Driving Employee Engagement –
The Business Value of Safety, Health, and Environmental Leadership

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Key drivers of employee engagement

- Role Clarity
- Career Management
- Performance Management
- Networking
- Rewards
- Work Environment
- Values
Employee engagement at Schneider Electric

- Validated link between increased employee engagement and company results

- “Our customer experience can be no greater than our employee experience.”

- Talent management system built around key drivers of employee engagement

- Efforts focused around safety and health, employee development and community leadership

- Engagement levels measured through “One Voice” employee opinion survey
Our safety journey …
The case for change

Uncontrolled risk with the products and services in our industry can kill people!

2002 OSHA recordable injury rate

<table>
<thead>
<tr>
<th>Industry Average</th>
<th>Schneider Electric North America</th>
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<td>5.0</td>
<td>3.0</td>
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3 million people injured on the job each year

14 workers die on the job every day

$50 billion annual worker’s compensation costs (direct losses only)
The case for change

Safety is now our #1 priority and it shows!

<table>
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<th>2010 OSHA recordable injury rate</th>
<th>Industry Average</th>
<th>Schneider Electric North America</th>
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<td>3.6</td>
<td>0.9</td>
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500 injuries avoided each year

$10 million per year in direct savings
Five key points that make up our Safety Culture

1. Safety is everyone's responsibility.

2. All injuries and occupational illnesses can be prevented – all exposures can be safeguarded.

3. Management has a responsibility to train all employees to work safely.

4. Working safely is a condition of employment.

5. Preventing safety incidents and injuries contributes to business success.
Our performance
North America Lost Time Accident Rate

- 2003: 0.9
- 2004: 0.8
- 2005: 0.5
- 2006: 0.3
- 2007: 0.2
- 2008: 0.2
- 2009: 0.2
- 2010: 0.2

Years: 2003 to 2010
North America Lost Time Days Rate

2003 2004 2005 2006 2007 2008 2009 2010
Keys to our success

- Top management commitment
- Reduction of workplace hazards
- Increased safety training and audits
- Awareness and communication at all levels
- Recognition and awards
Our healthy lifestyles journey ...
Healthy lifestyles program

Vision

Create an environment where employees willingly accept full responsibility for their health and are actively engaged in efforts to measurably improve their health.

Mission

In line with our Health Policies, provide effective tools, resources, programs and services designed to help all employees enjoy the highest attainable standard of health.

Goals

- 10% annual reduction in percent of employees in the high and medium categories.
- Contribute to an overall positive work environment.
- Contribute to a corporate culture that promotes healthy lifestyles.
Healthy lifestyles program highlights

- Complete program to meet employee needs
  - Free health assessment with $100 incentive for participation
  - $300 health and fitness reimbursement
  - On-site fitness centers
  - Annual flu shots
  - Ongoing health tips and information
  - Local programs at each location

- Reduced number of employees with high or medium risk for serious health conditions by 30%

- 2009 and 2010 “Healthiest Companies in America” award from Interactive Health Solutions

- American Heart Association “Fit Friendly” Company at all facilities
Safety, Healthy Lifestyle, and Environmental Leadership as Culture

- Safety, health, and the environment is not a priority that can be traded off. It is an absolute each day!
- Management Accountability
- Focus on the Fundamentals
Lessons Learned

- Leadership commitment
- Safety, Health and Environmental organization
- Supervisors and managers must view safety as the most important part of their job
- Safety, health, and environmental initiatives:
  - Require everyone’s involvement
  - Need to be part of your company’s continuous improvement process
Make the most of your energy™

www.schneider-electric.com