objectives:

- > Ensure universal access to modern energy services
- > Double the rate of improvement in energy efficiency
- > Double the share of renewable energy in the global energy mix

## About this document

This document gives our stakeholders an overview of the achievements and goals of Schneider Electric as they relate to our business strategies and commitment to sustainable development. It is based on concrete and measurable facts whenever possible. The document inspires from three international frameworks for corporate social responsibility (CSR) reporting: the Global Reporting Initiative (GRI), the United Nations Global Compact, and the ISO 26000. All reporting information useful for analysts and investors is in the Schneider Electric Registration Document or online at [www.schneider-electric.com](http://www.schneider-electric.com) under the 'Sustainable Development' section. This includes the Statutory Auditors Report on a selection of environmental, safety and social indicators, established without limitation.

Scan this QR code with your smart phone or webcam to read more on the Web.



To enjoy more content with video and slide shows, download the Schneider Electric Strategy & Sustainability Highlights app today!



Look for this symbol throughout the document to access additional related content online.

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# Schneider Electric at a glance

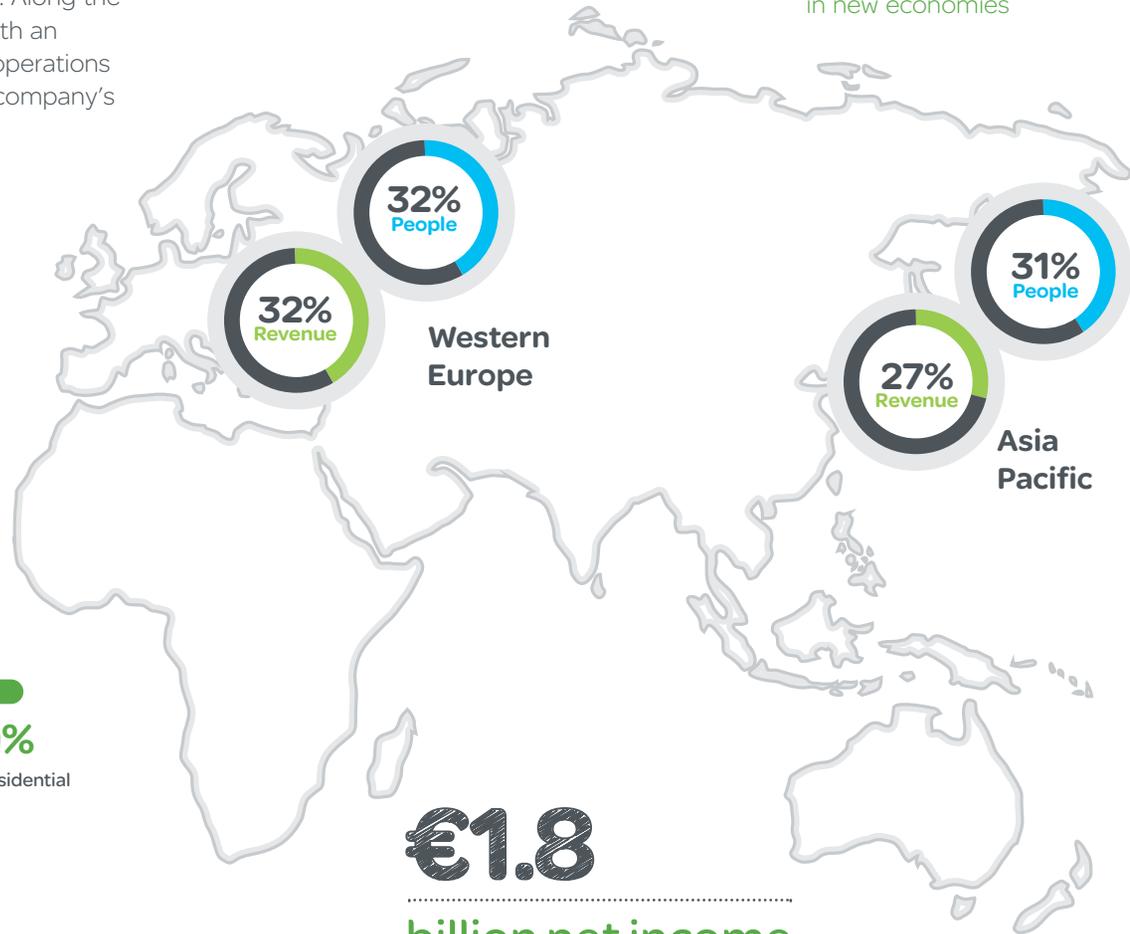
From its creation in 1836 as a producer of iron and steel, Schneider Electric has evolved to become a global leader in energy management. Along the way, we have contributed to the transformation of industries with an innovative, international, and responsible mindset. Today, with operations in over 100 countries and more than 130 000 employees, the company's mission is to help people make the most of their energy.

**€22.4**

billion  
in consolidated revenue

**39%**

sales  
in new economies



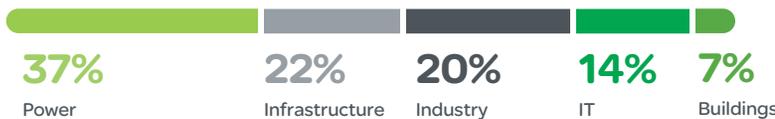
**€1.8**

billion net income  
8% above 2008 group level

## Revenue breakdown by End-Market



## Revenue breakdown by Business



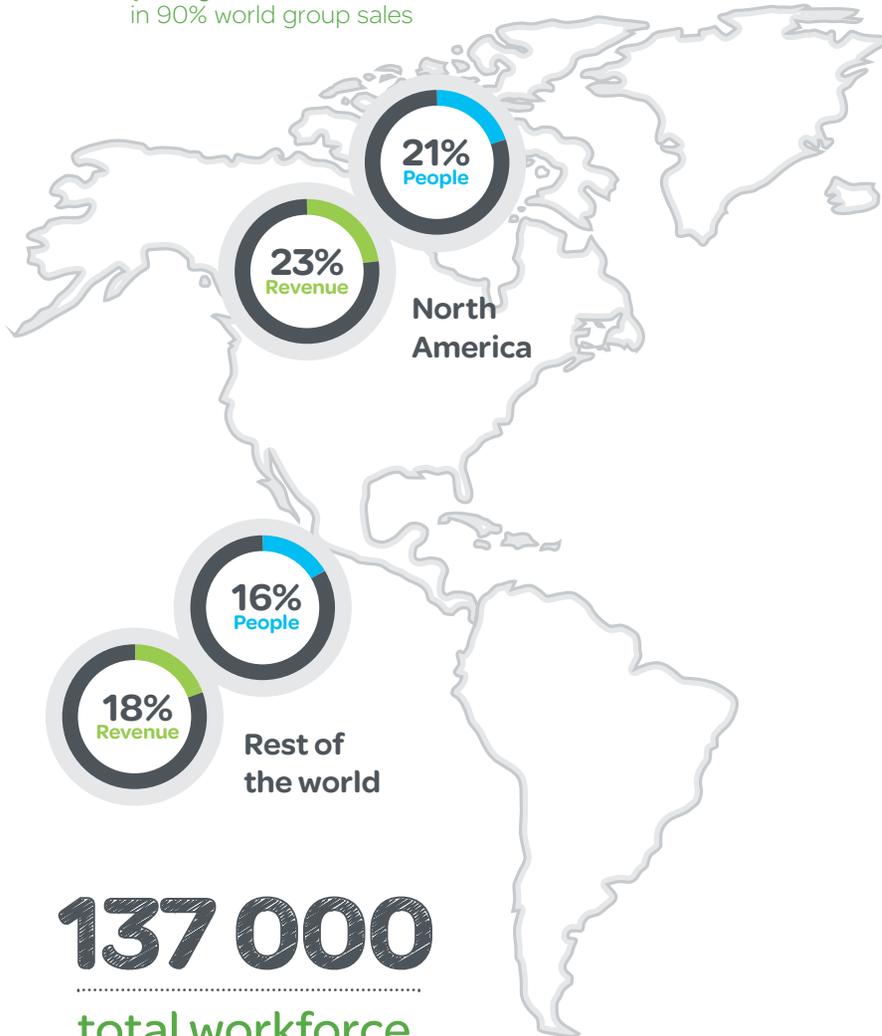
#1 or #2

player

in 90% world group sales

176

years  
of history



€979

million devoted to R&D

representing almost 5% of our sales

120

volunteers

acting as delegates of the  
Schneider Electric Foundation  
in 70 countries

162 000

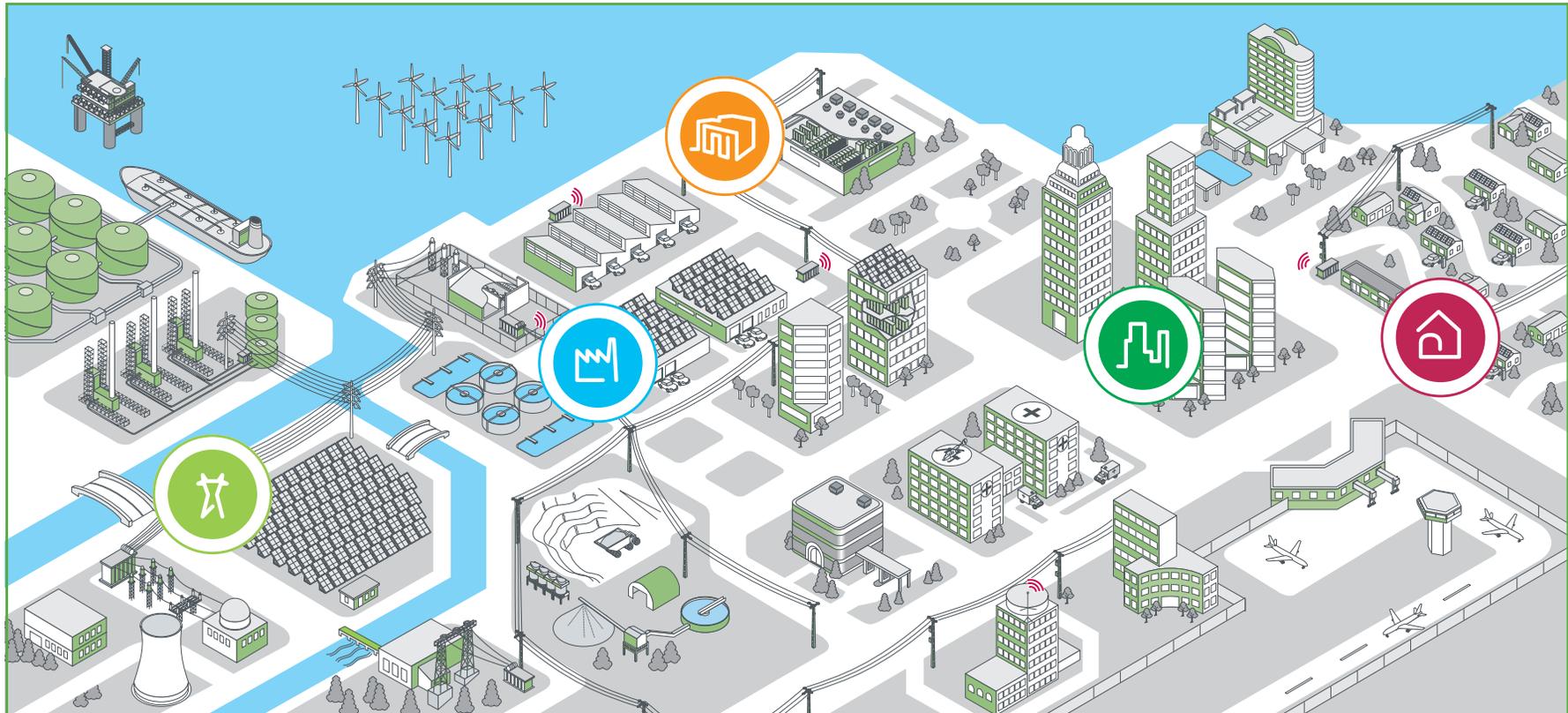
metric tons of CO<sub>2</sub>

equivalent emissions reduced since  
January 2009

137 000

total workforce

in 100+ countries



## Helping to use energy and resources more efficiently worldwide

From the generation and transmission of energy to its consumption, Schneider Electric delivers a unique portfolio of efficiency solutions to a wide range of industries. An estimated \$13 trillion\* in investments will need to be made to upgrade transmission and distribution networks worldwide by 2030.

Facilities consume one-third of the world's energy†, and 70 per cent of its electricity. They are also part of all the markets that Schneider Electric serves. If these different markets can attack energy waste at the facilities level, they will be well on their way to addressing one of the biggest energy management and carbon issues that we all face today. And that is exactly what Schneider Electric energy management solutions are designed to do: make buildings and operations more efficient while delivering up to 30 per cent energy savings.

**70%**

of the world's electricity is consumed by industry, commercial and public services, and residential sectors

Source: International Energy Agency 2011

up to  
**30%**

energy savings delivered to facilities by Schneider Electric solutions

\* Source: Vision 2050, WBCSD

† Source: International Energy Agency



### Utilities & Infrastructure

Key market segments addressed:

- > Electrical Utilities
- > Oil & Gas
- > Marine
- > Water

**24%**  
of sales



### Industrial & Machines

Key market segments addressed:

- > Original Equipment Manufacturer/ Machine Builders
- > Mining, Minerals, & Metals
- > Food & Beverages

**22%**  
of sales



### Data Centres & Networks

Key market segments addressed:

- > IT/Telecommunications
- > Banking/Insurance

**16%**  
of sales



### Non-Residential Buildings

Key market segments addressed:

- > Retail
- > Hotels
- > Hospitals
- > Life Sciences
- > Green Buildings

**29%**  
of sales



### Residential

Key market segments addressed:

- > Individual & Collective Housing

**9%**  
of sales

**€220**

billion accessible market

**37%**

revenue derived from solutions



To see these solutions in action, turn to our customer success stories on pages 22 - 25, or visit [SDreport.schneider-electric.com](http://SDreport.schneider-electric.com).

## Words from the President

2011 was a defining year for Schneider Electric, a year characterized by strong growth, reactivity to many unexpected external events, an intense deployment of our strategy, and the successful closing of the 'One' company programme.

First of all, 2011 was an incredibly busy and meaningful year from an operational point of view. We generated robust organic growth, at 8.3 per cent and reported 14 per cent total growth. For the first time, our sales exceeded the €22 billion mark. This translated into record profits and strong cash generation, particularly achieved despite unprecedented headwind of raw material inflation, major disruptions of our supply chain following the tsunami in Japan, the welcomed but faster-than-expected take-off of solutions in our business portfolio, and the weakening of Europe. We reacted to those events swiftly, proved once again our flexibility and reactivity.

2011 was also characterized by an intense deployment of our strategy. We realized strategic investments for organic growth in new economies and solutions. As a result, our presence in new economies grew to about 40 per cent of sales and our solution business to 37 per cent of sales. These growth engines grew three times faster than mature countries and two times faster than products respectively. Our solutions business has been supported by the successful launch of EcoStruxure™ integrated energy management architecture. In 2012, we will leverage this key differentiator by releasing StruxureWare™ integrated software applications and suites. This way, we shall provide our customers a radical innovation in the way they design, commission and operate their business while addressing their efficiency issues.

We also accelerated the deployment of our strategy by making targeted acquisitions. We finalized the construction of a new world leading business in our portfolio, Infrastructure, by integrating the Distribution branch of Areva™ into Schneider Electric medium voltage division and by acquiring Telvent™. Telvent marks a major step of our development in energy management and brings needed capabilities in the field of smart cities, smart grid, critical infrastructure, and software.

We also kept progressing on the development of solutions to save energy and carbon, and to reinforce our Corporate Social Responsibility commitment. We continued to promote

the principles of the UN Global Compact within our company and with our suppliers. Our Planet & Society Barometer performance has exceeded its three year target. Our BipBop programme towards access to energy has enabled us to connect one million households to electricity and train 12 000 underprivileged people in energy management related trades. In the frame of BipBop, we have also launched an impact-investment fund to support local entrepreneurs around energy activities. Our commitment has been recognized by many awards and presence in large sustainability rankings. We are very proud of these distinctions that are both an achievement and an encouragement to keep on doing better.

2011 was also the year we ended our three-year company programme 'One'. 'One' has been an unprecedented transformation for Schneider Electric and has laid extremely solid foundations for our future development. In three years, we changed size, we built our identity around one brand, we organized our company around customer segments, and we organized our Group as one integrated team where our employees can develop on a larger scale. We also reached our targets of efficiency improvement compared to 2008. 'One' has been the enabler of the acceleration of our strategy execution and the catalyser of robust financial performance through a historical economic downturn.

Beginning 2012, we launched our new company programme, 'Connect', which defines our key action plans for the next three years. 'Connect' builds on the fundamentals and successes of 'One'. This programme covers four major initiatives, which will allow the Group to attain new levels of performance.

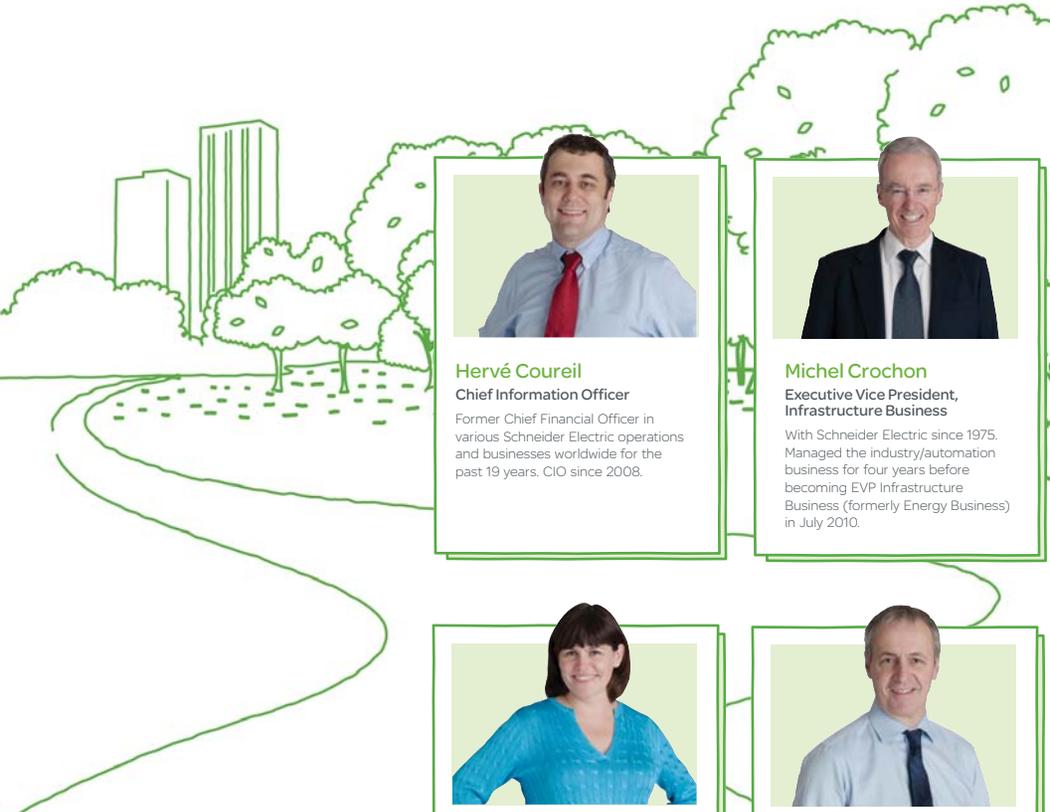
Schneider Electric is well geared to face the uncertainties surrounding global economy in 2012. We are in an exceptional position to keep exploring the new frontiers of energy management technologies; seize new business opportunities offered by energy efficiency, smart grid and smart cities; and offer the most advanced technologies of efficiency for the sustainability of our planet.

### Jean-Pascal Tricoire President & CEO

25 years in the company. Worked in operations in Italy, China, South Africa, and USA. Became Chief Operating Officer in 2003 and President & CEO in May 2006.

# Leadership Team

Our management team combines deep and broad expertise with a collective vision for augmenting Schneider Electric's position as one of the world's premier energy management companies.



**Emmanuel Babeau**  
 Executive Vice President, Finance\*  
 Joined company in 2009 after holding various senior management positions with Pernod Ricard wines and spirits group for over 16 years.



**Clemens Blum**  
 Executive Vice President, Industry Business  
 Became part of Schneider Electric via an acquisition in 2000, where he was an automation specialist. In charge of operations in Germany and Switzerland before assuming current duties in July 2010.



**Annette Clayton**  
 Executive Vice President, Global Supply Chain  
 Joined Schneider Electric in 2011. Held operational leadership positions with both General Motors Corporation and Dell Inc. over the past 29 years.



**Hervé Coureil**  
 Chief Information Officer  
 Former Chief Financial Officer in various Schneider Electric operations and businesses worldwide for the past 19 years. CIO since 2008.



**Michel Crochon**  
 Executive Vice President, Infrastructure Business  
 With Schneider Electric since 1975. Managed the industry/automation business for four years before becoming EVP Infrastructure Business (formerly Energy Business) in July 2010.



**Chris Curtis**  
 Executive Vice President, North America Operations and Buildings Business  
 Came to Schneider Electric with Square D™ in 1993. Prior to current responsibilities, held multiple leadership positions in North America.



**Aaron Davis**  
 Chief Marketing Officer  
 Joined Schneider Electric in 2007 after the company acquired APC™, where he led various global sales, marketing, and marketing communications teams.



**Philippe Delorme**  
 Executive Vice President, Strategy & Innovation and Partner Business  
 Since joining Schneider Electric in 1996, has held various R&D and business management positions in France and USA. Executive Committee member since 2009.



**Karen Ferguson**  
 Executive Vice President, Global Human Resources  
 Became a member of the Executive committee in 2007 after holding various human resources positions at the country and regional level since 1995.



**Eric Pilaud**  
 Executive Vice President, Custom Sensors and Technologies†  
 Since joining Schneider Electric in 1986, held successive leadership positions in e-business, services, innovation, and strategy. Head of CST Business since 2009.



**Julio Rodriguez**  
 Executive Vice President, Global Operations  
 Career with company spans 1986 to the present. Has run Belgium country, Iberian zone, and International Operating Division. Director of the EMEAS‡ region since 2007 and Power Business since 2010.



**Laurent Vernerey**  
 Executive Vice President, IT Business  
 Prior to appointment as President & CEO of APC (IT Business) in 2007, responsibilities included information systems, distribution, administration, sales, manufacturing, and more. He has been with company for 27 years.



**Zhu Hai**  
 Executive Vice President, China Operations  
 With the company since 1996. Held various roles in the automation, OEM and Power fields, both in China and France. Head of Chinese operations since 2009. Member of the Executive Committee board since 2012.

49

the average age of the Leadership Team members

\*Member of the Management Board † President & CEO, Custom Sensors & Technologies Inc. ‡ Europe, Middle East, Africa, South America

## Understanding our industry's key challenges

### Connect

Schneider Electric has a 12-year tradition of guiding strategic execution through three-year company programmes. In 2011, we concluded the 'One' programme, which helped to transform our company into a complete solutions provider with a stronger presence in new economies. The programme also helped us to create a more efficient operating model as we welcomed new talents from numerous acquisitions. With the arrival of 2012, we unveiled our new company programme, called 'Connect'. Our goal is to make Schneider Electric more balanced in terms of geographies and business models. 'Connect' will also foster the engagement and development of our people, based on an efficient and collaborative work environment.

The cornerstone of our sustainable growth strategy is managing the world's energy challenge – and understanding how we can help address it. Because of the world's rapid economic, demographic, industrial, and urban growth, energy needs are skyrocketing. We want to support this increasing energy need, which provides new opportunities for so many people around the world. But at the same time, this growth is threatening our planet, depleting its resources, and changing its climate. We want to help reduce carbon emissions and make the world a better place for our children and their children.

#### Energy efficiency: the fastest way to save money and carbon

Energy efficiency saves energy, saves money, and cuts carbon emissions. Competitive solutions that are available today provide quick payback across all installations. Energy efficiency is therefore the cheapest, fastest, easiest, and most effective way for governments, companies, and citizens to address their energy issues. For governments, energy efficiency helps reduce their carbon emissions and meet their reduction targets. It supports their energy policy by helping to solve their energy security stakes, manage the gap between energy production and demand, and bring down their energy bill. For all companies, energy efficiency helps reduce carbon footprints and therefore meet stakeholders' environmental concerns. And for all of us in our homes, it enables us to do something for our common planet. There can be no energy strategy today without energy efficiency.

#### A smarter grid

Today's electricity grid is very similar to what it was one century ago, carrying electricity from centralized generation plants to users in homes, buildings, and facilities. But the grid is now undergoing a revolution. Energy demand keeps increasing; carbon emissions need to come down, and electricity is a big carbon emitter; there are more and more renewable energy sources, which are by nature intermittent and by design distributed; and infrastructures are ageing, overloaded, or in need of heavy maintenance. The network must therefore become smarter to adapt to this changing and more complex environment.

A smarter grid combines smarter supply (the efficient integration of renewable energy sources, flexible distribution), smarter demand (energy-efficient sites and homes, connected to the grid), and demand response to balance the two.

#### Toward sustainable, smart cities

Cities today cover 2 per cent of the earth's surface, contain 50 per cent of the world's population, consume 75 per cent of global energy, and emit three-quarters of the planet's greenhouse gases.

In addition cities are growing; by 2050, they will be home to 70 per cent of the people in the world. As everyone wonders how to meet the growing demand for energy and resources, while drastically reducing global carbon emissions, one thing is clear: this challenge will be won, or lost, in the cities.

All over the world, cities need to become smarter: more efficient, more sustainable, and more liveable. To make it happen, the efficient management of our resources – from energy to the environment, from water to space – is what matters. It matters to Schneider Electric and matters to all of us, in companies, in governments, and as private citizens.



**Philippe Delorme**

Executive Vice President, Strategy & Innovation, Schneider Electric

'We live in a fast changing world: quickly developing new economies, digitalization, booming services, increasing concern for sustainability, and more active governments. This makes the need for global resource efficiency more acute than ever – it also provides a great opportunity for companies that can come with solutions to the energy challenge. Within this scope, our strategy is about leadership in new as well as in mature economies, in our historical products as well as in our solutions businesses. It is about a team that cares about others and is strongly committed. It is about an efficient organization that believes in collaborating with all its stakeholders.'

# Expanding our commitment to sustainability

Climate change, biodiversity, poverty... all of these issues cannot be ignored by companies who claim the leadership of their industry. This is not only because it is good public relations, but because it is the right thing to do. At Schneider Electric, sustainable development is a mix of green business, responsible practices, and measured commitments.

## Our sustainability commitment entails:

- > Placing products and solutions on the market that will help curb energy waste and promote production and consumption habits that respect the environment
- > Promoting access to energy on behalf of the 1.3 billion people who are currently without clean, recycled water, electricity, and sustainable economic development
- > Reducing the environmental impact of our operations, particularly through eco-design and eco-production
- > Making corporate responsibility an integral part of Schneider Electric's culture, relying on the engagement of its employees worldwide

# 29

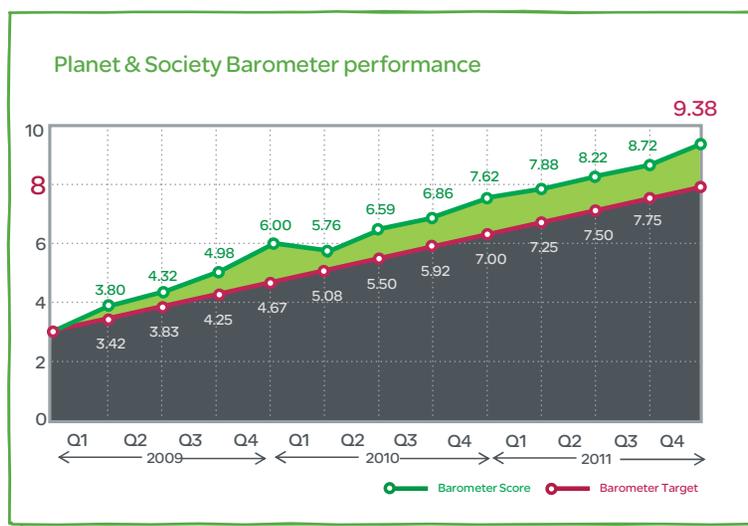
extra-financial indicators have been audited in Schneider Electric 2011 Registration Document

## Our sustainable development scorecard

The Planet & Society Barometer is a public and ongoing measure of our sustainable development efforts. Comprised of key performance indicators, it is designed to:

- > Bring the corporate community together around sustainable development objectives
- > Transparently communicate our performance against each objective every quarter, with annual audits
- > Clearly share our improvement plans with stakeholders

Over three years, Schneider Electric consistently outperformed the targets of its 2009 - 2011 Planet & Society Barometer. After reaching the 8/10 final objective at the end of the first half of 2011, the score of the Planet & Society Barometer continued great progress. After a .66 rise, Schneider Electric achieved 9.38/10 in the 4th quarter of 2011, concluding the programme. New key performance indicators have been defined for 2012 - 2014, see page 49 for more information.



Look for these symbols throughout this document to see how we're measuring up to our 13 performance indicators.

### Improved and Above Target

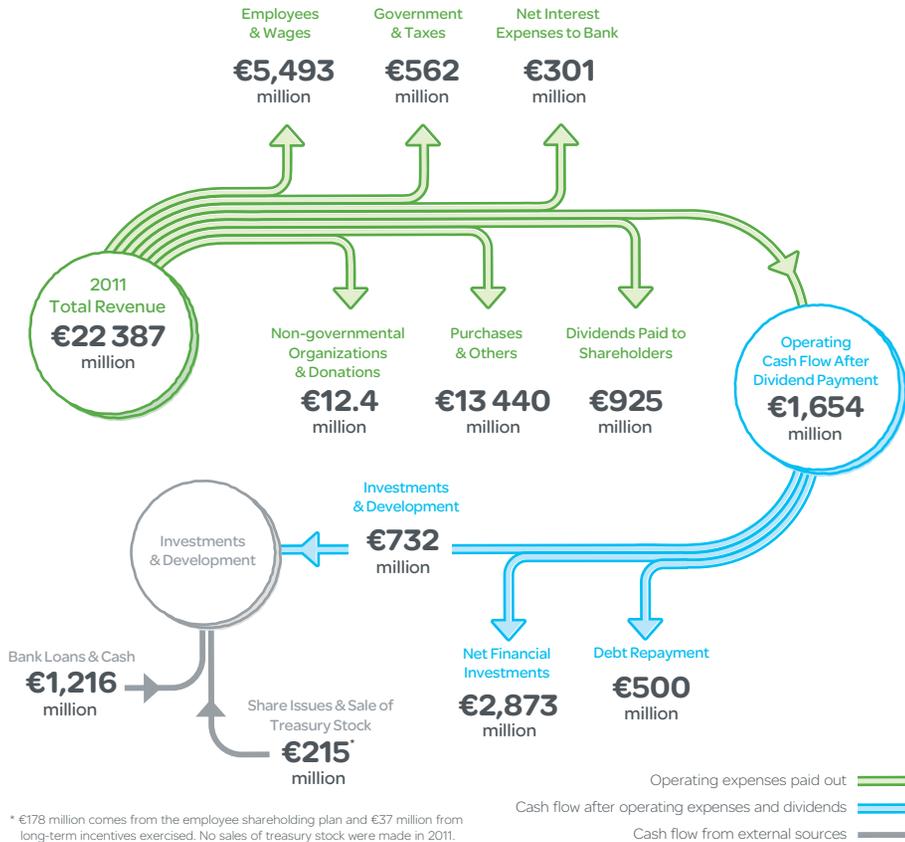


**Gilles Vermot Desroches**  
Senior Vice President, Sustainable Development, Schneider Electric

'Although there are major stakes at hand, the world in 2011 hesitated to confirm its fight against climate change, its investments toward biodiversity, and its support for the development of the most underprivileged. In 2012, as in previous years, Schneider Electric commits to turning these issues into opportunities for progress all over the world. We also pledge to increase our sustainability performance through a new and ambitious Planet & Society Barometer. It is the backbone of all our efforts, informing our dialogue with stakeholders and influencing the short- and long-term performance of our managers, who now have incentives around sustainability'.

## Creating shared value for all our stakeholders

Schneider Electric's commitment to sustainability is evident at all levels of our organization and in our open dialogue with internal and external stakeholders. By making sustainability a priority in everything we do, we are able to achieve continuous improvement in our performance while delivering a fair revenue breakdown.

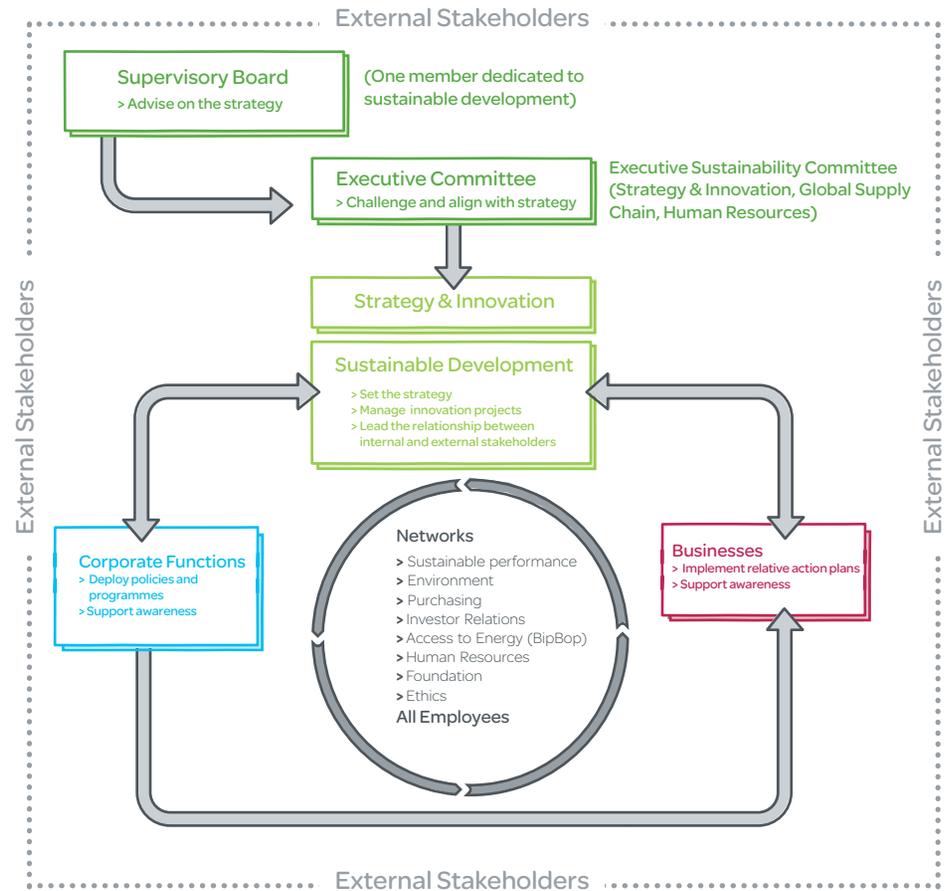


### Shared revenue breakdown

Our stakeholders all over the world – employees, suppliers, non-governmental organizations, and public authorities – are affected by our company's financial performance, as well as the local communities where we work, live, and actively invest. The diagram above delineates our revenue stream and how our earnings are distributed.

### A solid commitment at every level

Sustainability informs actions throughout our company, from the Supervisory Board and Executive Committee to our individual businesses. This forms a governance based on a continuous improvement process, deeply implicating each corporate and operational level of the company. In 2011, the Executive Sustainability Committee met twice. Among other topics, its members validated the new Planet & Society Barometer for the next three years. In parallel, the Supervisory Board member in charge of sustainability topics met with all the major internal stakeholders to advise them on their action plan – a very valuable compliment to the external stakeholders dialogue that the company conducts on a regular basis.



### An ongoing dialogue with stakeholders

Schneider Electric has always considered transparency and dialogue to be drivers of innovation and performance. In its sustainability commitment, the company conducts frequent surveys and meetings with various stakeholders to make sure their voices are considered.

Stakeholders*	Main Practices	Organization
Customers	> Quarterly Net Promoter score	Quality and Satisfaction
Shareholders/Investors	> Quarterly results calls, meetings, and road shows > Frequent individual shareholders meetings > Quarterly Shareholders letter	Investor Relations
Suppliers	> Supplier leader meeting > Annual supplier day > Annual surveys including sustainability questions	Purchasing
Employees	> Quarterly satisfaction and recommendation surveys > Social dialogue with employees' representative organizations	Human Resources
Civil Society	> Participation in many international and local private-public organizations and open debates	Depends on the topic
Socially responsible investors/analysts	> Answers to rating questionnaires > Analyst one-to-one meetings > Answers to punctual questions	Sustainable Development Investor Relations
All	> Quarterly Planet & Society Barometer letter	Sustainable Development

\* Non-exhaustive list based on the most frequent interactions the group has with its stakeholders

### High rankings validate our sustainability commitment

Sustainability is an important factor for the worldwide investment community. The Socially Responsible Investment indexes and sustainability ranking agencies track the extra-financial performance of the leading global companies. Schneider Electric appears in three major stock indexes: the Advanced Sustainable Performance Index (ASPI) Eurozone®; the Dow Jones Sustainability Index (DSJI) Europe; and the Dow Jones Sustainability Index (DSJI) World. In 2011, Schneider Electric also appeared in the top 100 Most Ethical Companies by Ethisphere™, the 'Global 100 Most Sustainable Corporations in the World' of Corporate Knights, as well as in the Prime category of the oekom rating agency.



**Cathy Kopp**  
Corporate Director, Member of the Supervisory Board of Schneider Electric

‘This year, Schneider Electric has been awarded many times in ethical stock indexes like the DJSI world, or in prestigious rankings like the ‘Top 100 Most Sustainable Corporations in the World’. We are proud of this recognition of our company’s sustainability commitment and actions, which serves as encouragement for us to keep innovating. Indeed, efforts are limitless when it comes to managing energy to match the needs of our planet, and we fully embrace our responsibility in this matter’.

up to  
**20%**

of Executive Committee Members’ individual variable compensation is based on a sustainability topic related to their scope of work

**€5**

trillion total Environment Social Governance (ESG) assets, defined as Socially Responsible Investments (SRI), under management by investment funds in 2009, which doubled the amount from 2007

Source: Chevreux ESG pocket guide

# The year in review

Highlights from 2011



### Training update from Haiti

On the one-year anniversary of the devastating earthquake in Haiti, Aide et Action International, Schneider Electric, and the Schneider Electric Foundation reported on their joint programme to help rebuild Haiti by promoting vocational training: 40 Haitians had completed the first level of electrical training and mobile units had been deployed to provide access to training around the country.



### New venture capital sponsor

Aster Capital, the venture capital fund sponsored by Alstom and Schneider Electric, welcomed Rhodia® as a third sponsor. The fund targets innovative technology start-ups, with a specific focus on energy, advanced materials, and environment sectors.



### Acquisition of Summit Energy

Schneider Electric signed an agreement to acquire Summit Energy™ Services, a leader in outsourced energy procurement and sustainability services to industrial, commercial, and institutional enterprises.



### Emergency support for Japan

Following the earthquake that hit Japan in March, the Schneider Electric Foundation dedicated an initial €200 000 to fund rebuilding projects and then matched all donations made by Schneider Electric employees.



### Philanthropy policy recognized

The Schneider Electric Foundation received the ADMICAL 2011 Corporate Philanthropy Award (France), recognizing its innovative, exemplary action in community outreach and environmental protection. Photograph by François Moura

## TELVENT

### Key acquisition

With the acquisition of Telvent a leading provider of real-time management solutions for mission-critical infrastructure, Schneider Electric bolstered its solutions around the smart grid, efficient infrastructures, and smart cities.

January

February

March

April

May

June

July

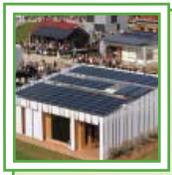
August

September

October

November

December



### Preferred partner of Solar Decathlon

Schneider Electric expanded its sponsorship of the Solar Decathlon through 2013. The competition challenges students from leading universities worldwide to design, build, and operate energy-efficient solar-powered houses.



### EV charging station certified

Schneider Electric became the first company to be certified 'ZE-ready' for its electric vehicle charging station.



### Active participation at COP17

Schneider Electric participated in the 17th Conference of Parties (COP17) to the United Nations Framework Convention on Climate Change (UNFCCC) in Durban, South Africa.



### Celebrating 10 years of giving back

The Schneider Electric Foundation celebrated the 10th anniversary of Luli, our international campaign to encourage Schneider Electric employees to give back to the community. More than 28 000 employees have participated in the campaign.



### Main patron at the Louvre Museum

Schneider Electric was the main patron of the Louvre Museum exhibition, 'Forbidden City at the Louvre: Chinese Emperors and French Kings' to promote cultural diversity and exchanges.



### Bringing power to an African village

Schneider Electric inaugurated its solar-powered micro off-grid power facility in the rural community of Asore, Nigeria. The solution, called Villasol, supplies electricity for domestic, entrepreneurial, and community needs, including schools, health centres, and a water supply station.

## Awards & Recognition

When talented people are passionate about their work, good things happen. In 2011 and 2012, Schneider Electric earned accolades from around the world.



### Prestigious Zayed Future Energy Award

In January 2012, Schneider Electric was recognized at the Zayed Future Energy Prize in the category of 'Large Corporations' for leading efforts in renewable energy and sustainability. General Sheikh Mohamad Bin Zayed Al Nahyan, Abu Dhabi Crown Prince and Deputy Supreme Commander of the UAE Armed Forces, presented the award to Jean-Pascal Tricoire, President and CEO of Schneider Electric.

Photograph by Ryan Carter, Philip Cheung / Crown Prince Court - Abu Dhabi



### Ranked 26th in the Global 100 Most Sustainable Corporations in the World

Reflecting its position as a best-in-class player in sustainability, Schneider Electric placed 26th in the 8th Annual 'Global 100 Most Sustainable Corporations in the World' by Corporate Knights Inc. The Global 100 is the most extensive corporate sustainability assessment, with 4,000 companies evaluated and inclusion limited to a select group of the top 100 large market capitalisation companies in the world.



### Energy efficiency leadership lauded at Gigaton Awards

The Carbon War Room, The Gigaton Throwdown, and the World Climate Summit awarded Schneider Electric Gigaton Awards for outstanding business leadership in action to reduce carbon usage. The Gigaton Awards, given during the COP17 UN climate change talks in Durban, South Africa, are designed to inspire and challenge businesses to run their companies in the most carbon-efficient way possible.

### Accolades for design excellence

At the Observeur Design Awards in Paris, France, Schneider Electric was awarded two prestigious Design Stars for its Wiser™ home energy management solution and EVLink™ residential charging infrastructure for electric vehicles. Organized by the Agency for the Promotion of Industrial Creation (APCI), the Observeur Designs recognizes the best creations from the collaboration between companies and designers each year.



### Among the top five for corporate social responsibility

Schneider Electric was listed in Capitalcom's Corporate Social Responsibility (CSR) Barometer Top Five in October 2011. In its fourth year, the barometer evaluates major French companies on a matrix of 60 CSR-related criteria.



### Best workplace awards in Brazil and China

Attracting and retaining talented employees is a fundamental strategy at Schneider Electric. We were delighted, therefore, to receive praise for the appeal of our workplace environments. In Brazil, Schneider Electric was named one of the 150 Best Companies to Work in Brazil by Voce S/A–Exame, the most important and recognized local business magazine. In May, we were named one of China's '50 Best Workplaces 2010', issued by Staffers magazine and China Business Journal.



### National Safety Council recognizes Schneider Electric

In April, the National Safety Council presented Schneider Electric North America with the 2011 Green Cross for Safety Medal in recognition of the excellence of its safety culture. The medal is awarded annually to an organization that has distinguished itself through outstanding achievements in the workplace and off-the-job safety and health.



### Annual meeting recognized as best

On 28 June 2011, Schneider Electric received a 2011 Annual Shareholder's Meeting Award from the French communication consulting firm, Capitalcom. The award recognizes the company whose annual meeting is selected by a blue-ribbon panel of 20 members on the basis of 80 criteria, including quality of discussions with shareholders, the meeting's organization, and the presentation of the company's corporate governance system.

### One of the world's most ethical companies

Each year since 2007, Ethisphere has awarded the World's Most Ethical Companies designation to companies that demonstrate real and sustained ethical leadership within their industries. Included among the criteria for selection are governance; environmental impact; philanthropic investment; transparency; litigation and regulatory offences. Schneider Electric was among the 110 World's Most Ethical Company honourees.



### Praise for our HR excellence

The 'Chambre de Commerce' and its partners in Paris awarded Schneider Electric the Human Capital Award in the Internationalisation of Management category. The award honours companies for their commitment, initiatives, and performance in managing their employees, and recognizes that people are an important aspect of a company's overall performance.



# How do we ensure our governance is in line with our values?

Growth brings new opportunities, new people, and new challenges.

As we expand our presence around the world, how do we ensure that all our actions – as individuals and as a company – are consistent with our values?

**56%**

of our revenue is made in 'clean' countries, as defined by the Transparency International Corruption Perceptions Index\*

**90%**

attendance rate at Supervisory Board meetings in 2011

**50%**

of our sales are made with suppliers who signed the Global Compact

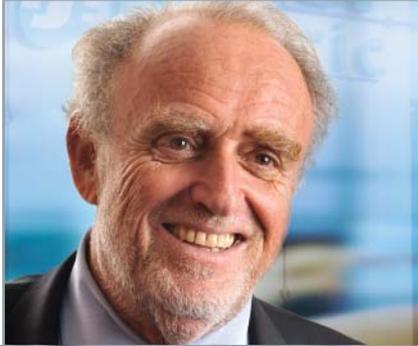


Our Principles of Responsibility



Schneider Electric

# A message from Henri Lachmann



**Henri Lachmann**  
Chairman of the Supervisory Board, Schneider Electric

‘In 2011, we completed ‘One’, our three-year company programme. ‘One’ achieved all of its objectives and was a great success for our company. The Supervisory Board wishes to take this opportunity to thank the Management Board and the whole Schneider Electric team for this tremendous accomplishment. ‘One’ transformed Schneider Electric and put us in a position to reap the full benefits of globalization, growth in new economies, and the enormous need for energy efficiency solutions’.

‘The energy that costs and pollutes the least is the energy we save. Schneider Electric helps its customers use less energy. We have the good fortune and foresight to be very well positioned in energy efficiency markets all around the world. Our products, equipment, and solutions are on the leading edge of technology, and our R&D investments illustrate our strategy of continuing to offer our customers the best-in-class line-up to meet their needs. Our good short-term business performance allows us to implement a long-term strategy.

Your Supervisory Board will continue to advise and supervise the Management Board. The Supervisory Board operates in a completely transparent manner, in a friendly atmosphere where discussion and the confrontation of ideas are welcome.

In measuring team performance and related bonuses, business and financial criteria are not the only factors. Sustainable development and

corporate social responsibility are also taken into account, using a dedicated resource known as the Planet & Society Barometer. This tool helps our people to feel responsible for our performance – measurement drives behaviour. Meeting targets in these non-financial areas is part of the bonus system for both employees and senior executives.

After implementing a successful succession at the Chief Executive level, your Supervisory Board is now working on the succession of its Chairman and on an appropriate governance.

The Supervisory Board would like to once again express its confidence in the teams that are responsible for the implementation of our new company programme, ‘Connect’. We fully support this programme, which will be another major milestone in the development of Schneider Electric’.

## Planet & Society Barometer 2011 Objective Results

Four major ethical stock indexes select Schneider Electric:

### Improved but Below Target



60% of our purchases are from suppliers who support the Global Compact:

### Improved but Below Target





The Schneider Electric Supervisory Board oversees the Management Board who supports the ongoing implementation of the growth strategy and the overall management of the company.

### Members of the Supervisory Board (as of 31 December 2011)

**Henri Lachmann** Chairman of the Supervisory Board, Former Chairman and CEO of Schneider Electric, 72 years old

**Léo Apotheker\*** Vice Chairman, 57 years old

**Betsy Atkins** Corporate Director, 56 years old

**Claude Briquet** Member of the Supervisory Board of the 'Schneider-France-Germany' corporate mutual fund, 50 years old

**Xavier Fontanet\*** Chairman of the Board of Essilor International, 63 years old

**Noël Forgeard\*** Corporate Director, 64 years old

**Jérôme Gallot\*** CEO of Veolia TRANSDEV, 51 years old

**Dr. Jeong Kim\*** President, Bell Labs, 49 years old

**Willy R. Kissling\*** Corporate Director, 66 years old

**Cathy Kopp\*** Corporate Director, 61 years old

**Gerard de La Martinière\*** Corporate Director, 66 years old

**Gordon Richard Thoman\*** Corporate Director, 66 years old

**Dominique Senequier** Chairman and CEO of Axa Private Equity, 57 years old

**Serge Weinberg\*** Chairman of the Board of Directors of Sanofi-Aventis, 60 years old

Non-voting Directors

**Claude Bébéar** Corporate Director, 75 years old

### Audit Committee

**Gerard de La Martinière\*** Chairman

**Noël Forgeard\***

**Jérôme Gallot\***

### The Remunerations, Appointments, and Corporate Governance Committee

**Henri Lachmann** Chairman

**Léo Apotheker\***

**Claude Bébéar**

**Serge Weinberg\***

**Willy R. Kissling\***

## At the core of our corporate governance: responsibility

### Providing oversight and support

Schneider Electric has a two-tier management structure, with a Management Board and a Supervisory Board. The Supervisory Board exercises ongoing control over the Management Board's management of the company, supporting the ongoing implementation of the company's growth strategy. The Supervisory Board performs all the checks and controls that it considers appropriate and obtains copies of any and all documents that it considers necessary to allow it to fulfil its duties.

The Supervisory Board has 13 members and one non-voting member. There are 11 independent members according to the definition contained in the AFEP-MEDEF corporate governance guidelines. Five members are foreign nationals. One member represents employee shareholders.

The Supervisory Board met eight times in 2011, to discuss strategic, financial, and management matters. In particular, the Board debated ways to integrate more international members and women into its representation. Mrs Betsy Atkins joined the Board, as well as Mrs Dominique Senequier. With their arrival and the previous appointment of Cathy Kopp, women now represent 23 per cent of the Schneider Electric Supervisory Board, which makes it among the best-in-class French-listed companies on the gender balance topic. The Board also appointed Xavier Fontanet as a new member, replacing M. Mahindra, who decided to resign to avoid any possible conflict of interest between Schneider Electric and the Mahindra & Mahindra distribution business in India.

In 2011, as it does every year, the board spent a full day reviewing and validating the company's strategy, including the acquisitions of Telvent, Leader & Harvest™, and Luminous™, among others. For 2012, although they believe that the Schneider Electric Board is among the best, members have taken several actions to improve it further. One action is to make the Board's meetings longer, allowing more time for debate. Another action is to conduct a deeper analysis of the company on key topics such as competition and R&D. The Board also raised the minimum amount of shares that each member should hold from 250 to 1,000.

8

number of times the Supervisory Board met in 2011

4

hours: average duration of meetings

6

number of times the Audit Committee met in 2011

4

number of times the Remunerations, Appointments, and Corporate Governance Committee met in 2011

\* Independent members according to the definition contained in the AFEP-MEDEF corporate governance guidelines.



Members of our leadership team collaborating at our annual networking event for key managers

## A proven model for ethical guidance

Every day around the world, more than 130 000 people represent the Schneider Electric brand and must live up to the trust that our customers and stakeholders have in us. We are committed to delivering sustainable growth and value for them, while adhering to ethical conduct in everything we do.

Published in 2002 and updated in 2009, *Our Principles of Responsibility* is a set of guidelines that gives all employees and partners a common reference point for ethical behaviour. To ensure that employees are aware of our guidelines, we introduced the Responsibility & Ethical Dynamics programme in 2010. The programme set up an organization, procedures, and tools for employees to draw support from, should they face an ethical dilemma. In 2011, we started deploying a whistle-blowing system and conducted a comprehensive audit on ethics practices. As one of the key findings, only 3 per cent of Schneider Electric employees consider ethics a business burden, and 75 per cent think it is a competitive advantage.

# 21 500

Schneider Electric employees completed the e-learning course on the Principles of Responsibility in 2011



WE SUPPORT

Schneider Electric is a member of the UN Global Compact. That means we are committed to aligning our operations and strategies with 10 universally accepted principles in the areas of human rights, labour, environment, and anti-corruption. We report our Communication on Progress (COP) within our Registration Document, available online.

 Learn more about the UN Global Compact

## Making our voice heard worldwide

Schneider Electric speaks to the issues of climate change and corporate governance by being a visible and vocal presence at major international conferences and forums around these topics. President and CEO Jean-Pascal Tricoire was one of the leaders of the B20 Summit in France at the end of 2011. We were active participants in the United Nations COP17 Conference, which took place in Durban, South Africa in December 2011. Schneider Electric is also helping with preparations for the Rio+20 Summit, which will take place in June 2012 in Brazil.



Schneider Electric is proud to be a signatory of the 2°C Challenge Communiqué. The challenge calls on governments to break the deadlock in the international climate change negotiations and take the necessary action at a national level.

## Partnering with suppliers around sustainability

With purchases representing around 50 per cent of Schneider Electric's annual revenue it is critical that we establish trust and common values with suppliers around sustainability. Since 2005, we have been evaluating the percentage of purchases that we make with Global Compact signatories. In 2011, they represented 50 per cent of our purchases. One such partner is Rhodia, an international specialty chemical company. With the deployment of the 'Rhodia Way' in 2007, the company committed to work alongside its partners to design products and solutions with reduced impact on health and the environment. According to François Hincker, President, Solvay Rhodia Engineering Plastics, 'The strong involvement of strategic partners such as Schneider Electric in our sustainable development efforts creates a virtuous circle of continuous improvement throughout the value chain. For example, with Schneider Electric, we are members of a project to develop polymers using plant materials that do not impact the food chain'. Within the next three years, we are taking the next step of assessing all our key suppliers to ensure they have the right level of policy and performance on key sustainability criteria.



**François Hincker**  
President, Engineering Plastics GBU, Rhodia, member of the Solvay Group

# Do solutions exist to drive green growth right now?

The world is at a turning point where 'not my responsibility' is no longer an option. Energy prices and consumption are growing, while the debt crisis fuels cries for economic development. Are there solutions that can drive not only growth, but green growth? Are they affordable? And do we have the competencies to produce them now?

## 70%

of the world's population will live in cities by 2050\*

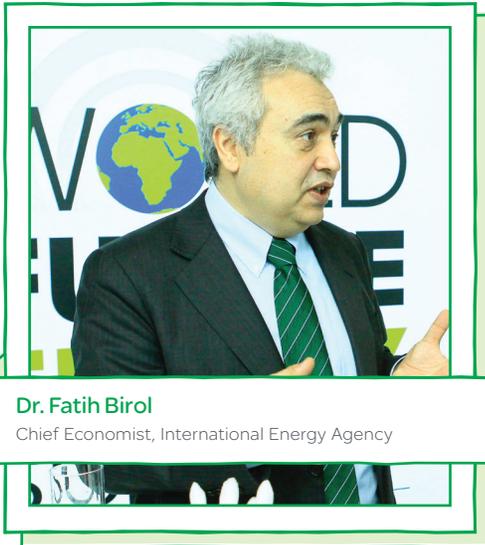
## 50%

of projected CO<sub>2</sub> reduction will come from energy efficiency in the next 20 years\*

## 50%

of global energy demand will come from India and China by 2035\*

# Efficiency is the answer to achieving sustainability today



**Dr. Fatih Birol**  
Chief Economist, International Energy Agency

Photograph by Alexander Ian Callueng

‘Current energy trends show that in the absence of a rapid change in direction, we’ll end up where we’re heading, which is toward an insecure, inefficient, and high-carbon energy future. The door to meet the long-term target of 2°C increase in global average temperature is closing and if stringent new action is not forthcoming by 2017, the energy-related infrastructure then in place will generate all the CO<sub>2</sub> emissions allowed up to 2035. The most important contribution to reaching global climate change objectives comes from the energy that we do not consume. A much greater focus on energy efficiency is vital as well as a real transformation in the way that we produce and use energy.

‘To change track, much stronger measures than are currently envisioned will need to be introduced to make energy supply more secure and prevent potentially catastrophic climate change. As the private sector is responsible for the vast bulk of energy investment, it is necessary for governments and industry to work hand-in-hand to create the right framework conditions that will create clear, predictable, long-term economic incentives that empower business to undertake the huge investment programmes required for a cleaner and more efficient energy future.’

## Facilitating a new era of energy management

People around the globe are looking for meaningful ways to reduce energy consumption. Their reasons are both economic and environmental. Energy prices are escalating and demand is expected to double by 2050. At the same time, we have an urgent need to reduce CO<sub>2</sub> emissions to protect the planet from further climate change.

Schneider Electric is responding with efficiency solutions that allow customers to take part in a new era of effective energy management. As the only global company that combines expertise in information technology and energy management, we are uniquely positioned to address today’s energy challenges. We believe we can all be energy optimists as we look at the exciting opportunities that climate change urgency has created. Improving energy efficiency and reducing operating costs can work hand in hand with making a significant cut in overall carbon emissions.

### Planet & Society Barometer 2011 Objective Results

7 points above the Group’s organic growth gained every year by our energy efficiency activities:

#### Improved and Above Target



10 countries set up a recovery process for SF<sub>6</sub> gas:

#### Improved but Below Target



75%

of the world's energy is consumed in cities

Source: UN State of the World Cities Report

Telvent, our smart grid software company, is providing Rio de Janeiro with a complete infrastructure management solution, including water distribution and a real-time adaptive traffic management system.



**Annie Xu**

Senior Vice President, Smart Cities, Schneider Electric

### Creating the city of the future

'Cities have to be competitive, liveable, and sustainable. We strive to help cities to become more efficient and to improve the lives of their citizens. Schneider Electric has an extensive offering and expertise in many critical domains such as energy, mobility, water, public services, and buildings. Our strength is the open and collaborative approach with our best-in-class partners. We match the needs of individual cities and we make it happen'.

## Where the energy battle will be won or lost: our cities

Around the world, cities of all types and sizes are feeling pressure to improve and expand their infrastructures to meet the needs of growing populations. Cities are also challenged to be competitive in the global market. The solution? Make cities smart by combining the vision and technologies of their many stakeholders in a collaborative effort.

With its recent acquisition of Telvent, Schneider Electric now provides solutions combining state-of-the-art hardware, software, and services to deliver better infrastructure efficiency, increased sustainability, and improved city services. Schneider Electric solutions meet both immediate and long-term urban needs.

### Making Rio de Janeiro smarter

There are more than six million inhabitants in Rio de Janeiro, Brazil. Over the past 10 years, Telvent, our smart grid software company, has provided the municipality with a complete infrastructure management solution. 11 different control centres manage all of the essential infrastructures in the city. These include electricity, water, oil, gas, public transportation, urban traffic, air quality, airports, and more.

In each case, we are providing the different operators with the most modern technologies to keep Rio clean, sustainable, and efficient.

The ultimate goal is to integrate all of these infrastructure operations. Toward that end, the mayor recently opened an Integrated Operations Centre, which now houses urban traffic control, flood control monitoring, and emergency management while coordinating with civil defence, fire, police, and the city infrastructure management team. With the help of Telvent, Rio is a smart city growing more intelligent – a must to improve the security of its inhabitants and to attract such prestigious events as the Rio+20 Conference in June 2012, the World Cup in 2014, and the 2016 Summer Olympics.

600

intersections managed through intelligent traffic control system in Rio de Janeiro



**Ignacio González Domínguez:**  
Chairman and CEO, Telvent

### Boosting our smart grid capabilities with Telvent

In 2011, Telvent joined Schneider Electric, bringing the company new smart software and services capabilities in sectors such as transportation, mobility, smart cities, energy, smart grid, environment, smart water, agriculture, and more. 'Our joining with Schneider Electric is a fantastic opportunity for our customers.

In addition to continuing to receive the same services and solutions from us, they benefit from our new geographical footprint and energy management offerings from Schneider Electric'.



**Frederick Morency**  
EcoStruxure Program Manager,  
Schneider Electric

**StruxureWare software: digitizing energy**

'For our customers, aggregating data in an efficient, actionable, and integrated way is crucial to managing an Efficient Enterprise™. With StruxureWare software, Schneider Electric provides a comprehensive suite offering three overall benefits: to make integration easy, to deliver a consistent user experience, and to feature a scalable platform'.

 [Learn more about StruxureWare software](#)

**Making mobility smart and green**

Integrating electric vehicles (EVs) into today's transport and energy landscape must be safe and smart. But the proliferation of EVs can be more harmful than beneficial if the energy required to power vehicle batteries requires tons of fossil-based generation resources.

With its EVLink solution, Schneider Electric provides charging infrastructure that solves this issue. In Estonia, we teamed with the leading mobile operator, EMT\*, to develop a quick-charging infrastructure solution that enabled 80 per cent battery charging in less than 15 minutes. The solution ensures safety and optimizes the charging load based on a vehicle's needs and the power available on the grid. Thanks to a built-in telecommunications system, chargers inform users of their availability and send alerts to vehicle owners when the charging process is complete. The solution also allows for convenient in-house mobile payment.

With intelligent systems and infrastructure, EVs will reduce CO<sub>2</sub> emissions and enhance the development of smart cities and a smarter grid.

 [To learn more about our EVlink solution, watch our video](#)



\*EMT is TeliaSonera subsidiary in Estonia



**How the smart grid gets smarter**

With the integration of renewables, electric vehicles, energy efficiency, and real-time energy management, power grid operators now face a new challenge: how to constantly adapt grids to make them safer, more efficient, and more flexible... in a word, 'smarter'.

With the GreenLys project, Schneider Electric is teaming with 11 partners to develop two experimental technology platforms in France involving 1,000 residential and tertiary customers. The project tests innovative solutions that cut across the entire energy value chain, including new modes of electricity production, new consumption uses, increasing environmental awareness, and more. Our aim – shaping the fundamentals of tomorrow's smart grid.

Schneider Electric has been identified among the Top 10 smart grid companies to watch by Greentech Media.

**37%**

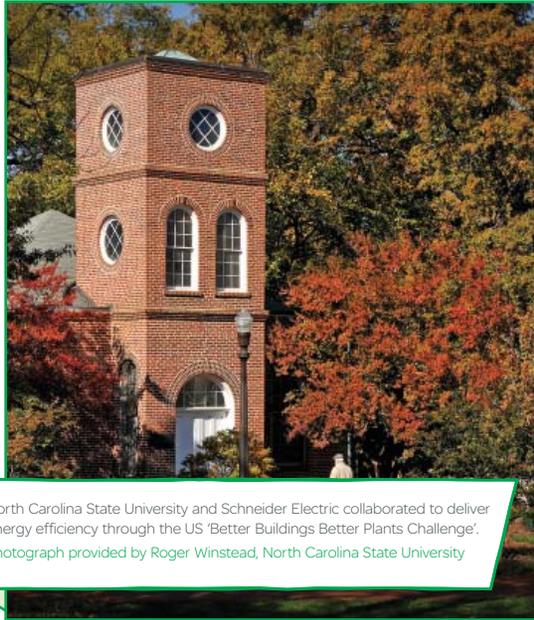
of Schneider Electric sales made with solutions in 2011



The Schneider Electric Efficient Home™ programme supports the smart grid transformation at the residential level, giving homeowners the freedom to change their behaviours to save money, increase comfort, and embrace green practices.

# 25%

reduction in energy consumption across 40 Schneider Electric plants – our commitment under President Obama's 'Better Buildings Better Plants Challenge'.



North Carolina State University and Schneider Electric collaborated to deliver energy efficiency through the US 'Better Buildings Better Plants Challenge'. Photograph provided by Roger Winstead, North Carolina State University

## The frontline in the war on waste: buildings

Buildings consume 33 per cent\* of the world's energy; therefore, the war on energy waste must start by optimizing their energy usage through measurement, automation, and continuous improvement.

Schneider Electric is one of the world's leaders in efficiency solutions for buildings. Our complete building management system helps owners and facilities managers control power, security, and data; heat, ventilation, and air conditioning (HVAC); lighting, security, and access control; and energy efficiency audits. Schneider Electric provides tailored solutions for hospitals, office buildings, hotels, government buildings, and more.

As a partner, working with the United States government in the 'Better Buildings Better Plants Challenge', Schneider Electric is committed to reducing energy use by 25 per cent in nine million square feet of building space covering 40 different plants. We are also helping others do the same. For example, at North Carolina State University, our solutions are improving energy efficiency and driving clean, sustainable energy projects in 1.6 million square feet of campus building space.

\* Source: International Energy Agency



## Helping Energy Pool guarantee electricity supply during demand surges

Schneider Electric is a strategic partner of Energy Pool, Europe's leading demand response operator. Serving electricity transmission system operators, Energy Pool brings together a pool of industrial consumers from multiple sectors and enables them to modulate (interrupt and reactivate) part of their consumption when necessary to balance out the load on the grid.

In February 2012, when temperatures plummeted, Energy Pool made 600 MW available to the electricity grid. This avoided drawing on fossil-based generation capabilities, which are responsible for a significant part of France's CO<sub>2</sub> emissions. Enough power was produced to guarantee the electricity supply for the equivalent of the cities of Nantes and Nice, France. With the help of Schneider Electric, Energy Pool ensures that every customer can access the electricity they need, when they need it.

## Helping the most energy-intensive industries get clean

After water, cement is the most widely consumed product in the developed world. Yet, competitive pressures and increasingly stringent environmental regulations challenge every industry player to continually cut waste, costs, and emissions.

To meet these objectives, Argos Cement, a major industry player for over 70 years, chose Schneider Electric as its energy optimization partner. Argos had an ambitious project: adding a new, \$450 million facility to an existing Colombian plant. Our EcoStruxure architecture allowed the plant to combine all the advantages of a new, advanced energy management system with the existing capability of its legacy equipment. Integrated, real-time dashboards provide easy point-and-click access to key performance metrics, multi-dimensional analysis, and hierarchical and historical views, giving staff problem-solving abilities that were once available only to the most highly trained experts.



To reduce costs and emissions, Argos Cement augmented its legacy equipment plant with new energy optimization solutions from Schneider Electric.

# 5%

of the world's man-made CO<sub>2</sub> emissions come from the cement industry

Source: International Energy Agency




**Better for power distribution, better for the environment:**

Acti 9™, our innovative power distribution solution, delivers unmatched efficiency, reduces design and installation time, and eliminates downtime. At the same time, Acti 9 is made with 100 per cent recyclable and recoverable materials and complies with the RoHS regulation and REACH directives on hazardous substances.

**110 000**

registered users on [www.MyEnergyUniversity.com](http://www.MyEnergyUniversity.com) since its launch in 2009

Schneider Electric Wiser solutions allow homeowners to manage their energy use, no matter where they are.



## Delivering savings, security, and control to homeowners

Everyone wants a safe and comfortable home. But with energy prices rising, people are keeping a close eye on their consumption as well. Schneider Electric solutions give users total control of their energy use, no matter where they are, while ensuring their comfort and security.

Schneider Electric Uniq™ offer allows systems integrators to incorporate lighting, blinds, and temperature controls, video door entry, and home entertainment into a single system. Our Wiser offer provides direct-to-consumer solutions: smart, cost-effective plug-and-play devices that connect through a Web dashboard or smartphone to show homeowners how they are consuming energy and enabling them to program thermostats and control lights and appliances.

## Enhancing education around energy

Advanced technologies are only useful if people have the skills to implement them. Schneider Electric has developed several programmes to enhance the knowledge of our partners, students, and the general public.

We are the global sponsor of the Solar Decathlon, an annual contest that challenges students from around the world to design, build, and operate energy-efficient, solar-powered houses. Schneider Electric has also launched the Collaborative Project Portal, a private online community for our employees, customers, and partners. The portal facilitates project collaboration, best practice sharing, and social networking around energy management projects. Finally, traffic continues to grow at [www.MyEnergyUniversity.com](http://www.MyEnergyUniversity.com), our online educational community that provides the fundamentals needed to implement successful energy-efficiency solutions.



Schneider Electric is the global sponsor of the Solar Decathlon international students competition to promote efficient, sustainable, and innovative energy solutions.  
Photograph provided by the US Department of Energy



**Jeff Drees**  
US Country President, Schneider Electric

'The Solar Decathlon is a great way for Schneider Electric to engage our young people in the development of sustainable solutions. The students are bold in their thinking and fearless in their creativity, and that pushes new levels of performance. We are thrilled to take a leadership role with government and academia to support and encourage these future energy leaders.'

# Helping customers worldwide manage energy intelligently

Around the globe, across industries, in buildings, and at home, Schneider Electric delivers intelligent solutions to help everyone do more with less.

## Maximizing the sun's power in southern Spain

Gemasolar thermo-electrical power station is the world's first commercial solar plant featuring a high-temperature central tower receiver and molten salt heat storage technology. With 2,650 heliostat panels spread in concentric circles across 195 hectares outside of Seville, the plant focuses 95 per cent of the sun's radiation into the central tower receiver. This heat then warms molten salt tanks to generate steam, which drives a turbine to produce electricity.

Because the plant involves multiple controls, including 5,600 variable speed drives, Gemasolar needed a process automation system to manage high volumes of information precisely and with a small number of personnel on the ground. PlantStruxure™ software by Schneider Electric provided the solution. PlantStruxure open architecture had the flexibility needed to integrate different systems on a common platform. And beyond hardware, Schneider Electric provided Gemasolar with software integration support and on-site start-up assistance. The Gemasolar thermo-electrical power plant is expected to produce 110 GWh/year, enough to power 25 000 homes in the Andalusia region.

With our PlantStruxure solution, the Gemasolar plant is expected to produce enough electricity to power 25 000 homes annually.



140

meters tall, the central tower receiver is the central collection device for the sun's radiation

25 000

homes are expected to be powered by electricity generated at the Gemasolar plant

Learn more about how the Gemasolar thermo-electrical power station is pushing the boundaries of traditional solar power techniques

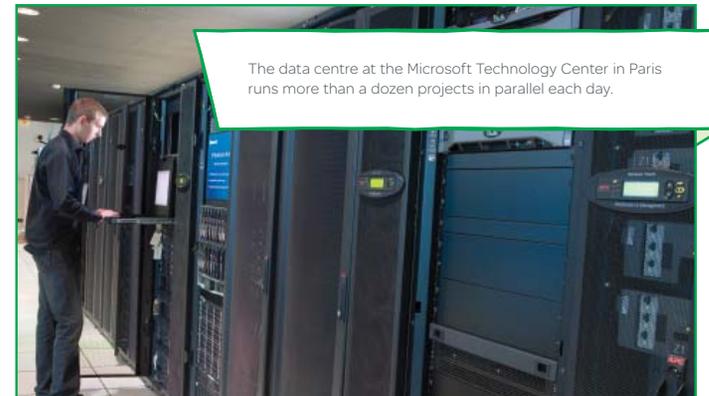
## At the heart of Microsoft's agility in Paris

13%

reduction in total data centre life cycle costs through Schneider Electric Data Centre solutions

The Microsoft® Technology Center (MTC) is a destination for customers, utilities, business partners, and software vendors who come there to evaluate, design, and develop ideas around Microsoft solutions. With more than a dozen projects running in parallel at MTC each day, the agility of its data centre is essential to its success.

MTC chose Schneider Electric as its partner because of our expertise in integrated data centre physical infrastructure. We were able to consolidate two existing data centres into one, delivering efficiency gains that placed MTC at the highest level of efficiency when compared to existing data centres around the world. Our solution allows for quick adaptation, which is especially important in an IT environment that is transitioning to cloud computing. And we delivered the high availability that is a must for the MTC. When it comes to demonstrating or operating customer projects, there is no room for downtime.



The data centre at the Microsoft Technology Center in Paris runs more than a dozen projects in parallel each day.

See how Microsoft's Schneider Electric data centre is Business-wise, Future-driven™ in our video



At Ruiping Power Plant, our EcoStruxure solution reduces coal consumption and carbon dioxide emissions.

Photograph provided by Jiang Wenbin

## Cutting costs and carbon emissions in China

Ruiping Power Plant is a China-based electricity supplier producing 1.5 billion kW of steam-generated energy each year. The plant is charged with meeting China's demanding national energy-saving and emission-reducing targets.

To achieve this, they required a unique partner to take on the full responsibility of process and energy management solution implementation, allowing them to see, measure, and manage energy across the plant. Schneider Electric was the partner of choice. Our total EcoStruxure solution enabled the plant team to provide electricity with less coal consumption. The project successfully achieves annual savings of 27 million kW per year of direct electricity, with a value of €996 000. It also saves around 7,735 tons of standard coal, valued at €659 000 and equals a carbon dioxide emissions reduction of over 20 265 tons. The overall benefit for the Ruiping Power Plant is €1 655 000 per year.

**20 265**

tons equivalent carbon dioxide emissions reduction

**€996 000**

annual savings on electricity

up to  
**700**

researchers

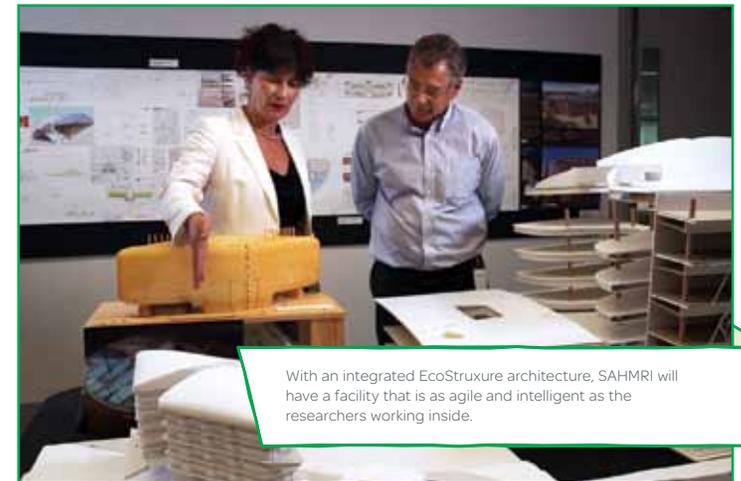
**\$200**

million budgeted for new facility

## Creating an innovative research facility to benefit patients worldwide

With the help of Schneider Electric, the South Australian Health and Medical Research Institute (SAHMRI) is building a world-class facility where experts will more quickly translate medical research results into health outcomes for patients.

Medical research generates new ideas and innovation every day. To rapidly incorporate these developments into healthcare delivery, the South Australian Health and Medical Research Institute (SAHMRI) is building an innovative 25 000-square-metre facility designed to foster researchers' creativity and productivity. With help from Schneider Electric Life Science solution experts, SAHMRI will realize their vision of a highly intelligent and responsive facility, scheduled for completion in 2013. Key to the building's success was early engagement with Schneider Electric, as well as our EcoStruxure architecture, which integrates SAHMRI's building systems including heating and cooling, security, and lab controls, to provide efficiency and flexibility throughout the facility's life cycle. By working with Schneider Electric, SAHMRI will maximize operational efficiencies and energy conservation, ensure a reliable and secure environment, reduce risks, and achieve regulatory compliance and green building certification.



With an integrated EcoStruxure architecture, SAHMRI will have a facility that is as agile and intelligent as the researchers working inside.

 Learn more about the development of this world-class innovative health and medical research facility in our video

5

million residents in average are joining cities every month worldwide

Source: United Nations Water and Cities Key Facts and Figures

50%

of the world's energy demand will come from China and India in the next 25 years

Source: International Energy Agency



Schneider Electric has a strong foothold in new economies worldwide – 43 per cent of our workforce is located in these markets, including Beijing.

## An established presence in new economies

New economies already account for half of the world GDP and will represent 65 per cent in 2015. They will also generate 90 per cent of the world's energy demand growth in the next 40 years.

If we want to collectively limit the rise of raw material prices and demand on fossil energy, we must find solutions that support clean and sustainable development in new economies. This is especially true in China and India, which combined will soon be home to 40 per cent of the world's population. Schneider Electric is an established player in new economies worldwide: Asian countries (excluding Japan); Africa; the Middle East; Latin America and Mexico; and Eastern Europe, including Russia. Today, 39 per cent of our sales and 43 per cent of our workforce can be found in new economies.

### Targeting acquisitions to respond to local needs

Part of the growth strategy at Schneider Electric is to make acquisitions that tailor our portfolio to local customer needs and habits. In 2011, our company made several acquisitions to reinforce our position in various markets:

- > Steck Group™, a key Brazilian in final low voltage products
- > APW President Systems Ltd.™ and Luminous, leaders in the fast-growing Indian inverter and secured power market
- > DIGILINK™, a leading structured cabling systems provider in India
- > Leader Harvest Power Technologies, one of the leading players in medium voltage drives in China

### Our evolving geography targets growth opportunities

Schneider Electric is organized around three main hubs that encompass both operations and central functions, such as R&D, strategy, IT, and finance; in North America, Europe, and Asia. In 2011, three executive committee members moved to Hong Kong to help guide the massive development of Schneider Electric in Asia. Now our Executive Vice Presidents of Human Resources, Global Supply Chain, and Strategy & Innovation are based in the 'Pearl of the Orient'. Their move reflects the mindset of a company that is pragmatic, agile, and proactive and not only embraces change, but looks to lead the way as well.

### Building winning teams with key alliances

Schneider Electric forms strategic alliances with leading global companies in both new and mature economies. This reflects our belief that two complementary core businesses are stronger as a team than on their own.

2011 Alliances

- > IBM®
- > Cisco®
- > NVC Lighting Holding Limited
- > Microsoft



### Coming home to 75% energy savings in Mexico City

In 2011, Schneider Electric was appointed to develop and implement a home control solution to improve energy management in a 1,000 m<sup>2</sup> residence on the Upper South Side of Mexico City. After evaluating the electrical infrastructure of the residence and the end users' needs, Schneider Electric decided to implement a Clipsal™ home control system. The solution allows the homeowners to take control of different energy-consuming systems, including lighting, audio, video, and other electric equipment, from a single point of control and from anywhere in the house. iPhone and iPad applications provide enhanced remote control, while the aesthetics of the Clipsal accessories and switches bring new flair to the residence's decor.

75%

reduction in energy costs by home owner with Clipsal home control system

## Leading the way in mature economies since 1836

Schneider Electric has developed its strengths in mature economies for almost two centuries. As the world's economic equilibrium shifts and some countries suffer from debt issues and severe competition, the company is adapting not only to stay sound in these regions but also to develop new growth opportunities. Schneider Electric invests in mature economies to serve its most demanding customers all over the world, while exploring new areas of development such as smart grids and electric vehicles.



Schneider Electric inaugurated 'Horizon', a new site in the south of France, dedicated to automation. It is fully equipped with our solutions and is expected to have an energy consumption six times lower than the national average.

Photograph provided by Ludovic Molinier

### Building on our strengths

Schneider Electric builds logistics hubs not only around corporate functions, but also in its areas of business expertise. The idea is simple – establish competency hubs close to the customers, industrial players, research institutes, and universities that support that competency. By helping shape technological and standardization landscapes in this way, we are able to cultivate new growth platforms, as we have done in electric vehicles, smart grid, and renewables. For example, to strengthen our capabilities in industrial Programmable Logic Controllers (PLCs), we combined the R&D activity of our Sophia-Antipolis operations and the production know-how of the Carros facility into one site. The result of this synergy is an electronic competency centre unlike any other in the world. Closer collaboration between R&D and production delivers better adaptability, performance, and creativity. It also reduces operating costs. The new facility, called 'Horizon', is an international centre of excellence in industrial automation.



**Clemens Blum**

Executive Vice President, Industry Business,  
Schneider Electric

'We are very proud of the new manufacturing centre for our PLC offer. This project, representing an investment of more than €14 million for Schneider Electric, conforms to our strategy of optimizing our organization and creating synergies to make us more competitive worldwide. We can now offer tailored solutions for our end-use customers worldwide, especially machine manufacturers. The investment made in this site is also testament to international recognition of France's industrial excellence in the automation sector.'

### Growing faster and stronger through acquisitions

Schneider Electric's business model has always included quality partners. In a constantly changing and uncertain world, the need to go to market with the right technologies is crucial. We need to fulfil customer expectations while ensuring our long-term profitability. To maintain agility, Schneider Electric not only cultivates competencies internally, but also develops targeted acquisitions.

2011 Acquisitions

- > Telvent for smart grid solutions
- > Summit Energy for energy and carbon services, and software
- > Lee Technologies™ for data centre solutions

### Helping Earth Rangers qualify for LEED Platinum certification

The Earth Rangers™ Centre in Ontario, Canada, is an advanced green building, certified Gold under LEED® for New Construction. Through school shows, community events, and online programmes, Earth Rangers makes children aware of the impact that humans have on the environment, inspiring them to build a green future. Schneider Electric donated equipment and systems worth \$375 000 to help Earth Rangers upgrade their building from LEED Gold to LEED Platinum, in order to make the facility both energy and carbon neutral.

estimated

# 40%

overall reduction of utility purchased electricity, due to 300 solar photovoltaic systems and cool roofs in Coast Guard facility



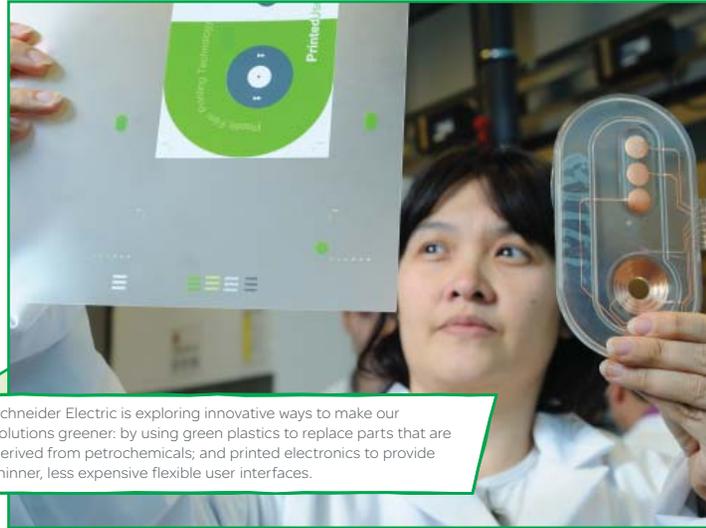
### Puerto Rico US Coast Guard embarks on milestone renewable energy project

In August 2011, Schneider Electric announced the implementation of a comprehensive \$50 million energy savings performance contract (ESPC) project for the United States Coast Guard (USCG) in Puerto Rico. The project will improve operations for on-base personnel, meet renewable energy mandates without direct capital costs, and stabilize energy costs and security in 960 000 square feet of USCG facilities. 'Reducing the Coast Guard's energy consumption and developing renewable energy solutions in Puerto Rico not only helps the Coast Guard meet federal mandates, but also reduces greenhouse gas emissions, and stabilizes energy costs,' said Capt. John Hickey, commanding officer of Coast Guard Shore Maintenance Command in Seattle.

Photograph courtesy of US Coast Guard

5%

of revenue spent in R&D – more than €1 billion in 2011



Schneider Electric is exploring innovative ways to make our solutions greener: by using green plastics to replace parts that are derived from petrochemicals; and printed electronics to provide thinner, less expensive flexible user interfaces.

**Schneider Electric focuses its innovation efforts on three complementary areas:**

- Allow pervasive measurement and control of energy at the point of use
- Design flexible energy management platforms based on open standards and a modular architecture to combine efficiency and flexibility
- Provide scalable energy efficiency solutions, preconfigured for each business, quick to deploy, and intuitive for users

€100

million, the size of our Aster Capital venture fund, which targets innovative technology start-ups specifically focused on energy, advanced materials, and environment sectors

**Investing in the future**

In 2011, Schneider Electric invested almost 5 per cent of its revenues in research and development. This reflects our ongoing commitment to driving innovation through the engagement of the best internal and external talents and resources from around the world. Our objective is to develop solutions that optimize efficiency, reduce cost, and deliver increased simplicity, ease of use, and environmental benefit.

**Imagining the future of energy management**

Innovation is part of Schneider Electric’s DNA and supports its strategy to meet the planet’s energy challenge and make the smart grid a reality. By combining a deep understanding of customer needs and technology, our R&D teams create energy efficiency solutions that are innovative, comprehensive, and flexible.

**Collaborating with valued partners**

Schneider Electric has established strong R&D partnerships with leading organizations worldwide. These include universities, independent laboratories, private companies, local and national government agencies, and more. In France and Europe, we conduct many collaborative projects involving academic and industrial partners in the areas of energy efficiency, smart grid, electric vehicles, and environmental protection.

Our best-in-class partners include:

- > Microsoft
- > CEA
- > SAP®
- > Philips
- > Renault
- > Bouygues



**Pascal Brosset**  
Senior Vice President, Innovation, Schneider Electric

‘Over the last three years, Schneider Electric has built an R&D portfolio with exceptional capabilities. Through investments in new solutions such as our EcoStruxure architecture, and with acquisitions of companies like Areva D and Telvent, we have combined our legacy businesses with new areas of expertise in software and system engineering. We will continue to pursue innovation in both technology and solutions, while leveraging our strengths to generate growth and profitability.’

## Schneider Electric's R&D hubs



### Drawing on talents from around the world

Schneider Electric innovates through its 11 000 R&D engineers located around the world. They are close to our customers and take into account local specifications and preferences. Among the R&D team, 83 distinguished technical experts define and guide technological choices that help our company accomplish its strategy goals.

# 11 000

R&D engineers globally in 26 countries



Schneider Electric is designing solutions to optimize energy use, diversify energy sources, sustain energy performance, and facilitate the deployment of energy management systems in buildings.

## Bringing energy management to everyday life

Schneider Electric boosts competencies and develops know-how and partnerships to build the energy management solutions of the future.

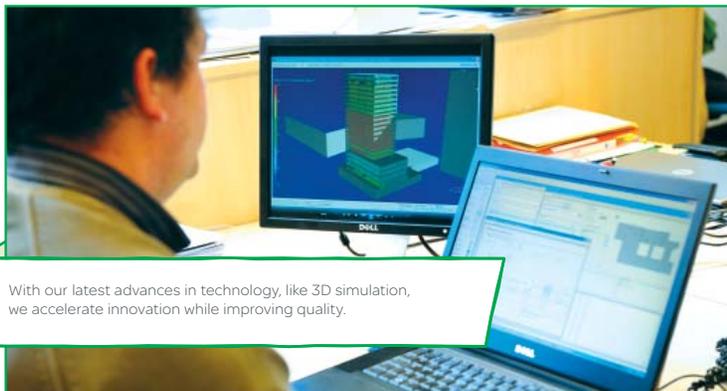
Led by Schneider Electric and bringing together 12 other industry players and public organizations, the HOMES\* collaborative innovation programme is designed to create solutions for achieving optimal energy performance in all buildings. The four-year programme (2008 - 2012) is supported by the French Agency for Innovation (OSEO) and has three objectives:

- Reduce energy demand while maintaining comfort by taking into account real-time occupancy and free inputs such as solar gains through windows
- Reduce delivered energy through optimized control strategies and use of local renewable energies and smart grid connections
- Reduce energy consumption by developing energy awareness

The programme, which will end in 2012, has already proven that we can save from 22 to 56 per cent of energy in different types of buildings.

up to  
**56%**

energy savings delivered through experiments carried out on buildings in the HOMES pilot programme



With our latest advances in technology, like 3D simulation, we accelerate innovation while improving quality.

## Developing solutions more efficiently

Schneider Electric also invests significant resources into constantly improving its processes, methods, and tools across technical domains, from electromechanics to software. The widespread use of simulation allows us to reduce time to market, improve reliability, and reduce the environmental impact of our products and production processes.



**Dr. Vincent Mazauric** of Schneider Electric, a principal scientist and distinguished technical expert in power systems and energy planning, participated at several round-table discussions at the 17th Conference of the Parties (COP17) to the United Nations Framework Convention on Climate Change (UNFCCC).

\*Homes and buildings for Optimized Management of Energy and Services

# How do we achieve universal access to modern energy?

While two billion people on the planet are energy privileged, 1.3 billion still do not have access to electricity. To connect these populations to clean energy without endangering the climate, we will need to find innovative solutions that quickly deliver reliable, affordable, and clean energy.

**1.3**

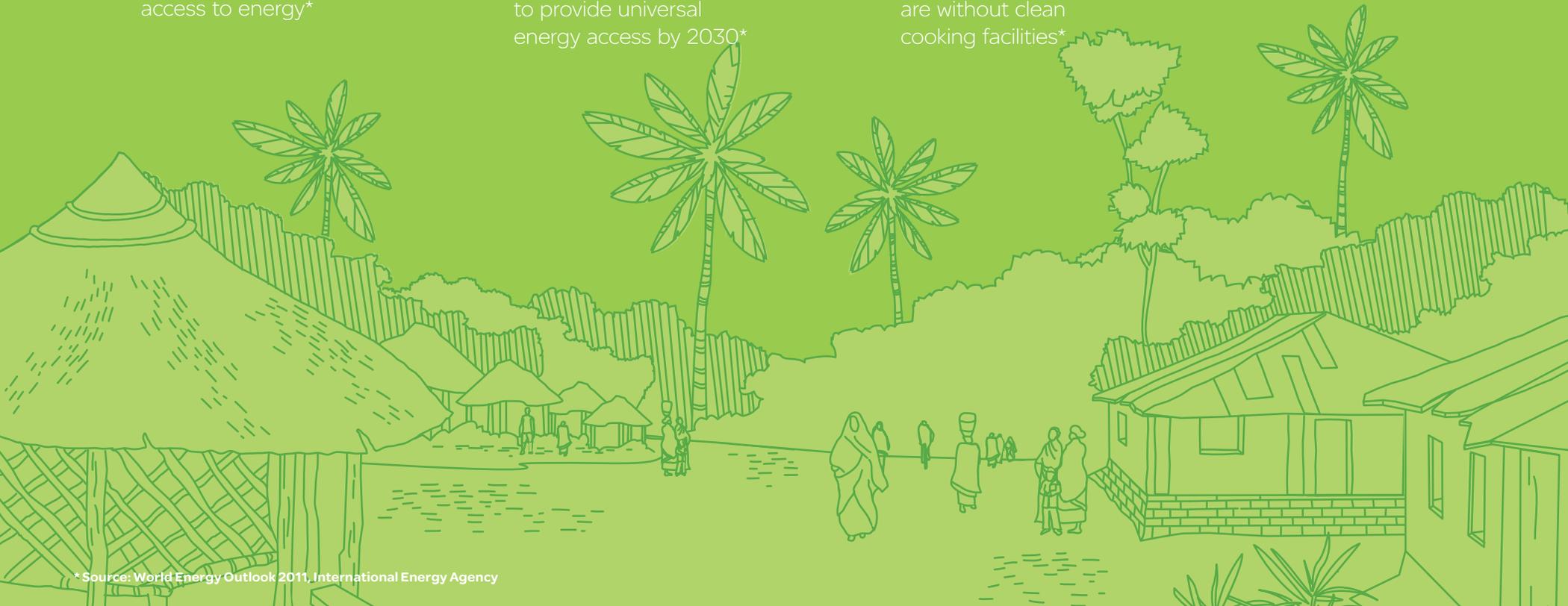
billion people have no access to energy\*

**\$48**

billion needed annually to provide universal energy access by 2030\*

**40%**

of the global population are without clean cooking facilities\*



# Providing access to energy for the communities that need it most



**Peter Bakker**  
President, World Business Council  
for Sustainable Development

'As the United Nations Year of Sustainable Energy for All, 2012 is a milestone in the path toward access to reliable, affordable, and clean energy for people who are deprived of it. Business is a primary solution provider, bringing to the table innovative products and services, efficient service delivery, essential technologies, management and technical capabilities, and financial resources. The WBCSD<sup>†</sup> is proud to be catalysing company action through our Access to Energy Initiative, co-chaired by Schneider Electric, GDF Suez, and ERM\*. This initiative is helping business and other key stakeholders understand how the business contribution to access to energy can be maximized, leading the way to further scaling up of innovation and action to eradicate energy poverty.'

<sup>†</sup> World Business Council for Sustainable Development  
\* Environmental Resources Management

## The BipBop Programme

Through the BipBop Programme, Schneider Electric is developing access to reliable, affordable, and clean energy for people who need it most worldwide. BipBop is an acronym that stands for Business, Innovation, and People at the Base of the Pyramid.

The BipBop Programme addresses three key issues to provide sustainable access to electricity:

-  the lack of appropriate equipment through the development of an adequate offer
-  the lack of financial resources available for innovative energy entrepreneurs through funding
-  the skills and expertise shortage through technical and business training



### Planet & Society Barometer 2011 Objective Results

10 000 young people at the Base of the Pyramid trained in electricity professions:

**Improved and Above Target**



500 entrepreneurs at the Base of the Pyramid set up their activities in the energy management sector:

**Improved but Below Target**



1 000 000 households at the Base of the Pyramid have access to energy thanks to the Schneider Electric solutions:

**Improved and Above Target**





In partnership with Grameen Shakti, Schneider Electric trained 50 field technicians, sales associates, and service engineers on our offers for the people at the Base of the Pyramid in Bangladesh. Photograph provided by Roshini Janet D'Souza

## Making the right offer with the right partner

Schneider Electric teams with organizations worldwide to develop solutions that will respond to the specific energy challenges facing local communities. These efforts can support the energy needs of entire villages and thus foster sustainable economic and social development around local entrepreneurs, basic infrastructure (health facilities, schools, grocery stores, etc.), and entertainment activities.

### Bringing solar energy to rural Bangladesh

In Bangladesh, Grameen Shakti, part of the Grameen social business founded by the Nobel Peace Prize winner Muhammad Yunus, has one of the most successful business models for providing green and clean energy to people at the Base of the Pyramid. The not-for-profit company promotes, develops, and popularizes renewable energy technologies in remote rural areas.

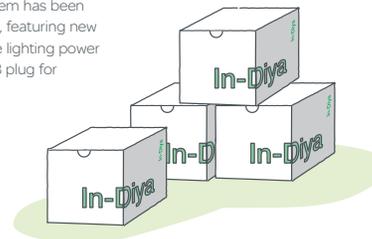
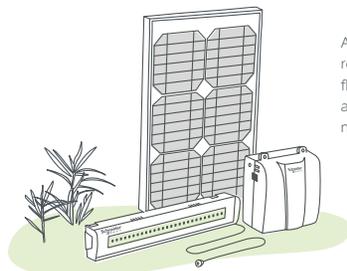
When it was looking for a reliable technology partner to develop affordable renewable energy solutions, Grameen Shakti turned to Schneider Electric. Together, we designed a new version of our In-Diya LED lighting Solar Home

system to be more robust and in line with the financial means of the average local household. The offer creation team and the complete supply chain collaborated to reduce the cost of the system. And thanks to Grameen Shakti, customers pay only 15 per cent of the product's cost at the time of purchase, spreading the balance across small instalments over three years through microcredit.

In 2011, we delivered 200 000 LED lamps in Bangladesh. We look forward to supplying 500 000 lamps in 2012.

 [Learn more about our renewable energy partnership with Grameen Shakti in Bangladesh with our video](#)

A new version of the Solar Home system has been released by Schneider Electric in 2012, featuring new flat LED technology for more effective lighting power and reduced consumption, and a USB plug for mobile phone charging.



# 200 000

In-Diya LED lamps delivered to populations at the Base of the Pyramid in Bangladesh in 2011



## In-depth

### Delivering a village electrification solution in Nigeria

In September 2011, Schneider Electric inaugurated Villasol, a solar-powered micro off-grid facility for decentralized rural electrification in Asore, Nigeria. This standardized solution called Villasol consists of photovoltaic panels, a battery bank, and a battery charging station that enable a communal recharge system. Without connection to the national grid, the facility supplies power to schools, entrepreneurial activities, health centres, and a water supply facility. It also provides basic electricity needs for up to 100 households. 'In Nigeria, 100 million people are heavily impacted by the lack of access to electricity,' said Marcel Hochet, President of Schneider Electric Nigeria. 'That endangers people's health, slows development, and increases environmental damage and slum inhabitants. Villasol will help drive improvement in the living conditions of these people'. Drawing on previous experiences in Madagascar, Indonesia, and Vietnam, our teams built in Asore a tailored solution adapted to the needs of the village:

> 24-hour continuous service for lighting and electrical connections for the only school in the village, as well as the entrepreneurial activities

> Fulfilment of basic household lighting needs, with a lamp and battery system that villagers can recharge

> A five-year payback, thanks to optimized cabling costs and the battery charging station business model

 [Learn more about this story with our video](#)

Photograph provided by Seyi Body Lawson

20+

number of countries where BipBop training programmes take place



**Producing entrepreneurs in India**

After completing BipBop training and acquiring skills in the electrical trade, young Indians such as Sandeep Kumar Sahu are engaging in entrepreneurship. Sandeep set up a solar-powered battery charging station in his village of Bairi Mangtaiya, where there are 200 households and a population of nearly 1,000, most of whom are not connected to the grid. He also rents out lights as an additional source of income. More than 100 entrepreneurs have followed Sandeep's path in India and in Peru.

Photograph provided by Ravi Bhushan

**Developing skills to build careers and success stories**

Training is essential to the success of all our efforts at the Base of the Pyramid. By empowering more than 12 000 people to acquire the competencies required to maintain energy solutions, we set the stage for sustainable development. The training projects of BipBop are funded by the Schneider Electric Foundation to support local NGOs, and sometimes in collaboration with national ministries of education. The objective has been reached, thanks to a multitude of medium-size projects in the world and some major contributors in Brazil, India, and Lebanon.

**5,000 people trained in electrical trade in Brazil**

In Brazil, our BipBop effort addresses the need for basic residential electricity through free educational and instructional materials, as well as free technical training. In two years, we have visited more than 40 cities and educated 5,066 people. The introductory course in basic home electricity involves 80 hours of work, with modules for secure and sustainable energy, basic technical concepts, integrated solutions for distribution boards, and the development of personal skills.



After taking an introductory course in basic home electricity through the BipBop Programme, 77% of students in Brazil believe they had improved their professional condition.

Our BipBop Programme in Brazil was recognized in the Social Responsibility category by Ethical Award. 'For all the young people trained, that success opens the door to employment, and above all, it is a first step out of poverty for all their families,' said Francois Milioni, BipBop training director.

**Empowering local economies by fostering local businesses**

Created in July 2009, the Schneider Electric Energy Access (SEEA) Fund aims to support the development of entrepreneurial initiatives around access to energy in communities at the Base of the Pyramid.

**Creating opportunities for one million people in Africa**

The SEEA Fund supports NICE International BV, a social venture in the Netherlands that is creating opportunities for social and economic development. SEEA funding helped launch the large-scale roll-out of NICE's successful social business concept, which is based on a self-sustained network of franchised information and communication technology (ICT) facilities powered by solar energy and run by local entrepreneurs. The expansion will provide widespread access to energy and ICT in Africa. It is expected to create opportunities for social and economic development for one million people, making the project one of the most ambitious of its kind.



Through support of NICE International BV, the SEEA Fund is helping to establish a self-sustained network of franchised information and communication technology (ICT) centres in Africa.

Photograph provided by Christophe Poline

**Additional organizations that the SEEA Fund supports include:**

- > **KAYER**, a photovoltaic solar energy company in Senegal
- > **Solasyst**, an integration company specializing in renewable energies in France
- > **Chenelet**, a leader in low-consumption public housing in France

Learn more about the SEEA Fund with our video

# What is at the heart of our environmental commitment?

Schneider Electric is an industrial company with operations spanning five continents. How do we minimize our impact on natural resources, biodiversity, and health? By considering everything we do in an environmental context – from the products we make and sell, to the sites that we operate and the energy we use. With our commitment to ongoing growth, managing our environmental footprint is a big job – and one that we embrace every day.

**161 933**

tons of CO<sub>2</sub> equivalent saved since 2009, almost exceeding our initial goal by 80%\*

**160**

of the Schneider Electric most electro-intensive sites are now connected to a common energy management platform\*

**273**

Schneider Electric sites ISO 14001 certified\*



# Maximizing operations with minimal impact on the planet



**Alain Digeon**  
Senior Vice President, Environment, Schneider Electric

‘As The Global Specialist in Energy Management™, we can be nothing but impeccable in terms of the way we handle our impact on the planet. We are committed to preserving natural resources, biodiversity, and the climate – because our customers ask for it, we must be a role model, and it’s the right thing to do. In the last three years, we have built great momentum in our environmental commitment. We have dramatically improved our management of direct carbon emissions, especially on SF<sub>6</sub> greenhouse gas leaks. We have extended and reinforced our environmental practices with ISO 14001 certification, and have started the journey to ISO 50001. At the close of 2011, 64 per cent of our products’ revenue was derived from Green Premium Products. Moving forward, we are looking to broaden our carbon reduction efforts after conducting a complete carbon assessment in 2011. In addition, we will inform our customers even further on the environmental impact of our increased scope of Green Premium offers’.

## Meeting the highest environmental standards

As an energy efficiency leader with a worldwide industrial presence, Schneider Electric makes it a priority to manage the environmental impact of its sites and provide customers with environmentally friendly products. Toward that end, we systematically certify our industrial and logistics sites to ISO 14001 standards. We apply the most fastidious standards in eco-design in compliance with the REACH regulation and RoHS directive. And we make all environmental data on our products available to customers and partners online.

### Our main achievements in 2011:

- 🕒 Conducted a full carbon assessment
- 🕒 Increased significantly the number of Green Premium Products that make up our offer
- 🕒 Initialised the ISO 50001 certification process

### Planet & Society Barometer 2011 Objective Results

30 000 tons annual reduction of our CO<sub>2</sub> equivalent emissions:

#### Improved and Above Target



2/3 of our products’ revenues achieved with Green Premium Products:

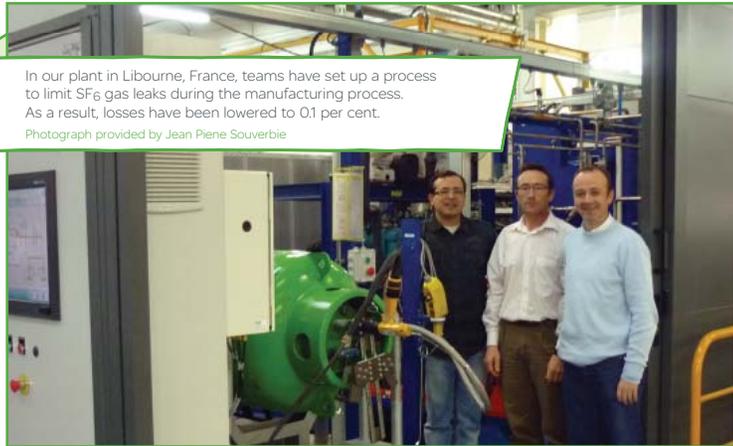
#### Improved but Below Target



2/3 of our workers work in ISO 14001-certified sites:

#### Improved and Above Target





In our plant in Libourne, France, teams have set up a process to limit SF<sub>6</sub> gas leaks during the manufacturing process. As a result, losses have been lowered to 0.1 per cent.  
Photograph provided by Jean Piene Souverbie

**SF<sub>6</sub> gas has a global warming potential of 23 000 times higher than CO<sub>2</sub>**

**1 kg of SF<sub>6</sub> = 23 tons of CO<sub>2</sub>**



**In-depth**

**Cedric Mullier**  
Carbon Disclosure Project  
Regional Director

'On behalf of the 551 financial institutions representing \$71 trillion of assets, the Carbon Disclosure Project is collecting and analysing with its partners information from more than 3,700 of the world's largest corporations and cities on climate change and water governance. We are also exploring opportunities and risks associated with initiatives to mitigate greenhouse gas (GHG) emissions.

This year, we are very pleased to welcome Schneider Electric to our leadership indexes, which are based on quality of transparency and performance. By integrating these two indexes and becoming part of this exclusive club (only 23 companies in the world), Schneider Electric clearly illustrates its strong governance and worldwide leadership.

As a next step and in line with the worldwide target of limiting the increase in temperature to two degrees, we hereby further encourage Schneider Electric to leverage its well-known expertise and energy optimization portfolio to accelerate the transition of its ecosystem – partners, suppliers, and customers – toward the low carbon economy'.

*Out of 3,000 respondents of the Carbon Disclosure Project, Schneider Electric is in the top 52 of the CDLI transparency index and in the top 29 of the CDLI performance index.*

**Reducing carbon emissions starts with us**

Schneider Electric is committed to reducing greenhouse gas emissions from its own businesses and from its clients' operations. We do this with products and services that enhance energy efficiency.

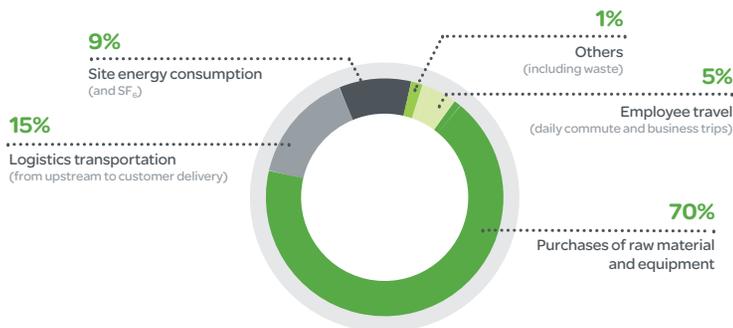
We report publicly on our approach by providing measurements each year to the Carbon Disclosure Project (CDP), a global initiative launched by investors and asset managers. Since 2009, Schneider Electric has focused its CO<sub>2</sub> emission reduction efforts on three sources:

- > Energy consumption at our sites, where we must be exemplary implementing our own energy management solutions
- > Long-distance freight
- > SF<sub>6</sub>, a gas present in some Schneider Electric products

Over three years, we have reduced our emissions by 162 000 tons of CO<sub>2</sub> equivalent, largely by reducing leaks of SF<sub>6</sub> in the manufacturing process. In the next three years, we will focus on reducing one of the major contributors to our CO<sub>2</sub> footprint: transportation. In fact, cutting transportation emissions is one of the key performance indicators for our new Planet & Society Barometer, launched this year and concluding in 2014. Transport alone is responsible for one-third of the planet's CO<sub>2</sub> emissions. Our objective is to reduce our impact in this area by 10 per cent over the next three years.

**Schneider Electric carbon emissions share**

Based on 2011 Carbon assessment



**7%**

energy consumption reduction implementing our own solutions at 100+ of our most electro-intensive sites in the last three years, representing around €7M savings overall

871

product environment profiles available online, including product carbon footprint and full life cycle assessment



**First building in the world to earn new ISO 50001 certification**

Since 1996, Schneider Electric has taken a systematic approach to site certification to ensure its operations meet the highest standards for eco-production. All industrial and logistics sites are certified ISO 9001 and must meet ISO 14001 certification within two years of their acquisition or creation. In 2009, we expanded our scope of certification to include research centres and tertiary bodies of more than 300 employees. In 2011, 70 per cent of Schneider Electric employees worked in ISO 14001 certified sites. In 2011, we also initiated pilot projects for ISO 50001 certification, the new standard for energy management practices. Our head office, located in France, was the first building in the world to receive the certification.

Schneider Electric makes all environmental information on its products available online through its Green Premium programme.



**More products achieving Green Premium status**

In response to the demand for eco-friendly products that meet or exceed regulations, Schneider Electric developed its Green Premium Products programme.

**Green Premium Products meet these four criteria:**

- > Environmental Product Profile is available online
- > End-of-life instruction manual is available online
- > The list of substances of concern according to the European REACH regulation is available online
- > Product does not contain lead, hexavalent chromium, cadmium, mercury, polybrominated biphenyls (PBB), and polybrominated diphenyl ethers (PBDEs) above the threshold set by the European RoHS directive

Our goal is to have two-thirds of Schneider Electric product revenues achieved with Green Premium Products. At the close of 2011, our performance stood at 64 per cent. As an industrial company selling products all over the world, we want to make sure that our offer preserves biodiversity and the health of those who manufacture and use it.

 Explore our new Check a Product tool to learn more about Green Premium Products

**Shining example of our commitment to eco-production**

In addition to being an ISO 14001-certified site, our Hyderabad plant in India has implemented numerous energy conservation measures to improve efficiency and reduce its impact on the environment.

Among the measures taken were the uses of natural roof lighting during the day, and roof and wall insulation to minimize solar heat gain. These combine with energy-efficient compressors and an advanced building management system to reduce the energy required to light and cool the site. In addition, temperatures and energy consumption are monitored centrally and recorded each hour. Thanks to these measures, the plant reduced specific energy consumption by 15 per cent in 2010 - 11 compared to 2009 - 10, even as production nearly doubled



during the same period. For its energy conservation efforts at the Hyderabad plant, Schneider Electric India received first prize at the National Energy Conservation Awards 2011 from the Bureau of Energy Efficiency.

31

manufacturing facilities make up our Hyderabad plant in India, which received first prize from the Bureau of Energy Efficiency at its National Energy Conservation Awards 2011

# How do we connect employee development with our success as a company?

There is a close link between a company's performance and its employees' well-being. How do you motivate people to go the extra mile to push the company forward? How do you foster their fulfilment and earn their loyalty?

**87%**

of employees strongly agree with the statement: 'I am willing to give extra effort to help Schneider Electric meet its goals', +12 points compared to 2010\*

**32%**

of women in the total workforce

**68 000**

e-learning courses have been taken by Schneider Electric employees on our Learning & Development platform



# Empowering our people in a collaborative environment



**Karen Ferguson**  
Executive Vice President, Human Resources, Schneider Electric

‘There are no limits to what people can accomplish when they are empowered, engaged, and supported by a collaborative environment. In 2011 we invested in the development needs of our people, grew our talent base in our new and fast growing markets, and saw a significant increase in the number of our employees ready to recommend Schneider Electric as a place to work (Employee Net Promoter Score). Our commitment to our people is to build an engaging workplace where leaders foster an environment where our people feel inspired, motivated, able to grow with the company, and have fun at work’.

## Building a fulfilling workplace to foster engagement

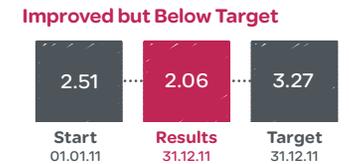
At Schneider Electric, we give our employees the tools they need to make the right professional decisions and take their careers in hand. We also believe our employees play a pivotal role in building the culture of our company. Through our new company programme, ‘Connect’, we provide a framework for our people to link their day-to-day activities to our values. With this joint investment, we build a capability to continuously improve our individual and collective performance.

We believe it’s important to give our people the opportunity to raise their voice. Set up in 2009, the OneVoice internal satisfaction survey is carried out on a quarterly basis to take the organization’s pulse worldwide. The survey methodology used is similar to that used to measure the company’s customer satisfaction. Specifically, all employees are asked to fill out a short, online questionnaire evaluating their commitment and their willingness to recommend Schneider Electric as a model employer (see ENPS\* results on the right). This process helps us identify key avenues for improving major employee engagement factors. In 2012, new questions have been added to the survey that will provide an Employee Engagement Index. This will allow Schneider Electric to benchmark its employee engagement level against other companies.

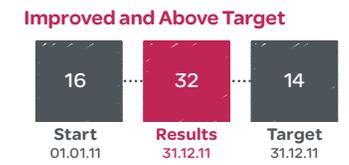
\* Employee Net Promoter Score

### Planet & Society Barometer 2011 Objective Results

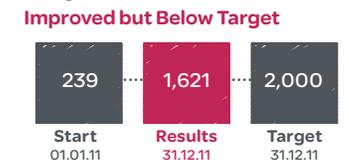
10% annual reduction of the frequency rate of occupational accidents:



14 points increase in the company’s employee recommendation score:



2,000 employees trained on energy management solutions:



**88%**

drop in the frequency rate of occupational accidents since 2005

Source: Schneider Electric



**Rich Widdowson**  
Vice President, Safety, Environment, Real Estate, North America

‘In the last five years, we have decreased the frequency rate of accidents by more than 80 per cent. Now, we want to go one step further with the implementation of the Medical Incident Rate (MIR) as our primary safety indicator. Our goal is to decrease the MIR by 30 per cent over the next three years.’



As we have done in many countries, Schneider Electric Hungary has put in place an annual safety day to educate its people on safety best practices. Photograph provided by Teréz Marosvölgyi

## Safety first

There is no engagement or performance without safety. As Schneider Electric’s policy on health and safety states, ‘All our employees and contractors must benefit from the highest possible standards of health and safety’.

Schneider Electric has improved its safety culture significantly in recent years, with intensive awareness and training campaigns. In addition to the commitment of our employees, the inclusion of safety criteria in the performance incentives of all plant and logistics centre managers has increased safety awareness in our workplace. We also initiated a global programme to implement a certified health and safety management system (OHSAS 18001 or equivalent) in 100 per cent of our manufacturing and logistics sites by the end of 2012. In 2011, among other distinctions, Schneider Electric received the Green Cross Medal for its excellence in safety programmes in North America. We now want to extend our safety culture to encompass well-being practices around health, stress management, nutrition, etc., that employees can apply at work, at home, and at play.

## Developing our people in step with our company

Schneider Electric is committed to helping employees grow to their potential while aligning individual career aspirations with the company’s business goals, both now and in the future.

Each year, there are two formal milestones in the employee-manager relationship designed to ensure solid performance management. The annual appraisal helps employees to understand their job expectations and how they can help our company succeed. The Career and Competency Review (CCR) facilitates conversations about an employee’s career path and how it aligns with our needs as an organization. Given our company’s growth and ever-expanding footprint, and the shortage of critical skills in the employee talent pool worldwide, we have also launched global strategic workforce planning, which links operational human resources execution to our medium- and long-term business needs.

### Training focus: energy and equity

Our people are key to our transformation as an energy management solutions company. In 2011, 1,600 employees were certified ‘Energy Solutions Experts’, and 68 000 benefited from our online learning and development platform. To build on this momentum in the next three years, we will extend our training policy to ensure that every employee has at least one day of training annually.



Workforce planning meetings were held all over the world in 2011, to identify workforce needs and develop strategies for aligning employees with current and future business challenges.



**Dina Yorke**  
Group Controller, Buildings Business

‘During the Strategic Workforce Planning process, we discussed business strategy and headcount simultaneously, creating unexpected innovative ideas and adding undeniable value.’



Under the 'Women @ Schneider Electric' initiative, a mentorship programme was launched for women with high potential.

## Diversity is our first wealth

At Schneider Electric, diversity is a source of innovation, performance, and competitiveness. We embrace our different nationalities, backgrounds, genders, abilities, and disabilities. We take a pragmatic approach to managing and celebrating the richness of our diversity day by day.

In our diversity policy, Schneider Electric places particular emphasis on equal employment opportunity for men and women. We believe equal opportunity provides the best means to develop the values and skills required to meet the economic and social challenges of the 21st century. In 2011, top leaders participated in specific training to learn the benefits of mixed gender teams. We also ensure wage parity between men and women holding equal positions. Today, of the 2,500 people at Schneider Electric identified as high potential to become future leaders, 25 per cent are women. The aim is to increase that figure to 30 per cent in the next three years.



**Marie Vezy**  
Senior Vice President, Talent Strategy and Organization Development

'By 2014 we want 30 per cent of our global talent pool to be women. We strongly believe that mixed gender teams are more successful and we also want to emulate the growing diversity of our customer base'.

## Partnering with employees for the long-term

Schneider Electric is convinced that employee share ownership is instrumental in strengthening the company's capital, both financial and human. We have been building an international employee shareholder base since 1995, and it will cover more than 100 000 employees in 36 countries in 2012. In 2011, employees owned 4.55 per cent of Schneider Electric SA's capital and more than 7 per cent of voting rights. We anticipate that our employees will hold approximately 5 per cent of the capital in 2015.



# 4.55%

of Schneider Electric shareholders are employees



**In-depth**

## Competition rewards students' green creativity with job offers

Strengthened by the success of Go Green in the City in 2011, Schneider Electric launched the second edition of the challenge for 2012. The competition invites students working in teams of two, with at least one woman in the team, to devise viable solutions for energy management sectors critical to a city. The best proposals should reconcile increased demand for energy, social progress, and environmental protection. Go Green in the City 2012 will touch approximately 270 000 students and lead to 200 internship interviews within Schneider Electric. The best 25 teams will be flown to Paris in June 2012 to compete for a final presentation. The winning team will visit Schneider Electric facilities and network with employees, as well as high-level management. The two winners also will be offered positions at Schneider Electric.

**Pictured left:** The 2011 winning team (Suma Elengikal and Maria Consuelo Palacios Lafuente) from the University of Bonn, Germany. Their idea showcased six different ways to generate energy from activities initiated by environmentally conscious students.

# 270 000

students involved in Go Green in the City 2012

# How can we put our leadership and expertise to good use?

Schneider Electric operates in more than 100 countries worldwide. As we pursue our business objectives around the globe, how can we employ our skills and talents to help the communities where we operate?

120

Foundation delegates lead our community actions in 70 countries\*

€12.4

million spent to support community projects around the world in 2011\*

28 000

employees participated in the Luli mobilization campaign in 2011\*



# Making a difference in the communities where we work and live



**Patricia Benchenna**  
Schneider Electric Foundation Programs Director

‘The Schneider Electric Foundation has always searched for the best way to foster youth integration through professional training. In recent years, the company has focused more on leveraging its business to be at the service of the communities where it operates. In 2011, more than 28 000 employees in 50 countries participated in the 10th-anniversary celebration of our Luli mobilization campaign for communities, which is led by a network of 120 Foundation delegates across the five continents. In total, the efforts of the Foundation, its subsidiaries, and the employees represented not less than €12.4 million’.

€4

million total Foundation budget in 2011

## With great success comes great responsibility

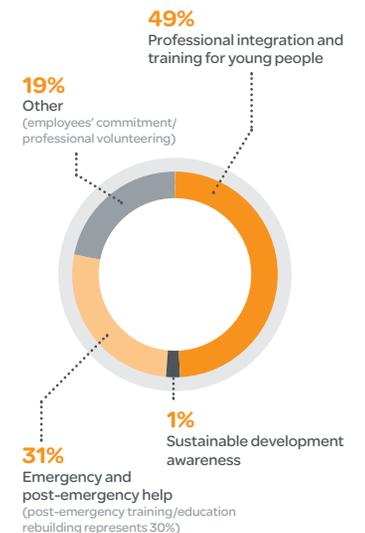
At Schneider Electric, we believe that our social commitment and business activities should be integrated and harmonious. We are in touch with real-life conditions in our local markets around the world, and make a strong and lasting commitment to supporting them by standing shoulder-to-shoulder with our community partners.

Created in 1998 under the aegis of the Fondation de France, the Schneider Electric Foundation is committed to projects that emphasize sustainable and practical training in energy management. The Foundation bases its work around the following three objectives:

- 🕒 Support the professional integration of young people in energy management
- 🕒 Support reconstruction after natural disasters
- 🕒 Support sustainability awareness

### Schneider Electric Foundation Contributions in 2011

Per cent per type of programme



79%

of the Foundation projects are dedicated to professional trainings



**Denise Lana Molina**  
Sustainability manager and Foundation delegate, Schneider Electric Brazil

**Celebrating employee support of local partnership**

In June 2011, the employees of Schneider Electric were celebrating the 10th anniversary of Luli throughout the world. Luli is an annual campaign to raise funds among Schneider Electric employees to support long-term partnerships developed locally with organizations involved in youth employment opportunities. The campaigns are led by Foundation delegates all over the world, including Denise Lana Molina, shown above. The 120 delegates in 70 countries volunteer to make the commitment of the Foundation a living reality.



Students from the Chaîne des foyers Saint Nicodeme association of Douala, Cameroon, after graduating from their electricity training.

**Scaling up training initiatives worldwide**

One main objective of the Schneider Electric Foundation is to provide training in electrical trades to young people from the most disadvantaged areas. This development meets our intention to respond to today's energy challenges with a highly targeted and effective solution that no other company can offer.

Foundation projects directly support our company's access to energy programme, BipBop, in its dedication to training. In 2011, the Foundation supported projects in 72 countries, training 2,200 people. In Cameroon, a local NGO was able to establish an electrical trade training workshop with the support of the local Foundation delegate, Thomas Tchemeube, and a French Schneider Electric employee, Manuel Montesinos, who took care of the delivery of the training material. Since the workshop's launch in 2010, approximately 300 youths have been trained and literally taken off the streets, opening a brand new future for them.

**Providing support after emergencies**

Sadly, 2011 brought its share of catastrophes around the world, including the tsunami that struck Japan in March.

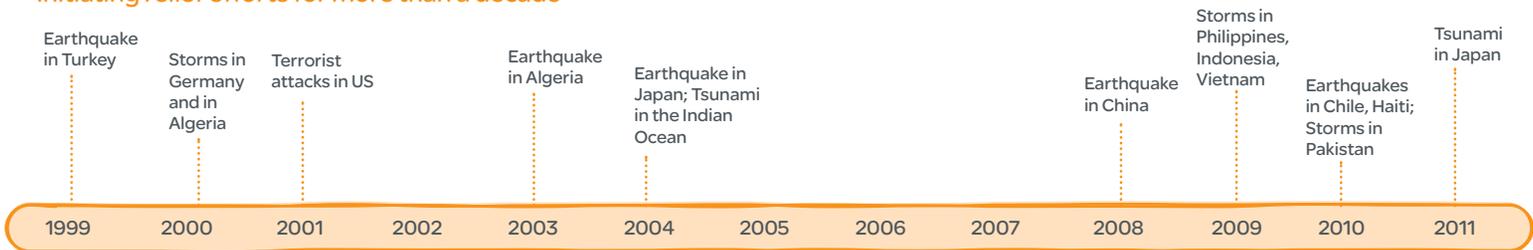
The Schneider Electric Foundation immediately worked with local teams to ensure the safety of 2,000 Schneider Electric employees in the region. Our employees donated more than €160 000 to support relief efforts, and the Schneider Electric Foundation has now started a reconstruction project, working in concert with the local authorities to equip several training centres with Schneider Electric products.

Also in 2011, a year and a half after a devastating earthquake hit Haiti, President Michel Martelly inaugurated the first training centres made possible by an agreement between the Ministries of Education of France and Haiti, Aide et Action, and Schneider Electric. The centres will develop the skill sets of more than 2,000 construction workers over a two-year period to help rebuild the country.



Schneider Electric supports ongoing training at construction sites in Haiti.

**Initiating relief efforts for more than a decade**



Unique in its architecture and design, the new 'Refuge du Goûter' (Alps Mountains, France) is also exemplary in terms of sustainable development. Our ambition is to make the shelter as energy autonomous as possible, despite its remote location.



## Taking sustainability awareness to new heights

By supporting innovative projects that contribute to sustainable development, the Schneider Electric Foundation highlights the fact that achieving more with less is possible right now.

In 2011, the Foundation became the main patron of the 'Refuge du Goûter', the last shelter before the summit of Mont Blanc. With capacity for up to 120 hikers, the shelter is a net-zero building equipped with the most innovative energy management solutions from Schneider Electric, including remote control and renewable energy. Our company's solutions have already proved their ability to work in such conditions, as the Foundation also partners with the International Polar Foundation, providing the world's first 'zero emission' scientific station in Antarctica since 2008.



## In-depth

### Teaming up to tackle discrimination

The '100 chances, 100 emplois' association has brought together more than 300 local NGOs, authorities, and companies to help young people suffering from discrimination. The network connects disadvantaged youths with professional companies and thereby provides an opportunity for them to start on a career path. Such public-private collaborations are essential to tackle the plague of youth unemployment, which is above 25 per cent in underprivileged areas. To date, approximately 500 young people have found stable jobs through the network in more than 10 locations all over France.

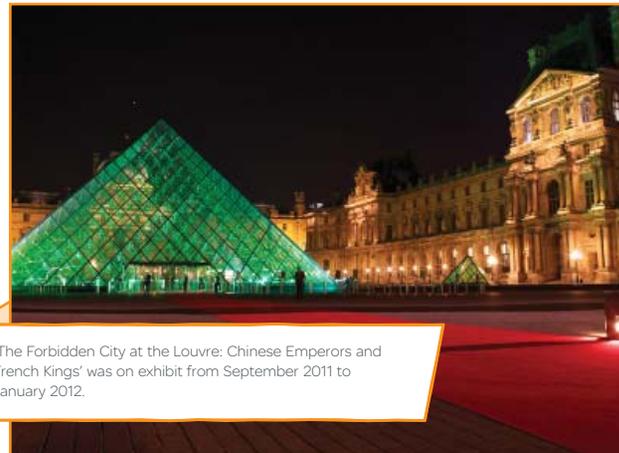
**Pictured above:** In Grenoble, the '100 chances 100 emplois' subsidiary, led by Schneider Electric, organizes training sessions to prepare young people for their professional interviews.

## Promoting international dialogue through culture

Schneider Electric sponsors 'The Forbidden City at the Louvre: Chinese Emperors and French Kings'

The exhibition opened a window on the history of dynasties in China and France by showing, for each major period, the exchange that existed between the two countries. Museum goers discovered a selection of 130 works that belonged to Chinese Emperors. Kept in the Forbidden City in Beijing and selected by the Palace Museum, these pieces include symbols of power, art and leisure objects, and architectural elements on exhibit in the West for the first time.

'It is by appreciating differences rather than fleeing from them, emphasizing similarities rather than ignoring them, associating rather than confronting points of view, that the 120 000+ employees of Schneider Electric develop their efficiency and innovation, at the same time reaping the personal and professional benefits of this diversity that creates values,' says Jean-Pascal Tricoire, President & CEO, Schneider Electric.



'The Forbidden City at the Louvre: Chinese Emperors and French Kings' was on exhibit from September 2011 to January 2012.

Schneider Electric Teachers, a NGO, launched in February 2012 to connect employees willing to volunteer with associations to provide energy training. The goal is to achieve 300 missions over the next three years.

# How do we achieve steady growth in an uncertain economy?

In a fast-changing world economy and marketplace, Schneider Electric relies on its clear strategy and good execution to deliver steady growth. Our success is the product of maintaining a balanced footprint by region, taking advantage of long-term growth opportunities, and providing solutions to support the smart grid. Ongoing value creation and strategic acquisitions also fuel our success.

**€22.4**

billion sales in 2011\*

**€1.8**

billion reported EBITA before restructuring\*

**€1.506**

billion of free cash flow\*



# Staying focused on a winning strategy



**Emmanuel Babeau**

Executive Vice President, Finance,  
Member of the Management Board, Schneider Electric

'In 2011, we delivered solid organic growth and higher earnings, despite an environment of record raw material inflation, major supply chain disruptions, and a change of sales mix, due to robust growth in solutions. Free cash flow reached an all-time high in the second half, thanks to strict working capital control. The EBITA reached the €3 billion mark for the first time and net profit €1.8 billion, leading to earnings per share at €3.39.

'For 2012, the unpredictability surrounding the global economy limits our ability to forecast with any certainty. In this context and assuming no major change in economic conditions, the company expects flat to slightly positive organic growth for sales and an adjusted EBITA margin between 14 and 15 per cent'.

## Key Figures (in millions of euros)

	Full Year 2010	Full Year 2011	% Change
<b>Sales</b>	<b>19 580</b>	<b>22 387</b>	<b>+14%</b>
<i>Organic growth</i>			<i>+8%</i>
<b>EBITA</b> <small>(before acquisition and integration costs)</small>	<b>2,971</b>	<b>3,178</b>	<b>+7%</b>
<i>% of sales</i>	<i>14.7%</i>	<i>14.2%</i>	<i>+2.8 pts</i>
<b>Attributable net income</b>	<b>1,720</b>	<b>1,820</b>	<b>+6%</b>
<i>Earnings per share: 2010</i>	<i>3.30</i>	<i>3.39</i>	

## Market guidance on EBITA

The company's future market guidance will be based on Adjusted EBITA. It corresponds to EBITA before restructuring costs and other operating income and expenses (one-time items such as capital gains/losses, pension gains/losses, acquisition costs, impairment). Adjusted EBITA provides better visibility and predictability of the underlying performance of the Group and has lower volatility than EBITA which includes a number of non-recurring items and restructuring charges that have become more volatile since 2009. For information, Adjusted EBITA in 2011 is €3.23 billion.



## Giving voice to shareholder concerns

The Shareholders' Advisory Committee is designed to relay shareholders' concerns about financial communications.

Schneider Electric's shareholder base is reflected in the geographic and professional diversity of the committee's members. Currently, it is made up of eight independent volunteers appointed by Schneider Electric for a three-year term. Members met several times in 2011, and also participated in meetings with individual shareholders throughout the year.

## Financial calendar (2012)

<b>22 February</b>	<b>2011 Annual Results &amp; Investor Day</b>
20 April	Q1 2012 Sales
<b>3 May</b>	<b>Shareholder's Meeting</b>
<b>16 May</b>	<b>Dividend payment for fiscal year 2011</b>
5 June	Individual Shareholder's Regional Meeting (Toulouse)
1 August	2012 Half Year Results
25 October	Q3 2012 Sales

### Dividends per share

**€1.70\***

### Earnings per share

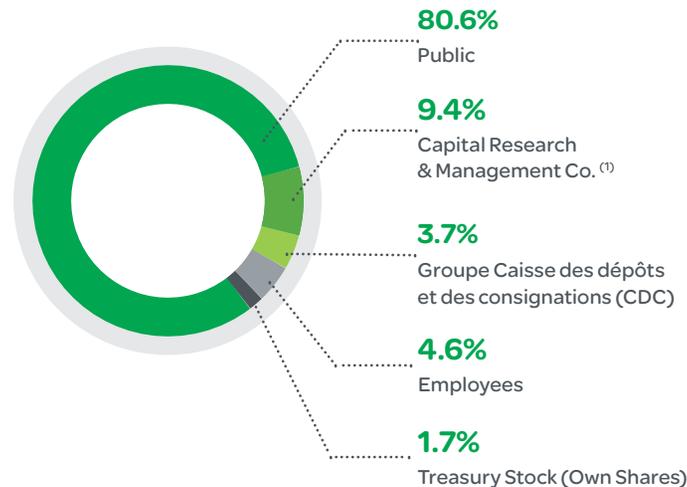
**€3.39**

\* Subject to shareholders' approval on 3 May 2012

**Annual meeting recognized as best**

On 28 June 2011, Schneider Electric received a 2011 Annual Shareholder's Meeting Award from the French communication consulting firm, Capitalcom. The award recognizes the company whose annual meeting is selected by a blue-ribbon panel of 20 members on the basis of 80 criteria, including quality of discussions with shareholders, the meeting's organization, and the presentation of the company's corporate governance system.

## Ownership structure by shareholder type



## Five-year trading summary

	2007	2008	2009	2010	2011*
Average daily trading volume Euronext® Paris <sup>(2)</sup>					
• Thousands of shares	1,587.79	1,691.19	1,323.58	1,231.29	2,316.01
• Millions of euros	152.00	115.18	77.12	108.23	115.78
High and low share prices (in euros)					
• High	110.26	94.29	81.85	120.00	61.83
• Low	83.51	38.84	41.30	72.00	35
Year-end closing price (in euros)	92.68	53.00	81.78	112.00	40.68
Yield including tax credit (%)	3.56	6.50	2.51	2.86	4.18

<sup>(2)</sup> Corresponds to trading volume on NYSE Euronext. Source: Reuters

\* At the Annual General Meeting held on 21 April 2011, Schneider Electric shareholders approved the division of the nominal value of the shares by two. The operation will make the shares more accessible particularly to individual shareholders and will also improve the share liquidity.

<sup>(1)</sup> To the best of company's knowledge

## Planet & Society Barometer: Results for our 2009 - 2011 indicators

Our Planet & Society Barometer is an ongoing and evolving scorecard on our commitment to sustainability. Ambitions are set in cycles that correspond to our company programmes.

### Overall performance results for our previous two programmes



For 2004 - 2008, the company exceeded its goal of 8/10, achieving an overall score of 8.04. Beating the target in the barometer's first cycle of existence was a significant achievement for Schneider Electric.



The 2009 - 2011 Planet & Society Barometer included 13 key performance indicators. The company exceeded the goal of 8/10, achieving an overall goal of 9.38. The excellent performance was made possible through the commitment of our managers and the company's established track record on several topics, including carbon footprint, health and safety, and access to energy.

	Start 01/01/09	Results 31/12/09	Results 31/12/10	Results 31/12/11	Target 31/12/11
<b>Overall performance of the Barometer</b> (score out of 10)	3.00	6.00	7.62	<b>9.38</b>	8.00
<b>Planet</b>					
1 30 000 tons annual reduction of our CO <sub>2</sub> equivalent emissions	0	-44 089	-100 156	<b>-161 933</b>	-90 000
2 2/3 of our products' revenues achieved with Green Premium Products	0	2.6%	26.1%	<b>63.7%</b>	66.7%
3 2/3 of our employees work in ISO 14001-certified sites	59%	63.8%	69.0%	<b>70.4%</b>	66.7%
<b>Profit</b>					
4 7 points above the Group's average growth gained by our energy efficiency activities	0	5.3	8.3	<b>14.2</b>	7.0
5 10 countries set up a recovery process for SF <sub>6</sub> gas	0	3	3	<b>8</b>	10
6 1 000 000 households at the Base of the Pyramid have access to energy thanks to Schneider Electric solutions	0	260 000	891 058	<b>1 291 768</b>	1 000 000
7 60% of our purchases from suppliers who support the Global Compact	30%	33%	42%	<b>50%</b>	60%
8 4 major sustainability indexes select Schneider Electric	3	3	2	<b>3</b>	4
<b>People</b>					
9 10% annual reduction in the frequency rate of occupational accidents	0	-32%	-44%	<b>-54%</b>	-27%
10 14 points increase in the company's employee recommendation score	0	-7	+16	<b>+32</b>	+14
11 2,000 employees trained on energy management solutions	0	40	239	<b>1,621</b>	2,000
12 10 000 young people at the Base of the Pyramid trained in the electricity professions	0	2,150	4,742	<b>12 318</b>	10 000
13 500 entrepreneurs at the Base of the Pyramid set up their activities in the electricity sector	0	125	209	<b>391</b>	500



## Planet & Society Barometer: 14 indicators (2012 - 2014)

After delivering sound results toward the objectives of our Planet & Society Barometer for 2009 - 2011, we have now reset our ambitions for the next three-year cycle. Once again, our goal will be to meet the 8/10 target by the end of 2014, with a blend of indicators reflecting the company's key sustainability stakes for the three years ahead.

### The Planet & Society Barometer indicators

#### Planet

<b>Carbon</b>	10% CO <sub>2</sub> savings on transportation
<b>Products &amp; Solutions</b>	75% of our products revenue achieved with Green Premium
<b>Energy</b>	10% energy consumption savings

#### Profit

<b>Green Growth</b>	7 points growth revenue with EcoXperts above total growth revenue
<b>Access to energy</b>	1 000 000 households at the Base of the Pyramid have access to energy
<b>Suppliers</b>	100% of preferred suppliers embraces ISO 26000 guidelines
<b>Governance</b>	3 major ethical stock market indexes select Schneider Electric
<b>Best Practices</b>	200 sites recognized as 'Great places to work'

#### People

<b>Safety</b>	30% reduction of the Medical Incident Rate (MIR)
<b>Engagement</b>	70% score in the Employee Engagement Index
<b>Diversity</b>	30% women in the talent pool (~ 2,500 people)
<b>Training</b>	1 day of training for each employee every year*
<b>Access to Energy</b>	30 000 people at the Base of the Pyramid trained in energy management
<b>Communities</b>	300 missions by the 'Schneider Electric Teachers' NGO

\* This indicator will start to be reported in 2013



**Alban Jacquin**

Sustainability Performance &  
Communities Director, Schneider Electric

'The Planet & Society Barometer aligns our company's ambitions with the expectations of all our stakeholders, including customers, shareholders, partners, and employees. Indicators are chosen to move us forward on the key sustainability issues of the day, while preparing us to meet the challenges of tomorrow. Sustainability is a never-ending journey at Schneider Electric. The Planet & Society Barometer drives our actions in a manner that is strategic, purposeful, and effective'.

### Planet & Society Barometer results publication dates for 2012

- > 15 May
- > 26 July
- > 30 October

## Sustainable management of this document

Because this document must reflect our commitment to sustainability, we have tried to keep its carbon footprint as low as possible

- > This document is printed with vegetable oil-based ink on 100 per cent FSC®-certified recycled paper, manufactured in a chlorine-free process.
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The Registration Document filed with France's Autorité des Marchés Financiers (AMF) is available by request on the Finance page of our corporate website: [www.schneider-electric.com/company](http://www.schneider-electric.com/company)

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