

The Year in Review 2007-2008

Business and sustainable
development

The Year in Review 2007-2008 – Business and sustainable development

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Make energy safer, more reliable, more efficient and more productive.

This is our mission. Every day, we show that business, environmental and societal concerns go hand in hand. *The Year in Review* explains how and why.

Make the most of your energy.

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Important


Success
story



As a UN Global Compact signatory, we have aligned our improvement targets with the Compact's approach. The targets are flagged in this report with this symbol.



Interview with Jean-Pascal Tricoire

2006 was a historic year for Schneider Electric. Did the Group set new growth and earnings records in 2007?

2007 was a key year for two reasons. First, Schneider Electric achieved new operating performance records. Annual revenue rose 26% on a current structure and exchange rate basis, which means that the top line has doubled over the past four years. Organic growth reached an unprecedented 13.9%, greatly exceeding growth in our end markets. EBITA* also increased sharply, by 27%, and EBITA margin widened by 1.2 points on a pro forma** basis to a record 14.8%. Net profit grew by a strong 21% and free cash flow jumped 38% to €1.5 billion. Second, we successfully integrated APC.

How did the acquisition of American Power Conversion (APC), market leader in critical power and cooling services, contribute to the year's performance?

This is our largest successfully completed acquisition since Square D in 1991. It's also the first time the Group turned around a newly acquired company so quickly. We immediately merged APC and MGE UPS Systems so that our customers could benefit from their synergistic line-ups right away. Our large system solutions, designed

primarily for data centres, are the most effective and innovative in the world when it comes to energy efficiency, flexibility and reliability. They represent an extremely powerful growth driver for the Critical Power & Cooling Services Business Unit formed from the combination of APC and MGE. The teams also deployed operating efficiency plans that fuelled a remarkable recovery in profitability, bringing the Business Unit's EBITA margin close to the Group average. The targets achieved greatly exceeded our expectations. Thanks to this acquisition, we have gained global leadership in the very promising critical power and cooling services market, broadened our technological portfolio and considerably expanded our accessible market.

APC gives you a major entry into cooling and air conditioning.

Temperature control is an intrinsic part of our business. For many years now, we've offered leading-edge temperature control systems for our target markets—industry, infrastructure, buildings and residential. Now we also have solutions for technological applications. APC has the advantage of offering the most innovative system on the market in terms of energy efficiency and precision.

* EBITA = EBIT before amortisation of purchase accounting intangibles.

** Including APC data over 10.5 months in 2006.

“ We confirm our 2008 targets for organic growth of between 6% and 8% and EBITA margin of 15%. ”

Jean-Pascal Tricoire, Chairman of the Management Board and CEO



Is it profitable for a customer to invest in energy efficiency?

It certainly is. With prices skyrocketing for oil, fossil fuels and energy in general, investing in energy efficiency is definitely a good move. What's more, the outlay required is generally quite small, so customers get a quick, lasting and immediately visible return on investment.

We don't have any choice here. The world has recognised that the issue of greenhouse gases needs to be addressed urgently and that energy is becoming scarce and expensive. More and more regulations on electricity are being issued, and this is just the beginning. Our customers are also seeing a huge surge in their energy bills. Schneider Electric offers solutions that can reduce energy costs and

Does Schneider Electric have other growth drivers?

Yes, emerging markets. Operations in these countries accounted for 32% of our 2007 revenue, or €5.5 billion. Our exposure here is much sturdier than in the past. We have sales operations, production, supply chain and R&D units and very solid and competent teams in emerging markets. Growth in these countries accelerates each year as we consolidate our platform and teams. Growth stood at 20% in 2007 and exceeded 13% on average over the past ten years.

Did Schneider Electric benefit from the repositioning of its business portfolio in 2007?

Without a doubt. Our new business portfolio structurally improves our growth profile. Our exposure to end markets has changed substantially and is much more diversified. This means we can take advantage of growth opportunities and also withstand weakness in certain segments. We operate in highly promising markets such as data centres, raw material extraction and infrastructure (water treatment and power supply). When one market slows down, we can quickly refocus our resources on more vibrant areas.

“ Our goal is to be the benchmark in sustainable development. ”

CO₂ emissions by 30% in all types of applications. Sales of these solutions rose 15% in 2007 to €3.6 billion; energy efficiency accounted for 20% of our orders. We estimate this market's underlying structural growth at more than 10%. Schneider Electric has a unique global position as an energy efficiency specialist.

What did Schneider Electric do for sustainable development in 2007?

Our goal is to be the benchmark in sustainable development. Our products, processes and plants must be the cleanest and most efficient in our industry and comply with or anticipate the most demanding global environmental regulations. To go even farther in meeting the environmental challenge, we provide customers with leading-edge solutions and technologies for energy efficiency. That's the idea behind the HOMES program to innovate in energy savings. Lastly, we promote a proactive and responsible attitude towards our employees and the community.

We have already exceeded the targets of our new² company program for developing talent, diversity and occupational health. In addition, we strongly encourage our suppliers to join the United Nations' Global Compact. All of these actions have helped put Schneider Electric in the world's main socially responsible investment indices.

This year, we decided to move our Foundation forward by giving it more ambitious missions. These include ensuring universal access to electricity, training young people and supporting start-ups in our businesses and pursuing rebuilding projects after natural disasters.

Message from Henri Lachmann

Chairman of the Supervisory Board



The corporate governance system deployed by Schneider Electric in May 2006 demonstrated its worth in 2007. Separating oversight from the strategic and operating functions was the right choice. Schneider Electric SA's Supervisory Board would like to take this opportunity to renew its confidence in this governance system, in the new management team, the Management Board and its Chairman. This young, energetic and diverse team has regenerated our Company while maintaining continuity. With its resolutely long-term view, this team delivered record growth in 2007 and obtained excellent financial results.

The Supervisory Board was exemplary in carrying out its responsibilities and deserves our shareholders' confidence and support. The Board comprises diverse and remarkable skills. Its members are always well informed and deeply involved. Dialogue within the Supervisory Board and with the Management Board is open and constructive. Two new members have joined our ranks: Léo Apotheker, a German national, and Richard Thoman, an American. The Chairmen of the Supervisory Board and Management Board

have a strong relationship of mutual trust. We complement each other and work together effectively in a frank, harmonious environment.

We are in an industry of the future. Demand for electricity is growing year after year, energy efficiency has become a priority, and emerging markets contain the greatest growth potential. With our line-up of products and services and our operations in emerging markets, we are very well positioned to take advantage of these opportunities.

Our stock market performance does not accurately reflect our excellent results, healthy fundamentals and new growth profile. Schneider Electric is a virtuous but undervalued stock. The market has not yet recognised our Company's true value; it has focused on volatility rather than results and potential for long-term profitable growth.

The Supervisory Board would like to congratulate everyone at Schneider Electric for the year's results and thank all our team members for their energy and efficiency in 2007. We are fully confident in Schneider Electric's future.

2007 – A customer-focused leadership team



Management Board

Jean-Pascal Tricoire
Chairman of the
Management Board and
Chief Executive Officer

Pierre Bouchut
Member of the
Management Board and
Chief Financial Officer



Corporate functions

Hal Grant
Executive Vice President
Globalisation & Industry

Eric Pilaud
Executive Vice President
Strategy, Customers
& Technology –
Services and Projects
Business Unit

Jean-François Pilliard
Executive Vice President
Strategic Human
Resources & Organisation

Karen Ferguson
Executive Vice President
Global Human Resources

Serge Goldenberg
Executive Vice President
Quality



Business Units

Michel Crochon
Executive Vice President
Automation

Claude Graff
Executive Vice President
Renewable Energies

Arne Frank
Executive Vice President
Building Automation
& Security

Eric Rondolat
Executive Vice President
Power

Laurent Vernerey
Executive Vice President
Critical Power & Cooling
Services



Operating Divisions

Dave Petratis
Executive Vice President
North America

Julio Rodriguez
Executive Vice President
Europe

Christian Wiest
Executive Vice President
International

Russell Stocker
Executive Vice President
Asia-Pacific

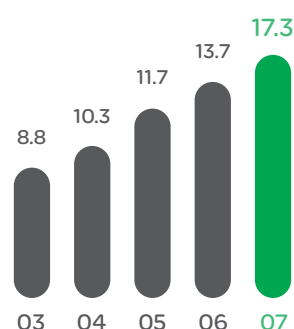
2007: A key year for Schneider Electric

2004 - 2007: IFRS

2003: French GAAP

Consolidated revenue

(€ billion)

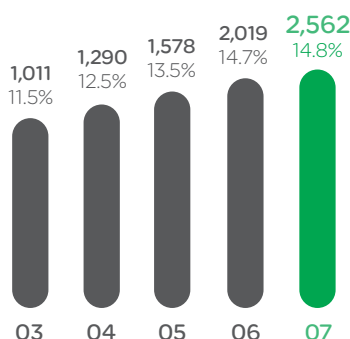


Up 26%

> Organic growth for full year 2007 set a new record at 13.9%. Revenue from emerging countries, up 20%, accounted for half of total growth. In addition, in-depth repositioning of the business portfolio has allowed us to develop unique positions in high potential businesses such as energy efficiency and services. The year's acquisitions added 15.7%, thanks in particular to APC.

EBITA*

(€ million and as a % of revenue)



Up 27%

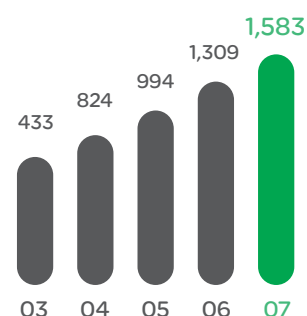
> EBITA also rose a strong 27% during the year, reflecting a significant increase in business volume amplified by higher selling prices and substantial industrial productivity gains from geographic rebalancing of sourcing and production. EBITA margin came to 14.8% at December 31, 2007. This represents a 1.2-point increase from 2006, including APC on a pro forma basis**.

* EBIT before amortisation of purchase accounting intangibles in 2006 and 2007.

** Including APC data over 10.5 months in 2006.

Profit attributable to equity holders of the parent

(€ million)



Up 21%

> Profit attributable to equity holders of the parent surged 21%, reflecting a 1.4-point decline in the effective tax rate to 27.1% and good interest expense management during a sharp increase in net debt to finance the acquisition of APC.

€17.3

billion

€2,562

million

€1,583

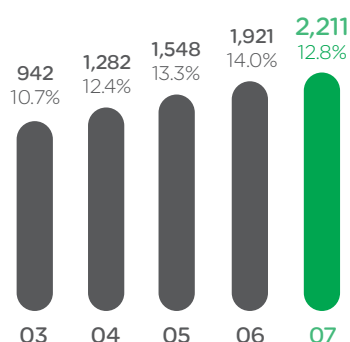
million

2007 was a key year for Schneider Electric shaped by record growth and earnings.

After ten months in the Group, APC has significantly outperformed the acquisition plan, due in part to its successful combination with MGE. Thanks to a deep shift in our business portfolio towards the most promising markets, we generated 32% of our business in emerging countries and 20% in energy efficiency, an area in which we are uniquely positioned.

Operating cash flow

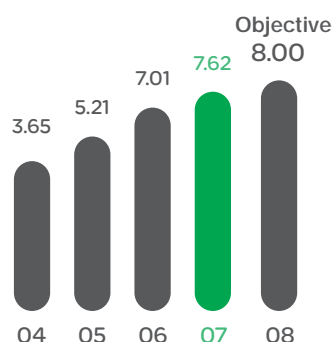
(€ million and as a % of revenue)



Up 15%

> Operating cash flow rose 15% and represented 12.8% of revenue. After capital spending and changes in working capital requirement, free cash flow stood at €1,530 million, or 8.8% of revenue.

Planet & Society Barometer



Up 8.7%

> The Planet & Society Barometer improved by 8.7% in 2007. Virtually all of the indicators rose, notably as concerns health, environmental information on our line-up and our suppliers' commitment to the Global Compact. The results achieved for Barometer's ten indicators are updated quarterly and posted online at www.barometer.schneider-electric.com.

€2,211

million

7.62/10

Solutions
for achieving
more with less



- > New businesses
- > Unique positions
- > Emerging countries
- > Innovation
- > Integrated solutions



Challenges & Markets

“ With its repositioned business portfolio,
Schneider Electric can leverage unique potential
to meet the energy challenge. ”

Eric Pilaud

Executive Vice President Strategy, Customers & Technology, Schneider Electric

Meeting the energy challenge

Electricity is everywhere in our daily lives. Access to this indispensable power source, and energy in general, is a collective global challenge that is closely linked to the issue of environmental protection. Schneider Electric plays a major role in meeting this challenge.

The future of energy is at a crossroads. After two centuries in which energy was abundant and inexpensive, we have entered an era where fossil fuels and other natural resources are becoming scarce. This new, irreversible situation has arisen in tandem with new trends in consumption.

Producing more while consuming less and more effectively

With its repositioned business portfolio, Schneider Electric offers innovative responses to the 21st century's paradox of producing more, more

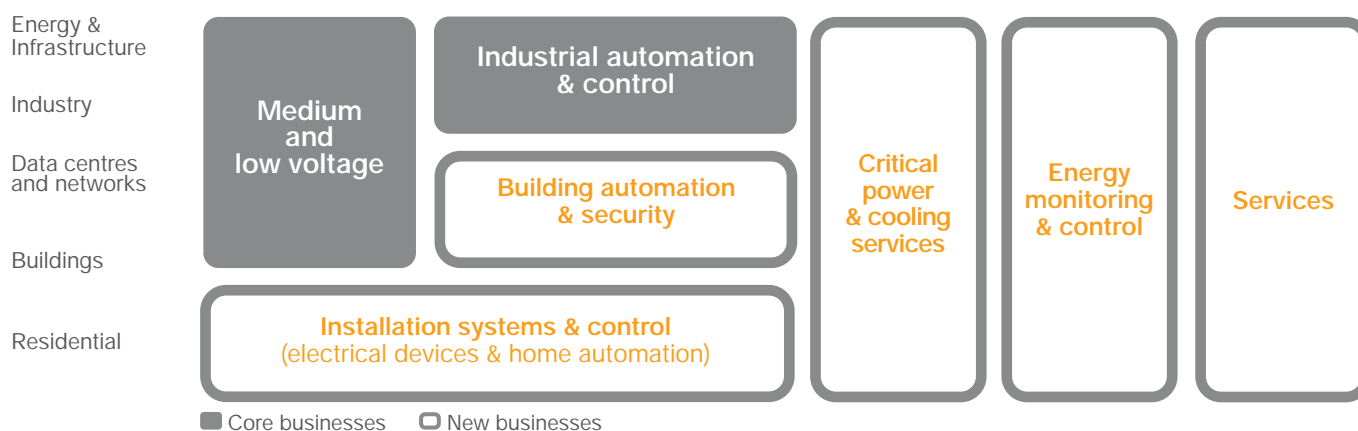
effectively, while consuming less and reducing waste. We rise to this challenge every day with a broad, synergistic line-up of products, systems and services that no other company can match.

Our solutions help customers reduce costs, stay connected at all times and tap into an ultra-pure, secure and uninterrupted power supply. We are now able to meet today's and tomorrow's energy consumption needs in promising markets. ●

2007 revenue by market



A comprehensive business portfolio





Unique positions

Schneider Electric has staked out unique positions to serve the market's emerging needs, with solutions that deliver energy savings of up to 30%, reliable, uninterrupted power and easy on-site or remote control of installations.

Today's customers want more than comfort and safety. They want to rationalise their costs and have access to the right type of energy for their requirements at all times.

**Energy efficiency:
good for the environment
and for the pocketbook**

Although everyone can help the planet by turning off the lights or turning down the heat, this represents only a small fraction of CO₂ emissions. Industry and buildings,

on the other hand, account for more than half of energy consumption today. We offer a comprehensive response in these markets with energy efficiency solutions that can cut energy use by up to 30%. In our four-steps approach, we:

- Measure energy use to identify potential savings and dysfunctions.
- Install low-consumption equipment and systems.
- Improve long-term use by deploying automation management, consulting, training and tracking resources while maintaining high performance.

- Continuously analyse energy savings through maintenance, supervision and monitoring.

> Example page 36.

Critical power & cooling services: a safer world, with no power cuts

From data centres to hospitals to stock markets, an increasing number of critical applications cannot tolerate the slightest fluctuation in current quality—not to mention a highly damaging and costly power outage.

With the 2007 acquisition of APC, Schneider Electric has the ability to leverage an unparalleled line-up to provide businesses with uninterrupted, ultra-pure power at all times. Our solutions feature leading-edge integrated critical power and cooling systems and cover architecture design, installation audits, online monitoring and analysis, training and maintenance.

> Example page 38.

Automation and connectivity: access and management capability everywhere

Although a third of the people on our planet do not have access to electricity (see page 24), the other two-thirds are constantly connected via phone or the Internet and have made this part of their lifestyle. As a result, our customers expect the same ease of use in the workplace as they have at home for services such as online banking. Situated where electricity, automation and communication technologies converge, our unique solutions combine productivity and connectivity.

We offer automation systems to guarantee building and plant performance and supervision software to manage and program lighting, heating, access control, production lines and all types of infrastructure both on site and over the Internet. ●

> Examples pages 40 and 42.



ENVIRONMENT

Principle 9

- Businesses should encourage the development and diffusion of environmentally friendly technologies.

Up to

30% energy savings with our energy efficiency solutions.

48% projections of data centres costs dedicated to energy.
Source: Gartner



Emerging countries: the right place at the right time

In 2007, the so-called “emerging” countries effectively emerged. Their anticipated development is now a reality that is shaking up power relationships. Schneider Electric has what it takes to meet these countries’ needs.

Emerging countries—notably China and India—are now markets experiencing exponential growth and huge demand. For the first time, many middle and upper class families in these countries are buying cars, homes, televisions, CD and DVD players, washing machines, dishwashers and other household equipment as they join the consumer society. Considering that this initial population of 250 million people is expected to grow

to 500 million in three years, one billion in four years and probably two billion by 2030*, the scope of the phenomenon becomes clearly apparent.

Longstanding presence

Schneider Electric anticipated this major trend both in its business portfolio and its organisation, notably by locating production close to customers. An example is Delixi Electric, a 50-50 joint venture created in 2007 with Delixi Group that

manufactures, markets and distributes low voltage products for China and emerging countries. This new partnership in China coincided with Schneider Electric's 20th anniversary in the country. Similarly, in India, we inaugurated a new plant in Hyderabad in 2007 and organised an Initi@tive private trade show that attracted more than 3,500 visitors. Schneider Electric first began operating in India in 1963.

Stepped-up expansion

Between 2001 and 2007, the percentage of revenue generated by operations in emerging countries (including in Eastern Europe) rose from 18% to 32% of the consolidated total. We enjoy leadership positions and double-digit growth in China, India, Southeast Asia, the Middle East, Africa and Latin America. In 2007, emerging countries accounted for half of our total revenue growth. ●

* Source: Goldman Sachs and World Bank

+ Schneider Electric in China in 2007

- 32 regional offices
- 20 production sites
- 2 international R&D centres with more than 440 researchers
- 430 distributors
- 10,200 local employees
- €1.2 billion in revenue in 2007



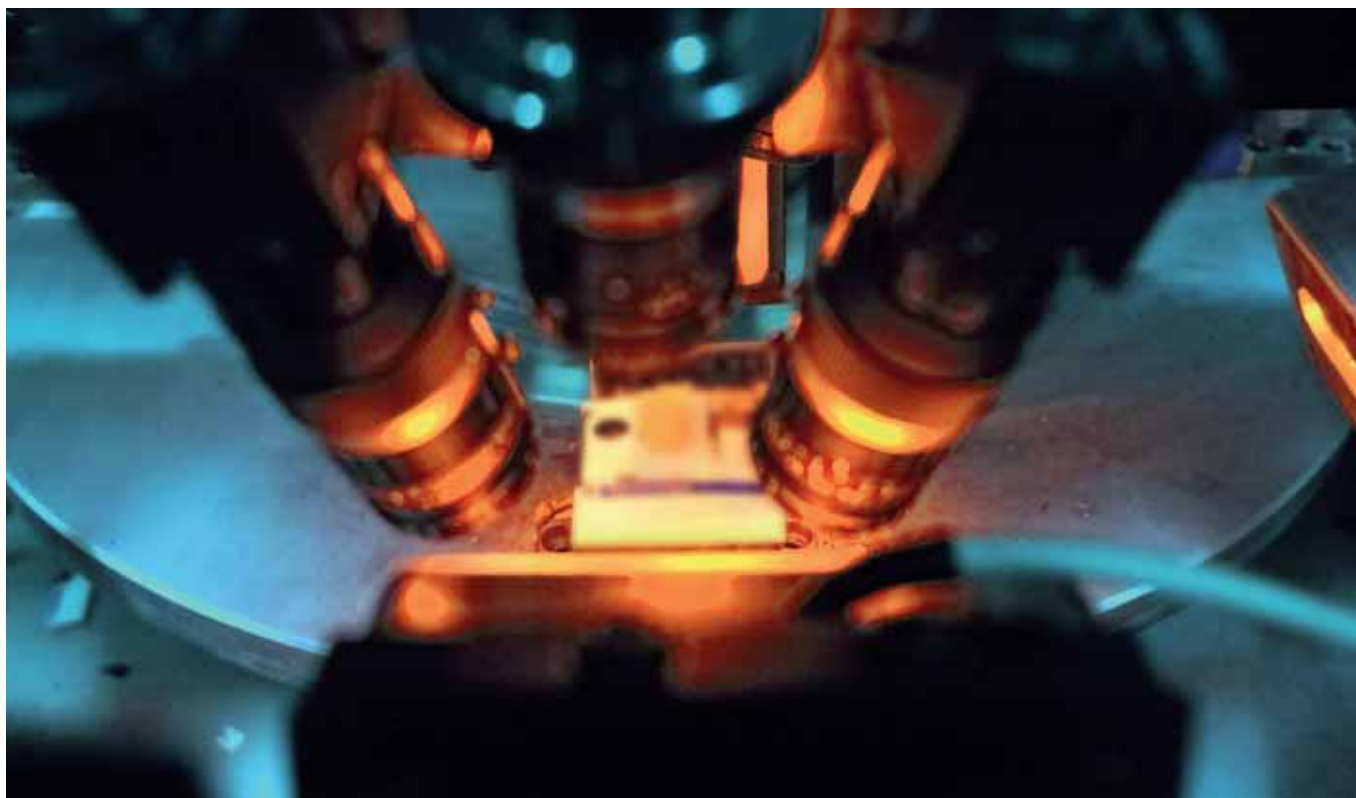
32%

Percentage of Schneider Electric's revenue generated in emerging countries in 2007.

50%

Emerging countries' share of global GDP in 2007*.

* Source: Global Insight and World Bank



Innovating for a simpler future

Our innovation strategy is to be more creative, more receptive and more responsive so we can offer real technological breakthroughs to our markets.

Innovation for innovation's sake is no longer a satisfactory response for Schneider Electric in a global market focused on energy efficiency and system interoperability. Customers are looking less for bells and whistles than for simple, integrated solutions that will make their lives easier and optimise costs.

Integrating existing technologies

To address this situation, we have repositioned our business portfolio and invested in several start-ups through Schneider Electric Ventures so we can acquire the necessary skills and

know-how to integrate or combine existing technologies. Quite simply, our goal is to give each customer the world's very best products, and services.

2007: the Schneider Business Innovation System

In 2007, we formalised a unique approach called the Schneider Business Innovation System to meet this goal. The basic idea is to spur innovation by observing and analysing the world around us from four angles: major sociological trends, technological changes,

emerging customer needs and process orthodoxy. Constant monitoring from these four angles brings new ideas to the surface that are incubated and analysed for potential value and feasibility. The end goal of all this is to bring the most meaningful innovations to the market as quickly as possible.

Global R&D

To support faster innovation, we've significantly internationalised our R&D base. This allows us to innovate closer to users' needs and locate research centres where the highest performing customers are (along with the best skills).

One example is our new test laboratory inaugurated in Jinshan, China in 2007 for low voltage circuit breakers, contactors and other electrical distribution products. Another is the centre opened in Saint Louis, Missouri (USA) dedicated to UPS research, especially for the APC-MGE Business Unit.

We also work with some fifty university and private laboratories worldwide and regularly enter into technological partnerships with international manufacturers, notably in information technology.

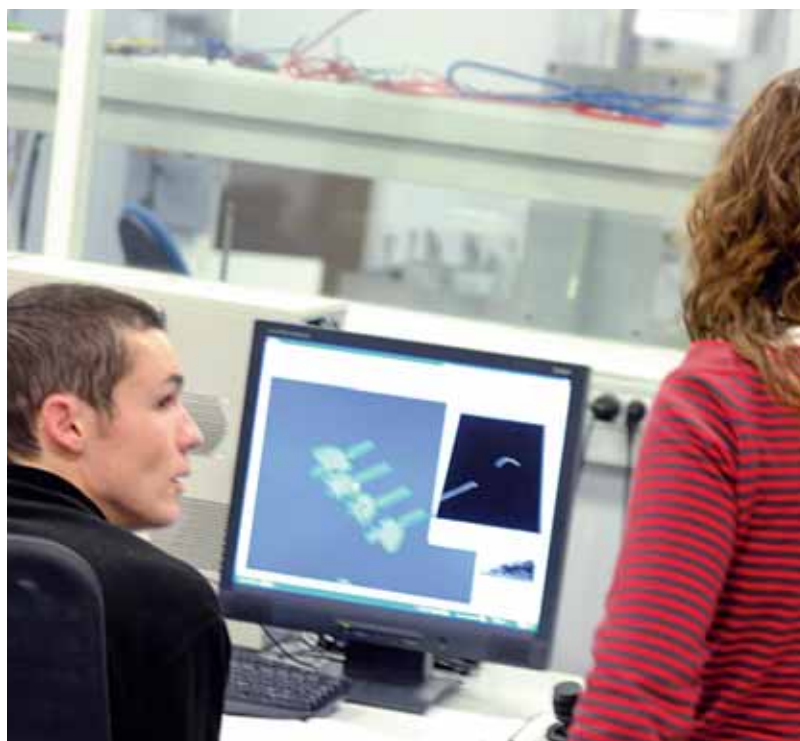
Promising research avenues

Our research centres and teams are particularly focused on product interoperability and efficient energy management, i.e., the ability to measure, optimise and supervise electricity use. We are stepping up our research and innovation in advanced communication (Voice-Data-Image and Power Line Carrier technologies), energy management (remote metering and monitoring, notably for multi-site clients), miniaturisation and microsystems (smart, multifunctional sensors) and energy recovery (with actuators). ●

+ The flagship HOMES program

The HOMES* program is designed to create an energy efficient and comfortable environment in buildings, with the goal of generating energy savings of 10% to 30%. One way to do this is to turn buildings into smart systems. HOMES was launched in September 2007 after receiving approval from the European Commission. Schneider Electric is leading the program, in cooperation with 14 partners.

* Habitat Optimisé pour la Maîtrise de l'Energie et des Services
(Optimised Housing for Energy Management and Services).



7,300 R&D staff in 25 countries.

>4% of Schneider Electric revenue devoted to R&D.

Reliable, simple and efficient solutions



Optimised investment and operating costs

to help this plant be more productive.



Greater energy efficiency

to help this shopping centre reduce its energy use by up to 30%.



Reliable, ultra-pure power

to ensure this data centre gets an uninterrupted supply of clean current.



Connectivity everywhere

to manage lighting, heating and other utilities in this building, either on site or over the Internet.



Lifecycle services

to provide this airport with comprehensive energy and automation management.

Aligning growth and sustainable development



- > Access to energy
- > Respect for the environment
- > Lower CO₂ emissions
- > Health and well-being



A responsible commitment

// The principles of sustainable development influence
the Group's strategic and operating decisions. //

Jean-François Pilliard

Executive Vice President Strategic Human Resources & Organisation, Schneider Electric

Sustainable development: more than words

In these first years of the 21st century, we have entered a new era of environmental, societal and social responsibility for businesses, politicians and the community as a whole. Schneider Electric fully intends to meet this commitment.



As a pioneer in the new environmental economy, Schneider Electric did not wait for sustainable development and ecological awareness to become fashionable to take action. Everyday, we prove that business, environmental, societal and social interests all converge. Because of this convergence, sustainable development represents a fantastic opportunity for us to motivate team members, grow the company and differentiate it from the competition. In 2002, Schneider Electric published a set of guidelines entitled *Our Principles of Responsibility* to give all team members a

common reference with which to guide their decisions and actions.

A dynamic of progress

Consuming less, producing more effectively, improving energy efficiency and protecting the environment by offering solutions with a limited environmental footprint—all of these issues are central concerns for Schneider Electric. Another major challenge for us is to facilitate access to electricity in emerging countries by providing appropriate products and solutions, as well as training in our

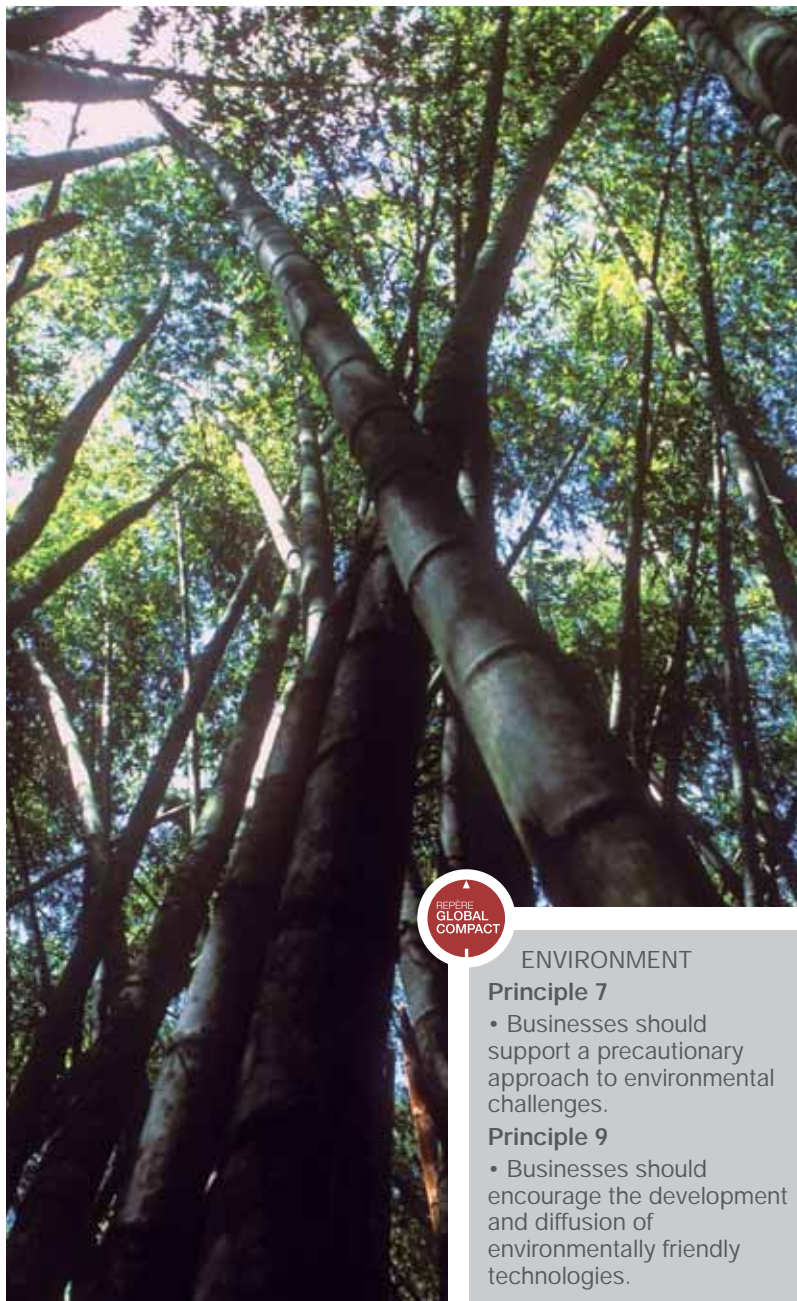
professions. Our team members are our primary change agents. In-house, we foster diversity, promote employee health and encourage involvement in the host community. Because we are determined to advance sustainable development, we created the Planet & Society Barometer to measure all of our progress plans. The results are discussed with employee representatives and audited by an outside firm (see page 78).

Contributing to change

As a market leader who knows that it is important to lead by example, Schneider Electric actively supports initiatives to attenuate global warming and to defend such universal values as human rights, labour rights and environmental protection. We joined the UN Global Compact* in December 2002 and have worked since then to share this commitment with our partners. In 2007, Schneider Electric was the first manufacturer to sign French environmentalist Nicolas Hulot's pact for the environment. We also signed on to the Clinton Climate Initiative, which is designed to help forty of the world's largest cities manage energy consumption in buildings more effectively. Lastly, we participated as a signatory in the Bali Climate Change Conference. ●

www.barometer.schneider-electric.com

* Launched in 1999 by UN Secretary-General Kofi Annan, the Global Compact brings companies and non-governmental organisations together under the aegis of the United Nations to "unite the power of market with the authority of universal ideals".



ENVIRONMENT

Principle 7

- Businesses should support a precautionary approach to environmental challenges.

Principle 9

- Businesses should encourage the development and diffusion of environmentally friendly technologies.

50%

The amount by which carbon emissions must be reduced to stabilise the greenhouse effect by 2050.

Source: IPCC

15%

Energy savings at our manufacturing sites in three years.

Spotlight

Carbon assessment

Schneider Electric is conducting its first carbon assessment to measure its own and its partners' environmental footprint.



What is the purpose of a carbon assessment?

A carbon assessment gives a better understanding of dependence on fossil fuels, which when burned are the source of most greenhouse gas emissions. This dependence is expressed in terms of CO₂ emissions or consumption of non-renewable energy stocks. It will soon be critical to understand where we're at because tomorrow, industrial society as we know it will be facing a completely new situation—a real increase in energy prices—that will profoundly affect the way all companies operate.

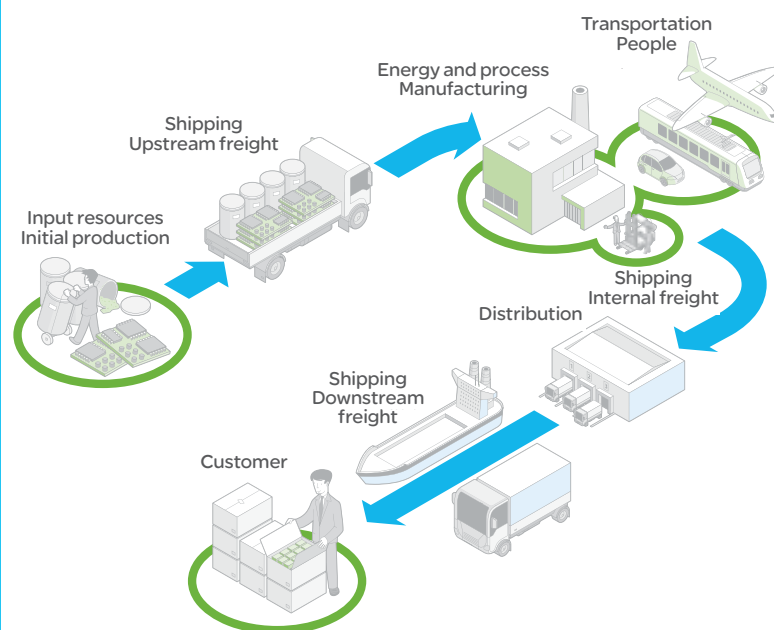
What do carbon assessments tell us?

Carbon assessments express a physical reality. They are much more exact than accounting audits, which take no account of the natural resources required for a company to operate. That said, carbon assessments will remain somewhat fuzzy until all economic players implement them. ●

Jean-Marc Jancovici

Expert on climate change and engineer/consultant

Schneider Electric's carbon assessment



Although Schneider Electric and its units worldwide are not required to hold CO₂ emission permits, we wanted to be the first in our industry to disclose our own carbon emissions and those of our partners. The method used corresponds to version 4 of the French Agency for Environment and Energy Management's carbon assessment. This approach gives us a better view of our industrial reality, as well as the problems encountered by customers with high energy demand.

For Schneider Electric, all of the items included in the assessment represent around two million tons of carbon. Half of these emissions are related to component materials, a third to supply chain activities and the rest to energy used by business trips, manufacturing procedures and buildings.

Spotlight Environment

Schneider Electric fully assumes its environmental responsibility by deploying an environmental management system, by making sites more energy efficient, by promoting eco-design and by partnering experimental projects.



Consuming less

More than 70 production sites are already involved in our Energy Action program to improve our own energy efficiency. By the end of 2008, all of our production sites will have reduced their energy consumption by 10%. The program focuses on five key areas: heating, air conditioning, equipment (notably for data processing), lighting and specific manufacturing processes.

+ Success story

Our medium voltage plant in Smyrna, Tennessee (USA) reduced its energy consumption by 17% in 2007. This represents 3,233 metric tons of carbon avoided and a 9% reduction in greenhouse gas emissions.

Designing and producing more effectively

Monitoring and managing hazardous substances is a priority for Schneider Electric in Europe and worldwide. We are committed to complying with regulations such as the EU's Restriction of Hazardous Substances (RoHS) and Registration, Evaluation, and Authorisation of Chemicals (REACH) Directives.

But going a step further, we are also involved in a proactive approach that entails anticipating changes, helping customers achieve compliance and promoting safe practices with all stakeholders.

+ Success story

25 manufacturing and logistics sites obtained ISO 14001 certification in 2007, including facilities in China, Turkey, Mexico and the United States.





The Antarctic's first zero-emission research station

Working in partnership with the International Polar Foundation, Schneider Electric is providing electrical distribution, building management and remote control solutions for the Princess Elisabeth research station in Antarctica.

The station, which is currently under construction, is unique in that it uses only renewable energy sources. These include solar energy, harnessed by photovoltaic and thermal panels, and wind generators. As a result, the station will not emit any CO₂ into the atmosphere.

Extreme conditions

Schneider Electric's participation in this exceptional adventure includes the entire station's electrical supply, as well as building management (systems to control temperature,

air, pump motors and mixers), and remote control for four months out of the year.

Given the site's violent winds, extreme temperatures (-40°C) and use of embedded technologies, our products and solutions will have a unprecedented opportunity to demonstrate their quality and reliability. ●

www.polarfoundation.org
www.antartica.org

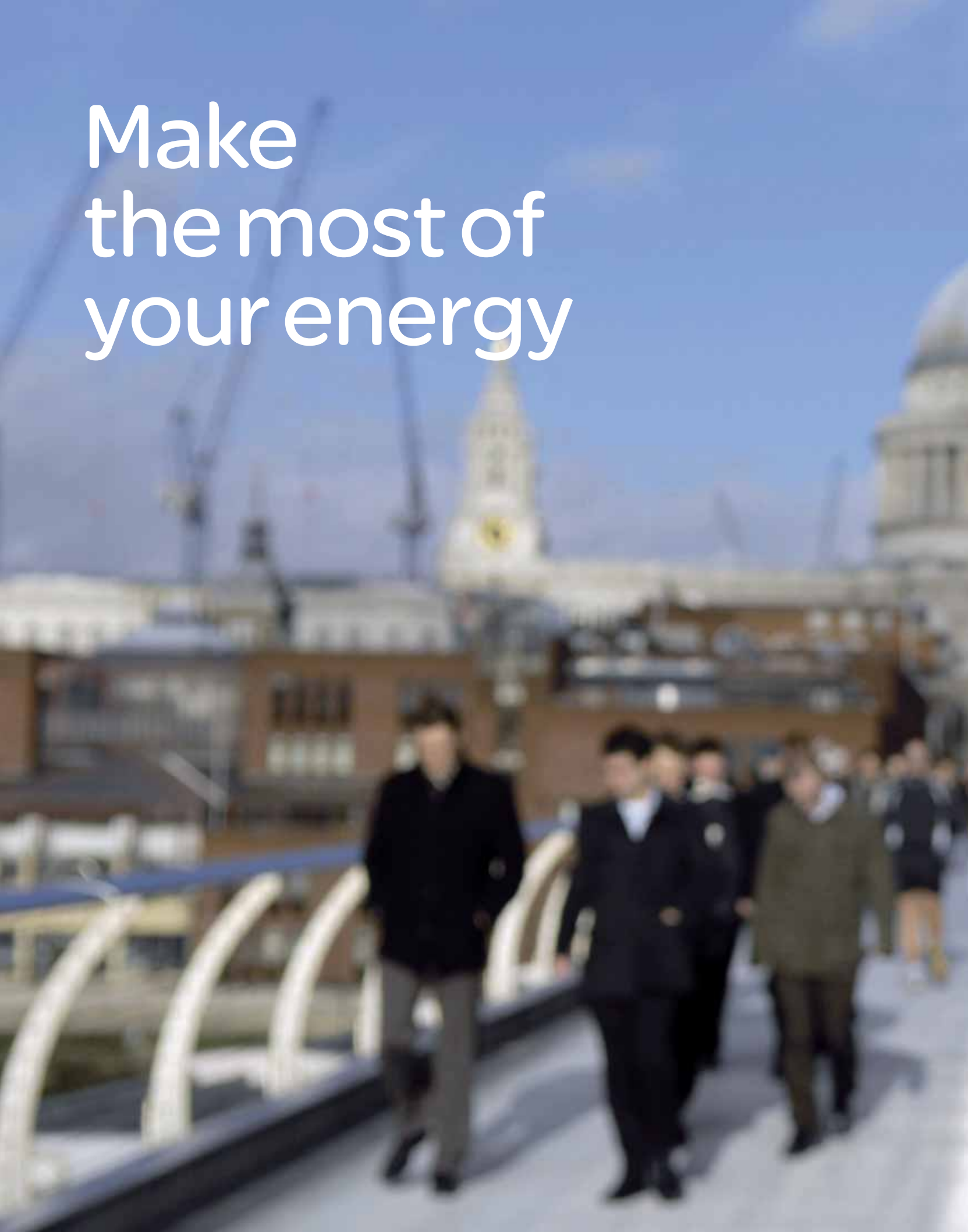


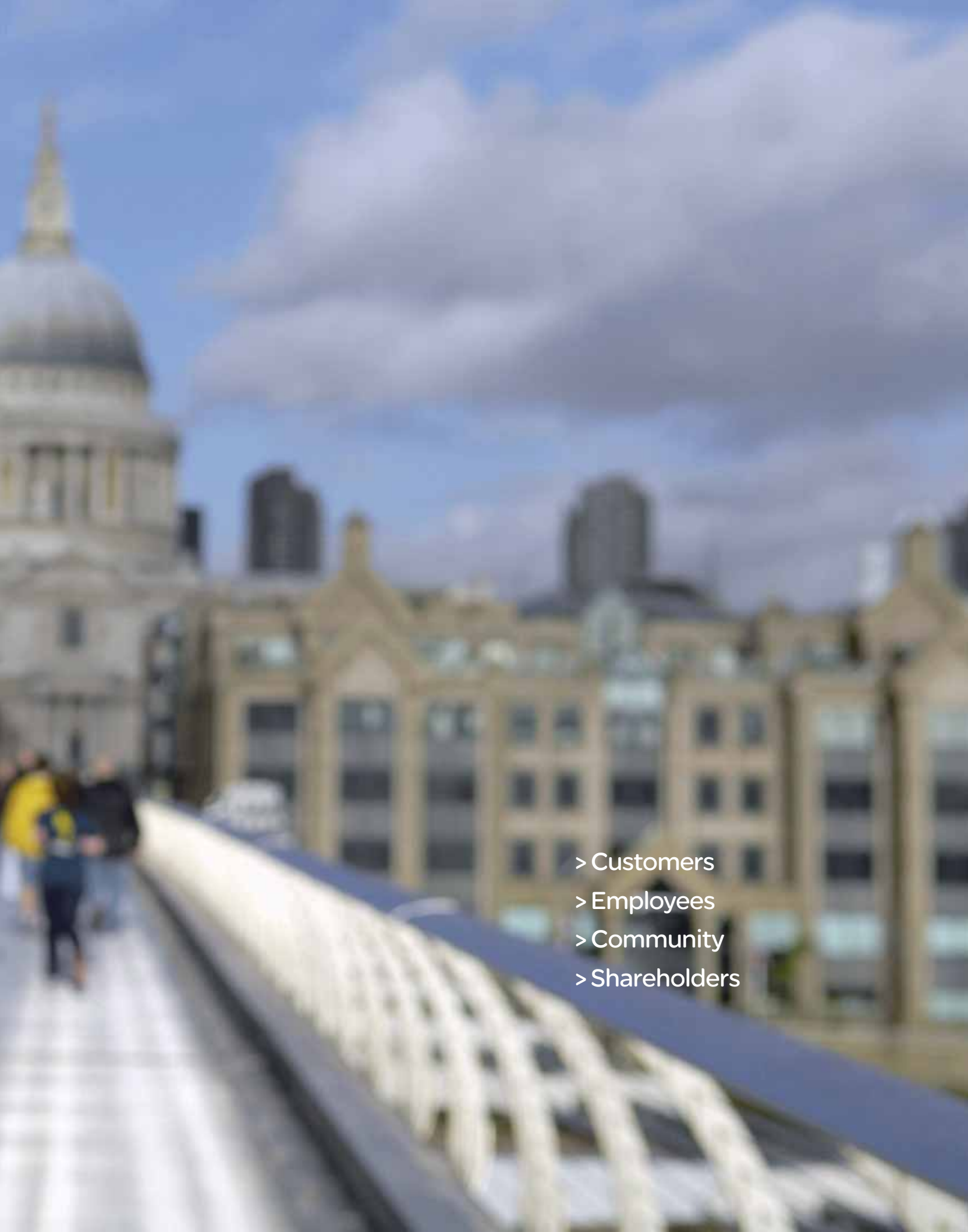
ENVIRONMENT

Principle 8

- Businesses should undertake initiatives to promote greater environmental responsibility.

Make
the most of
your energy





- > Customers
- > Employees
- > Community
- > Shareholders

Customers

// Every day, we work to deliver superior, differentiating service to our customers. By analysing and anticipating their needs, we stimulate our ability to deliver ever simpler and more innovative solutions. //

Serge Goldenberg

Executive Vice President Quality, Schneider Electric

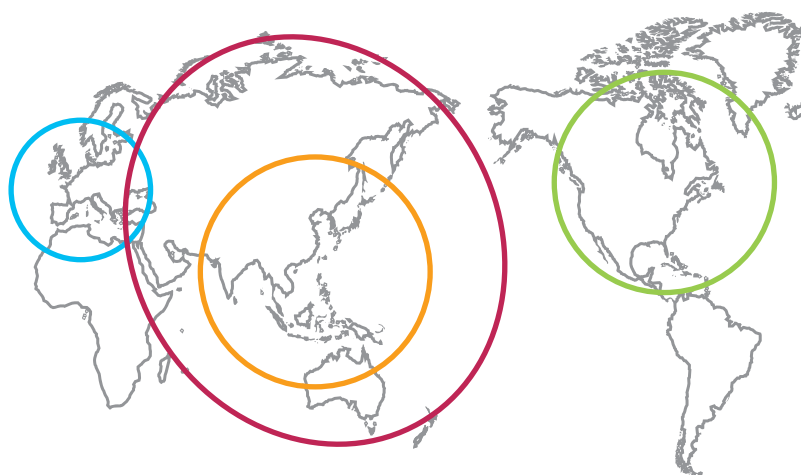
The same level of service, anywhere in the world

When we say that customer satisfaction is our number one priority, we're not just making empty promises. Customer satisfaction is the cornerstone of our strategy and corporate culture.

We offer products that are reliable, sturdy, easy to install and easy to upgrade, as well as increasingly networked solutions. We have a line-up that complies with all local and international standards and the right services to support customers throughout an installation's lifetime. At Schneider Electric, customer service begins with a deep commitment to making life easier for users. To meet this commitment, we deploy an array of resources and methodologies such as Lean Manufacturing and Six Sigma to continuously improve the quality of our products and services.

Walking the talk

This excellence, which is both a growth driver and key differentiating factor, takes on a human face in customer relations. Every contact with Schneider Electric should be a positive experience that leaves all customers, no matter where they are located, feeling acknowledged, understood and satisfied. To achieve this, we put customer satisfaction first and do what it takes to make sure customers are delighted. In 2007, a customer satisfaction training program was rolled out worldwide for all Schneider Electric team members. We have 68 national call centers backed by ten regional centers to handle incoming queries professionally. Lastly, we forge close contacts with customers in our 50 customer training centers and our Initi@tive public-private trade shows. Some nine thousand people attended the five Initi@tive shows organised around the world in 2007. ●



Region	% consolidated revenue	Call centers	Sales outlets
North America	28%	3	3,000
Asia-Pacific	19%	17	3,000
Europe	45%	28	6,500
Rest of the world	8%	20	3,500
Total	100%	68	16,000

A portrait of Henry Sukari, a man with short brown hair and a slight smile, wearing a pink striped shirt and a dark pinstripe jacket. He is standing in front of a modern building with a glass facade and a blue metal railing. The background is slightly out of focus, showing the building's structure and some greenery.

“ Working with Schneider Electric gives us
a single point of contact for the entire shopping
centre’s energy management. ”

Henry Sukari
Managing Director, Ideapark

Buildings

Ideapark (Finland)

Located near Tampere, Finland, the Ideapark shopping complex is the perfect place to spend a long winter's day. Schneider Electric meets the daily challenge of handling Ideapark's energy management.

Inside, along 1.2 kilometers of walkway, visitors have access to 170 stores, 15 restaurants and cafés, a cultural centre for children, an array of municipal services and an old town with cobblestone streets and fountains. Outside, a large park filled with greenery features a skating rink and a retractable roof for sunny days. Planned additions in the next few years include a swimming pool, a bowling alley, a rock-climbing wall and an underground tunnel for cross country skiing.

Partners from the drawing board

In Finland, Schneider Electric and subsidiary TAC first got involved in this ambitious project as technical advisors in the planning stage. This early vision of the project made it possible to connect the fiber optic management system to the energy management network that evaluates, analyzes and distributes power. In addition, the use of add-on systems such as frequency controllers for air supply units or HVAC pumps made it possible to achieve savings on labor, installation and wiring. Next, the Group took charge of the complex's building management for ten years with a purpose-designed solution that can generate energy savings of up to 25% in existing buildings. It was also involved in choosing and managing providers of IT, security, fire protection, cleaning and waste treatment services.

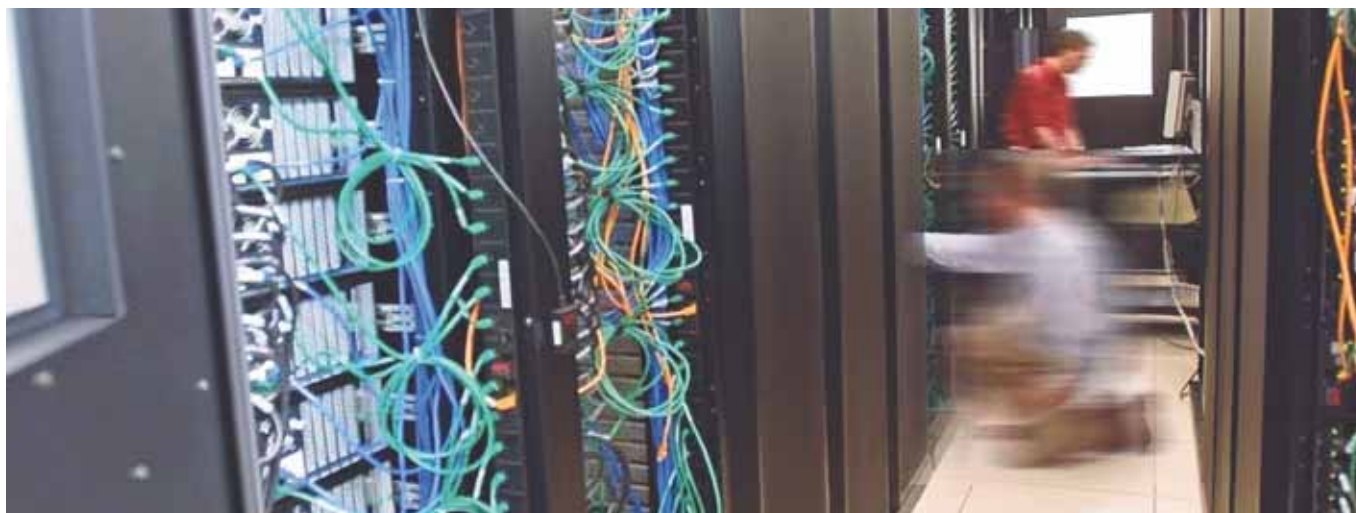
Benefits of effective energy management

Schneider Electric Finland demonstrated that it is possible to significantly reduce energy costs from buildings. Lower operating expenses not only lift operating profit in the short term but also translate into a higher return on investment for developers, especially when a property is sold. In addition, the customer gets regular updates on energy consumption, which can be adjusted to needs, while enjoying a comfortable, work-friendly environment. ●



8 million Visitors per year.

25% Energy savings.



Data centres & networks

A fast-growth sector

Schneider Electric has solutions to help data centre operators meet the challenge of processing more data in a smaller space with less energy while ensuring an uninterrupted, reliable power supply.

As the central nervous system of small businesses, large companies and public administrations, data centres constantly process millions of bytes of information. This promising sector is undergoing exponential growth. By 2010, there should be 45 million servers worldwide—nine times more than in 1996.

Higher performance, but higher consumption

The machines are also becoming denser to save space and enhance performance. Today's data centres house around 50 servers compared with more than 500 five years ago. Yet energy consumption has skyrocketed, particularly to cool the servers (30% to 50% of total energy use).

Doing more with less

To deal with this situation, data centre managers are looking for high performance, energy efficient solutions that are also reliable and secure. This type of facility cannot tolerate uneven current or, even worse, a power cut. With the 2007 acquisition of American Power Conversion (APC), Schneider Electric has the ability to leverage an unparalleled line-up to provide businesses with unique solutions in critical power and cooling services. ●



Consumption
One 5,000 square meter data centre produces as much CO₂ as 4,300 cars.



Award
Schneider Electric's Critical Power & Cooling Services Business Unit received the 2007 Frost & Sullivan award for the best global data centres solutions.

Spotlight

Sun Microsystems (India)

Recognized as one of the most exciting projects in India in 2007, Sun's new data centre in Bangalore is a showcase of Schneider Electric's solutions in this area.

**The problem**

- Combine 13 research laboratories and a leading-edge data centre.
- Reduce power consumption and cooling needs.
- Ensure availability and optimal operation during power cuts.
- Optimise overall operating efficiency.
- Enhance R&D capacity and productivity.

The solution

- Customised architecture to optimise energy consumption and the centre's footprint.
- UPS systems to offset power cuts and voltage sags.
- An innovative rack-based cooling technique to avoid overheating.

+ Results

- Footprint reduced by 51% (servers and storage).
- Number of servers reduced by three.
- Electrical consumption reduced by 17%.
- Increased availability.
- Improved R&D capacity and productivity (calculation power up 154%).

“ Schneider Electric helped us considerably improve our efficiency while reducing our base costs. ”

Ramesh K.V., Regional Manager for Workplace Resources, Sun Microsystems



Energy & Infrastructure

Schneider Electric at the Beijing Olympics

Thanks to its years of experience in managing sports facilities, Schneider Electric is a preferred partner on more than 90% of the stadium and gymnasium projects for the 2008 Olympic Games in Beijing.

Schneider Electric is leveraging its best technology for the Games, which are being held for the first time in Asia. We are providing comprehensive, integrated solutions for each sports facility featuring the latest product, system and service innovations to guarantee energy efficiency and optimal management.

A wide-ranging contribution

Our contribution to the Olympic venues and related projects is wide-ranging and synergistic, just like our unrivalled line-up. We're responsible for installing the control and monitoring system

for the National Stadium (above), designing and deploying the power distribution system for the Olympic aquatics centre, providing building management for the Beijing International Airport's Terminal 3 (in partnership with Beijing Master), and more.

All of this will help China meet its commitment to organising the most environmentally friendly, and high-tech Olympic Games ever. ●



Important

We are also proud to have provided solutions for stadiums in Paris, Miami (Dolphins Stadium), Tangiers, Marrakech, Turin and Athens.

Spotlight

Water treatment (USA)

Schneider Electric helped Illinois' Lake County water agency modernise its electrical infrastructure and automation system.



The problem

To constantly improve water quality, and optimise facility operation, the agency needed to:

- Replace the obsolete and non-upgradeable supervisory system software.
- Upgrade the automation controllers at the water treatment plant, and remote sites.
- Upgrade and expand the electrical power distribution system to accommodate an increase in production capacity.

The solution

- A new supervisor system that relies on an open system, easier to maintain, that can store and process more data.
- Upgrade of water facilities' existing controllers.
- Replacement of remote site controllers.
- Installation of power distribution equipment that can increase reliability when using the facilities' back-up generators.
- Expansion of a power monitoring system for detailed power usage analysis.



+ Results

A water system that:

- Uses a unified Schneider Electric power, automation, and supervisory system that is expandable, upgradeable, and uses open standards.
- Has enhanced data analysis because of its ability to gather 8,000 data points every 13 seconds, then store that data for at least 18 months.
- Does not have operational restrictions when using back-up generator power.

★ Important

The plant was awarded the Partnership for Safe Water Phase IV Drinking Water Excellence Award because of its ability to monitor and track data, while providing a reliable treatment operation.



“ With Schneider Electric’s automation and control platform, our new Flex series stretch wrappers have fewer parts, which considerably reduces end-users’ maintenance costs. ”

Glenn Greene
General Manager and Vice President, Orion Packaging Systems

Industry

Orion Packaging Systems (Canada)

Orion Packaging Systems was looking for a superior, faster and more efficient control technology for its world famous packaging machines. Schneider Electric had the answer.

To deliver higher performance with less maintenance, Orion knew that it would need new electronic control and automation systems for its new range of stretch wrappers. The goal was to produce a leading-edge machine while enhancing the legendary reliability expected by end users. After an in-depth technology search, Orion selected Schneider Electric's automation platform, which was far and away the most effective, easiest to use and highest quality solution in the market.

Meeting the needs of a very demanding customer

Among other requirements, Orion wanted the solution to comply with its global safety and operating standards, reduce the machine's cost, but not necessarily that of its equipment, and cut down on supplier stocks without impacting quality and reliability. To meet these exacting specifications, we combined a specially designed PLC for control systems with a personalized operator interface to create a robust, compact and extremely reliable solution. We also supplied motor control components, sensors and security protocols. ●



50%

Reduction in storage space thanks to pre-assembly of components.

20%

Reduction in enclosure volume thanks to an integrated architecture that cuts down on the number of components inside.

15%

Gain in installation time thanks to easy-to-connect solutions.



Residential

A new “art de vivre”

In a market shaped by very diverse standards and specific local features, Schneider Electric is using all its creativity to make homes safer and more comfortable.

Our innovative, reassuring, practical, affordable and networked solutions offer a new “art de vivre” that provides comfort, safety and energy savings all in one package. Our customers include architects, contractors, homebuilders, systems integrators, electricians, distributors and end-users. We meet their emerging needs with unlimited functionalities and esthetically pleasing design, the market's broadest range of control and monitoring equipment and innovative safety solutions.

Optimising energy performance

Because the environment is a top-of-mind concern, we support our customers in their drive to consume energy more frugally with automated lighting to avoid waste, programmed heating to limit boiler use and rain sensors to reduce water uptake. Users can track their consumption on a computer

or touch screen and set a threshold to alert them of an overrun. We also provide tangible solutions for renewable energy production, with dedicated systems for photovoltaic applications.

Enabling unlimited multimedia

With our communication solutions, computer networks, television, phone and Internet service are accessible at all times from all of a home's sockets, allowing users to bypass disturbances and dysfunctions in network systems. ●

★ Important

Single-family homes and apartment buildings represent a worldwide market worth €29 billion.

Schneider Electric estimate

Around the world



Australia: a hybrid ferry in Sydney

> Solar Sailor Holding Limited chose Schneider Electric, in partnership with Enlog Systems, to equip its hybrid solar/natural gas catamaran with a control solution for the propulsion system's two standard engines. Not only does the customer optimise energy and fuel consumption, but it also benefits from a long-term partnership for sustainable energy solutions.



Malaysia: energy consumption

> Dunham Bush, a leading manufacturer of HVAC systems, reduced its energy

consumption by 30% by installing a Schneider Electric speed drive solution in its water-cooled compressors.



Norway: automation for a new opera house

> Oslo's new opera house is one of the most modern and automated buildings in the country. Schneider Electric's comprehensive solutions for lighting and building management and installation systems and control ensure flexibility, comfort and energy efficiency.



France: integrated management for 58,000 square meters of office space

> International developer HRO

chose an integrated Schneider Electric solution to manage its new office complex in the Paris area. A single software oversees heating, access control, security, lighting and other building functions. At the end of the day, this means lower investment costs for the operator and a more comfortable environment for users.



Slovakia: metering and monitoring energy

> Refrigeration system manufacturer Danfoss chose Schneider Electric Slovakia to monitor its electrical distribution system and guarantee maximum quality service. The solution allows operators to visualize the status of medium voltage cubicles,

measure consumption and network status with energy tracking systems, monitor circuit breakers and view the entire system via a SCADA interface.



China: leading-edge video surveillance

> With more than 100,000 square meters of prestige office space and some 50,000 daily visitors, the Saige Plaza business centre in Guangdong has significant security needs. The complex's managers selected a Pelco (subsidiary of Schneider Electric) solution for the building-wide video surveillance system to ensure the safety of both people and property.



Mexico and Algeria: local oil and gas partnerships

> Schneider Electric is renovating all of the medium voltage infrastructure for Sonlegaz, which supplies energy to all of western Algeria. In Mexico, Schneider Electric is providing all the medium and low voltage equipment for the gas-processing complex in Burgos. We will also install and commission the equipment.

Employees

// Applying a global/local strategy for human resources management is both necessary and motivating. //

Karen Ferguson

Executive Vice President Global Human Resources, Schneider Electric

Developing all types of talent

Schneider Electric's strategic repositioning has had a significant impact on the Group's size and skills profile. In 2007, our corporate community comprised 120,000 people representing several dozen nationalities. What's more, new competencies have been added to our traditional expertise.



We pay special attention to acquisitions in human resources management, and this was especially true in 2007. To keep newly acquired talent with us in the medium and long term, we offer each individual a motivating career plan and personalized training backed by support and resources for managers.

Managing newcomers

Our commitment to producing close to customers, notably in emerging markets, has led us to rebalance human resources at production sites. We have done this through targeted hiring plans that comply with host country practices and labor law.

Developing each team member's potential

At the same time, we have continued to deploy our Competency Master Plan for global human resources management. Designed with input from HR managers and team members around the world, the system is based on a shared set of job classifications and competencies that provides the basic information needed for smart and motivating human resources management.

Diversity becomes clearly visible in 2007

Part of adapting human resources to the Group's new configuration has involved promoting all types of diversity. Women were a key focus of these efforts in 2007. Highlights included Schneider Electric's participation in the third Women's Forum alongside a delegation of Chinese women, the successful "Choose your Life" program for women engineering students and the "Female Talent" program in France. Also in 2007, we signed our first two-year, Groupwide agreement with employee representatives to promote employment, training and job opportunities for disabled persons*.

Mobility spurs openness

As a multi-national, multi-local company, Schneider Electric is committed to developing and promoting multi-cultural teams with managers from different countries who are able to take

on major responsibilities in a decentralised organisation. To do this, we encourage geographic mobility and nurture international teams. The Marco Polo international recruitment program plays an important role here by giving young graduates the opportunity to work abroad as soon as they are hired.

Health and safety take the front seat

In designing its policies in 2006, Schneider Electric adopted the World Health Organization's definition of health: "Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity". We deploy this policy in all our units and make sure it is a top management priority. ●

* In compliance with the French law of February 11, 2005 mandating equal rights, opportunities, participation and citizenship for the disabled.

+ Success story

+155 %

Increase in the number of women attending Schneider Electric University seminars to develop leadership and global expertise.



Spotlight

Health and diversity

Health and diversity are two major challenges for Schneider Electric, shared by all team members and partners around the world.



Group agreement on employment of the disabled

In France, Schneider Electric signed a Groupwide agreement for 2007-2009 that includes all subsidiaries for the first time. This decisive step forward for diversity is designed to promote employment, training and job opportunities for the disabled. The agreement sets ambitious targets to achieve, at the very least, the legal obligation of 6% for the percentage of disabled persons in the overall workforce, hire 45 disabled employees and take on 45 disabled work-study participants over three years.

Awareness campaign

An awareness campaign on disabilities was carried out in France between April 2007 and April 2008 (see top photo). Intended for all team members, the campaign included innovative initiatives such as skits by a theater group. In all, the campaign reached 3,204 people, including 334 managers by year-end.

New health certification

Schneider Electric Argentina has obtained certification for its health and safety management system based on OHSAS 18001. Coming on top of ISO 9001 and ISO 14001 for quality and environmental management, this new label gives the subsidiary triple certification for an integrated management system that is still uncommon in Argentina.



+ Success story

In 2007, 15% of the Group's sites were involved in a health management system process. Also, the number of days lost per employee per year declined by 16%.



Around the world



Silver medal

> The French federation of employee shareholder associations (FAS) awarded Schneider Electric its silver medal for employee share ownership in November 2007. 35,000 employees around the world are Schneider Electric shareholders. Together, they hold 3.3% of the company's capital.



Employee data committee

> In *Our Principles of Responsibility*, Schneider Electric promises to keep any personal information it may have concerning employees confidential. A data protection committee has

been set up to guarantee confidentiality and to develop an authorization procedure for processing data.



Diversity in Mexico

> The Tlaxcala manufacturing site hired nine disabled persons and two team members over 60 years of age in 2007. In connection with these hires, significant measures were taken to adapt the site and production line, notably with the installation of four access ramps and elevators. The site has set an ambitious target of 50 new hires for 2008.



Schneider Electric University

> During the year, 1,837 participants representing 71 nationalities attended seminars on developing leadership and global expertise. The number of women in attendance was up 155%. More than 800 customers around the world were interviewed as part of these programs. In addition, more than 7,000 employees took part in e-learning courses, notably to improve team management and English language skills. The university opened two new institutes in 2007: Finance and Control and Human Resources.



Workplace equality

> At end-2007, international certification body AFAQ-AFNOR awarded its workplace equality label to all Schneider Electric units in France for a period of three years in recognition of the Group's human resources management policies. A pioneer in gender equity, Schneider Electric signed its first workplace equity agreement with labor unions in December 2004.



Stress prevention in Sweden

> Schneider Electric launched a stress-prevention campaign in Sweden in 2007

in response to the country's sharply rising statistics in this area. The campaign's goal is to contribute to employee well-being.



OHSAS 18001 health certification

> Schneider Electric Manufacturing Batam is now certified ISO 14001 and OHSAS 18001. These efforts have led to a sixfold decline in the number of lost days due to work accidents since 2004.

Community

// Our millennium's challenge will be to promote access to energy for all while protecting the environment. //

Gilles Vermot Desroches

Senior Vice President Sustainable Development, Schneider Electric

New direction for the Foundation

Access to energy is an integral part of Schneider Electric's corporate social responsibility. Our goal is to promote sustainable energy supply and use for the greater good of all. Transmitting knowledge and training young people are the two main avenues for achieving this goal.

Scientists and industry agree that we are at a turning point in our planet's history. The figures speak for themselves: global energy consumption has risen 70% over the past 30 years. The increase in 2006 alone was 4.3%—the highest spike in two decades. Yet at the same time, 1.6 billion people do not have access to energy. It's up to us to meet this century's challenge of producing more energy to fuel economic development in emerging markets and the poorest countries while managing climate change in a sustainable manner.

Moving towards cleaner energy

Although access to energy is crucial for the development of numerous countries, it is also closely linked to pollution and global warming. The number of people tapping into the biomass will continue to grow over the next 20 years, to at least 2.6 billion in 2030. The consequences on health and the environment are disastrous. What's more, when electricity is available, it is much too often produced by polluting, inefficient technologies such as diesel generators. According to an International Energy Agency (IEA) report published in November 2007, developing countries are expected to account for 74% of the increase in global primary energy consumption. The IEA encourages all countries to put into motion a more

secure, lower-carbon energy system, so that breakneck industrialisation does not cause the environment to deteriorate even faster.

Facilitating access to energy

As a pioneer of the new environmental economy, Schneider Electric has been working for many years to meet the challenge of ensuring lasting growth in developed countries and fostering progress in less-developed regions while making the smallest possible impact on the environment.



1.6 billion people worldwide do not have access to electricity.

€5.8 million

worth of equipment has been donated by the Group in the past three years.

In reorganising and re-defining our Foundation's objectives, our goal is to respond to new environmental and societal challenges with solutions that produce energy more efficiently, facilitate universal access to energy and help manage the issue of climate change effectively.

Transmitting know-how, helping disaster victims

The Schneider Electric Foundation organises the transmission of Group knowledge and skills to facilitate access to energy. In Benin, for example, the Foundation has helped electrify several villages, installed outdoor lighting and trained local residents to perform daily maintenance in partnership with French NGO *Electriciens sans frontières*. The Foundation also supports programs that enable Schneider Electric employees to share their knowledge and know-how. Another of its important missions is to help victims of natural disasters.

Providing electrical training for young people

The Schneider Electric Foundation is involved in long-term youth training programs. It supports projects to build technical centres in partnership with local teams, helps train teachers and promotes job opportunities for young people in energy-related fields. In one of many such projects, the Foundation has provided equipment and human resources to develop training programs for engineers and technicians in Central Africa. ●

www.foundation.schneider-electric.com



HUMAN RIGHTS

Principle 1

- Businesses should support and respect the protection of internationally proclaimed human rights.



Spotlight

The Foundation in action

Around the world, Schneider Electric and its team members are involved in electricity-related training projects.

**Training centre in Chile**

In partnership with the Education Ministries of France and Chile and Catholic University of northern Chile, Schneider Electric and its Foundation have helped create a centre of excellence to train young people in the maintenance of industrial automated systems. Located in Antofagasta, some 1,000 kilometers north of Santiago, the centre began training 30 students from disadvantaged backgrounds in March 2008. The platform comprises two teaching workshops, two class rooms and a corporate reception area.

Hands-on experience in Nigeria

From December 3-7, 2007, students at Yaba college of technology applied the electrical engineering lessons given by Schneider Electric team members in a hands-on workshop. Participants were asked to verify and optimize the electrical installations at Child Life Line, a centre for the disadvantaged supported by Schneider Electric Nigeria, its employees and the Foundation. Afterwards, a training session on installation was offered that attracted nearly 400 students and 70 professors from four Nigerian universities.

**+ Success story****Luli 2007**

187 associations
in 70 countries
benefited from the
annual international
mobilisation campaign.



Around the world



United States/Canada

> As part of a longstanding partnership with Habitat for Humanity, Schneider Electric's employees in North America continued to help renovate and build homes for the disadvantaged.



Mexico

> Schneider Electric's employees in Mexico responded immediately to help the one million residents flooded out by torrential rains in Tabasco state in late October 2007. At the same time, the Foundation deployed an action plan to provide emergency aid (\$75,000 to Mexican NGO Fondo Unido to buy basic

necessities) and help with reconstruction, for example in a project to rebuild a technical school.



Lebanon

> The Foundation is partnering with the European Institute for Cooperation and Development (IECD) to upgrade training capacity at six technical schools specialized in electrical, electronic and electromechanical studies. Dubbed "Seed of Hope", the program is designed to renovate the sites, supply the necessary teaching equipment, provide educational and technical support for trainers and develop a program of internships. In 2007, the program benefited 600 students from two schools, Cortbawi Institute in Adama and Foyer de la Providence in Saïda.



Russia

> For the past six years, Schneider Electric team members, in partnership with the Moscow institute for the disabled, have helped disabled students gain access to higher learning, especially courses on industrial automation systems. The employees share their talent with around a dozen students, providing friendly support, training on Schneider Electric products and sponsoring for projects.



Costa Rica

> Through their support for Fundación

Don Bosco, Schneider Electric employees leverage their skills to improve the electromechanical training provided to middle school students. They also do more general handiwork, such as repainting the school.



Indonesia

> Schneider Electric Batam is supporting a class of 15 students at the SMK 1 professional high school who are being trained for careers in electricity. The students receive instruction from teachers and professionals, some of whom are Schneider Electric employees. Schneider Electric also provided all the classroom installations.



Turkey

> The Foundation renewed its financial support for scholarships granted to 50 women students in electrical engineering and electronics. Educational assistance is also provided to young women from Anatolia who have come to Istanbul to continue their studies.

Shareholders

// With its positions in such high potential areas as smart energy management and emerging markets, Schneider Electric will accelerate value creation on a lasting basis. //

Shareholders' Advisory Committee

Keeping shareholders informed

In-depth repositioning of the business portfolio has allowed Schneider Electric to double its accessible market in six years, diversify its exposure to end markets and transform its growth profile.

In 2007, we strengthened our dialogue and relationship of trust with shareholders by reporting regularly and clearly through our business and sustainable development report, our registration document, financial notices published in the press, the investor relations section of our corporate website and special shareholder meetings in Lyon, Toulouse and Strasbourg, France. We took advantage of the Actionaria investor fair held in Paris in November 2007 to discuss Schneider Electric's strengths and performance with numerous shareholders and other visitors.

New critical power & cooling services Business Unit

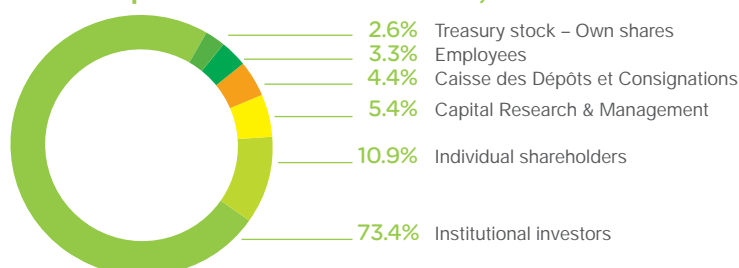
We organised a trip to APC in the United States on November 28 and 29, 2007 for analysts and investors. The trip gave us the opportunity to present the strategy and outlook for our new critical power & cooling services Business Unit, which was formed in February 2007 after the Group acquired APC and combined its operations with those of MGE UPS Systems. Lastly, we pursued our information campaigns with socially responsible investors and ratings agencies. ●



Investor calendar

April 21, 2008 Annual Shareholders' Meeting and first-quarter 2008 revenue	August 1, 2008 Interim financial results and second-quarter 2008 revenue
April 30, 2008 Dividend payment	October 22, 2008 Third-quarter 2008 revenue
June 10, 2008 Shareholders' meeting in Lille, France	November 18, 2008 Shareholders' meeting in Nice, France

Ownership structure at December 31, 2007



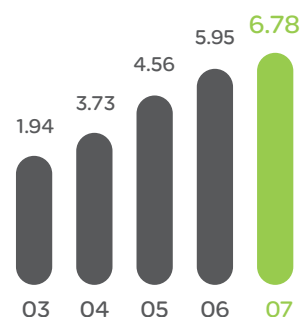
Up 10%

Dividend per share for 2007.

Stock Market Information

Earnings per share

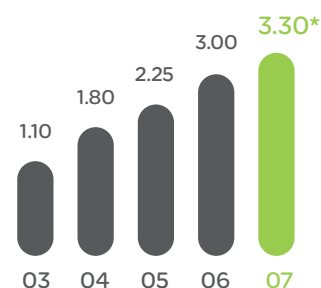
(in euros)



€6.78

Dividend per share

(in euros)



* Recommended for shareholder approval at the Annual Meeting of April 21, 2008. The dividend will be paid as from April 30, 2008.

€3.30

The Schneider Electric SA share vs. the CAC 40 index over 5 years

(Source: Reuters)

- Schneider Electric share
- CAC 40 index (base: Schneider Electric on December 31, 2002)
- Share price in euros



Changes in the share base in 2007

Shares outstanding at Dec. 31, 2006	227,698,348
Shares cancelled	0
Exercise of stock options	1,820,222
Shares issued	15,780,796
Shares outstanding at Dec. 31, 2007	245,299,366
Potential shares at Dec. 31, 2007	9,380,976
<i>of which options to subscribe or purchase new or existing shares</i>	<i>5,895,710</i>
Fully diluted shares outstanding at Dec. 31, 2007	254,680,342
Average shares outstanding in 2007 (used to calculate earnings per share)	233,670,653

Socially Responsible Investment (SRI) rating

ASPI Eurozone® Index

The Advance Sustainable Performance Indices' Eurozone listing tracks the financial performance of 120 leading euroland sustainability performers from the DJ Euro Stoxx benchmark financial universe. Schneider Electric has been included since 2001. Vigeo ratings are used to select the listed stocks, in keeping with ASPI Eurozone® guidelines.

Dow Jones Indices

After being selected for the first time in 2002, Schneider Electric was included in 2008 in the Dow Jones Sustainability Indexes World and Stoxx. This family of indices bases its decisions on research provided by Sustainable Asset Management (SAM), an independent asset manager headquartered in Switzerland.

Five-year trading summary

	2003	2004	2005	2006	2007
Average daily trading volume					
Euronext Paris					
• Thousands of shares	1,198.06	942.82	947.34	1,058.43	1,587.79
• Millions of euros	53.92	50.49	59.31	88.86	152.00
High and low share prices (in euros)					
• High	54.30	58.25	77.15	93.40	110.26
• Low	37.40	49.20	51.15	70.85	83.51
Year-end closing price (in euros)	51.90	51.20	75.35	84.10	92.68
Yield (%)	3.18	3.52	2.99	3.57	3.56

★ Important

- Traded on Eurolist by Euronext™ Paris (compartment A)
- ISIN code: FR 0000121972
- Market value at Dec. 31, 2007: €22.7 billion
- Included in the following indices: CAC 40, Euronext 100, FTSEurofirst 300, Dow Jones EURO STOXX 50
- Socially responsible investment indices: DJSI World - DJSI Stoxx - ASPI Eurozone

A clear separation between management and oversight

The Supervisory Board exercises ongoing control over the Management Board's management of the Company, in accordance with French law. To this end, it 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's internal rules and procedures adopted on May 3, 2006 include the internal rules and procedures of the Board Committees (the Remunerations and Appointments & Corporate Governance Committee and the Audit Committee) as well as the directors' charter recommended under AFEP-

MEDEF corporate governance guidelines. The Supervisory Board held six meetings in 2007. They were primarily devoted to the Company's corporate governance, strategy, reviewing the annual and interim financial statements and preparing the Annual Shareholders' Meeting. The Board conducted an in-depth review of the Company's strategy in a one-day meeting devoted entirely to this topic. The Supervisory Board also authorized the Management Board to acquire Pelco during the year. At each meeting, the Board was informed about the status of acquisition projects. In particular, it tracked APC's integration very closely. ●



“ Schneider Electric SA's Supervisory Board would like to take this opportunity to renew its confidence in this governance system, in the new management team, the Management Board and its Chairman. ”

Henri Lachmann, Chairman of the Supervisory Board, Schneider Electric

Supervisory Board

Henri Lachmann

69, French
Chairman
Former Chairman and Chief Executive Officer
of Schneider Electric

Serge Weinberg*

57, French
Vice Chairman
Chairman of the Board of Directors of Accor

Alain Burq

54, French
Member of the Supervisory Board of the
"Schneider Actionnariat" corporate mutual fund

Noël Forgeard*

61, French
Corporate Director

Jérôme Gallot*

48, French
Chairman of CDC Entreprises

Willy R. Kissling*

63, Swiss
Corporate Director

Cathy Kopp*

58, French
Human Resources General Manager, Accor

René Barbier de La Serre*

67, French
Corporate Director

Gérard de La Martinière*

64, French
Chairman of Fédération Française
des Sociétés d'Assurances (F.F.S.A)

James Ross*

69, British
Corporate Director, Chairman of the Leadership
Foundation for Higher Education

Piero Sierra*

73, Italian
Special Advisor for the administration of Pirelli's
international companies

G. Richard Thoman*

63, American
Corporate Director

Non-voting Directors

Léo Apotheker

54, German
President CSO and Deputy CEO of SAP AG

Claude Bébéar

72, French
Chairman of the Supervisory Board of AXA

Board Secretary

Philippe Bougon

Audit Committee

Gérard de La Martinière*, Chairman

James Ross*

Piero Sierra*

Serge Weinberg*

Remunerations and Appointments & Corporate Governance Committee

Henri Lachmann, Chairman

Claude Bébéar

Willy R. Kissling*

René Barbier de La Serre*

*Independent member, as defined in the Bouton report
on corporate governance.


6 meetings
held by the Supervisory Board in 2007.

3 hours
and
30 minutes
average meeting length.

87%
average attendance rate.

Financial, social and environmental performance

A large, leafy tree with a thick, textured trunk dominates the foreground. The tree's branches spread out, with green leaves visible. In the background, several people are sitting at tables, some looking towards the camera. The setting appears to be an outdoor public space, possibly a park or a cafe area. The overall atmosphere is calm and natural.

- 
- > Financial performance
 - > Revenue breakdown
 - > Consolidated Financial Statements
 - > Planet & Society Barometer

Financial performance

// 2007 was a key year for Schneider Electric in which we set new growth and earnings records. We are confident in the structural improvement of our growth profile. //

Pierre Bouchut

Member of the Management Board and Chief Financial Officer, Schneider Electric

Analysis from Pierre Bouchut



Revenue rose 26.1% on a current structure and exchange rate basis to €17,309 million in 2007, double the Group's revenue in 2003. Organic growth for the full year set a new record at 13.9%.

New record for organic growth

Operations in emerging countries grew by 20% and contributed half of total Group growth in 2007. In addition, in depth-repositioning of the business portfolio has allowed the Group to develop unique positions in high potential businesses such as energy efficiency and services. Acquisitions contributed a net €2,154 million (or 15.7%). This primarily included APC (consolidated as from 15 February 2007), for €1,736 million, GET in installation systems and control, for €116 million, and Pelco, a world leader in video security systems (consolidated as from 16 October 2007), for €89 million. The currency effect had a negative impact of €421 million, or 3.5%.

Record EBITA margin

EBITA also rose sharply in 2007, by 27% to €2,562 million. The following factors contributed to the organic increase of €357 million:

- Record revenue growth generated a strong volume effect of €620 million, partially offset by an unfavourable product mix effect of €191 million stemming from expansion in services, projects and solutions.
- The Group demonstrated its ability to increase prices during the year, lifting revenue by 2.2% or €307 million. This amply offset the €199 million increase in raw material costs.
- Efficiency plans, notably to rationalise purchasing and re-balance production geographically, again generated significant industrial productivity gains, of €295 million (4.0% of cost of goods sold). Acquisitions contributed €289 million to EBITA, of which €247 million from APC. Lastly, the currency effect reduced EBITA by €103 million, notably due to the dollar's significant decline against the euro. Thanks to geographic re-balancing of production, the negative impact on EBITA margin was limited

to 0.2 point. EBITA margin came to the level record of 14.8% at 31 December 2007. This represents a 1.2-point increase from 2006, including APC on a pro forma basis*. All of the operating divisions showed an increase in profitability. Among the businesses, Electrical Distribution and Critical Power made the largest contributions to EBITA growth, thanks to APC's turnaround.

Growth in net profit

Net profit attributable to equity holders of the parent grew by a strong 21% to €1,583 million. This reflects a 1.4-point decline in the effective tax rate to 27.1% and good interest expense management during a sharp increase in net debt to finance the acquisition of APC. The net debt-to-equity ratio stood at 48% at 31 December 2007, compared with 21% at the previous year-end. Earnings per share rose 14% to €6.78. The increase was smaller than for net profit due in particular to the early-2007 share issue to finance part of the APC acquisition. At the Annual Meeting on 21 April 2008, shareholders will be asked to approve a dividend of €3.30 per share, payable in cash as from 30 April 2008. Operating cash flow totalled €2,211 million. Thanks to tight control over working capital and net investment, free cash flow rose a remarkable 38% to €1,530 million. Lastly, return on capital employed (ROCE)** reached 11.0% in 2007, up 1.7 point on a pro forma basis*.

Successful integration of APC-MGE

Note: All data in this section correspond to the underlying performance of the Critical Power & Cooling Services Business Unit over the year, and not the results consolidated by Schneider Electric, which include APC over only 10.5 months.

The new Critical Power & Cooling Services Business Unit, combining APC and MGE, contributed revenue of \$3,520 million in 2007, for organic growth of 14% from the year before. The Enterprise Systems and Services business continued to be the main growth driver. In addition, the initial impact of operating efficiency and cost reduction plans fuelled a remarkable improvement in profitability. EBITA before non-recurring expenses*** totalled \$440 million, more than double the 2006 figure,

for a margin of 12.5% versus 6.9% the year before. EBITA amounted to \$402 million. In light of these results, Schneider Electric confirms the targets announced for the Critical Power & Cooling Services Business Unit on 28 November 2007:

- Revenue of between \$4,300 million and \$4,500 million, representing average annual organic growth of between 11% and 13%.
- EBITA of between \$650 million and \$750 million, for a margin of between 15% and 17%. ●

* Including APC data over 10.5 months in 2006.

** After-tax EBITA/Shareholders' equity + Net debt + Provisions

*** Before restructuring costs and non-recurring items in an amount of \$38 million in 2007 (\$59 million in 2006).

Record organic growth in 2007

Organic revenue growth by region

	2007
Europe	+12.0%
North America	+13.1%
Asia-Pacific	+16.0%
Other countries	+23.3%
Group	+13.9%
of which emerging countries*	+21%

* Emerging countries: Eastern Europe, Asia-Pacific, Rest of the World.

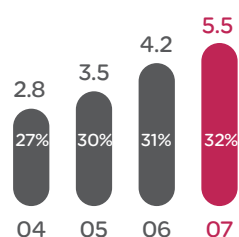
Organic growth in orders by business

	2007
Critical Power & Cooling Services*	+14%
Building automation	+17%
Installation Systems and Control	+9%
Services	+22%
Energy efficiency	+15%

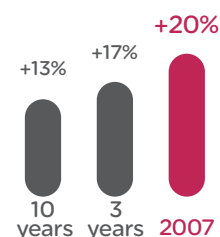
* Corresponds the Business Unit's 12 month pro forma revenue for 2007 (excluding MGE's small systems).

Emerging countries: acceleration of growth

Emerging countries revenue (€ billion and share in Group)

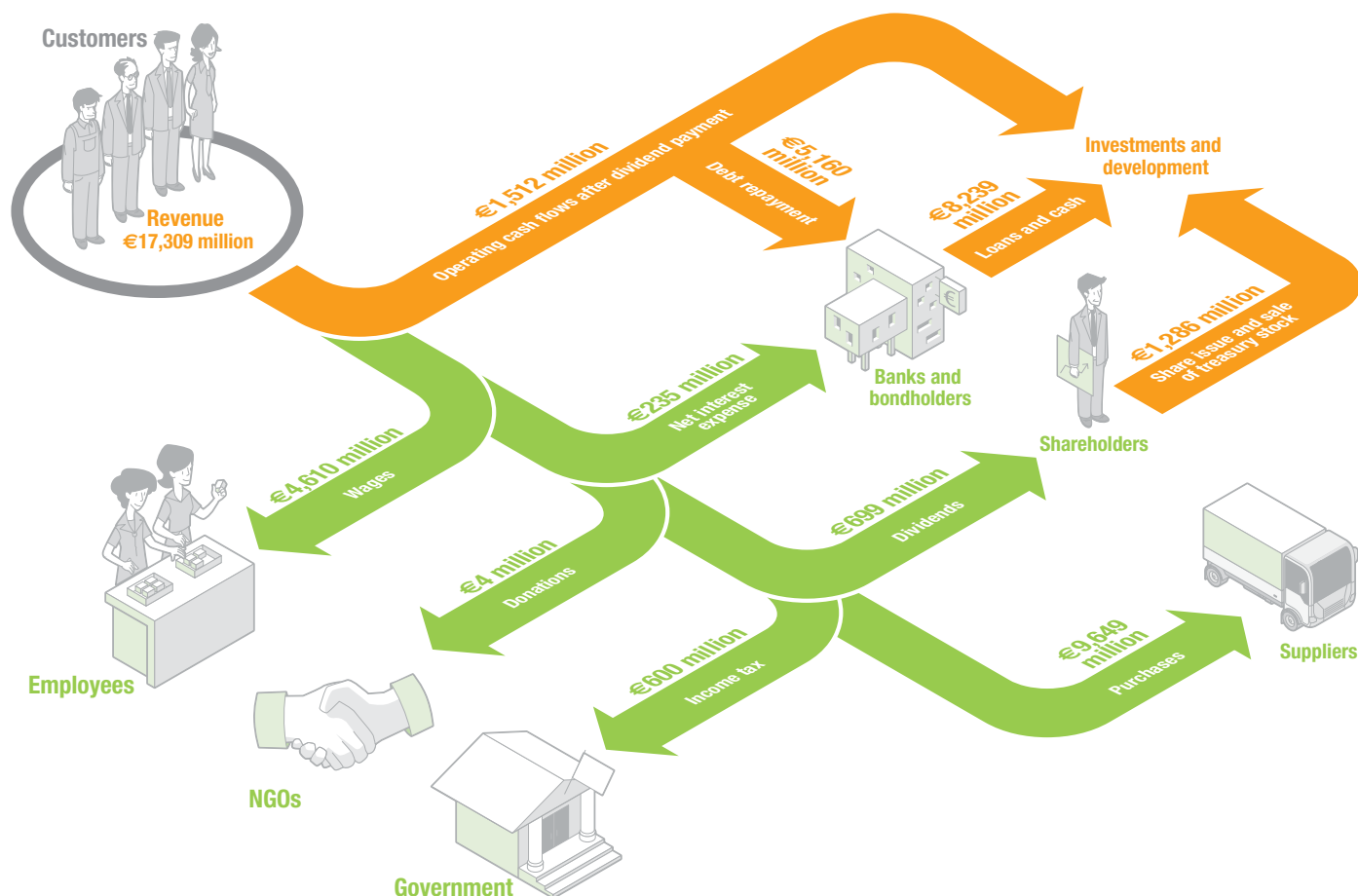


Average organic growth in emerging countries



Revenue breakdown

Schneider Electric's business generates values for all its stakeholders. In *Our Principles of Responsibility*, we commit to acting with integrity with employees, customers, shareholders, partners and local communities around the world.



+ Success story

In 2007, the Professional Conduct Committee of ETHIC Intelligence International awarded the Specific AC Certificate to Schneider Electric for a major contract in eastern Africa. The certificate attests that an effective integrity mechanism was implemented to prevent corruption during the execution and performance of the contract. Details are available at www.schneider-electric.com.eg.

Revenue breakdown by country corruption risk

as defined by the Transparency International Corruption Perceptions Index

1 - Moderate risk regions (7.5 to 10)	25%
2 - Average risk regions (5 to 7.5)	56%
3 - High risk regions (2.5 to 5)	16%
4 - Very high risk regions (less than 2.5)	3%
Total	100%

Countries ranked from 0 to 10 according to the perception index.



ANTI-CORRUPTION Principle 10

- Businesses should work against all forms of corruption, including extortion and bribery.

Consolidated Statement of Income

(in millions of euros except for earnings per share)

	2007	2006
Revenue	17,308.6	13,729.7
Cost of sales	(10,210.0)	(8,050.6)
Gross profit	7,098.6	5,679.1
Research and development expenses	(417.1)	(324.4)
Selling, general and administrative expenses	(3,978.1)	(3,220.0)
Other operating income and expenses	(141.7)	(116.0)
EBITA (*)	2,561.7	2,018.7
Amortization and impairment of purchase accounting intangibles	(78.6)	(18.0)
Operating profit	2,483.1	2,000.7
Finance costs, net	(246.8)	(104.0)
Other financial income and expenses	(19.1)	(16.9)
Finance costs and other financial income and expense, net	(265.9)	(120.9)
Share of profit /(losses) of associates	4.3	1.9
Profit before tax	2,221.5	1,881.7
Income tax expense	(600.0)	(535.1)
Profit for the period	1,621.5	1,346.6
– Attributable to equity holders of the parent	1,583.1	1,309.4
– Attributable to minority interests	38.4	37.2
Basic earnings per share (in euros)	6.78	5.95
Diluted earnings per share (in euros)	6.70	5.90

* EBITA (Earnings Before Interest Taxes and Amortization of purchase accounting intangibles)
Effective January 1, 2007, the Group adopted a new presentation for operating performance that separates out amortization and impairment of intangible assets recognized in business combinations. The 2006 data has been adjusted to allow meaningful comparison.

Consolidated Statement of Cash Flows

(in millions of euros)

	2007	2006	
I - Cash flows from operating activities:			
Profit attributable to equity holders of the parent	1,583.1	1,309.4	
Minority interests	38.4	37.2	
Share of (profit)/ losses of associates, net of dividends received	(4.3)	(1.9)	
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation of property, plant and equipment	309.4	282.1	
Amortization of intangible assets other than goodwill	184.9	110.4	
Losses on non current assets	41.2	32.2	
Increase/(decrease) in provisions	100.8	80.7	
Change in deferred taxes	11.3	99.0	
Losses/(gains) on disposals of assets	(80.7)	(38.0)	
Other	26.6	10.2	
Net cash provided by operating activities before changes in operating assets and liabilities	2,210.7	1,921.3	
(Increase)/decrease in accounts receivable	(367.1)	(255.8)	
(Increase)/decrease in inventories and work in process	(44.0)	(382.5)	
Increase/(decrease) in accounts payable	150.6	225.0	
Change in other current assets and liabilities	139.9	79.9	
Change in working capital requirement	(120.6)	(333.4)	
Total I	2,090.1	1,587.9	
II - Cash flows from investing activities:			
Purchases of property, plant and equipment	(403.0)	(330.1)	
Proceeds from disposals of property, plant and equipment	78.7	76.6	
Purchases of intangible assets	(232.7)	(225.4)	
Proceeds from disposals of intangible assets	(3.1)	(2.0)	
Net cash used by investment in operating assets	(560.0)	(480.9)	
Purchases of financial investments - net	(5,291.1)	(897.8)	
Purchases of other long-term investments	(0.3)	163.1	
Increase in long-term pension assets	(25.1)	(19.6)	
Sub-total	(5,316.5)	(754.3)	
Total II	(5,876.5)	(1,235.2)	
III - Cash flows from financing activities:			
Issuance of long-term debt	707.7	996.8	
Repayment of long-term debt	(5,159.8)	(148.7)	
Sale/(purchase) of treasury shares	14.7	52.9	
Increase/(reduction) in other financial debt	6,386.0	298.5	
Issuance of shares	1,270.8	76.5	
Dividends paid: Schneider Electric SA (1)	(670.4)	(502.6)	
Minority interests	(28.8)	(14.6)	
Total III	2,520.1	758.8	
IV - Net effect of exchange rate :	Total IV	(1.6)	11.5
Net increase/(decrease) in cash and cash equivalents: I + II + III + IV	(1,267.9)	1,123.0	
Cash and cash equivalents at beginning of period	2,426.2	1,303.3	
Increase/(decrease) in cash and cash equivalents	(1,267.9)	1,123.0	
Cash and cash equivalents at end of period	1,158.3	2,426.2	

(1) Includes a précompte withholding tax back payment in 2006.

Consolidated Balance Sheet

Assets in millions of euros		
	Dec. 31, 2007	Dec. 31, 2006
Non-current assets		
Goodwill, net	8,141.2	6,185.7
Intangible assets, net	3,714.4	1,493.1
Property, plant and equipment, net	1,856.1	1,615.1
Total tangible and intangible assets	5,570.5	3,108.2
Investments in associates	171.9	10.2
Available-for-sale financial assets	322.5	315.7
Other financial assets	124.1	114.2
Total non current financial assets	446.6	429.9
Deferred taxes	687.7	672.8
Total non-current assets	15,018.0	10,406.9
Current assets		
Inventories and work in process	2,480.8	2,055.9
Trade accounts receivable	3,463.2	2,882.8
Other receivables and prepaid expenses	950.4	994.8
Assets held for sale	2.5	6.4
Current financial assets	83.9	73.5
Cash and cash equivalents	1,268.9	2,544.1
Total current assets	8,249.7	8,557.4
Total assets	23,267.7	18,964.3

Liabilities in millions of euros

Dec. 31, 2007 Dec. 31, 2006

Equity

Share capital	1,962.4	1,821.6
Share premium account	5,254.3	4,121.0
Retained earnings	3,930.7	2,925.9
Translation reserve	(962.9)	(152.0)

Equity attributable to equity holders of the parent	10,184.5	8,716.5
--	-----------------	----------------

Minority interests	129.2	121.6
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Total equity	10,313.7	8,838.1
---------------------	-----------------	----------------

Long-term provisions

Provisions for pensions and other post-employment benefits	996.3	1,159.0
Provisions for contingencies	264.1	283.1

Total long-term provisions	1,260.4	1,442.1
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Non-current liabilities

Ordinary and convertible bonds	3,195.6	3,237.9
Other long-term debt	589.8	219.2

Total non-current financial liabilities	3,785.4	3,457.1
---	---------	---------

Deferred tax liabilities	909.7	305.3
--------------------------	-------	-------

Other non-current liabilities	76.7	90.2
-------------------------------	------	------

Total non-current liabilities	6,032.2	5,294.6
--------------------------------------	----------------	----------------

Current liabilities

Trade accounts payable	2,132.9	1,948.5
Accrued taxes and payroll costs	1,305.0	1,206.5
Short-term provisions	445.5	286.7
Other current liabilities	637.2	505.3
Short-term debt	2,401.3	884.6

Total current liabilities	6,921.8	4,831.6
----------------------------------	----------------	----------------

Total equity and liabilities	23,267.7	18,964.3
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Social indicators

Scope of social data

All data published in the following section cover the Group's global scope (including APC). Workforce data do not include temporary employees, except for the average workforce figure.

> Consolidated units:

- Corporate Functions, Operating Divisions, Business Units (all data).
- Solely for workforce data: Pelco, ETTS, Atos, Ritto, Grant and Northen.

> Non-consolidated units:

- Companies in which Schneider Electric's interest is less than 51%.
- Senior executives for remuneration data.

	2005	2006	2007
Total workforce			
Average workforce (incl. temps)	88,670	100,078	119,340▲
Fixed-term and open-ended contracts	84,819	96,529	114,984▲
Average production staff	40,792	46,135	52,360▲
Average non-production staff	47,878	53,943	66,980▲
New hires	16,070	21,092*	26,972
Departures	15,820	15,764*	21,117
Breakdown by region (percent)			
Asia-Pacific	20%	22%	26%
Europe	49%	46%	41%
North America	24%	25%	26%
Rest of the World	7%	7%	7%
Men/women (percent)			
Men	65%	64%	66%
Women	35%	36%	34%
Age (percent)			
14-24 years	11.9%	11.2%	12.3%
25-34 years	28.1%	29.6%	31.3%
35-44 years	27.4%	27.7%	26.5%
45-54 years	22.9%	21.8%	20.8%
55-64 years	9.3%	9.2%	8.6%
> 64 years	0.4%	0.5%	0.5%
Seniority (percent)			
< 5 years	42%	43.4%	49.5%
5-14 years	28.3%	27.5%	26.6%
15-24 years	16%	15.1%	12.8%
25-34 years	11%	10.6%	8.7%
> 34 years	2.7%	3.4%	2.4%
Gender and category (percent)			
- White collar	59%	56.9%	58.6%▲
Men	75%	72.5%	72.6%
Women	25%	27.5%	27.4%
- Blue collar	41%	43.1%	41.4%▲
Men	51%	53%	57%
Women	49%	47%	43%

▲ Audited data.

	2005	2006	2007
Function (percent)			
Marketing	4.1%	4.4%	4%
Sales	18.3%	18.3%	16.9%
Services**	NA	NA	2.2%
Support	15.7%	15.7%	16.3%
Technical	7.5%	8.3%	7.1%
Production	10.8%	10.2%	12%
Direct variable costs – employees linked directly to production of range core and adapted products o/w services and projects	43.6%	43.1%	41.5%
	NA	NA	2.6%
Type of contract (percent)			
Flexibility rate (temporary staff/total workforce)	18.1%	19.5%	22.5%
New hires			
Type of contract (percent)			
Open-ended	65.2%	68%	63%
Fixed-term	34.8%	32%	37%
Category (percent)			
White collar	45%	48%	52%
Blue collar	55%	52%	48%
Breakdown by region (percent)			
Asia-Pacific	25%	29%	36%
Europe	27%	28%	28%
North America	41%	34%	27%
Rest of the World	7%	9%	9%
Dismissals			
Number	4,460	3,795	4,543
o/w layoffs for economic reasons	1,070	620	944
Type of contract (percent)			
Open-ended	85.8%	88.5%	83.5%
Fixed-term	14.2%	11.5%	16.5%
Category (percent)			
White collar	37.5%	35.4%	45.1%
Blue collar	62.5%	64.6%	54.9%
Breakdown by region (percent)			
Asia-Pacific	17%	15%	19%
Europe	25%	27%	30%
North America	52%	50%	44%
Rest of the World	6%	8%	7%
Temporary workforce			
Average temporary workforce	NA	NA	9,610
Category (percent)			
White collar	NA	NA	26.8%
Blue collar	NA	NA	73.2%
Breakdown by region (percent)			
Asia-Pacific	NA	NA	39%
Europe	NA	NA	50%
North America	NA	NA	5%
Rest of the World	NA	NA	6%

Social indicators

	2005	2006	2007
Workweek organization and management			
Average annual hours worked	NA	2,076	2,011
Payroll and compensation			
Average cost per employee			
Gross salary + payroll expenses + individual and collective benefits	€40.2 thousand	€37.2*** thousand	€37.3 thousand
Variable compensation (percent)	6.1%	8.1%***	9.5%
Training			
Training costs by type of training (percent)			
Health, safety, environment	8.9%	7%	6%
Technical	33.3%	30%	26%
Foreign languages and IT	13.1%	13%	17%
Management and leadership	24.7%	31%	30%
Other	20%	19%	21%
Training costs by category (percent)			
White collar	88.4%	77%	79%
Blue collar	11.6%	23%	21%
Training hours by category (percent)			
White collar	70.4%	68%	72%
Blue collar	29.6%	32%	28%
Average number of hours of training by category			
White collar	38	33****	34
Blue collar	17	22****	17
Average number of hours of training per employee	28	28	27
Health & safety			
Accident frequency rate	16.7	9.8	9.5 ▲
Blue collar	NA	NA	14.7
White collar	NA	NA	5
Severity rate	0.16	0.10	0.08 ▲
Blue collar	NA	NA	0.12
White collar	NA	NA	0.04
Accidents by category			
Total accidents	NA	1,936	2,335 ▲
Fatal accidents	NA	3	4*****
Serious accidents	NA	346	296
Minor accidents	NA	1,587	2,035

* 2006 data has been restated to remove temporary employees.

** In 2005 and 2006, Services primarily covered sales and technical functions.

*** 2006 data has been completed to reflect the Group's scope.

**** 2006 data has been just adjusted to account for reporting errors.

***** Three of the four fatalities in 2007 occurred during commutes; the fourth resulted from a work accident at a production site in Brazil.

▲ Audited data

Environmental indicators

Scope of environmental data

Schneider Electric neither generates nor distributes electricity. Its business primarily relies on assembly and monitoring techniques and includes very few processes with a more significant environmental impact, such as metal processing and treatment. The Group is committed to including all units in the scope of reporting. The number of units covered grew to 201 in 2007 from 184 in 2006.

The Group's environmental reporting principles were officially audited in early 2006, early 2007 and late 2007.

Indicators	2005	2006	2007
Number of responding sites	172	184	201 ▲
Number of employees at manufacturing and logistics sites	50,644	60,462	65,931 ▲
Amount of waste produced (in metric tons)	100,547	105,502	119,239 ▲
Waste produced per employee (in metric tons)	1.99	1.74	1.81 ▲
Recovered waste (in metric tons)	76,286	84,836	95,663 ▲
Percentage of waste recovered	75.9%	80.4%	80.2% ▲
Energy consumption (MWh equivalent)	793,898	918,024	968,491 ▲
Energy consumption per employee (in MWh)	15.7	15.2	14.7 ▲
Water consumption (in cubic meters)	1,874,329	2,122,381	2,461,815 ▲
Water consumption per employee (in cubic meters)	37.0	35.1	37.3 ▲
Estimates			
CO ₂ emissions (in metric tons)	NA	285,655	321,823 ▲
CO ₂ emissions per employee (in metric tons)	NA	4.7	4.9 ▲
VOC emissions (in kg)	NA	337,548	413,731 ▲
VOC emissions per employee (in kg)	NA	5.6	6.3 ▲

▲ Audited data

The Planet & Society Barometer's ten indicators

www.barometer.schneider-electric.com

	2007 performance (out of 10)	Major achievements in 2007
Employees		
Reduce the number of lost days from work accidents by 20% per employee and per year.	9.12 😊	15% of our sites have deployed a health management system.
Ensure that all employees have basic health insurance.	10 😊	All acquisitions meet this target.
Ensure that 20% of the participants in annual international mobility programs are women.	5.3 😞	The number of women attending Schneider Electric University rose by 155%.
Environment		
Ensure that all manufacturing and logistics sites are certified ISO 14001.	5.03 😞	25 new manufacturing and logistics sites certified.
Provide an environmental profile for 120 products representing more than 50% of total product revenue.	8.10 😊	20 new profiles issued.
Reduce energy consumption per production site employee by 10% (in MWh/year).	10 😊	71 production sites involved in 15 countries.
Community		
Donate €1 million worth of Schneider Electric equipment.	10 😊	More than €2 million in equipment donated to Habitat for Humanity.
Ensure that 90% of our sites have a lasting commitment with the Schneider Electric Foundations in the area of youth opportunities.	7 😊	183 associations supported. 68 countries involved.
Corporate governance		
Make 60% of total purchases from suppliers who support the Global Compact.	4.16 😞	300 suppliers informed.
Ensure that Schneider Electric is included in the four major socially responsible investment index families.	7.5 😊	Included once again in the Dow Jones Stoxx Sustainability index.
Overall performance at 31 December 2007	7.62 😊	

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To find out more

Website: www.schneider-electric.com



2007
Registration
Document



2007/2008
In Brief

Acknowledgements

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The International Polar Foundation/Alain
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> Associations: Briardene Primary School
(South Africa), Universidad Católica del
Norte – centro de educacion y
capitacion – CEDUC (Chile), Fundación
Cedes don Bosco (Costa Rica), SMK1
professional high school (Indonesia),
Habitat for Humanity (USA), Starting
Block (France), Institut européen de
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