



# Comité d'Entreprise Européen d'EDF

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## JOINT STATEMENT OF EDF/EWD PERSONNEL REPRESENTATIVES

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The Industrial Project presented to EDF/EWC is essentially a financial project.

The objectives announced for external expansion in Europe and for developments as a gas industry operator should mobilize some 20 billion Euros over three years.

This project is guided by a benchmarking method against the Group's competitors in Europe:

- size of the Group,
- leadership in the market,
- financial profitability ratios.

The Company's responsibilities in terms of required investments, particularly in generation facilities, appear to be neglected.

France and Europe will shortly be in need of a massive renewal of existing power generation facilities, and risks of electricity supply shortages have already been identified. Capital expenditure requirements have been estimated to reach hundreds of billion Euros over the coming decade in Europe.

A European-wide concerted energy policy is necessary to foster both technological and industrial developments and ensure the security of supply in the European power system. The Project presenting the Group's strategic challenges in Europe fails to address these essential issues. We take due note that what is proposed, to the detriment of a genuine industrial policy, is a game of positioning in the European energy market, restricted to disposals or acquisitions of assets mobilizing the entire investment capacity of operators.

The necessary emergence of labour standards for the benefit of workers in the energy sector, reflected in the Project under the slogan of "turning the group into a reference model on social and environmental issues" would deserve further in-depth analyses. Is there not a contradiction between the social and labour intent declared and the Group Management's goal of reaching an unprecedented record financial profitability by planning 7.5 billion Euro in cost cutting within 3 years throughout the Group?

Nearly 10,000 jobs have been eliminated within the Group over the past three years. With such objectives, EDF is acting no better than other energy operators to prevent the degradation of employment conditions and workers rights. Deregulation, privatisation, market opening and

fierce competition between industry operators have generated a de facto competition between European workers. Companies are thus achieving gains in productivity via massive job cuts and deteriorating workers' rights and benefits.

It has been demonstrated that job cuts are instrumental in severely deteriorating the working conditions of employees by creating pressure on the organisations and by fostering precarious working status via cascading subcontracts, while reducing the ability of energy operators to meet the needs of the public.

The announced strategy to refocus market positions in Western Europe, combined with the planned capital expenditures in the gas industry (6 billion Euros), causes fears of a complete divestment of the Group from Central Europe and Latin America in the mid-term, with announced assets disposals of some 10 billion Euros. The Project presented to the EWC is both vague and imprecise regarding the continued presence of EDF Group in those countries.

The document announces intentions regarding the Group's positions in EnBW and EDISON. Yet, the information recently published in the press regarding EDISON raises new questions, as the situation appears to be turning into a real politico-financial imbroglio, which in the short run could lead to heavy consequences for the Company.

What are the Group's practical intentions in terms of "optimisation of businesses" in Poland, Slovakia and Hungary? What will the statement that they should "build the basis for a future potential growth vector" imply as a consequence for the personnel of the concerned companies?

This project fails to address issues of respect for "major principles" of anticipation and workers' support in industrial restructuring processes:

- principle of anticipation via consideration for the impact of decisions on the labour force,
- principle of labour-management dialogue,
- principle of responsibility to employees and local economies,

The above principles were recently written into the draft agreement on Corporate Social Responsibility following negotiations with labour organisations.

What consequences will this Project have on the labour force, wage policies, headcounts and on the rights of workers throughout the Group ?

The personnel representatives of EDF European Works Council shall keep a close watch on the follow-up and subsequent decisions, and wish to remind the Company of its obligation to associate, inform and consult them on a regular basis regarding the implementation of its orientations.