

Worldwide agreement on fundamental labour rights within the France Telecom Group

Introduction

The France Telecom Group applies its social responsibility as an international group by deploying a consistent worldwide social policy that recognises labour rights and respects the rights of individuals and labour organisations. Consequently, the company undertakes to respect and encourage the men and women throughout the world who work in the company, to make access to information as free as possible within the limits of business confidentiality and to apply equality in compliance with International Labour Organisation Standards, with the principles of the Universal Declaration of Human Rights and with the Global Compact. It was in this context that the Group began discussions with the France Telecom Worldwide Trade Union Alliance-UNI, grouping the unions represented within the France Telecom Group who are members of UNI (Union Network International).

France Telecom Group is implementing a strategy for growth and competitiveness based on its business excellence, the quality of its services, customer satisfaction, its international activity, the commitment of its employees and the mobilisation of its partners.

Scope of the agreement

The present agreement applies to companies directly controlled by the France Telecom Group, i.e. companies in which France Telecom Group holds the majority of the capital or a majority of voting rights or in which it appoints more than half the members of the administrative, management or monitoring bodies.

1 - Respect for fundamental human rights

The France Telecom Group undertakes to respect the dignity of its staff and ensure that its management applies this principle.

The France Telecom Group shall ensure that dialogue is maintained with all the stakeholders, and particularly: employees, trade union organizations and staff associations elected by their peers, as well as the State, professional bodies and shareholders.

When applying fundamental ILO agreements, France Telecom Group shall particularly :

- prevent the use of forced labour,
- prohibit child labour and exploitation,
- combat unfair discrimination,
- seek to ensure health and safety at work,
- uphold the principle of freedom of association and the effective recognition of the right to collective bargaining.

This commitment shall also apply to countries which have not ratified these agreements.

o Social dialogue and relations with trade union organisations

The France Telecom Group recognizes its staff's right to freedom of association, of representation and union membership in compliance with the principles laid down by ILO agreement n°87 of 1948 on freedom of association and the protection of union rights. Employees are free to join or not join a staff or union organization of their choice. When a trade union is not present in one of the Group companies, the France Telecom Group shall adopt a neutral position designed neither to assist nor prevent the establishment of the trade union.

The France Telecom Group applies the national laws and regulations regarding recognition of the representative character of trade union organizations in the companies which it comprises and shall comply with the local agreements signed with the Group. The signing of the present agreement does not change in any way the recognition or otherwise at local level.

France Telecom Group also undertakes to comply with the terms of ILO agreement n°98 on the rights of collective organization and negotiation. In this context, the Group is seeking to develop collective social dialogue with the representative Trade Unions and/or the staff representatives.

- **Combating all forms of compulsory and forced labour**

The France Telecom Group condemns and will not use any type of forced or compulsory labour in compliance with ILO agreements n°29 and 105 on forced labour.

- **Prohibition of child labour**

The France Telecom Group shall not, as set out in ILO agreements n°138 and 182 on the minimum working age, use children under the age where compulsory schooling ends in any country concerned, or in any case, before the age of 15. The commitment of suppliers and service providers to this policy is a selection criterion.

- **Non-discrimination**

The France Telecom Group does not discriminate in its labour relations and particularly recruits men and women according to their specific skills and treats each with dignity, in a non-discriminatory manner, respecting the age, social origin, family situation, sex, sexual orientation, disability, political, trade union or religious opinions, their actual or supposed membership or non-membership of an ethnic group, nation or race in compliance with ILO agreement n°111.

Concerning these last three points, the commitment of suppliers and providers to this policy is one of the selection criteria.

This policy should contribute to the diversity of people and cultures within the different group entities.

- **Health, safety and working conditions**

The France Telecom Group constantly monitors the health and working conditions of its staff and provides occupational health services for its employees in compliance with local legislation.

Respect for the health and safety of its employees is part of France Telecom's commitment to human rights within its sphere of influence. To ensure this, France Telecom has introduced a specific policy which is applied to all the companies in the Group throughout the world.

The aim of this policy is to integrate the health and safety of personnel and sub-contractors in an opportune manner in all the Group's activities by:

- Respecting the applicable laws and regulations and taking the necessary additional measures to ensure good practices.
- Developing appropriate management of health and safety at work, including fundamental rules, procedures and recommendations,
- Striving to improve working conditions and consulting the employees and their representatives in an appropriate manner,
- Ensuring that the health and safety of its employees and subcontractors are effectively managed in a proactive manner (control, audit, etc.).

The France Telecom Group will actively inform and participate in preventive campaigns on risks to health, particularly in countries where the risk of pandemic is high.

2 – Employment policy

To encourage its development, the France Telecom Group has dynamic employment policies particularly in the specific areas below :

o International mobility

International mobility, on a voluntary basis, should be encouraged between the different companies within the Group as it contributes to team diversity and is a source of creativity and synergy.

o Access to training

To favour the employability of its employees within the company, the France Telecom Group facilitates access to the training necessary for them to carry out their work and for their professional development throughout their career.

- o **Working time and rights to holiday pay**

According to the company's requirements and in compliance with local agreements and national legislation, the France Telecom Group undertakes to organize its employees' working time while taking the operational constraints and their preferences into account as far as possible.

In compliance with national legislation and practice in countries where the France Telecom Group is present, a right to paid holidays is granted to staff.

- o **Remuneration**

The France Telecom Group recognises the principle of a fair reward for work and respects the prescriptions of ILO agreement n°100 on equal pay for equal work.

- o **Anticipating and providing social support during restructuring**

In the context of its responsibility towards staff and local economies, the France Telecom Group endeavours to anticipate change and restructuring within the different Group companies to minimise as far as possible any consequences on employment. To this end, the following principles will be applied to companies covered by this agreement.

- **Principle of anticipation through :**

- o integration of social consequences in strategic decisions,
- o training to facilitate the necessary changes.

- **Principle of social dialogue** with local union organisations recognized as representative and elected staff representatives by means of information and dialogue on economic issues, the consequences of decisions and suitable individual and collective support.

- **Principle of social support:** to limit the consequences for the staff concerned, the Group will implement as quickly as possible internal mobility measures (redeployment within the Group, suitable training) designed to avoid or limit lay-offs.

3 – Relations with suppliers and sub-contractors

The France Telecom Group will inform its suppliers and subcontractors of the existence of this agreement.

Effectively demonstrating the adoption of these principles is a favourable foundation for long-term partnerships.

In line with the France Telecom Group Code of Ethics and its support for the Global Compact, the directors and employees ensure compliance with the principles of fairness, integrity and objectivity in their relations with customers and suppliers. They undertake not to seek gifts or advantages and not to accept any such gifts or advantages if they are of significant economic value. They abstain from any illegal action and from any participation in acts of corruption.

4 – Conflict anticipation and resolution

Should UNI or the France Telecom Group Worldwide Trade Union Alliance-UNI consider that this agreement or one of its principles is not applied in one of the Group's entities, they undertake to contact the France Telecom Group management before any outside communications so that the necessary discussions can take place. For its part, the Group undertakes to implement any measures necessary to ensure compliance with the content of this agreement.

5 - Implementation and monitoring of the agreement

The present agreement shall be made known to all the staff of the entities in the France Telecom Group and will be communicated to the management teams of all the subsidiaries concerned.

The France Telecom Group's management and the Worldwide Trade Union Alliance will jointly ensure that this agreement is effectively implemented.

In companies where France Telecom Group has a significant presence without exercising direct control, the signatories undertake to promote the present agreement and to encourage its implementation, while respecting the independence of those companies.

Monitoring of the agreement and regular progress reports will be provided by the signatories in half-yearly meetings between the France Telecom Group Worldwide Trade Union Alliance-UNI and the Group's management. These reports will notably be based on indicators drawn from the corporate social responsibility reporting.

In the event of interpretation difficulties, the French version of this agreement shall be considered authentic.

This agreement is signed for an indefinite period; it can be cancelled by either of the parties at three months' notice. The agreement will be registered with the Paris Departmental Work, Employment and Professional Training Directorate (Direction Départementale du Travail de l'Emploi et de la Formation Professionnelle de Paris).

Drawn up in Paris, on 21 th décembre 2006

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And the French employee representatives represented respectively by :

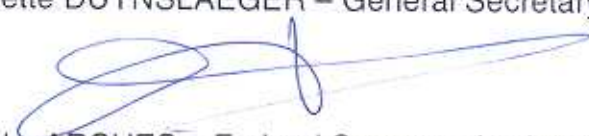
For F3C – CFDT

Hervé MORLAND – General Secretary



For the CGT

Colette DUYNSLAEGER – General Secretary



For FO –COM

Jacky ARCHES – Federal Secretary in charge of International affairs



Useful links

International Labour Organisation

<http://www.ilo.org/public/french/index.htm>

France Telecom Group Code of Ethics

<http://www.francetelecom.com/fr/groupe/responsabilite/valeurs/charte.html>

Global Compact

http://www.francetelecom.com/fr/groupe/responsabilite/engagements/pacte_mondial.htm