

Suez CEO commits to no forced redundancies in merger project

(7 April 2006) EWC meets in extra-ordinary meeting on merger-project Gas de France

The European Works Council of Suez, called Instance Europeenne de Dialogue, met in extra-ordinary session following a demand of the Bureau of the EWC, 7 April 2006, Paris. They met together with the Comite Groupe Francaise.

The representatives discussed the merger project in a pre-meeting with the (financial-economic) experts of Secafi. They presented the pros and contras and consequences for the workers in both Suez and Gas de France. It is clear that the announcement of ENEL (together with Veolia) to launch an hostile take-over bid plunging ENEL in indebtness and thus forcing it to sell off certain assets such as water, waste and energy services causes much concern. The EWC also noted the European context in the energy sector and the many contradictions of Europe's energy policy. The EWC met in the afternoon with representatives of management including Mr. Mestrallet, the CEO of the company. He introduced the project and answered questions.

- The EWC will not agree with a project that dismantles the company - like proposed by ENEL or the President of the Belgian regulator (acting without agreement of the rest of the board of the regulator). It did not pronounce its position for or against as many questions remain open, answers are outstanding to a list of 71 questions demanded by the French unions, and the below issues have not yet been formally agreed.
- The EWC demanded guarantees that Suez, and if the project is realised Suez-Gas de France , remains committed to the energy, water and environment services, activities. Any sale of these activities should only be realised with the agreement of the work force. This will be discussed further.
- The EWC argued for a process of (reinforced) consultation during the process, including information from the various working groups which have been

established. This was met with partial agreement (there will be more consultation) and needs to be further clarified, especially concerning the working groups Gas de France - Suez.

- The EWC will be asked for its opinion (avis) on the merger project when it will be put before the shareholders for agreement. It will be informed when Suez-Gas de France announce the merger to the European Commission;
- EWC argued for information and consultation regarding the concessions the European Commission will be demanding. (See also above on what the EWC will not accept.). This was agreed and needs further spelling out.

The EWC also argued that there should be no forced redundancies. This was agreed. The 5 French confederations had prepared a project to demand a social project from Suez in the form of a Statute de Suez. The EWC supported this project which seeks to obtain guarantees on employment, pay and conditions, and strengthen rights on information and consultation, facilities for the work of the EWC etc.

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