



Codes of conduct and international framework agreements: New forms of governance at company level

Case study: EDF

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This case study is based on interviews with the following representatives of management and workers of the Électricité de France (EDF) Group between September 2006 and April 2007:

- *Florence Cordier, EDF Group/Employees Relations Division;*
- *Emmanuelle Enrici, EDF Group/Employees Relations Division;*
- *Marc Ferron, EDF SA – FCE CFDT, member of the EWC and CCSR;*
- *Claude Pommery, EDF SA – FNME CGT, member of the EWC and CCSR;*
- *Alain André, EDF SA – FNEM FO, member of the EWC and CCSR.*

Information about the company

On 24 January 2005, EDF's CEO, the representatives of all unions in the main subsidiaries of the Group, as well as the four global union federations in the Group's sector, signed an agreement on the Group's social responsibility.

This agreement deals with the Group's responsibility to its employees, its local communities and the natural environment. It includes provisions on the Group's suppliers and subcontractors.

The provisions of the international framework agreement (IFA) are not necessarily innovative, but correspond to practices already existing within some subsidiaries, linked in particular to the activities of the Group and in France to the missions of 'service public'. However, the formalisation of the commitments in a single document for the whole Group is innovative, as is the monitoring process created by the agreement.

The IFA is considered to be embedded in the Group's sustainable development strategy and is also linked to the culture of 'service public'.

Both management and workers' representatives consider that the Group's IFA is innovative (regarding the negotiation procedure and the content), ambitious (as to the scope of its application and to the numerous provisions) and realistic (thanks to shared implementation and respecting the principle of subsidiarity).

Background

The 1946 law nationalising 1,450 French electricity and gas generation, transmission and distribution companies gave birth to the public undertaking Electricité de France (EDF). Since its creation, EDF has had the legal status of a public industrial and commercial establishment (EPIC). The law of 9 August 2004 relating to the public electricity and gas service and to gas and electrical companies transformed the EDF Group into a Société Anonyme, a French public limited company governed by a board of directors. Its chairperson and CEO are appointed by the French Council of Ministers following the proposal of the board of directors.

In accordance with the law of 9 August 2004, the French government will hold at least 70% of the capital and voting rights.

On 24 October 2005, EDF signed a new public service contract with the French government for an unlimited period, establishing the terms and conditions for carrying out its public service missions.

On 21 November 2005, the initial public offering launched EDF on the stock market, with five million private individuals taking the opportunity to buy shares.

EDF Group today

Today, EDF has the largest fleet of generation facilities in Europe, serving 40.2 million customers worldwide, including 36.7 million customers in Europe. The EDF Group is an integrated energy provider that has developed a balanced business model between regulated and deregulated activities. It covers all aspects of the electricity business:

- electricity generation;
- electricity transmission;
- electricity distribution;
- supply of electricity and natural gas;
- energy trading.

The EDF Group is composed of numerous subsidiaries and holdings in France and throughout the world, with a strong footing in Europe. It is the major player in the French electricity market (EDF SA), with a solid presence in the United Kingdom (EDF Energy), Germany (45% of EnBW) and Italy (51% of Edison) and has important stakes in Central Europe.

After a strategic decision to leave the market in Latin America, the Group has its major subsidiaries in Europe and in Asia.

In 2005, the Group employed 161,560 workers worldwide, 109,949 of whom are employed by the French subsidiary EDF SA.

When EDF decided to become more international, the management decided to aim to be the best employer among its competitors in each country.

Table 1: *Profile of EDF*

Features	Data
History, milestones, etc	Founded in 1946 Transformed to a public limited company in 2004
Industry sector	Energy
Ownership structure, corporate governance	French public limited company 70% of the capital by the French government
Employment home country	109,949 employees
Employment worldwide	161,560 employees
Codes of conduct context	Signatory of Global Compact ISO 14001 Member of the French ORSE (member of CSR Europe)

Source: *Authors*.

Industrial relations context

Social dialogue is well developed at EDF. Unlike most other companies in France, the level of unionisation is very high among the workers. All five major unions in France (CGT, CFDT, CGT-FO, CGC, CFTC) are represented within the company. The level of participation in the professional elections in the company has always been about 90%. The Confédération Générale du Travail (CGT) has always obtained more than 50% of the votes.

Since 2000, the Group has experience of social dialogue at the European and international level. In November 2001, the Group created a European Works Council. Based on this, a Consultation Committee has been created for the Asia-Pacific branch of the Group. The members of this committee are elected directly by the workers of the subsidiaries in China, Vietnam and Thailand. According to the social partners, the experience of this international social dialogue has played a major role in the idea for and the negotiation of the Group's IFA.

EDF Group agreement on corporate social responsibility

Background

The agreement on EDF Group's corporate social responsibility (CSR) covers a wide range of issues.

Scope of application

The IFA applies to those companies over which EDF Group holds direct control, i.e. companies in which EDF owns a majority shareholding, enjoys a majority of voting rights linked to the stock issued or appoints over half of the members of the directing, executive or supervisory bodies.

In the event that a change in shareholding or in the shareholders' agreement of the EDF Group causes any one company to exit the above-defined scope, the IFA ceases to be applicable to the said company. However, when the subsidiaries in Argentina and Brazil were sold, the buyer committed to continuing to apply the provisions of the IFA for at least three years. The Consultative Committee on the Group's CSR (CCSR) wants to be informed about the respect for this commitment.

In those companies where EDF holds a significant stake without exercising any direct control, the signatory parties undertake to promote the IFA in an effort to encourage the adoption and application of its provisions.

Fundamental social rights

The IFA refers to the Universal Declaration of Human Rights, the Declaration on the Elimination of All Forms of Discrimination against Women, the Declaration on the Rights of the Child and the Global Compact.

All companies under the direct control of the Group have to respect the International Labour Organization (ILO) core conventions, even if the latter have not been ratified in the relevant country: freedom of association and principles of collective bargaining (Conventions 87 and 98), forced labour (Conventions 29 and 105), child labour (Conventions 138 and 182) and discrimination (Conventions 100 and 111).

Employee relations

The IFA deals with the following issues:

- health and safety;
- adaptability of employees and professional careers (training, mobility);

- social benefits, in particular regarding coverage of workplace accidents, illness and retirement;
- fight against discrimination;
- anticipation and guidance in industrial restructuring processes;
- principle of employee profit-sharing incentives.

Relations with suppliers and subcontractors

The EDF Group companies systematically ensure that the subcontracting companies they call upon provide quality work and labour in full compliance with applicable laws and international standards. Regarding their subcontractors, the companies of the Group shall implement the appropriate selection and assessment procedures meeting these requirements.

These requirements shall be conveyed to the subcontractors. Any serious failure that is not remedied following notification to comply with legal requirements or related to issues of occupational health and safety, ethical behaviour towards customers and/or environmental protection shall result in the termination of the Group's relations with the subcontracting company, in accordance with contractual obligations.

Regarding the safety of employees of the subcontracting companies, reporting will be requested for workplace accidents occurring in the framework of jobs entrusted to them.

The subcontractor must apply the requirements set out by EDF Group to any other subcontractor hired by them for the assignment in question.

The signatories of the IFA undertake to promote the 10 principles of the United Nations Global Compact with regard to suppliers from whom they purchase goods and services.

Relations with local communities

The IFA deals with the following issues:

- support for the integration of persons with disabilities;
- involvement in economic and social development programmes;
- involvement of the company and its personnel in initiatives of general interest;
- solidarity of the EDF Group and its personnel in response to impacts from natural disasters on power grids outside of the Group's zones of activity.

Protection of the environment

The IFA deals with the following issues:

- environmental safety of the Group's facilities, equipment and processes;
- exemplary actions by EDF Group companies and employees in the area of the environment;
- the promotion of energy efficiency for clients and within the companies of the Group;
- sharing of information and governance.

Table 2: *Basic features of the Agreement on EDF Group Corporate Social Responsibility*

Features	Data
Name of the document	Agreement on EDF Group Corporate Social Responsibility
Original date of signature	2005
Signatory parties	<ul style="list-style-type: none"> ■ Management of EDF ■ ICEM (International Confederation of Energy, Mining and General Workers Unions) ■ PSI (Public Services International) ■ IFME (International Federation of Mining and Energy) ■ WFIW (World Federation of Industry Workers) ■ 16 national unions ■ Representatives of the Asia-Pacific branch elected to the Concertation Committee
References	<ul style="list-style-type: none"> ■ Global Compact ■ UN Declaration of Human Rights ■ Direct reference to the eight ILO core conventions
Contents	<ul style="list-style-type: none"> ■ Preamble ■ Scope of application of the agreement ■ Universal standards ■ Relations of responsibility between EDF Group and its employees ■ Responsible relationships with customers and with subcontractors ■ Environmental protection and promotion of energy efficiency ■ Community involvement ■ Corporate governance ■ Conditions of enforcement and monitoring of compliance of the agreement ■ Term of validity of the agreement ■ Annex regarding the functioning of the Consultation Committee on EDF Group Corporate Social Responsibility
Scope	<ul style="list-style-type: none"> ■ All companies over which EDF Group holds direct control ■ Certain provisions also apply to subcontractors
Duration	Three years extended one more year by an amendment signed in 2007
Responsibilities	Corporate HR department
Dissemination and training	<ul style="list-style-type: none"> ■ Corporate intranet ■ Translation into languages of the subsidiaries ■ Information kit disseminated to managers and unions
Monitoring and reporting	<ul style="list-style-type: none"> ■ Local level: Social dialogue in all subsidiaries ■ Group level: Annual meeting of the Consultation Committee on Corporate Social Responsibility
Public CSR or social report	Yes
Dispute settlement	Consultation between employers and employees' representatives shall be the preferred method for addressing issues affecting the interests of the company and its employees, or for the settling of disputes

Source: *Authors*.

Motives and drivers of CSR

The Group's management had several objectives for the IFA:

- to contribute to the development of an international social dialogue within the Group;
- to create a coherent framework for the Group's commitment in the field of CSR and a follow-up mechanism through a special committee comprised of the signatory parties of the IFA;
- to share initiatives and to thus foster the Group's culture;
- to contribute to better risk management;
- to take the particular activities of the Group into account;
- to motivate employees.

The Group considers its social responsibility as one of the three pillars of the Group's global performance, together with the financial performance and the excellence of its activities. The Group wants to be a reference for sustainable development.

Before negotiating the IFA, the Group had already taken several initiatives in the field of sustainable development, such as ISO 14001 and signing the Global Compact.

The idea of an IFA was a joint initiative of the management and some of the French unions. In particular, the Chemical and Energy Federation of CFDT says it wanted to promote social dialogue on CSR rather than keeping this issue as a matter of unilateral commitments by companies or of partnerships between the latter and some NGOs. Furthermore, the CFDT wanted to use the IFA to establish closer contacts with the global union federations and to become a legitimate partner of social dialogue at the international level.

There was already an ethical charter adopted after a consultation of the EWC, but it defined the rights and obligations of the employees rather than affirming social rights. The management was used to social dialogue at the national and the European level, but not at the international level. However, as the Group was becoming more and more international, the management thought that this negotiation would be a good opportunity to reinforce the corporate culture of the Group.

The CFDT played an important role in convincing the other French trade unions of the added value of an IFA. Both the CGT and CGT-FO have traditionally had a preference for government regulation. The CGT-FO was also sceptical about the principle and voluntary nature of corporate social responsibility. The CFDT and the CGT decided to share their viewpoints and their knowledge in the fields of CSR and IFAs. The national federations of both unions had been in favour of cooperating on this issue, particularly in a company such as EDF. They thus played an important role in fostering the cooperation at the company level.

Contents and role of actors

Even if the IFA is integrated in EDF's sustainable development approach, the sustainable development department was not in charge of the negotiation and implementation of this IFA; rather, it has been the role of the division of social dialogue in the human resources department. However, both HR and the sustainable development department have worked closely together from the beginning: two members of the sustainable development team were part of the negotiation team.

Unlike most of the other IFAs, the negotiation process has involved union representatives and managers from the different countries where the Group has subsidiaries. The aim was to take local differences into account and to create the best conditions for effective implementation.

The process started with shared reflections between the social partners, which took two years, but which enabled the negotiations to be finalised in just six months. The first step was a three-day forum jointly organised by the management and the EWC in June 2003 where the future signatory parties had the opportunity to have discussions with representatives from NGOs, international trade unions and experts from the Group's member companies. The aim was to discuss the concept of CSR and to have a common vision. The members of the EWC as well as the European and international union federations that had already negotiated IFAs, in particular ICEM, as well as workers' representatives from non-European countries and representatives of the management took part in this forum. For the unions, the two years of shared reflection were an opportunity to meet their colleagues from other countries and to discuss their priorities. Through these exchanges, the French unions learned that their differences are less important if one adopts an international perspective.

The unions had read several other IFAs and ethics charters adopted by other companies in the energy and other sectors. They also benefited from the experience of ICEM, which had already negotiated other IFAs.

At the first four-day meeting in April 2004, the partners addressed a list of about 20 subjects to include in the IFA. Then the negotiations started.

On the workers' side, the negotiations included two representatives from the five major trade unions in France (CGT, CFDT, CGT-FO, CGC, CFTC) and two representatives for each other country.

The negotiations between the management and the unions created no particular problem, as everyone wanted to reach an agreement. Not wanting to present a bad image to their foreign colleagues, the French unions put aside their differences to concentrate on the international dimension and favoured the expressions of the unions from other parts of the world. The relationships between the unions and the management were very good during the negotiations.

The signature on 24 January 2005 was unanimous.

Implementation and monitoring

Information to employees and local managers

Employees throughout the Group have been informed of the IFA, which has been an opportunity to both remind employees of the Group's culture and to give a concrete example of belonging to the EDF Group. The local management has been informed that they have to produce concrete results on the issues mentioned in the IFA.

However, management and workers' representatives agree that further efforts have to be made to develop the collective ownership of the IFA among the employees. In 2005, the Group was undergoing a phase of major changes which had reduced the IFA's visibility. The development of this collective ownership requires effort from all signatory parties, both at the Group level and at the local level. One idea is to develop Group-wide initiatives that are directly linked to the Group's activity and that emphasise the concrete changes linked to the IFA.

The national unions also contribute to the dissemination of the IFA. The CFDT informs all of its representatives about the IFA. Each time the CFDT delegate in the EWC meets the remaining CFDT representatives, they discuss the IFA. They don't necessarily know the content of the IFA, but they know who they can contact if they have questions. The

CGT prepares a document presenting the IFA to the employees. This union also wants to show that the IFA has a concrete impact on employees.

Each year, the Group's management prepares a report on the implementation of the IFA. The IFA mentions the commitment to design a consolidated report translated into nine languages. In addition to this, there is a detailed report on each subsidiary and a collection of good practices shared by EDF business units all over the world. These documents make the agreement's implementation more concrete. In 2006, 60 good practices had been identified; in 2007, this number doubled. The Group's management also makes information on these practices available through the company's intranet, which is accessible for the workers in France, Germany and the United Kingdom.

Local social dialogue

The management decided to start local social dialogue by establishing an analysis of the current situation regarding the commitments taken in the IFA among the different subsidiaries. The management of each subsidiary reported its achievement on each article of the IFA and started to define action plans to improve their performance on the different parts of the agreement. This first report was the basis for the local social dialogue on the implementation of the IFA.

In each subsidiary, a local social dialogue has started on the local implementation of the IFA. According to the local context, new structures have been established (for example, a CSR forum at Light, a former Brazilian subsidiary) or the dialogue has started within the existing structures, such as the works council. Light, sold in 2006, had been among the first subsidiaries to sign such a decentralised agreement, which stated that the buyer had to respect the commitments included in the IFA and that the national workers' representatives would be invited to the following meeting of the Group's Consultative Committee on CSR. In addition, the Slovakian subsidiary SSE signed an agreement on equal treatment in September 2006 and the Polish subsidiary EC Kraków concluded a local CSR agreement in January 2007.

The national French unions emphasise that the IFA needs to be used by the local unions. As opposed to a collective agreement that automatically increases wages, the IFA has to be implemented and thus used by the local unions. For example, the IFA provides for health insurance, but this insurance will only be established in China or in Laos if the unions remind local managers of this commitment.

Permanent follow-up of the signatory parties

The CCSR has been created to monitor the IFA, composed of all the signatory parties of the agreement. Its president is the CEO of the EDF Group, who may invite about 10 managers representing the Group's main zones to participate. It has a least one annual meeting.

The first meeting of the CCSR took place in April 2006. To prepare for this meeting, the Group's management transmitted three documents to the committee members: a summary of the situation in respect of the commitments within the Group; a list of socially responsible practices identified in the different subsidiaries; and the reports established by each subsidiary on the current situation and its action plans. The first results show that the different subsidiaries already have a high level of respect for the commitments included in the IFA.

Several priorities were identified during the CCSR meeting:

- to develop actions plans through local social dialogue and respecting the principle of subsidiarity and to share good practices;
- to finalise the definition of indicators and to deepen the following subjects: professional careers, mobility and restructuring (articles 3 and 6); fight against discrimination (article 5); actions for poor clients (article 9); subcontracting (article 10); energy efficiency (article 13); integration of handicapped people (article 14); and communication and collective ownership (article 21).

During the first CCSR meeting, one of the two representatives of the French union CGT was appointed as secretary. Furthermore, a bureau was created, composed of seven members: three French union representatives (including the secretary of the EWC) and one representative for the United Kingdom, one for Eastern Europe, one for Latin America and one for Asia, plus the secretary. For some zones, a rotation of the representatives has been decided. For example, Eastern Europe will be represented through Poland and Slovakia. Each member represents his geographical zone and is in charge of one area defined in the IFA.

This bureau meets twice a year for two days. Furthermore, the union representatives created a special internet forum, but because of the many languages required, communication is not easy; thus, during the bureau meetings, translation is guaranteed. On the first day of the bureau meeting, the workers' representatives meet and discuss together and on the second day they have discussions with the representatives of the Group's management.

The first bureau meeting was organised in Paris in June 2006. One of the first items on the agenda was the definition of performance indicators to measure the impact of the IFA. After discussions with the managers that had attended the meeting, the bureau made a joint proposal of 24 indicators, including at least one indicator for each priority. Since then, the Group management has decided to retain 20 indicators among the 24. Another issue arising from this meeting was a discussion on the challenges of non-financial communication within a listed company. This item had been suggested by the corporate management and was accepted by the workers' representatives. For this issue, a member of the company's legal department attended the meeting. During the meeting, the members of the bureau and the management also agreed on an information kit on the IFA, including the results obtained since its signature. This information can be used by everyone and will be adapted on a regular basis.

The second meeting of the bureau took place in September 2006 in Poland. The meeting was opened by the director of the Polish subsidiary with a presentation on the implementation of the IFA in Poland. The management then made a presentation on the involvement of the managers in the implementation of the IFA and of the intranet, including the good practices discovered in the subsidiaries. Finally, the bureau started to prepare the second annual meeting of the CCSR.

The unions agree that it is important to discuss problems arising from the IFA internally and not to inform the media or the general public as a first step. The spirit of the agreement implies responsibilities on both sides. However, the unions believe that they may alert the general public if the discussions within the consultative committee will not lead to concrete actions by the management, but no detailed action plan has been prepared for such cases. This will be an important issue and the unions will have to define which kind of issues such an alert might be used for. They will also have to decide how to react if an NGO alerts them.

The IFA mentions that NGOs can be invited to meetings of the Consultative Committee. There has been a debate on the kind of NGOs to involve. Some unions wanted to involve NGOs created by the company's employees (Électriciens Sans Frontières). The CFDT, however, wanted to involve other NGOs, such as WWF, Friends of the Earth and even Greenpeace, even if they are opposed to nuclear energy. Some external participants took part in the first and the second

CCSR, such as the TUAC union, the ILO, university professors and a local French NGO called Maison Régionale de l'Eau.

Organisation on the management side

Since the first meeting of the CCSR in April 2006, the Group's management has decided to improve the organisation of the management in the implementation of the IFA.

The Group's human resources manager has decided that the implementation of the IFA has to be one of the Group's transversal processes (and the only one in the field of human resources). This means that during their annual meeting, the Group's top managers discuss their priorities as well as the practices they adopted and difficulties they encountered in implementing the IFA. Two of these meetings have already been organised since the signature of the IFA. In principle, they are organised before the annual meeting with the workers' representatives to discuss the implementation of the agreement.

Furthermore, an operational committee has been created, comprised of one representative for each subsidiary and for each activity of the French subsidiary. In principle, these representatives are the human resources managers of the subsidiary, but there are a few exceptions. For example, to represent the purchasing department, the choice has been made to have a representative who is a purchaser rather than the HR manager of this department. These representatives are also the contact persons for the Group's management in charge of the implementation of the IFA. The members of this committee have three meetings per year.

This new organisation made it much easier for the Group's management to prepare the second CCSR meeting and the report on the application of the IFA.

Outcomes and impact

Impacts on social regulation and company industrial relations

The adoption and implementation of the IFA have clearly contributed to further developing social dialogue, both at the national and international level.

Within each subsidiary, local negotiations have started aiming at implementing particular issues covered by the IFA. Thus, thanks to the IFA, social dialogue has been improved in certain countries, e.g. Poland. The last meeting of the bureau was held in Warsaw.

One of the outcomes of the IFA has been the creation of a works council for the Asian countries, a sort of equivalent of the EWC for Asia.

The CCSR in charge of the implementation of the IFA could also be a first step towards creating a worldwide interest representation of the workers. The employee representatives would like to test this with the CCSR and then create a worldwide works council.

General assessment and prospects

The adoption of the IFA had many concrete effects on the different subsidiaries of the Group:

- **Corporate social responsibility label for call centres:** In April 2006, the trading division of the French EDF SA obtained the new social responsibility label for all its call centres, be it for individual or company clients. This label distinguishes companies in the service sector that respect a Code of Conduct with 151 criteria, including provisions on recruitment, training and working conditions. The label has been awarded for two years by a committee composed of representatives from the French government and from trade unions and the employers' associations of the sector. The Group will ask its subcontractors in the field of call centres to obtain this label in 2007.
- **Social measures in case of restructuring:** The EDF Group has sold several subsidiaries in Latin America to concentrate its group on the European market. According to Article 6 of the IFA, the local workers' representatives from Edenor in Argentina and Light in Brazil had been informed of this strategy in advance. Furthermore, the buyers of these subsidiaries committed to respecting the provisions of the IFA for the next three years, as the unions had asked.
- **Collective agreement on subcontracting:** In October 2006, the French EDF SA and three out of five French unions concluded a collective agreement on socially responsible subcontracting. According to Article 10 of the IFA, this agreement deals with the rights of employees of subcontractors relating to employment conditions, qualifications and health and security.
- **Measures to reduce the consumption of energy in the Group's buildings:** EDF PACA, in the south of France, has taken part in a European project aimed at reducing energy consumption in public buildings. The aim was to change the behaviour of the employees at the workplace without any technical intervention. After one year, 82% of employees declared that they had changed their behaviour and the energy consumption had been reduced by 11%. Given this success, EDF has decided to generalise this experiment in the rest of France to all buildings owned by the company. In parallel, the company aims to promote efficient energy consumption at employees' homes.
- **Promotion of equal treatment:** The exchange of good practice has contributed to raising awareness of the challenges of equal treatment in Eastern Europe.
- In 2006, 110 CSR good practices were identified and shared by Group entities (60 in 2005).

The IFA is concluded for a period of three years. On the one hand, it seemed necessary to ensure full years for the roll-out, tracking and monitoring of the application of the agreement, and on the other hand, to provide the time necessary to work on its renewal. With this aim in mind, the signatories found it opportune to extend the duration of this agreement by one year, unanimously signing an amendment on 25 April 2007.

The CEO and the Group's human resources manager often mention the IFA, even if it is mainly conceived as an internal tool, as it is important to the Group's culture. For many managers in the subsidiaries, it is a concrete example of what it means to be part of the EDF Group. Furthermore, the IFA has prompted the managers to integrate the expectations of the different stakeholders and it introduces a new methodology for the management.

The unions are also very proud of this IFA, even those who were reluctant in the first steps of the bargaining process.

Annexes

- Agreement on EDF Group Corporate Social Responsibility;
- Code of Ethics;
- EDF Group's Principles for Ethical Behaviour.

Annex 1

AGREEMENT ON EDF GROUP CORPORATE SOCIAL RESPONSIBILITY

By and between:

EDF Group, as represented by its Chair,

And:

EDF Group employee representatives and the following national and international trade unions:

on behalf of EDF Group companies in France: FNME-CGT, FCE-CFDT, FNEM-FO, CFE-CGC, CFTC;

on behalf of EDF Group companies in the United Kingdom: GMB, Unison, Prospect, Amicus;

on behalf of EDF Group companies in Hungary: VDSZSZ;

on behalf of EDF Group companies in Poland: SOLIDARNOŚĆ;

on behalf of EDF Group companies in Slovakia: SOZE;

on behalf of EDF Group companies in Argentina: Luz y Fuerza;

on behalf of EDF Group companies in Brazil: Sindicato dos Trabalhadores nas Empresas de Energia do Rio de Janeiro, Sindicato dos Engenheiros de Rio de Janeiro;

on behalf of EDF Group companies in Mexico: SUTERM;

on behalf of EDF Group companies in Asia, the elected employee representatives of the Asia Pacific Concertation Committee (APCC);

ICEM (International Confederation of Energy, Mining and General Workers Unions)

PSI (Public Services International)

IFME (International Federation of Mining and Energy)

WFIW (World Federation of Industry Workers)

Preamble

The generation, transmission, distribution and supply of electricity and energy, as vital commodities and prerequisites for economic and human development, are business activities that cannot be conducted without a highly developed sense of Social Responsibility. Their practice implies a commitment from all companies and their employees working in this industry.

This responsibility relates to relationships between EDF Group companies and their employees, as well as to our business relationships with our customers, subcontractors and suppliers, with the populations, territories and more broadly with society at large. This Agreement addresses these various aspects of Corporate Social Responsibility, which also concerns numerous other stakeholders with whom EDF must maintain an open dialogue (e.g. institutions, governmental and non-governmental organisations...).

In a global context of electricity and energy market liberalisation and of increasing competition worldwide, all EDF Group component companies must seek to achieve competitiveness, as well as economic, social and environmental performance, by implementing a profitable and sustainable growth model.

EDF Group's performance model relies at once on its economic and financial achievements, its professional excellence, and its social and environmental responsibility. Built up around these three pillars, the Group's ambition is to become an international benchmark in sustainable development.

EDF Group wishes to assert its values in a context of global economic competition: respect for individuals, respect for the environment, excellent performance, solidarity and integrity. We want to forge our corporate identity, culture and ethics policy from such shared values.

EDF Group draws its strength from the cultural diversity of each of its Branches and Companies, conducive to mutual enrichment and to a combination of singular identities blending to create a corporate identity. Each and every one of us makes a contribution to the Group; this wealth of assets in turn enhances the Group's position.

The industrial dialogue between staff representatives and trade unions, on the one hand, and management, on the other, should contribute to reassert the Group's corporate social responsibility. EDF has always regarded labour/management relations as a key factor of success. We want it to contribute, at various levels (Europe, Americas, Asia), to building up the Group's corporate identity.

By signing this Agreement, the signatory parties undertake to reinforce the involvement of management and all employees in actions to foster the Group's corporate social responsibility, and to secure their credibility by monitoring and enforcing compliance with the commitments taken.

The signatory parties regard this Agreement on EDF Group's Corporate Social Responsibility, the outcome of an initial international bargaining round involving all EDF controlled companies along with international labour organisations, as an opportunity to strengthen EDF's collective commitment to sustainable development and to contribute to advancing labour/management relations on a multinational scale. It is intended to be both proactive in its commitment to universal principles applicable Group-wide, and pragmatic in its implementation of the principles adopted in full respect for cultural, social and economic differences.

Based on such universal principles and commitments applicable throughout the entire EDF Group, each company shall have to define the conditions of their local application and implementation, in compliance with the principle of subsidiarity and in accordance with its own economic, cultural, professional or regulatory characteristics.

I – Scope of application of the agreement

This Agreement shall apply to those companies over which EDF Group holds direct control, i.e. companies in which EDF owns a majority shareholding, or enjoys a majority of voting rights linked to the stock issued, or appoints over half of the members of the directing, executive or supervisory bodies.

In the event that a change in shareholding or in the shareholders' agreement of EDF Group causes any one company to exit the above-defined scope, this Agreement shall cease to be applicable to said company. Conversely, in the event that a new company enters the above-defined scope, the locally concerned stakeholders shall be offered the opportunity to join in the Agreement should they so desire. Should it become necessary to amend this Agreement to that effect, the signatory parties may then resort to the clause providing for negotiation of a rider as specified in Article IX.

In those companies where EDF holds a significant stake without exercising any direct control, the signatory parties undertake to promote this Agreement in an effort to encourage the adoption and application of its provisions.

EDF Group companies hereby undertake to comply strictly with national and local laws, as well as other collective agreements, and more particularly where such laws provide for more extensive requirements than the provisions of this Agreement.

II – Universal standards

Article 1 – Respect for Human Rights. Conventions of the International Labour Organization (ILO)

EDF Group endorses as its own the international commitments of the United Nations for the protection and defence of human rights: the 1948 Universal Declaration of Human Rights, the 1967 Declaration on the Elimination of All Forms of Discrimination against Women, as well as the 1959 Declaration on the Rights of the Child.

EDF Group reaffirms its adherence to the Ten Principles of the United Nations Global Compact of July 2000 (10th principle adopted in June 2004).

EDF Group undertakes to comply and enforce compliance with the ILO Fundamental Conventions in all companies under its direct control:

- *Guaranteeing the freedom of association and principles of collective bargaining:*

- Convention 87 on the Freedom of Association and Protection of the Right to Organise, 1948

- Convention 98 on the Right to Organise and Collective Bargaining, 1949

- *Abolishing the use of forced and compulsory labour:*

- Convention 29 on Forced Labour, 1930

- Convention 105 on the Abolition of Forced Labour, 1957

- *Prohibiting child labour and exploitation:*

- Convention 138 on Minimum Age, 1973

- Convention 182 on the Worst Forms of Child Labour, 1999

- *Fighting against discrimination:*

- Convention 100 on Equal Remuneration, 1951

- Convention 111 concerning Discrimination (Employment and Occupation), 1958

This commitment is also valid in the countries that have not yet ratified these conventions.

This is also the case for Convention 135 of 1971 concerning worker representatives, insofar as local law does not impose provisions to the contrary.

In countries that have not ratified these conventions, the signatories may, depending on local contexts, promote the conventions to professional organisations and the competent local authorities, by emphasising the value of the experience of their application within EDF Group companies.

III – Commitments and joint guidelines specific to EDF Group regarding relationships of responsibility between EDF Group and its employees

Article 2 – Health and Safety

1. EDF Group regards the health and safety of its employees as a priority. Appropriate working conditions and consideration for human factors are daily concerns, similar to economic performance, environmental protection and customer satisfaction.

The signatories consider that the health and safety of the workers of the subcontracting companies are as important as those of the Group employees. These issues are addressed in Article 10.

2. EDF Group companies undertake to establish a working context conducive to the physical and mental health and safety of all staff members, regardless of their duties and whatever the risks to which they may be exposed, in compliance with the law.

In an approach geared towards progress, results in the area of health and safety will be measured using appropriate indicators and conveyed to the employee representatives.

3. The Group attaches special importance to safety training. Training programmes must exist in each of the Group companies.

Employees must benefit from safety equipment adapted to their activity and be informed of the rules and responsibilities regarding their own safety, enabling them to take part individually in their own health/safety as well as that of their co-workers.

4. EDF Group companies shall ensure from the onset that their investment projects present no risk of jeopardising the health and safety of their personnel and of the surrounding communities.

5. Actions intended to prevent occupational hazards, in particular electrical accidents and traffic accidents, shall be implemented.

6. The companies of the Group and their employees, in their concern for their social environment, are encouraged to become involved and participate in awareness actions in favour of major public health issues and addiction prevention.

7. Where there is not already dialogue between labour and management on these issues of employee health and safety, a discussion must be begun the year following the conclusion of the Agreement between management and the employee representatives of the company in question, with a view to seeking the best-adapted form of organisation for this ongoing dialogue. Both management and labour shall have access to the information available and necessary to this dialogue.

The trade union organisations and employee representatives having signed the Agreement shall contribute to the promotion of concerted approaches to health and safety, in particular approaches to risk prevention for all their members and all the employees of the company to which they belong.

8. EDF Group shall analyse approaches to health and safety certification that could be applicable to its component companies.

Article 3 – Adaptability of employees and professional careers: training, mobility

1. EDF Group intends to acknowledge and foster the occupational adaptability of its employees.

To that purpose, Group companies shall endeavour to enable their employees, regardless of their category, to have access to adapted tools throughout their professional life:

- Information on changes in their business and organisation, as well as on available jobs
- Ongoing training to prepare them for new jobs and new technologies
- Development of competencies and the potential for promotion, within a context of progress and ongoing training

2. Whenever mobility is required from an employee due to changes in the internal or external context of the Company, preference shall be given to methods providing for adaptation and guidance to change in particular via adequate training and information measures.

When mobility is requested by the employees themselves, each company of the Group undertakes to support individual efforts to this effect, taking into account the candidate's skills and capacities as well as the company's needs and constraints.

This mobility enables employees to enrich their personal and professional development through a new experience.

3. International mobility must be encouraged between the various EDF Group companies.

A Group framework agreement will apply to this mobility when it meets needs expressed by the Group initiating the process. To further these goals, an international job exchange will enable employees to share their professional projects and their desire for mobility.

Article 4 – Social benefits, in particular regarding coverage of workplace accidents, illness and retirement

EDF Group companies are fully aware of ILO recommendations to multinational enterprises urging them to contribute to improving workers' conditions.¹ EDF undertakes to ensure that, by the end of the term of this Agreement, each employee of every EDF-controlled company shall be covered by social benefits systems providing for protection in view of his/her future retirement and to ensure his/her physical and moral dignity in the event of workplace accidents, illness or maternity.

In abidance with local laws and rules, EDF Group companies shall aim to be among the companies of their sector of activity demonstrating good practices in the country in question.

Article 5 – Fight against discrimination

1. EDF Group undertakes to fight against all forms of discrimination and asserts its willingness to respect diversity and promote equal opportunity.

In keeping with the provisions of ILO Convention 111, discrimination is defined as 'any distinction, exclusion or preference made on the basis of race, colour, sex, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation'.

Accordingly, the signatory parties to this Agreement shall take all necessary measures to remove discriminatory clauses from texts in force, such as hiring restrictions.

¹ According to ILO estimates, over half of the world population is not covered by any social benefits, and only 20% enjoy adequate health insurance coverage.

2. Committed to the respect for dignity, EDF Group shall focus special attention on three specific areas:
 - *Equal opportunity for men and women.* EDF Group companies shall, based on an overall assessment, initiate proactive approaches to ensure non-discrimination in career development, access to positions of responsibility and in the pay levels for equivalent work.
 - *Integration of disabled workers.* The Group shall in particular ensure that a policy is developed to assist disabled workers based on a proactive hiring process as well as on specific actions to integrate and support career development (adaptation of work stations and buildings, raising the awareness of employee teams, etc); in the event a disability is incurred or changes, attempts will be made to find the most appropriate solutions for adapting the work station or job.
 - *Origin* (ethnic, national, cultural, religious, family, regional...) shall not under any circumstances constitute a motive for denying anyone an opportunity for recruitment. Likewise, no type of job may be reserved for or prohibited to employees based on their origin. This does not exclude efforts to promote diversity in work teams.
3. EDF Group shall respect its employees' engagement in trade unions and in particular ensure protection against any discriminatory acts jeopardising the freedom to organise.

Therefore attention will be paid to evolutions in the careers of employees with trade union responsibilities or representing personnel.
4. EDF Group considers that the wealth of a working community lies in its diversity, and should therefore be protected and its value acknowledged. Hence, diversity shall be stimulated at all levels within EDF Group companies, in compliance with applicable laws, and in such a way as to ensure that the composition of the corporate community mirrors the civil society at the heart of which it operates.

Article 6 – Anticipation and guidance in industrial restructuring processes

1. In the area of anticipation of and guidance for industrial restructuring processes, EDF Group is adopting principles that must be abided by in all the companies covered by the scope of the Agreement. These principles² are included in the document 'EDF Group Policy for the Anticipation of and Guidance for Industrial Restructuring Processes', regarding which the European Works Council was consulted in May 2003.
2. In particular, the companies of the Group shall apply the following main principles.
 - Anticipation principle, through:
 - The taking into account of consequences on employees during strategic decisions (choice of investment, mergers-acquisitions, restructurings, disposals)
 - Actions addressing employees to prepare for and facilitate the necessary changes, upstream in the decision process.
 - Principle of dialogue between management and the trade unions and employee representatives, via information and dialogue on the economic stakes, the consequences of decisions and the proper adaptation of individual and collective guidance, as well as the monitoring of their application.

² Anticipation, labour/management dialogue, responsibility, subsidiarity, integration, solidarity at a Group level.

- Principle of responsibility towards employees and local economies, aimed at limiting the social consequences for the employees concerned and the consequences for the economic equilibrium of the region. Therefore, measures intended to avoid or limit forced mass layoffs must systematically be examined, where practicable (measures for mobility within the Group, redeployment, etc).

Should forced mass layoffs not be avoidable, provisions that are more favourable than the legal minimum required by the legislation of the country concerned will be sought. In cases where jobs are lost, specific guidance could be offered to the employees concerned so as to facilitate their search for a new job (outplacement, reclassification centre, training, etc).

Generally speaking, EDF Group undertakes to set up employee guidance measures in the companies of the Group that are among those demonstrating the best practices of the major companies in their sector of activity in the countries in question.

Article 7 – Principle of employee profit-sharing incentives

Human labour is the basis of EDF's business performance. Accordingly, EDF Group considers that social progress should be regarded on a par with economic progress and that employees should benefit from the performance of their company, which is the fruit of their collective efforts.

In addition to the basic wages paid to each employee, profit-sharing incentives, that vary in form (individual bonuses, incentive remuneration, profit sharing, save-as-you-earn schemes, employer contributions to pension funds, etc), must be included in each company of the Group, at the latest by the end of the application period of the present Agreement.

Integrating this objective, each EDF Group company shall define its own compensation policy to remunerate individual and collective performance, based on its own economic, social and legal conditions.

IV – Commitments and joint guidelines specific to EDF Group regarding responsible relationships with customers and with subcontractors

Article 8 – Actions in favour of access to electricity

1. The signatories consider that access to electricity is a major factor in social and economic development and a key factor in the fight against poverty. Approximately 2 billion people (a third of humanity) do not have access to this necessary service and many more do not have access to a reliable source of electricity.

EDF Group and its component companies take initiatives or support initiatives through partnerships in various countries, in particular in regions where they are based, to promote better access to electricity for communities. These initiatives take into account local contexts, in particular the requirements of regulatory authorities.

2. The signatories support the initiatives and projects of the employees and other stakeholders working towards this objective.
3. EDF Group devotes specific efforts in R&D to these actions.

Article 9 – Actions in favour of poor customers

1. EDF Group companies who distribute and supply electrical power to residential customers are confronted to various degrees with issues of economically underprivileged or poor customers, inability or difficulty to pay, or sometimes illegal connections.

EDF Group does not have the ability to carry the burden or take the initiative alone to find solutions to such problems. However, as a socially responsible electricity supplier, the Group acts, wherever it operates, with relevant partners – whether governmental or nongovernmental – and it actively seeks out appropriate solutions.

While acknowledging that there is no single solution to respond to the various needs of vulnerable or poor customers, EDF Group will ensure practices and experiences are exchanged internally, in a progress-oriented approach. This work will be communicated to the signatory parties.

3. A special effort is being made to become more familiar with the situations experienced by poor customers and provide adapted advice to facilitate controlling their energy budget and using it rationally. Training employees in contact with these customers will help meet this objective.
4. The signatory parties will also work in each country, with the competent public authorities, to seek out structural solutions including those regarding taxes on kilowatt hours or the supplying of a ‘vital’ minimum of electricity for the poorest customers.

Article 10 – Vigilance with regard to our subcontractors’ practices in the area of legal compliance, health and safety, ethical behaviour with customers and respect for the environment

1. The EDF Group companies systematically ensure that the subcontracting companies they call upon provide quality work and labour in full compliance with applicable laws and international standards (for example, regarding the ban on child labour).

The Group’s requirements shall be applied in particular to:

- Legal compliance
- Employee health and safety
- Ethical behaviour towards customers, and particularly respect for people and integrity
- Respect for the environment.

2. The companies of the Group shall implement with regard to their subcontractors the appropriate selection and assessment procedures meeting these requirements.
3. These requirements shall be conveyed to the subcontractors. Any serious failure, not remedied following notification, to comply with legal requirements or related to issues of occupational health and safety, ethical behaviour towards customers and environmental protection, shall result in the termination of our relations with the subcontracting company, in accordance with contractual obligations.
4. Regarding more specifically the safety of employees of the subcontracting companies, reporting will be requested for workplace accidents occurring in the framework of jobs entrusted to them.
5. The subcontractor must apply the requirements set out by EDF Group to any other subcontractor hired by him/her for the assignment in question.
6. Furthermore, the signatories of the present Agreement undertake to promote the ten principles of the United Nations Global Compact with regard to suppliers from whom they purchase goods and services.

V – Commitments and joint guidelines specific to EDF Group regarding environmental protection and promotion of energy efficiency

Article 11 – Environmental safety of our facilities, our equipment and our processes

EDF Group has facilities and equipment for which the potential hazards must be made known to the local populations via adapted communication and posted signs.

In the context of its industrial operations, EDF Group uses or generates products or emissions likely to present potential risks of serious hazards for human or environmental health.

Confronted with this reality, EDF Group hereby undertakes:

- First, to implement a policy to prevent and reduce known and identified hazards.

In cases where products are proved to be hazardous but a substitution cannot be made in the short term, the companies of the Group shall take action to reduce their use as much as possible, adopt the necessary, reinforced protective measures and ensure these materials are contained throughout their cycle of use.

In addition, EDF shall launch or participate in scientific programmes to seek out substitutes in the medium term.

- Second, to implement a precautionary policy reflected in practice by a proactive attitude of scientific and technological anticipation and intelligence on any hazard issues related to the business activities of EDF Group companies.

Article 12 – Exemplary actions by EDF Group companies and employees in the area of the environment

1. As a responsible energy company, EDF carries out an active policy in the area of environmental protection. The Group's Agenda 21 adopted on 21 December 2001 is one reference of this policy.

EDF Group and the companies composing it are pursuing an ongoing policy to improve their environmental impacts through an ISO 14001 certification involving and mobilising all the management and employees concerned.

This approach includes raising employees' awareness of applicable environmental standards at a local as well as international level.

2. EDF Group contributes to the development of renewable energies. It integrates renewable energies in its production facilities or promotes decentralised solutions where technical solutions and economic conditions allow.
3. In each company of the Group, the signatory parties undertake to promote actions that encourage the exemplary behaviour of the company and employees on issues of environmental protection.
4. Every year, EDF Group Companies, depending on their primary activity, will communicate actions undertaken in the framework of the present Article.

Article 13 – The promotion of energy efficiency for clients and within the companies of the Group

1. EDF Group integrates the promotion of energy efficiency in its concerns for sustainable development.

It is developing an active policy to promote energy efficiency among all of its customers: advice, promotion of efficient use, etc.

It informs and advises its customers so as to help them better manage their energy consumption and control the cost of their electricity bills. Special attention shall be paid to customers in difficult situations.

2. The signatories encourage the companies and employees of EDF Group to demonstrate exemplary behaviour by promoting efficient energy use policies, in particular at the workplace.

VI – Commitments and joint guidelines specific to EDF Group regarding community involvement

Article 14 – Support for the integration of persons with disabilities

1. Each EDF Group company shall adopt an action plan, including specific objectives, favouring the integration of disabled persons, with special efforts devoted to solving problems of accessibility of sites and services and to establish partnerships with community stakeholders who are experts in this area.

To accomplish this, each company shall designate a correspondent, under the supervision of management, in charge of following up on this commitment. All of these correspondents will be able to communicate through a dedicated Internet network.

2. The companies of the Group shall implement actions fostering awareness for their employees in contact with the clientele, for their interactions with disabled persons.
3. EDF Group shall ensure that, when it acts as a contractor, any new buildings constructed shall take into account issues of accessibility for disabled persons.
4. Where such companies exist, EDF Group companies shall be encouraged to integrate companies of the protected sector in their procurement policies.

Sponsorships of Handisport and sports federation programmes shall be sought at international levels.

Article 15 – Involvement in economic and social development programmes

EDF Group will integrate itself as best as possible in the territories and communities where it is present.

1. In the framework of partnerships, EDF Group will be able to participate in programmes contributing to the growth of economic activities. It will in particular be able to support projects that meet the priority needs of local populations (electrification of territories, health and education).
2. EDF Group will become involved by developing aid programmes for professional integration, particularly for youths and for persons excluded from the labour market:
 - Training tools: training or apprenticeships in partnership with the local educational systems or competent organisations
 - Tutoring to provide support for young people entering the job market
 - System of scholarships for low-income students, in the framework of a partnership and according to the opportunities and methods to be defined by each of the companies of the Group.

Depending on the recruitment opportunities offered by the Group, their candidacy could be considered.

Article 16 – Involvement of the company and its personnel in initiatives of general interest

1. EDF Group shall foster the involvement of its employees in activities of general interest.

The Group will encourage, in forms to be defined locally (time credit, donation of equipment, etc), its employees' contribution to volunteer and solidarity initiatives, whether via associations or institutions. These may in particular be:

- Actions to educate children about energy conservation through partnerships with schools and with people living in underprivileged areas
 - Actions intended to inform the general public about the risks related to using electricity (electrical appliances, etc), for accident prevention
 - Community services and assistance to people
 - Other types of useful volunteer actions.
2. For major humanitarian or community causes, partnerships may be sought in cooperation with national or international associations and institutions.

Article 17 – Solidarity of the EDF Group and its personnel in response to impacts from natural disasters on power grids outside of our zones of activity

EDF Group encourages initiatives of collective intervention from Group companies and their employees that are designed to repair power facilities and restore services quickly following natural disasters occurring outside of their zone of activity.

VII – Commitments and joint guidelines specific to EDF Group regarding principles of corporate governance

Article 18 – Sharing of information

EDF makes openness a fundamental principle in its internal and external relations. In full compliance with legal, commercial and strategic requirements of confidentiality, the Group undertakes to supply reliable, quality and updated information on its activity and results to labour and financial stakeholders and to public authorities.

Article 19 – Dialogue between employees and managers

1. The signatory parties want dialogue between the managers and their teams to be a means of facilitating information sharing and involving employees in the evolution and development of their companies and of the Group.
2. Within EDF Group, all employees must have the opportunity to exchange information with their managers on a regular basis for assessing professional achievements, training and career development.

Article 20 – Industrial relations

1. EDF Group undertakes to respect the autonomy and independence of trade union organisations, in compliance with current laws and regulations. It acknowledges as bargaining partners and counterparts the recognised trade union organisations, in particular in instances of collective bargaining.
2. Any EDF Group employee must have the right to join the labour organisation of his/her choice, to elect and be elected for representative functions and to enjoy recognised rights of workers association, taking into account current laws and regulations in force. As indicated in Article 5 of the present Agreement, he/she shall not be penalised for his/her activity in or representation of a trade union.
3. Consultation between employers and employees' representatives shall be the preferred method for addressing issues affecting the interests of the company and its employees, or for the settling of disputes.

VIII – Conditions of the enforcement and monitoring of compliance with the agreement

Article 21 – Implementation of the Agreement

1. All the signatories agree to convey the present Agreement to the employees of the Group via their own vectors of communication.

EDF Group shall organise specific communication for its managers so they may lead and support the implementation of this Agreement for their teams.

EDF shall communicate the existence of this text to its subcontractors, in particular the principles concerning them (Article 10).

2. In each Group company concerned, dialogue shall be initiated between the management and the employee representatives on the initiatives to be taken and the conditions for the implementation of the present Agreement, within a period of six months following its signature. These initiatives shall take into account the local economic, cultural, professional or regulatory characteristics and set out conditions for enforcement within a policy of ongoing improvement.

Article 22 – Conditions for enforcement and monitoring of compliance

1. A review of the Agreement implementation in EDF companies shall be conducted annually on a Group-wide scope and a report presented to a representative body to be created specifically for this purpose: the Consultation Committee on EDF Group Corporate Social Responsibility (CCSR).

Members of this Committee shall include the signatories to this Agreement, in accordance with the terms and conditions specified in the Annex. The Committee shall be presided by the Chairman of EDF Group, who may allow someone to act on his behalf.

The Committee shall meet once a year and shall have sole competence over all issues raised by the application of the Agreement.

All organisation expenses (travel, accommodation, translation, etc) shall be paid by EDF Group.

2. The Committee may invite NGO representatives to attend its assemblies, by common agreement among its members, and as justified by relevant items on the meeting agenda.

IX – Term of validity of the agreement

This Agreement shall remain valid for an initial term of three years.

The Agreement may be revised at any time by way of riders, for the purpose of adaptation, particularly in the case of any change in the Group's scope.

Within one year prior to the termination date of this Agreement, and within a deadline of three months at the latest prior to such a date, the signatory parties fulfilling the requirements set forth under Article I shall meet for a joint review and assessment of its application, in the perspective of its possible renewal.

At this time, the role of the Consultation Committee on EDF Group Corporate Social Responsibility outlined in Article 22 may be redefined.

Each signatory party may revoke his/her signature to this Agreement, with a six-month prior notice.

This Agreement shall be translated into each of the languages where EDF Group is present.

The French version alone shall take precedence over all others for the signatory parties.

Issues of interpretation relative to this Agreement shall remain under the sole competence of the Consultation Committee on EDF Group Corporate Social Responsibility, as created under Article 21.

Draft annex regarding the functioning of the consultation committee on EDF Group Corporate Social Responsibility (CSR) membership

The CSR is directed by the EDF Group Chairman, or his representative. He may be assisted by managers of the Group.

It is made up of (hypothesis of a unanimous signature):

For the companies of EDF Group in France: *10 representatives*

Including:

- 2 representatives of FNME-CGT
- 2 representatives of FCE-CFDT
- 2 representatives of FNEM-FO
- 2 representatives of CFE-CGC
- and 2 representatives of CFTC

For the companies of EDF Group in the United Kingdom: *4 representatives*

Including:

- 1 representative from Amicus
- 1 representative from GMB
- 1 representative from Prospect
- 1 representative from Unison

For the companies of EDF Group in Hungary: *2 representatives*

from VDSZSZ

For the companies of EDF Group in Poland: *2 representatives*

from SOLIDARNOŚĆ

For the companies of EDF Group in Slovakia: *2 representatives*

from SOZE

For the companies of EDF Group in Argentina: *2 representatives*

from Luz y Fuerza

For the companies of EDF Group in Brazil: *2 representatives*

- 1 representative from Sintergia
- and 1 representative from Senge

For the companies of EDF Group in Mexico: *1 representative*

Mandated by SUTERM

designated at the Asia-Pacific Concertation Committee (APCC)

The secretary of the European Works Council is an ex officio member of the CCSR

28 representatives + a guest observer from EnBW

The members of the CCSR are designated by the organisations having signed the Agreement.

The international trade union organisations from our sector of activity, signatories of the Agreement, are associated with the CCSR and they each shall designate a representative (hypothesis of a unanimous signature):

ICEM (International Confederation of Energy, Mining and General Workers Unions): *1 representative*

PSI (Public Services International): *1 representative*

IFME (International Federation of Mining and Energy): *1 representative*

WFIW (World Federation of Industry Workers): *1 representative*

4 representatives

Annual meeting

The CCSR shall meet once per year. During each CCSR meeting, the members shall benefit from a preparatory meeting and a follow-up meeting.

In the event of a request from the majority of the members, and with the agreement of the Chair, a special session may be held.

Bureau and secretary

During its first meeting, the CCSR may decide to create a bureau emanating from the CCSR and intended to ensure the proper functioning of the Committee between meetings.

This bureau may meet one to two times between the CCSR sessions. It shall be composed of six members appointed from within the CCSR, including at least one representative per geographic zone concerned by the present Agreement.

The secretary of the CCSR, elected during each annual meeting of this body, shall be in charge of coordinating the work of the bureau and the CCSR members.

Means

■ *Funding*

The Group shall cover the costs directly related to the functioning of the Committee and the bureau, in addition to the organisation of their meetings, within the limit of an annual budget of 220,000 euro.

■ *Time allotted*

The employee representatives designated to participate in the CCSR meetings shall be given time in the company that employs them to prepare and participate in the annual CCSR meeting (four days per year).

An additional credit of two days shall be allotted to the members of the CCSR bureau.

Travel time shall be added as needed.

■ *Working languages*

All the participants shall be able to speak the language of the countries they represent.

However, any report to be presented before the Committee shall, at least in its written form, be presented in English or in French.

The annual review document provided for in Article 22 shall be translated into all the languages of the CCSR members.

■ *Publication of documents*

A report taking stock of the implementation of the Agreement in the companies of the Group shall be disclosed to all of the employees of the Group via an appropriate channel.

It shall be sent to the members of the CCSR one month before the annual meeting.

The employee representatives who are members of the CCSR shall have access to a specific community within EDF Group-Net and thus have an internal tool for communicating remotely between CCSR meetings.

Annex 2

CODE OF ETHICS

Introduced in 2003, the Code of Ethics founds the Group's identity around a charter and five core values. It reflects our public services heritage and our commitment to the environment. The ethical dimension is now present in the fundamental processes that underpin the Group's existence.

The five core values of the Group

Respect for the individual

Respect for individuals lies at the heart of our Code of Ethics. The rights of each individual govern our relationships with others. We encourage dialogue as the basis for trust and openness to other cultures.

Performance

The strong performance of each individual within the Group improves the service we provide to our customers. The added value which this creates through the cooperation and network-oriented work of employees and companies alike contributes to the profitable and sustainable growth of the Group and will benefit customers, employees, shareholders, partners and the community alike.

Integrity

As employees of a Group working in many and varied fields, we make integrity our watchword in all our dealings with contacts and partners. It excludes any corruption and requires employees to act with uprightness, honesty and transparency.

Respect for the environment

We are accountable to present and future generations for the impact that our activities have on society and the environment. That is why respect for the environment is a key factor in all our business decisions. We will comply with and promote international standards of environmental protection and will account publicly for our performance on these issues.

Solidarity

As energy suppliers, we are committed to offering reliable and equitable access to energy, which is an essential commodity for human well-being and development. We support the right to energy of poor customers. We will fulfil our corporate responsibility to provide energy for all and promote social integration for disadvantaged people. We will work to extend access to energy to communities still deprived of power.

Annex 3

EDF GROUP'S PRINCIPLES FOR ETHICAL PRACTICE

EDF's identity is defined by five core values based on the Group's common ethics. They are inherited from the concept of public service and constitute key components of sustainable development. They are: respect for the individual, respect for the environment, excellent performance, social responsibility and integrity.

These values imply that the Group and each of its constituent companies act according to principles for ethical practice which will guide implementation of each and all of the five values.

The principles for ethical practice are intended to meet the expectations of all stakeholders.

They will evolve and be enriched both by the Group's experience and through dialogue with external partners.

EDF Group has opted for open discussions with employee representatives to the European Works Council in order to work together to develop principles for ethical practice which are applicable to employees in companies throughout the Group.

Any stakeholder, individual or institution, and any employee will be entitled to demand compliance with the Group's values and relevant principles for ethical practice, and shall have the right to alert the Group's ethics board to any observed failure to comply.

EDF Group and its customers

To act according to its values, the Group shall abide by the following principles of ethical practice when dealing with its customers:

■ *Respect, listen to and treat each individual fairly, accepting differences.*

Undertake to ensure that all customers, whether residential, business or local authority, shall benefit from equal consideration, fair treatment and high standards of service.

In commercial advertising, refuse any media, messages or images that might prejudice individual rights or offend personal dignity.

Prohibit all discriminatory practices.

Give each Group customer the opportunity of raising at any level complaints or concerns related to the company's business, with a guaranteed response within a short and specified time period.

As a last resort, customers will also have the option of taking a complaint to a mediation board.

■ *Meet our customers' expectations by offering environmentally-friendly technologies.*

Make information available to each new customer on electricity usage and offer advice on energy savings.

Provide information on the sources of the electricity we sell.

Offer advice and services in the field of industrial ecology, and reduction of greenhouse gases.

Develop diversified technical and commercial products and services to stimulate development of a wider range of power generation techniques.

■ *Take measures to ensure that our customers benefit from the Group's financial profitability.*

Offer competitive services and products which meet with the requirements of public service and which are made viable by the financial success of the company and its staff.

■ *Act responsibly towards underprivileged customers.*

Develop mechanisms to listen to and assist customers in emergency and precarious situations.

Actively seek contact and dialogue with underprivileged customers prior to any decision, in order to come up with the most appropriate solutions.

Explore the possibility of maintaining a minimum power supply before any cut-off procedures.

Offer advice on how to contact existing welfare services.

■ *Ensure personal health and safety, and the safety and security of facilities.*

Promote customer and neighbourhood information and awareness campaigns highlighting safety rules and advice relating to the use of electrical appliances.

Aim to promote best practice in the electrical safety of domestic and industrial facilities, by, for example, working with professional installers.

- *Make integrity our watchword.*

Respect all business commitments whether they be quotes, contracts, gentlemen's agreements or others.

Ensure that the company stays committed to the most fair and honest practices in all business relationships, through both its procedures and behaviour.

Take adequate measures to prevent corruption.

Publish and enforce a code of ethics applicable to each and every Group employee and covering all professional situations involving the Group.

EDF Group and its shareholders

To act according to its values, the Group shall abide by the following principles of ethical practice when dealing with its shareholders:

- *Corporate governance procedures within each Group company shall conform to explicit rules of operation.*

These rules are described in a document stating the governance principles applicable to Group companies, and defining the operational framework governing the Group companies' own rules and regulations.

- *Every shareholder shall be entitled to receive clear, accurate, and adequate information in good time.*

- *EDF Group believes in treating all its shareholders equally.*

The Group reasserts its commitment to the principle of 'one share, one vote'.

- *The principle of separation between management and compliance functions will apply to the organisation of all Group entities.*

Independent and objective auditing is essential to guarantee proper risk prevention for the company and its shareholders.

- *EDF Group intends to be its shareholders' preferred investment choice based on the value created, in line with joint objectives of economic performance, social and environmental responsibility.*

The Group expects its representatives in subsidiaries to promote its sustainable development strategy within their respective companies.

- *The Group shall provide investors with adequate information to assess its ability to prevent any risk of downgrade to its financial, economic, social and environmental rating.*

The Group shall ensure proper monitoring of its rating by independent agencies, in order to identify and prevent any resulting risks.

EDF Group and its suppliers

To act according to its values, the Group shall abide by the following principles of ethical practice when dealing with its suppliers:

■ *Guarantee respectful, impartial and fair treatment for each and every supplier.*

Guarantee transparency, impartiality and equitable treatment, both in tenders and awards of contract.

Ensure confidentiality of information exchanged.

Base the selection of suppliers on an objective assessment, while securing the best product quality.

■ *Consider as part of our social responsibility the working conditions of subcontractors operating in our facilities.*

Ensure strict compliance with the standards in our own companies, thereby protecting the health and safety of all individuals working at our sites.

Apply the same standards to both EDF employees and our subcontracted employees.

■ *Encourage suppliers to join us in our pursuit of quality and innovation.*

Apply performance stipulations to encourage suppliers and their subcontractors to progress and develop innovations, particularly on environmental issues, and in strict compliance with local regulations.

Respect and impose the most exacting standards of quality, safety and environmental protection, and initiate the relevant certification procedures wherever certification has not yet been achieved.

■ *Establish responsible relationships based on transparency.*

In an effort not to undermine the stability of our suppliers, we will as far as possible provide them with accurate and early information on any predictable changes in our supply, construction or service contracts.

Ensure that our relationships with suppliers never induce any situation of dependency towards EDF or vice versa.

Provide advice and exchange best practices to help dependent suppliers, if any, to search for other customers and partners.

■ *Make integrity our common language.*

Build suppliers' trust in the Group, grounded in the integrity of EDF employees and organisations.

To ensure that we promote honesty, loyalty and probity, we will put procedures in place to raise awareness, monitor and, if necessary, penalise unethical conduct.

Issue a Code of Conduct to all employees involved in procurement detailing the rules applicable to each situation and the appropriate ethical behaviour. Require that each employee comply with the Code.

Work with integrity to establish contractual relationships with our suppliers which are conducive to drawing up fair contracts respected by each party.

In all countries, require our suppliers to prohibit child labour, and, more generally to share our commitment to fundamental workers' rights, as defined by the International Labour Organization.

EDF Group and society

To act according to its values, the Group shall abide by the following principles of ethical practice when dealing with any community:

- *Respect governments and populations, act equitably and benefit from our diversity.*

In all countries where we operate, respect the national legislation, the people and their cultures, in all their diversity, by adopting the fundamental principles of the Universal Declaration of Human Rights.

Observe a strict neutrality towards the public authorities of the countries in which we operate.

Do not favour one political or religious group above any other.

Provide citizens in the countries where we operate with the possibility of expressing complaints or concerns about the Group's activities.

Guarantee that all such enquiries shall receive an answer within a defined and short time period, and facilitate referral to the Group's Ethical Compliance Board as an option of last resort.

- *Establish fully transparent relationships with representative associations in the community.*

Provide the public and recognised community bodies with clear, up-to-date and easy to understand information.

Recognise all official bodies, representative associations and NGOs. Establish with these organisations an open and constructive dialogue on any issues related to the Group's ethics policy.

- *Act to protect the environment, today and for the benefit of future generations.*

Implement the commitments for sustainable development as set forth in EDF Group's Agenda 21.

Act in full transparency and behave as a responsible company, concerned with reasonable use of natural resources and with limiting our environmental impact.

Use sustainable development as the guiding principle for all Group activities, investments and tenders; develop the use of renewable fuels.

- *Protect public health and safety and guarantee the safety of facilities.*

Conduct public information campaigns, detailing the rules of safe behaviour in the vicinity of our generation, distribution and transmission facilities, in an effort to raise the local public awareness of risk prevention.

- *Ensure that the community benefits from the Group's profitability.*

Work in partnership with those who represent the interests of the community. Get involved in sustainable urban development and cooperate with local authorities to promote balanced regional development, respecting local contexts.

Use part of our profits to invest in research and development, enabling us to provide new solutions for technical, economic and commercial progress.

Endeavour to serve the public interest by working in partnership with local authorities to develop profitable business activities conducive to sustainable local employment.

■ *Maintain responsible relations with public authorities.*

Take action to guarantee optimum security of power supply to the community.

In the event of problems linked in particular to unfavourable climatic conditions, protect the public interest by providing uninterrupted minimum power supply to priority sectors, and mobilise all efforts to re-establish electricity as quickly as possible.

In case of crisis, support public authorities by making resources available to assist the population in emergency situations.

■ *Wherever we operate, act with integrity.*

Observe all the commitments we make to public authorities and stakeholders (such as Agenda 21 or commitments to customers...), monitor their implementation and, where necessary, involve partners in assessing the results.

Ensure that decisions taken in the company's interest never become subject to individual interests or jeopardise the public interest.

Publicise the Group core values and their application, so that anyone can assess group and individual compliance.

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