

Our Principles of **Responsibility**
for a **New Electric World**

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Modicon
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Schneider
 **Electric**
Building a New Electric World

Message

The company's reason for being is to create wealth for its customers, shareholders, employees and the community. By deciding to define and affirm *Our Principles of Responsibility*, we are making the choice for clarity and collective and individual commitment.

We are answering the question: "How does Schneider Electric intend to create wealth?"

In an ever more global world, *Our Principles of Responsibility* are a reference framework to guide each person in their decision and actions.

Growth in our company cannot be envisaged outside the development of the countries and regions where we have operations. By deciding to make responsibility one of the six challenges of our Company Program NEW2004, we reaffirm our ambition and our willingness to give the best of the New Electric World to everyone, everywhere, at any time.

These principles were the result of working groups on each continent; they were approved by the Executive Committee and illustrate that our company is being enriched by the diversity of what makes it up. We encourage this diversity, especially cultural, but we have common values and principles of responsibility that

gives Schneider Electric real consistency. Each manager is responsible for implementing these principles, communicating them, keeping them alive, and enriching them with local additions.

Responsibility is a state of mind, a lever for improvement, and ensures being able to meet the challenges that are presented to us.

Henri Lachmann
Chairman and C.E.O.
November, 2002

The company's **employees**

- > Can express their cultural diversity and are managed without discrimination.
- > Are encouraged to develop their team spirit and new competencies.
- > Are recognized for their initiative and risk taking in contributing to the company's growth.

> are **the main assets of our company**

Schneider Electric's goal involves:

- Promoting quality working conditions and improving personal safety at the work place;
- Providing everyone with equal opportunity in recruitment, jobs, and mobility;
- Ensuring employee development and employability;
- Cultivating an open relationship with employee representative bodies in structures fostering dialogue and proposals according to laws and customs in the different countries;
- Involving its employees in the life of the company notably by informing them of its challenges and objectives;
- Keeping personal information on employees confidential...

Our **economic partners**

> Share in the benefits of our high professional, social and environmental standards in compliance with all applicable laws in each country.

> are involved in **our continuous improvement processes**

Regarding its customers, Schneider Electric's goal involves:

- Behaving with integrity and respect in a spirit of creation of shared value;
- Anticipating and taking into consideration their expectations;
- Constantly improving its products and services, its technology to support the development of its customers...

Regarding its suppliers, Schneider Electric's goal involves:

- Behaving with integrity and establishing fair contractual relations;
- Qualifying primarily those suppliers who are committed to acting in a responsible manner with respect to people, the community and the environment...

Our **shareholders**

- > Guarantee our future by placing their trust in us.
- > Can expect a commitment from us to enhance their capital.
- > Are encouraged to contribute to the fair valuation of the company.

> **the company** is **their property**

Schneider Electric's goal involves:

- Observing the principles of good corporate governance;
- Providing timely economic and social information to all of its shareholders and the financial community, while meeting demands for accuracy, transparency and preciseness;
- Taking the advice of the shareholders' consultative committee, trade organizations and supervisory authorities into account...

The **community**

- > Guides our actions in terms of respecting current and future generations and the cultural diversity and legislation of each country.
- > Shares in the life and richness of our company.
- > Is enriched by our individual and collective acts of service.

> Schneider Electric employees
are active **players in the community on a daily basis**

Schneider Electric's goal involves:

- Being attentive to the community and its developments to better meet its expectations;
- Taking active part in local institutions and professional organizations...
- Participating in the local daily life of each of the sites where the company operates;
- Engaging in training, integration and support for people and the fight against social exclusion;

The planet

- > Our products improve the protection of people and goods and optimize the consumption of energy and natural resources.
- > We are involved in design, production, distribution and recycling processes that respect the environment.
- > We integrate environmental protection into our strategic decisions.

> we are committed to safeguarding our planet

Schneider Electric's goal involves:

- Meeting environmental requirements;
- Linking innovation and continuous improvement to meet the new environmental challenges;
- Promoting environmental protection in the company by offering training for everyone;
- Communicating the impact of the company's activities on the environment to all stakeholders...

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Methodology

Our Principles of Responsibility is a reference document for Schneider Electric. It falls within the series of documents previously published by the company.

> Drafting

A total of 600 persons in the company (members of the Executive Committee, the Management Committee, managers in training at ISM – the Schneider Training Institute – and employees at all levels of the management line) participated in drafting the document through individual contributions and working groups on all continents.

> Deployment and follow-up

The text of *Our Principles of Responsibility*, together with its methods of deployment, were approved by the Executive Committee on September 26, 2002.

Information was communicated during Schneider Electric European Committee meeting of October 11, 2002.

Every manager is responsible for communicating and implementing these principles, and enriching them with local additions. Every employee has access to them via Intranet or through their relevant HR Department.

Employees can make contributions or add their experience at any moment.

Newly hired employees will be familiarized with the principles and will undertake to observe them in their contract.

It is up to all members of the Executive Committee to confirm each year that these principles have been observed in the areas under their responsibility.

A Sustainable Development Committee has been formed, its mission being to amend and update these principles.

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