



July 11, 2005

**CONSULTATIVE PROCESS
BETWEEN AREVA AND A PANEL OF STAKEHOLDERS**

SUMMARY

As part of its sustainable development policy, AREVA – in conjunction with *Comité 21* (the French Committee for the Environment and Sustainable Development) – initiated an external consultative process to identify the analyses and expectations of a panel of sustainable development and energy policy experts. The aim was to bring the company's strategy more in line with the needs of civil society, promote dialogue on sustainable development, and expand the company's commitments in this area. The process prompted the company to set out its corporate commitments and review its plan of action accordingly.

The consultation process ran from late 2004 to early 2005. An initial meeting held in September 2004 gave stakeholders an opportunity to voice their expectations. During a second consultative meeting in February 2005, AREVA answered the questions raised and set forth its commitments.

The meetings were attended by the key AREVA managers concerned, representing the following departments: Sustainable Development and Continuous Improvement, Institutional Relations, Strategy, Research and Innovation, Communications, Financial Communications, Human Resources, and Safety, Health and Security. The external stakeholders belonged to fifteen different organizations, representing NGOs (in the fields of environmental protection, North-South development, solidarity and human rights), social and economic agencies, national and international institutions.

The process was conducted in accordance with rules laid down by *Comité 21* and approved by all the participants: stakeholders were chosen by *Comité 21*; the content of the discussions and the identity of the participating organizations remained confidential; the questions raised were answered fully, and meetings were chaired and minutes drafted by *Comité 21*.

Comité 21 invited the stakeholders and, to make sure the meetings were conducted in compliance with the agreed rules, also chaired the meetings. This not only paved the way for an impartial and constructive discussion, but also contributed in real terms to the company's pursuit of continuous progress. *Comité 21* was tasked with drafting this summary.

Both company representatives and external stakeholders remained within the agreed framework of the process. Stakeholders were favorably impressed by the motivation and involvement demonstrated by AREVA's managers, by their willingness to listen, and the quality of the work undertaken to provide answers. Company representatives drew inspiration from the stakeholders' contribution to the meetings, which they considered to be pertinent and well formulated, adding an extra dimension to their activities. From this perspective, the initiative was a success.

Two essential conclusions can be drawn from this first phase:

- The company learned that the stakeholders expected a great deal of information. In a sector of activity open to much commentary and controversy, neither the public authorities nor industry players had sought to measure the extent of this need. To this end, the dialogue and information supplied by the company came some way to satisfying expectations.
- The stakeholders learned that the various AREVA departments are willing to integrate the strategic issues concerning sustainable development into the group.

AREVA was unable to give practical answers to some of the questions raised, since they concerned other players in the French nuclear sector. It suggested organizing a similar consultative process throughout the sector, most areas of which are represented on *Comité 21* (see “*Comité 21: Opinions and Suggestions*” below).

Results

The dialogue, based on specific commitments from both parties, will be capitalized in the short and medium term by AREVA through concrete action. The company has therefore undertaken to incorporate the process in the long term, and report on decisions taken in terms of commitments made and how they are put into practice on the ground.

Commitments

The commitments undertaken by AREVA, likely to be implemented in the short term, are listed below:

Nuclear activity:

AREVA will scrupulously comply with the strictest international anti-proliferation regulations and refrain from commercial prospecting in countries where the need to use nuclear power has not been demonstrated.

Sustainable Development Reporting Methodology:

The reporting system will develop so that sustainable development issues are considered in every field of activity, and will provide information on their implementation at operational level.

Group strategy:

As part of its commitment to social responsibility, AREVA will step up its efforts to help local populations gain access to energy in countries where the group operates, particularly in Niger. Until now, this help was restricted to a few isolated actions. The company is quite willing to set up partnerships with NGOs specializing in this field.

AREVA is one of the world's leading energy operators and as such can contribute to research and development in the area of renewable energy. Having pursued a cautious diversification strategy, the group can only invest in fields where its skills are recognized. Further study will focus on three of these to step up the company's current initiatives: biomass, fuel cells and wind energy. Whatever the case, diversification efforts will concentrate on energy production methods that do not produce CO₂ emissions.

Corporate social responsibility:

The group is aware of the progress that remains to be made in human rights and living and labor conditions in many countries. It is committed to developing its action in this direction through its responsibilities under the UN's Global Compact initiative, in addition to experiments on two sites to study the feasibility of setting up a standard for socially responsible employment practices, e.g. SA 8000.

The group undertakes to help its suppliers to develop a sustainable development approach, guided by a Charter based on the principles set down by the Global Compact initiative. The Charter will be legally binding on key suppliers.

AREVA, with the support of the French government, is in contact with the government of Niger to encourage it to join the EITI (the Extractive Industries Transparency Initiative). This initiative sets out to make public the amount the uranium industry contributes to Niger's budget.

The group plans to increase its involvement in the fight against the AIDS epidemic in the worst-affected countries where the group operates, particularly in Niger, in partnership with international institutions, governments and NGOs.

Governance:

Local consultation and openness in providing populations living near the sites with information are two areas where the company has defined targets for progress. Local stakeholders have been mapped out by the group on four pilot sites in France, Germany and the United States. These maps are intended to support the work that directors will need to carry out in this area. They will be gradually phased in at all significant sites, beginning with nuclear and Seveso plants. The group's long-term strategy also makes provisions for organizing local consultative bodies at its major sites in every country where AREVA operates.

A Local Information Committee is currently being set up in Niger.

Corporate benefits

An agreement signed in February 2005 introduced a new corporate savings plan giving all French employees the opportunity to benefit from an investment fund, including an SRI fund directed at job creation and social integration.

The company hopes to extend its social diversity policy. Within this context, it plans to set up an integration program for disabled workers in 2005. The program will be negotiated with labor representatives, probably at the European level initially.

Comité 21: Opinions and Suggestions

The company provided some answers to all the questions raised and responded to this first consultation process with significant and concrete proposals. *Comité 21* nevertheless considers that much more remains to be done. Specific commitments should be made in several areas.

Access to energy is a key lever for promoting development and human dignity (education, health, etc.) and a vital condition for achieving the Millennium Objectives. Of course, as a world energy leader, great things are expected of AREVA in this field. The right to energy, if possible from renewable sources, must be a structured and integral part of the company's corporate sponsorship policy.

No clear or specific commitments were made regarding the diversification of energy production sources in favor of renewable sources, neither was any detailed action schedule put forward. In its last advertising campaign, AREVA portrayed itself as a group of "experts in energy". Why not "expert in energy sources"?

No specific recommendation was given in response to the concerns expressed by stakeholders with regard to the safety of installations in the event of climatic disturbances. Heightened or accelerated risk remains a major cause of uncertainty, particularly in the Southern hemisphere where risk management systems can be less effective than in France. Isn't the precautionary principle vital in this area?

In a country like Niger, what guarantees must be provided in setting up local consultation? Does civil society exist? Should these projects not be combined with efforts to reinforce NGOs (in partnership with international NGOs for example).

In the interests of influence and recognition, this consultative process needs to be a long-term commitment. AREVA agreed to repeat the exercise every 18 months.

Comité 21 also suggested that AREVA undertake a similar process with its internal stakeholders.

Regarding the question of sharing out responsibilities and commitments within the nuclear sector in France, *Comité 21* proposes organizing a similar consultative process in 2006, bringing together all operators and institutional and economic players concerned, most of which are members of *Comité 21*.

Overview: Stakeholder Expectations

The expectations voiced by the stakeholders concern six key areas: nuclear activity, the sustainable development reporting methodology, group strategy, corporate social responsibility, corporate benefits, and health and environmental protection.

- 1- Nuclear energy: uranium reserves, nuclear waste management, radiation protection, the transportation of radioactive materials, the dismantling of installations, compliance with international regulations, non-proliferation, and the context of commercial prospecting.
- 2- Sustainable development reporting methodology: designing the report, selecting the parties contributing to the report, defining priorities, the scope of the indicators and their content, and communicating on sustainable development.
- 3- Group strategy: integrating the sustainable development strategy, involving each domain, access to energy, actions outside the core nuclear business, the role of AREVA in managing energy demands and developing renewable energies, climate change.
- 4- Corporate social responsibility:
Governance and human rights: the Global Compact initiative, the EITI, human rights as a key corporate value, social responsibility certification.
Regional integration: operating sites, integrating local social issues, the durability of implications.
Internal/external consultation: the impartiality of dialogue, consultation and transparency, public debate, education and communications, corporate patronage activities, internal consultation.
- 5- Corporate benefits: the place of trade unions in industrial relations, social integration, training employees, planned redundancy schemes.
- 6- Health and environmental protection: controlling the risks of fatal accidents, health policy and labor conditions in mines, the transparency of information concerning radioactivity, environmental certification.