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European agreement on the anticipation of change
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Between

Schneider Electric s.a., 43-45 boulevard Franklin Roosevelt – 92504 RUEIL-MALMAISON , FRANCE

represented by Mr Jean-François PILLIARD, Executive VP for Strategic Human Resources and Organisation

and

The European Metalworkers' Federation (EMF), International Trade Union House (ITUH), Boulevard du Roi Albert II, 5 (bte 10), 1210 BRUSSELS, BELGIUM

represented by Mr. Bart SAMYN, Deputy General Secretary

The following was agreed:

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Preamble

Schneider Electric is a transnational group of companies that is well-positioned in Europe. Schneider Electric takes the view that it is necessary to have an economic and social driver that will enable it to deal with the ongoing changes to the context in which it operates.

Schneider Electric has drawn up a reference document entitled "Our principles of responsibility", which has been adopted by all of its units, and adhered to the principles of the United Nations Global Compact in 2003.

In order to pursue its development and respond to economic and social issues, including sustainable development issues, Schneider Electric has applied in all its entities the New² programme covering the period 2005-2008 and which will be followed by other corporate programmes for the forthcoming periods.

Each new corporate programme, when launched, will first be presented to the European Works Council; information on the programme will then be provided to the national representation bodies.

The contracting parties agree that this agreement lays down the minimum joint principles that may be used as the framework to which all European units should refer for the purpose of managing changes in its general environment and any impact they may have on the situation of Schneider Electric's employees.

The group wishes to anticipate such changes with a view to developing its employees' career paths. It points out that today a high-quality social dialogue is a decisive factor for Schneider Electric's progress.

The purpose of this agreement is to improve the anticipation of change by promoting firstly an active practice of social dialogue regarding necessary organisational changes and secondly adaptation tools, such as the Master Competency Plans, Individual Competency Reviews or any other practice involving anticipation and adaptation of competence that is implemented locally, together with the development of appropriate training policies.

It aims to:

- Safeguard the competitive level of the companies concerned and promote the sustainable development of its existing production activities.
- Preserve and develop the employability of its employees.
- Develop the necessary competence and skills of its employees so as to enable them to adapt to the new economic and strategic challenges.

The aim is to ensure equal treatment for all employees concerned with the objective of securing their career paths.

The parties wish to underline the specific nature of the current step undertaken at European level, which depends upon the close involvement of the European Committee, via its Bureau.

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APPENDIX: Glossary

1. Scope of application

1.1. Geographical scope of application

The present agreement applies to all the legally autonomous entities of Schneider Electric in Europe (scope of the European Committee as defined by Article 1 of the agreement in respect of the Schneider Electric European Committee signed on 21st January 1998 and modified on 20th January 2005).

1.2. Material scope of application

This agreement cannot replace any national legislation and/or collective agreements and/or corporate agreements if these are more favourable.

2. Anticipatory management of employment and competences

The signatory parties consider that in a constantly changing environment, the development of the competence of the group's employees is a challenge as regards the performance of the company and a challenge as regards providing a secure career path for each employee.

2.1. Key priorities

In order to promote anticipatory management of employment and competence, the parties agree on the following priorities:

- Providing information on the group's priorities and main orientation forecasts
- Promoting the identification and anticipation of competence and qualification requirements for each field of activity and in all entities (implementation of the Master Competency Plan and the Individual Competence Review)
- Developing an active training policy that is accessible to all professional categories.

2.2. Developing an active anticipation/training policy

The signatories to the agreement believe that anticipatory management of employment and competence must be based on the following priorities:

- Identification and anticipation of competence and skill requirements for each area of activities and in all entities, relying on the vocational skill reference system defined by Schneider Electric at global level.
- Undertaking Individual Competence Reviews with each employee at least once every three years, in order to identify development actions (training, mobility on a voluntary basis, etc.).
- Developing an active training policy.

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The parties point out that training remains the preferred means for anticipating changes in vocational skills.

They agree that an active training policy involves:

- The preparation of an annual training plan based on the objectives identified in local discussions on anticipatory management of employment and competence
- Access to training for all professional categories
- Validation of competence and qualifications
- Information, support and advice.

2.3. Initiative involving the implementation of an active training policy

The parties agree that it is up to the social partners at local level/at the level of each entity to implement these objectives in accordance with national legislation and practice focusing on the following elements:

- An assessment of the current situation with regard to anticipatory management of employment and competence within the entity
- Details with regard to recognition and validation of acquired competence
- Steps to be taken to remedy any shortcomings to be noted regarding these issues
- An inventory of existing means and optimal mobilisation of such means.

The results shall consolidate the process of taking this forward-looking dimension into account in the entity's future training plans.

The process thus engaged must fit into the framework of the existing legislation and collective agreements and of the practices currently in force.

2.4. Protection of personal data

The parties agree that the tools for implementation in respect of anticipatory management of employment and competence must comply with national legislation relative to the protection of personal data.

The authorisation procedure put in place by the Schneider Electric Personal Data Protection Committee must also be followed.

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3. Developing an upstream social dialogue to promote anticipatory management of change

3.1. Information on the group's strategy

The parties agree that anticipating company change presupposes that the definition of the group's priorities and major plans must be explained to employee representatives as far upstream as possible.

3.1.1. Information provided to the Schneider Electric European Committee

To this end, the European Committee shall be informed each year of the group's strategy, its possible impact on the development of competence requirements and trends in employment at Schneider Electric.

This information shall be based on foreseeable economic developments, and in particular:

- market developments that may affect the group's operations,
- the main development and adaptation plans,
- technological change,
- organisational change,
- changes of scope (including, when possible, subcontracting)
- employment trends, and job and competency trends within the group.

3.1.2. Information provided to employee representation bodies at local level

Each local management team must in turn arrange for information to be provided to its employee representatives regarding Schneider Electric's strategy and its possible major and foreseeable consequences for the local company concerned.

The information provided at local level shall include trends in employment, an inventory of the jobs affected and any changes of competence envisaged.

A local action plan aimed at anticipating these changes shall be drawn up, together with a timetable for monitoring this.

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3.2. Consultations on methods for implementing the group's strategy

3.2.1. Consultation of the European Committee

Any transnational action plans arising from this strategy, and presented if applicable at the same meeting, shall be the subject of a European Committee consultation in order that any positions expressed by employee representatives at this discussion may be taken into account in the choices envisaged.

The notion of "consultation" to be adopted for the purpose of understanding all the provisions of this agreement shall be that provided by Directive 94/45/EC dated 22 September 1994, which states that consultation is "*an exchange of views, and the establishment of a dialogue between workers' representatives and the central Management team or any other more appropriate level of management*".

3.2.2 Consultation of employee representation bodies at local level

The methods used to implement any transnational action plans arising from the group's strategy shall be the subject of information provided to/consultation of the local employee representation bodies of the entities concerned, in accordance with the national provisions in force.

3.3. Information and confidentiality

The European Committee members and the members of the local representation bodies are required to maintain the confidentiality of any information passed on to them as such. In general terms, they are bound by an obligation of discretion vis-à-vis third parties.

4. In the event of developments in the group with consequences for employment

The parties agree that anticipatory management of employment and competence is the preferred means of anticipating any changes within companies and limiting any negative consequences they may have on employment.

4.1. The Schneider Electric European Committee: an ideal forum for conducting an anticipatory social dialogue

The parties consider that, given its situation at a strategic and European level, the Schneider Electric European Committee is the ideal forum for establishing an anticipatory social dialogue that will make it possible to launch an information-consultation process prior to the implementation of transnational action plans so as to be able to deal with any changes constructively and limit any possible negative impact they may have.

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Thus, in the event of major organisational change plans likely to have an impact on employment, the parties agree to refer to the national legislative provisions and to those of Article 13 of the Schneider Electric European Committee agreement governing extraordinary circumstances, which provide for an information-consultation procedure to be set in motion involving the European Committee and the national employee representation bodies within synchronised time periods and in due time.

4.2. Implementation of the agreement principles at national level

In monitoring the possible social consequences at local level, in the absence of any national provisions that are at least equivalent, the social partners or the authorised parties must address the following topics in particular:

- When it appears realistic in the light of the situation of the entity concerned, a search will be made for new activities inside the group (sales and marketing, R&D, support, etc.) in parallel with the examination of external solutions.
- Possibilities for internal reclassification within Schneider Electric at local level.
- Actions aimed at facilitating external reclassification.
- Accompanying measures for reclassification via retraining for the proposed reclassification.
- Eventual specific indemnities over and above what is provided by the law or collective agreements applicable to the company concerned.
- Possible intervention with regard to reactivation of the employment basin when the planned measures have an impact on the local economy.

When exploring the above-mentioned elements it is essential to ensure equal treatment for all the employees of the various countries.

The implementation of these themes will depend in particular on the extent of the problems encountered, the labour market situation, the local policies implemented by the public authorities, collective bargaining or the activity of the specialised advisory bodies responsible for providing assistance for local reclassification, and national practice and culture in the respect.

5. Implementation of the agreement

5.1. Rules relative to application of the agreement

The actual implementation requires co-ordination between the Group level and the local entities.

It is agreed that all of the provisions of this agreement must be implemented in the year after it comes into force.

The European Committee members from the country concerned will be informed by the national management of the measures taken for implementation of this agreement in the country concerned regardless of the unit they work for.

The social partners of each country represented within the European Committee shall sign this agreement at the relevant level with a view to ensuring its effective application at local level.

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The signatory parties agree that it is the French text that is the official authorised version.

The text shall be translated into all the languages of the countries represented on the European Committee.

5.2. Communication and promotion

The present agreement will be the subject of a presentation to local Management and the various units and to all employees in order to promote its appropriation by the European entities.

5.3. Interpretation and disagreements

The parties agree that any disagreement over its interpretation or implementation shall be referred to the signatories.

The EMF and the General Management shall seek an amicable solution for these disagreements within a reasonable period of time and in a spirit of cooperation.

5.4. Monitoring of the agreement

A monitoring commission shall be established, comprising an EMF delegation including the European Committee Bureau. This commission will meet once a year, in connection with a European Committee Bureau meeting, to review the implementation of the agreement within the group's various entities.

It is agreed that, when making this evaluation, a list will be drawn up of the actions that could have been undertaken in respect of each of the areas of the present agreement and that this will lead to discussion and the setting up of a "good practices" database which will be made available to all the Group's entities.

On the basis of this examination, recommendations could be made for improving the application of the agreement.

6. Duration of the agreement and events that may affect the agreement

6.1. Duration of the agreement

The parties agree that the provisions of this agreement shall take effect as from the date of its signature. This agreement is concluded for an open-ended period.

6.2. Revision

The signatories may jointly propose the revision of any part of this agreement, or of the entire agreement.

The proposed revisions shall replace the previous text as soon as they are agreed by Management and the EMF.

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6.3. Termination

This agreement may also be terminated by the General Management or by the EMF. The agreement shall cease to apply after a three-month notice period when revoked either by the General Management or the EMF.

7. Filing and publication

This Agreement comprises pages numbered from 1 to

It is accompanied by an appendix containing a glossary of the main terms used in order to facilitate its translation into each European Committee language.

It shall be filed by Schneider Electric SA at the Hauts de Seine DDTEPF and with the NANTERRE *Conseil des prud'hommes* [industrial tribunal].

Done at Rueil-Malmaison, on month 2007

For Schneider Electric sa

For the EMF

Jean-François Pilliard
Executive Vice-President
Strategic Human Resources
and Organisation

Bart Samyn
Deputy General Secretary