



Summary of Discussions

Fourth Stakeholder Session
19 & 20 May 2010



Foreword

In 2010, in keeping with its sustainable development and continuous improvement policy, AREVA, jointly with Comité 21, pursued the external stakeholder consultation process that it initiated in 2004. Two half-day meetings were organized for the occasion, on 19 and 20 May 2010 in Paris.

Goals of the consultation:

- To report on the company's actions since the previous consultation, and to bring stakeholders up to date on its latest developments and orientations;
- To enrich the company's strategic thinking and its commitments to sustainable development by actively listening to opinions and suggestions from stakeholders.

At this fourth Stakeholder Session, the debates were structured around the issues identified at the previous sessions (see the summaries from 2004, 2006 and 2008) and AREVA's current challenges.

This edition brought together the heads of AREVA's main departments – including the group's Chief Executive Officer, who took part in the debates of the second half-day – and the representatives of fifteen organizations from a variety of backgrounds including NGOs (environmental protection, North/South development, humanitarian action, defense of human rights, consumer groups), think tanks, research, and local organization. Seven stakeholders joined from the United States, Europe (outside France), India and China.

The session was conducted in accordance with the usual rules designed by Comité 21 and approved by all the participants, with the exception of the confidentiality principle, which is henceforth based on the Chatham House rule.¹

The stakeholders underlined the progress made by the company, in particular its efforts in the fields of greenhouse gas abatement, renewable energies (REN) development and diversity, and praised the overall quality of the information package provided before the meeting. After the session, they voiced their appreciation of the opportunity it had given them to gain a better understanding of how AREVA operates, and called for the continuation of the consultation process. A number of stakeholders suggested to Comité 21 and AREVA that the group should think about ways of pursuing the discussions at greater depth on certain specific topics.

This document is a non-exhaustive summary of the main exchanges between the company and its stakeholders. As part of this consultation process, the company has made a formal commitment to answer all of the questions submitted by the stakeholders, without exception. However, this process of dialogue does not imply that the company will necessarily be able and/or willing to provide an immediate and/or operational response to all of the remarks made by stakeholders.

¹For details about the Comité 21 methodology, contact Matthieu Gauvin – 01 55 34 75 28



Summary of discussions



Stakeholder remarks and suggestions

On the basis of the agenda drawn up for the consultation, the stakeholders questioned the company and identified the following action levers, after praising the presentation work that went into the information package provided in advance of the meeting:

- **Sustainable development and continuous improvement**
 - Ensure that the high standards set by the group in the field of sustainable development are the same in every country where the group does business;
 - Guard against complexity and the “strictly for engineers” side of the approach, which can lead AREVA to have over-aggregated indicators and to stray too far from the reality on the ground;
 - Show leadership in all areas of corporate social responsibility, by initiating action in the countries with which the group plans to work (advocating sustainable energy policies and transparent financial flows), notably through bodies such as EITI² or ICMM³;
 - Bringing in civil society organizations, such as the PWYP⁴ coalition, as far upstream as possible in order to foster dialogue at the local level and to reinforce the transparency of financial flows and sensitivity to environmental and social impacts, especially in mining.
- **Values Charter and human rights**
 - Be open about ground-level compliance (or otherwise) with the values defined by the group – values that may come into conflict with economic considerations, especially in certain high-risk parts of the world, and explain the instruments or measures implemented to defuse potential conflicts.
- **Overall strategy**
 - Do more to explain the synergy choice of nuclear power plus renewable energies, and anticipate the risk of competition between the different energy sources;
 - Maintain efforts to develop renewables, while remaining proud of the nuclear activity;
 - Anticipate the group’s financing needs to maintain investment and make provision for potentially unfavorable market developments (increased competition in nuclear, higher safety and security costs, social and environmental management of renewables, etc).
- **Main components of the R&D policy**
 - Specify AREVA’s R&D position on nuclear fusion and energy storage solutions;
 - Anticipate a risk of paradox between AREVA and the State in the choice and funding of technologies (fast neutron reactors vs. high conversion reactors).
- **Risk management and environmental protection**
 - Learn lessons from BP’s environmental catastrophe, notably by asking whether AREVA is not at times too sure of its own technical mastery – which could dent public confidence in the nuclear sector, giving rise to fears of obsolescence;

² The Extractive Industries Transparency Initiative

³ The International Council on Mining and Metals

⁴ Publish What You Pay

- Clearly set out the group’s key security priorities;
 - Specify the group’s vision on the processing and recycling of nuclear used fuel, particularly with regard to the technological risks (including those concerning the transportation of fuel and proliferation), in a context where nuclear energy has a promising international future.
- **Renewable energies**
 - Be more specific about the group’s efforts and ambitions for renewables: the current and future share of the group’s global activities (employees, budgets...), related R&D spending, etc.;
 - Explain AREVA’s technology portfolio choices (e.g. biomass, concentrated solar with Compact Linear Fresnel Reflector, offshore wind, etc);
 - Evaluate the environmental and social impacts of these energies throughout their life cycle, and make sure they are accepted by the local population (mapping of goals and stakeholders, supply chain challenges, biodiversity considerations...);
 - Specify whether AREVA has a targeted strategy for countries with no easy access to energy, particularly nuclear energy, and above all in Africa (e.g. appropriate renewables solutions such as biomass).
 - **Developing access to energy**
 - Continue the partnership and patronage actions launched by the group to develop access to energy for local populations;
 - However highlight the significant contribution AREVA makes to the host countries’ tax revenues, which is the most effective way to act in favor of local development and to enable countries to achieve the Millennium Development Goals.
 - **Countries acquiring nuclear energy**
 - Exercise caution in assessing a “newcomer” country’s readiness for nuclear, notably by ascertaining its political stability and its capacity to develop national expertise;
 - Specify whether human rights criteria play a part in the group’s decisions to tender in the various candidate countries, and give examples of cases where the company has had to think twice about its presence in these countries;
 - Demonstrate how AREVA contributes to the acceptance of nuclear energy in countries, and particularly non-democratic countries, where the group sells reactors (by gaining local acceptance, notably through a policy of information and transparency).
 - **Mining activities**
 - Reinforce the integration of social and societal considerations into mine management (development of local employment, deployment of local populations after site closure, notably by developing alternative economic activities, etc.), and do more to explain how AREVA’s local development fund contributes in this area;
 - Specify whether the health observatories are being, or will be, rolled out to all of the group’s mines, put in place an inspection system to make sure they remain relevant to the needs of employees and local populations, and think about how they could be adapted to different themes, for example the environment;
 - Set out AREVA’s approach to managing the environmental impacts of mining sites throughout their life cycle, from site installation (managing the liabilities stemming from previous mining operations, conducting impact studies, making financial provisions...), through to closure (biodiversity offset, rehabilitation of site, etc);
 - Be transparent, especially with regard to Niger, on changes in the company’s acceptability in its areas of operation, and difficulties encountered in community involvement.
 - **Responsible purchasing policy**
 - Maintain a high and consistent level of standards for the entire purchasing process (starting with the initial specifications), factoring fundamental rights, and specify whether performance indicators have been defined;

- Check that the full range of issues (and particularly human rights) is addressed during audits of suppliers, and highlight the possible difficulties in the contractual relationships;
 - Specify AREVA’s strategy for developing local and regional sourcing.
- **Diversity policy and equality of opportunity; training**
 - Bring the question of gender equality to the fore, in line with diversity issues, and shed more light on issues or indicators of gender discrimination, particularly with regard to pay and promotion;
 - Strengthen AREVA’s capacity to measure changes in social and ethnic diversity (e.g. recruitment of young graduates from deprived areas), and report on them over time;
 - Specify whether regional disparities are observed within the group regarding diversity and whether there are any plans to address them;
 - Set out the specific actions taken to promote the training of young people and their integration into work and society, under the *Plan Banlieues*, to which AREVA has subscribed.
 - **Local economic development and reindustrialization**
 - Specify AREVA’s general strategy on local economic development, and the type of business activity that it supports;
 - Make sure nuclear is seen as an opportunity for the local region, and guarantee local economic activity after production has ceased.
 - **Concluding remarks**
 - On the whole, think again about the general aura of confidence that AREVA seems to display, never allowing doubts to be expressed.

The company’s areas of action and reflection

In response to the remarks and suggestions made by the stakeholders, the following pages set out, non-exhaustively:

- The main challenges that the company has striven to meet in recent years, and the actions taken to address them;
 - The areas in which the company wishes to extend its actions over the coming years.
- **Sustainable development and continuous improvement**

The group’s representatives presented the organization of their global approach, based on a set of ten commitments and on a Values Charter derived from international declarations and the principles of the Global Compact. These commitments are driven by a continuous improvement process – the “AREVA Way” – that uses a detailed checklist to enable managers to identify areas of progress. The number and relevance of the indicators are assessed at regular intervals. Efforts are under way to define a smaller set of indicators. A summary of the reporting results is presented periodically to the Executive Management.

AREVA is keen to assume a leadership role in sustainable development within its sphere of activity, notably through exemplary conduct (applying the same high standards to all of the group’s entities, whatever their local context may be, listening to stakeholders, etc.) and through active participation in international initiatives such as EITI, WBCSD⁵, or ICMM.

For AREVA, developing dialogue with stakeholders from civil society is of fundamental importance, and the group sets out to do exactly that via mapping exercises with stakeholder interviews, including around its mining sites, even if this is an area in which progress remains to be made.

⁵ The World Business Council for Sustainable Development

- **Values Charter and human rights**

The application of the Values Charter is on the responsibility of the Management charge, advised in case of ethics dilemma by the Corporate Business Ethics Advisor, supported by a network of internal correspondents. The Management also draws up an internal annual ethics report whose results are presented to the Board of Directors and whose process is coordinated by the Corporate Business Ethics Advisor. The unique feature of the Charter is that it combines ethics and compliance, as well as ethics and management.

For the group, respect and consideration for human rights is an international cross-cutting approach that involves a number of different function departments. To raise managers' awareness of local situations that are sometimes very complicated, the group organizes internal seminars on ethics, and is currently developing human rights training through the *Entreprises pour les Droits de l'Homme* (EDH) group, of which AREVA is a member.

- **Overall strategy**

The scope of activities of the group has changed significantly, notably following this year's sale of the transmission and distribution business (T&D), and the group's capital opening to strategic investors will be a further evolution. The group prioritizes two main areas of investment: on the one hand, the modernization of its nuclear facilities and the development of its reactor range, and on the other, the deployment of its renewable energies offering, mainly in offshore wind, biomass, hydrogen and solar thermal. The group's decision to invest in certain renewable energy technologies is made primarily on the basis of their economic competitiveness (outside subsidies). AREVA's goal is to develop further the complementarities that exist between nuclear and renewables.

- **Main components of the R&D policy**

The international context is strongly marked by climate negotiations, with milestones for greenhouse gas reduction targets scheduled in 2030 and 2050.

In the nuclear sphere, fast neutron reactors (FNRs) hold out promise for the future, alongside high conversion reactors. Work will also focus on next-generation recycling plants, with the aim of achieving breakthrough advances thanks to nanotechnology, computer modeling, and the use of new materials. In terms of safety standards, the group wants them to be as high as possible, and identical for all countries.

R&D efforts in renewable energies center mainly on concentrated solar thermal power and offshore wind, as well as on new technologies such as the production of synthetic fuel from CO₂.

- **Risk management and environmental protection**

In 2009, the group set up a specific department encompassing the fields of safety, health, security and the environment. This department defines internal standards, monitors the group's actions, supports the operating entities and presents a summary document to the Board. It is also tasked with ensuring preparedness for accident situations, in the form of exercises at each facility. Outside the group, meanwhile, it acts as the primary point of contact for many stakeholders (government agencies, elected representatives, NGOs, etc.), for example at meetings of the HCTISN⁶, PNGMDR⁷ and other participatory forums.

In terms of making progress on risk management, the group has indicated that it is focusing more specifically on human factors and on managing the chemical risks inherent in its activities, including the application of the REACH regulatory system.

Besides, as for the experience feedback of past events, the group reminds the audience of the fact that its most sensitive activities have passive safety barriers, but indicate that it learns from experience and in particular invests very significantly into the modernization or replacement of its facilities.

⁶ *Haut comité pour la transparence et l'information sur la sécurité nucléaire* – High Commission for Transparency and Information on Nuclear Safety

⁷ *Plan national de gestion des matières et des déchets radioactifs* – National Radioactive Materials and Waste Management Plan

With regard to biodiversity, the group attaches great importance to this subject, but recognizes that progress remains to be made, notably to enable the group to define a global policy, with support, for example, from specialist partners.

- **Renewable energies**

With a revenue of €200 million in 2009, renewables represent a relatively minor share of AREVA's business. In terms of the investments and resources deployed, however, they are an important part of the group's activity – one which the group aims to multiply by a factor of six or seven in order to achieve an order backlog worth €5 billion by 2012. The group is keen to establish a firm foothold on high value-added segments.

The renewables option also enables the group to offer its customers local, decentralized, low-carbon solutions – in addition to nuclear – that are particularly adapted to rural contexts.

In partnership with the World Bank and with the African Development Bank, AREVA is developing programs that meet the needs of African countries.

A major line of progress for these new energies would be to improve the way the group measure and manage their environmental, social and societal impact, throughout their life cycle, in order to ensure, in each case, that they are well accepted by the local population.

- **Developing access to energy**

While the supply of energy to the consumer is not the group's core business (that is the role of the electricity utilities), AREVA is aware of its responsibilities and is keen to contribute to developing access to energy. The group's actions in this field are decentralized and local. AREVA prefers to intervene through partnership and patronage, often the most suitable option for addressing local issues, in support of local public investment. In many cases, access to energy is a subsidiary element of broader development programs (on health, water, education, etc).

In the longer term, the group intends to formalize its policy in this area more precisely, perhaps in collaboration with other industrial groups.

- **Countries acquiring nuclear energy**

The group's products all present the same level of safety and security requirements, and are qualified as "non-proliferative". AREVA advocates the use of closed cycles. The group also helps candidate countries to project long-term electricity prices. AREVA's approach is not solely to provide nuclear technology, but also to put countries in a position where they can manage it responsibly over the long term (through training, or by adapting existing structures). However, AREVA ultimately reserves the right not to enter into a contract where any suspicion remains that a country has infringed international rules (including human rights).

In terms of public acceptance, the group facilitates learning for its clients and their own stakeholders by inviting them to meet the people who live in the vicinity of the group's facilities.

- **Mining activities**

AREVA is the world's leading uranium producer, guaranteeing its customers long-term access to the fuel. Part of the AREVA vision, when it comes to opening mines, is the co-development approach, which sets out to evaluate, as accurately as possible, and in liaison with local stakeholders, the impact that the mine will have on the socio-economic fabric (this consultation process is followed systematically from the exploration phase onward). Eventually, the creation of "initial health status" in AREVA's new zones of operation should provide a clearer picture of the environmental and health impact of mining over time.

In the field, health observatories have gradually been set up around the mining sites since 2007, supervised by a multi-disciplinary observation group (from AREVA and the NGOs Sherpa and Médecins du Monde).

To signal its commitment, the group is considering joining the ICMM initiative, the leading advocacy group for responsible mining practices.

- **Responsible purchasing policy**

AREVA's responsible purchasing policy is recent, and was adjusted following a consultation on the subject with a restricted panel of stakeholders organized by Comité 21 in 2008. The group builds sustainable development criteria into its specification documents, trains its buyers, requires a signed commitment from its suppliers and performs on-site audits.

To identify other potential progress routes, a benchmarking of large corporation purchasing practices was launched in 2009, and a general meeting of suppliers was organized in 2010 to discuss responsible purchasing practices. The group is keen to see progress on supply chain issues (in the framework of the WBCSD and WRI⁸ initiatives) and particularly on gender discrimination aspects.

- **Diversity policy and equality of opportunity**

In addition to signing a Europe-wide trade union agreement on equal opportunity (diversity and disability management in the workplace) in 2006, the group created its own "Diversity & Equal Opportunity" department in 2010. The group also obtained AFNOR's diversity certification for all of its entities in France, in recognition of the work done over the last five years. Improvement points have been identified, such as the integration of the diversity policy into the group's management systems, and the theme of discrimination into the AREVA's risk map. The group has also announced deep-seated changes in the area of gender equality, for example by introducing a 32% female recruitment target among engineers and by examining women's applications first, during internal personnel reviews, on the basis of identical assessment criteria.

- **Training**

The training department was set up in 2008, in a context of very strong personnel growth. It covers the AREVA University, a training campus in Aix-en-Provence, and nine technical training centers in the USA, France and Germany. It focuses on developing the skills of the group's employees as well as on supporting the group's customers and suppliers. AREVA University currently teaches a dozen different programs on sustainable development, almost one third of the training courses that it offers.

- **Local economic development and reindustrialization**

AREVA creates jobs around its industrial sites, and supports job creation in the areas where it does business. In the case of mines, one of the aims is to develop a multi-activity zone to prepare for the post-mining phase. The group contributes to local economic development by injecting its own equity into developing businesses (cf. the "Sinergi" approach in Niger). But the group cannot spearhead economic development on its own: it works with numerous local and regional players (contacts have been established with some 6,000 actors to date).

⁸ World Resources Institute

■ Recommendations by Comité 21

Comité 21 wishes first of all to greet AREVA's willingness to publish the synthesis of the questions raised by the stakeholders, for a purpose of transparency. This approach contributes to the enrichment of the debates, towards both its stakeholders and its employees.

Analysis of the satisfaction questionnaires (handed out to stakeholders at the end of the session) shows that they appreciated the consultation exercise. It gave them a clearer understanding of how AREVA operates. They approve the "ground rules" proposed by Comité 21, notably the introduction of the **Chatham House rule** on participant confidentiality (7 out of 10 are in favor).

Finally, they appreciate the principle of renewal of the exercise every 18 months (85 % of favorable answers), a frequency considered appropriate, so as to allow the company to implement the expected changes.

Based on the stakeholders' remarks summarized in this document, and on our knowledge of the dialogue process that we have organized since 2004, Comité 21 makes the following recommendations to AREVA:

With respect to form:

- Hold **consultation sessions on specific themes** between plenary sessions. These should enable deeper discussion of a recurrent topic, one where the company has a significant margin for improvement (cf. the consultation on sustainable purchasing in 2008). Particularly where the topic was not dealt with during the plenary session due to lack of time;
- **Measure the gaps** between the commitments made during the previous stakeholder sessions and the results obtained so far, in order to facilitate the stakeholders' task of monitoring the implementation of the corporate responsibility policy;
- **Communicate more about the difficulties encountered** in the deployment of the sustainable development and continuous improvement strategy;
- **Wonder about the image AREVA reflects outside of the company**, which can be the one of a group in confidence, only rarely displaying room for doubt - including during the sessions - at the risk of appearing over-confident.

With respect to content:

Four themes merit deeper reflection between now and the next session:

- Assessing the social responsibility issues **specific to each new energy (windpower, solar, biomass)** in which AREVA invests, focussing upstream on acceptance by local populations and on the environmental impact;
- **Defining AREVA's global ambitions on biodiversity**, beyond individual site reclamations (e.g. a charter, strategic partnerships, etc.);
- In developing countries, enhancing **representation of civil society** and/or contributing to the emergence of local forces of contradiction when they do not exist, in particular thanks to the organization of local dialogues;
 - Beyond the sale of one technology, AREVA's goal must be to support the global acceptability of nuclear energy by encouraging **transparency and information** of civil society;
- Pursuing company thinking on **gender equality** and on **ethnic and social diversity**.