

Two European Collective Agreements - towards a more international Thales



Améliorer le développement professionnel en anticipant mieux



Entretien annuel d'activité transparent pour l'écoute mutuelle et le développement des savoir-faire professionnels

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- **The Thales profile**
 - **Thales European Agreements**
 - **IDEA – History and Concept**
 - **TALK – History and Concept**



World leader for mission-critical information systems

■ Three core businesses

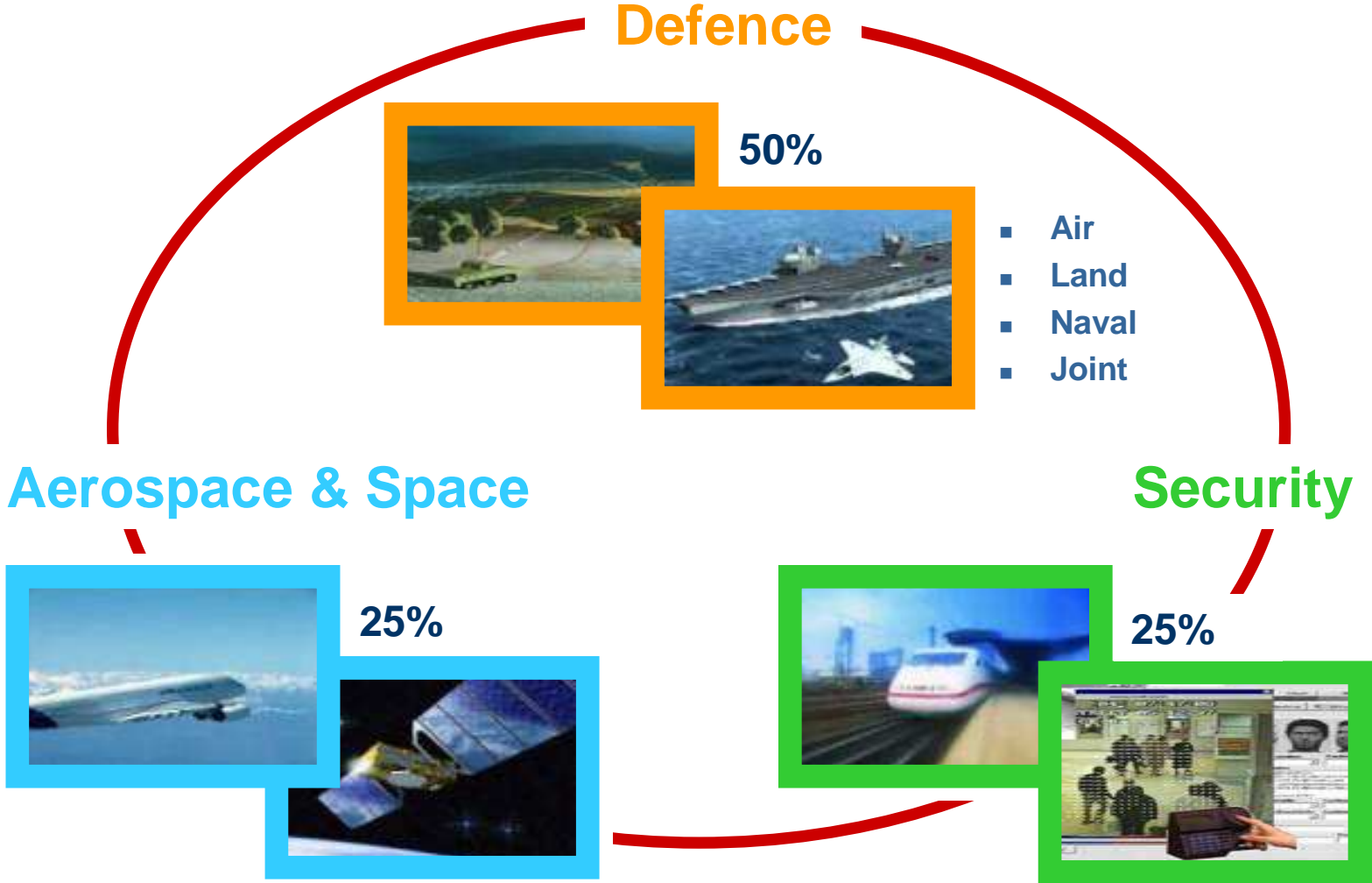
- ▶ Aerospace & Space
- ▶ Defence
- ▶ Security



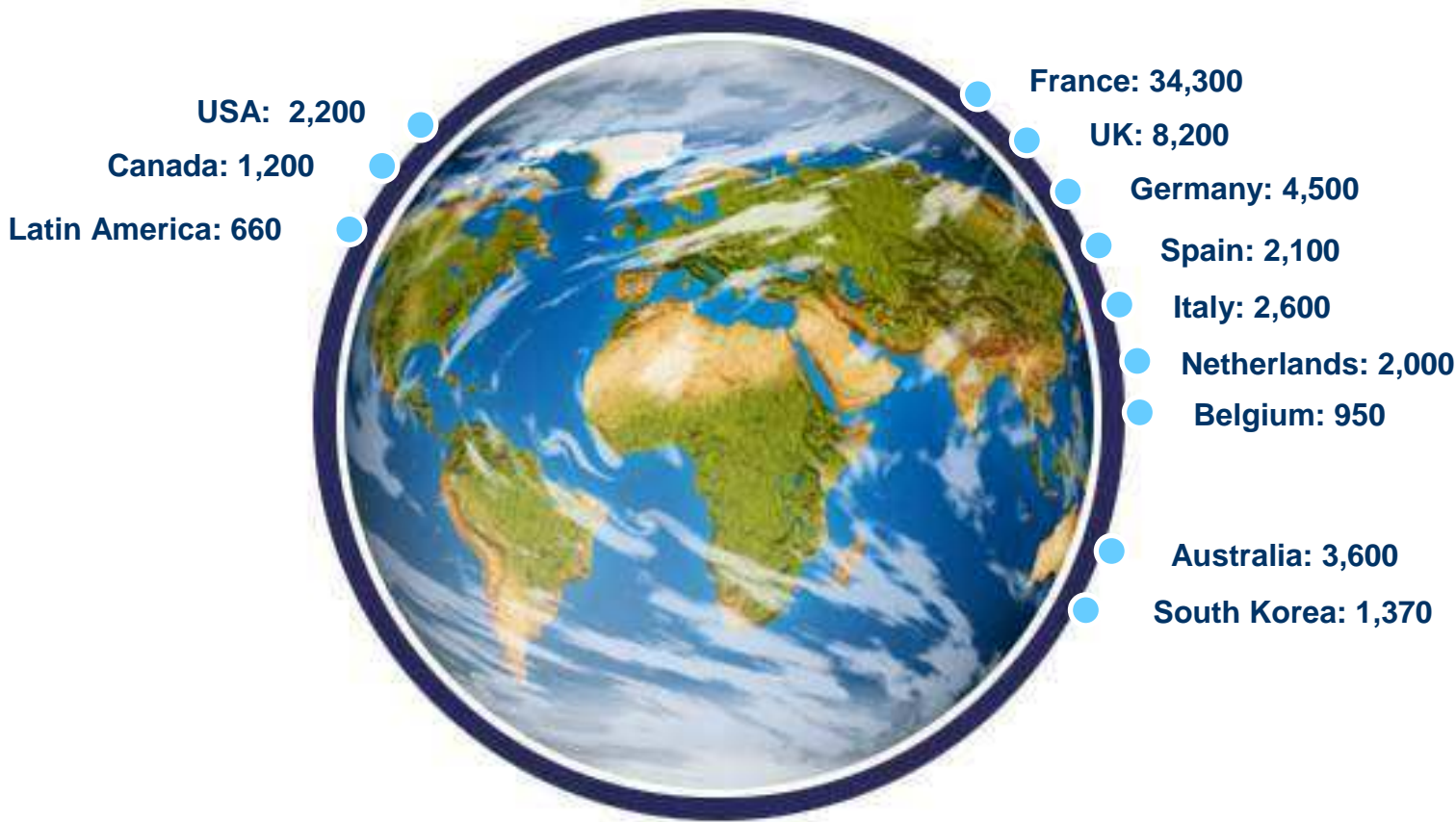
€12.9 bn annual revenues

■ A Worldwide Group

- ▶ 68,000 employees worldwide
- ▶ Presence in 50 countries



Worldwide presence



Others: Saudi Arabia: 730 / China: 390 / South Africa: 340 / Switzerland: 290 / Singapore: 240 / India: 200 / Austria: 200 / Norway: 180 / Portugal: 160 / Poland: 130

Innovation and technological excellence



- R & D accounts for approx. 20 % of revenues
- 25,000 researchers on cutting-edge technologies
- 300 inventions per year
- Over 15,000 patents
- Over 30 cooperation agreements with universities and public research laboratories in Europe, the United States and Asia



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Photo: Hans Mehlin

THALES

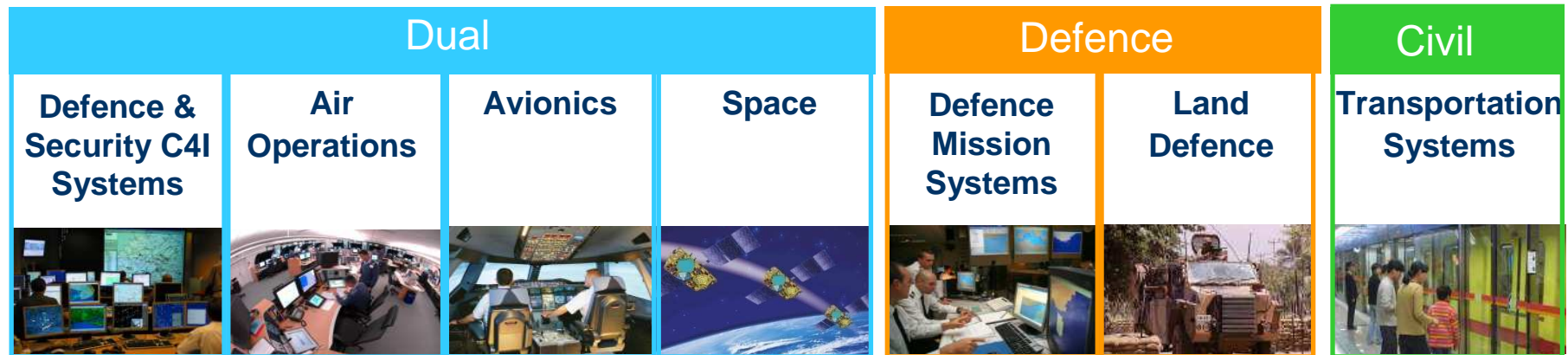
- 68,000 employees of whom 50 % outside France
- Highly skilled (e. g. 60 % of workforce are engineers or managers)
- Multicultural teams unified by the same values
 - ▶ Focus on customers
 - ▶ Innovate, decide and act quickly
 - ▶ Perform through teaming
 - ▶ Develop our people
- Dynamic HR policy: People 1st
- Renowned training structure: Thales University



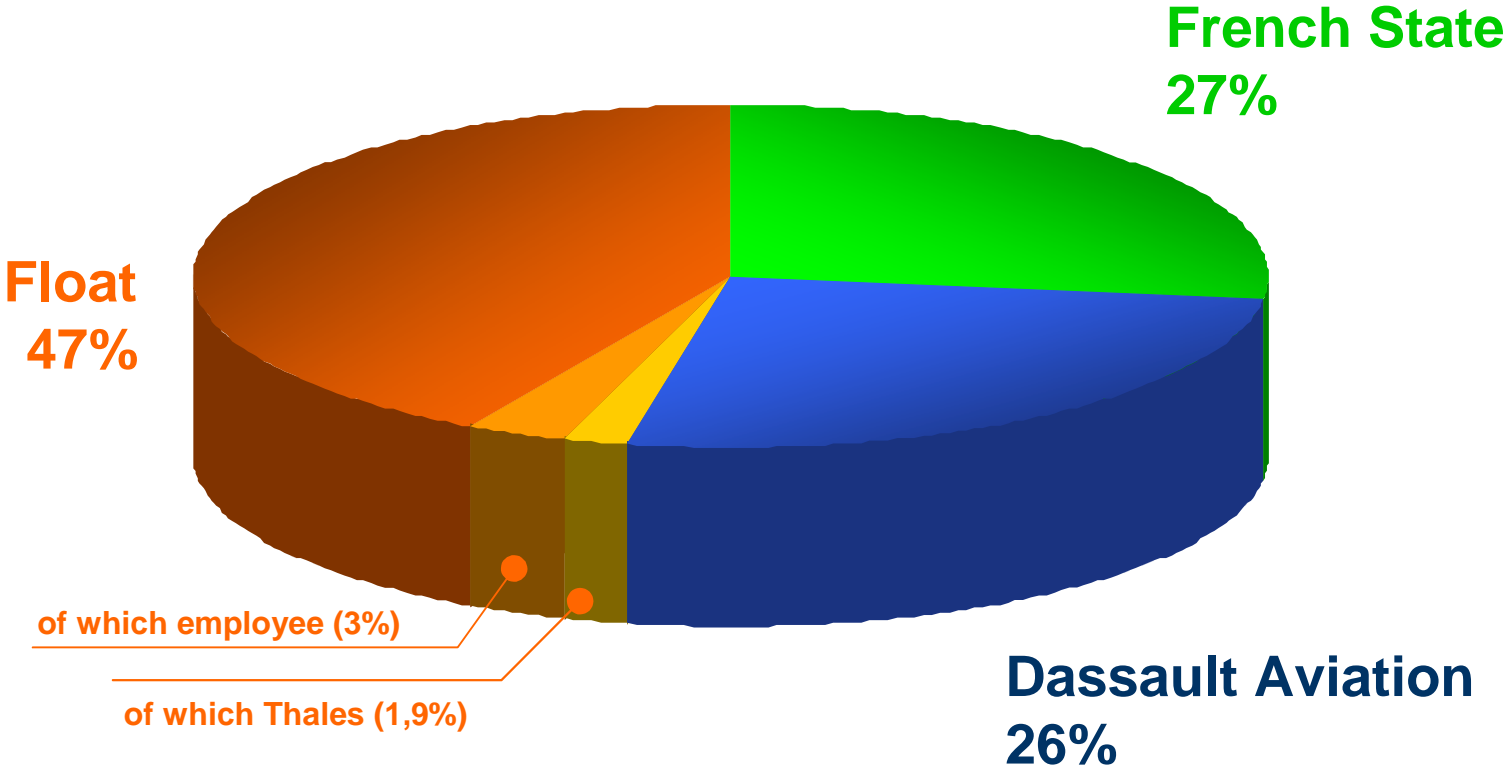
- Part of a responsible and permanent commitment to customers, suppliers and partners, shareholders and markets, employees, society at large and the environment
 - ▶ Thales rigorously respects all the national and international legislation applicable to its businesses
 - ▶ Thales deploys its ethical and corporate social responsibility policy through a coherent structure (Code of Ethics etc.)
 - ▶ Thales has signed up to the UN Global Compact and promotes the pact's ten universal principles
 - ▶ These commitments are supported by a voluntarist Group employee training policy and strict internal control measures



■ Market-driven businesses



A coherent organisation
 Bringing to our customers the benefit of technology expertise
 and international presence



198,7 million shares



Why European agreements?

- Necessity to accompany the group activities increasingly integrated worldwide,
- Enrich social dialogue at European level and reinforce a European network of social partners,
- Implement a European social policy shared and negotiated,
- Reinforce Thales attractiveness in Europe through a European approach of social development,
- Spread the good practices implemented in Europe.



**Improving professional
Development through
Effective
Anticipation**

Améliorer le développement professionnel en anticipant mieux



- The European agreement covers:

* 11 countries:

France, UK, Germany, Italy, Spain, Netherlands, Belgium, Austria, Portugal, Switzerland, Norway;

* 57 000 employees of Thales;



"With support from the European Union "

- It is implemented in an identical way in each country, by a signature of the same text at the national level.

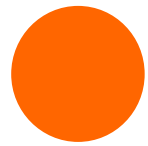
- Provisions of the European agreement cannot supersede local laws, statutory provisions, agreements or practices in force in the European entities of the Thales group which are more favourable to employees.

Formation of the negotiation team

| Trade Union representatives | Employers representatives |
|------------------------------------|-----------------------------------|
| B. Samyn (EMF) | Y. Barou (SVP HR Thales Group) |
| I. Barthes (EMF) | X. Broseta (VP HR International) |
| B. Landas (EMF) | A. De Ravaran (VP Legal & Ethics) |
| A. Culnard (France) | C. Dufoix (Legal) |
| D. Gladieux (France) | P. Groisy (DRH France) |
| H. Tausky (France) | K. Jenkins (VP HR UK) |
| H.-J. Detlefs (Germany) | M. Pathuis (HRD Netherlands) |
| A. Johnston (UK) | U. Biernert (VP HR Germany) |
| A. Marriot (UK) | G. Romeu (HRD Spain) |
| M. Kedde (Netherlands) | F. Monzani (HRD Italy) |
| A. Marcopoli (Italy) | R. Poda (HR Italy) |
| C. Milan Garcia (Spain) | |



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- A tradition of a social dialogue by country**
 - Anticipation and Professional Development, key topics for Thales**
 - A European negotiation body**
 - Collecting best practices**
 - An innovative and responsible negotiation**
 - A common European ambition**
 - A 3 year project**



Collecting existing best practices

Winter 2008



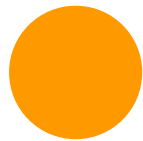
Negotiation of the agreement

Dec 2008 - June 2009



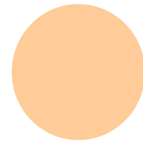
Signing of the European agreement
and of national agreements

11 June 2009
June/July 2009



Kick off meeting (employee
representatives/ HR and managers)

9 July 2009



Distribution of the brochure

Sept 2009

Implementation / Innovation by country
and unit



Sharing new good practices:

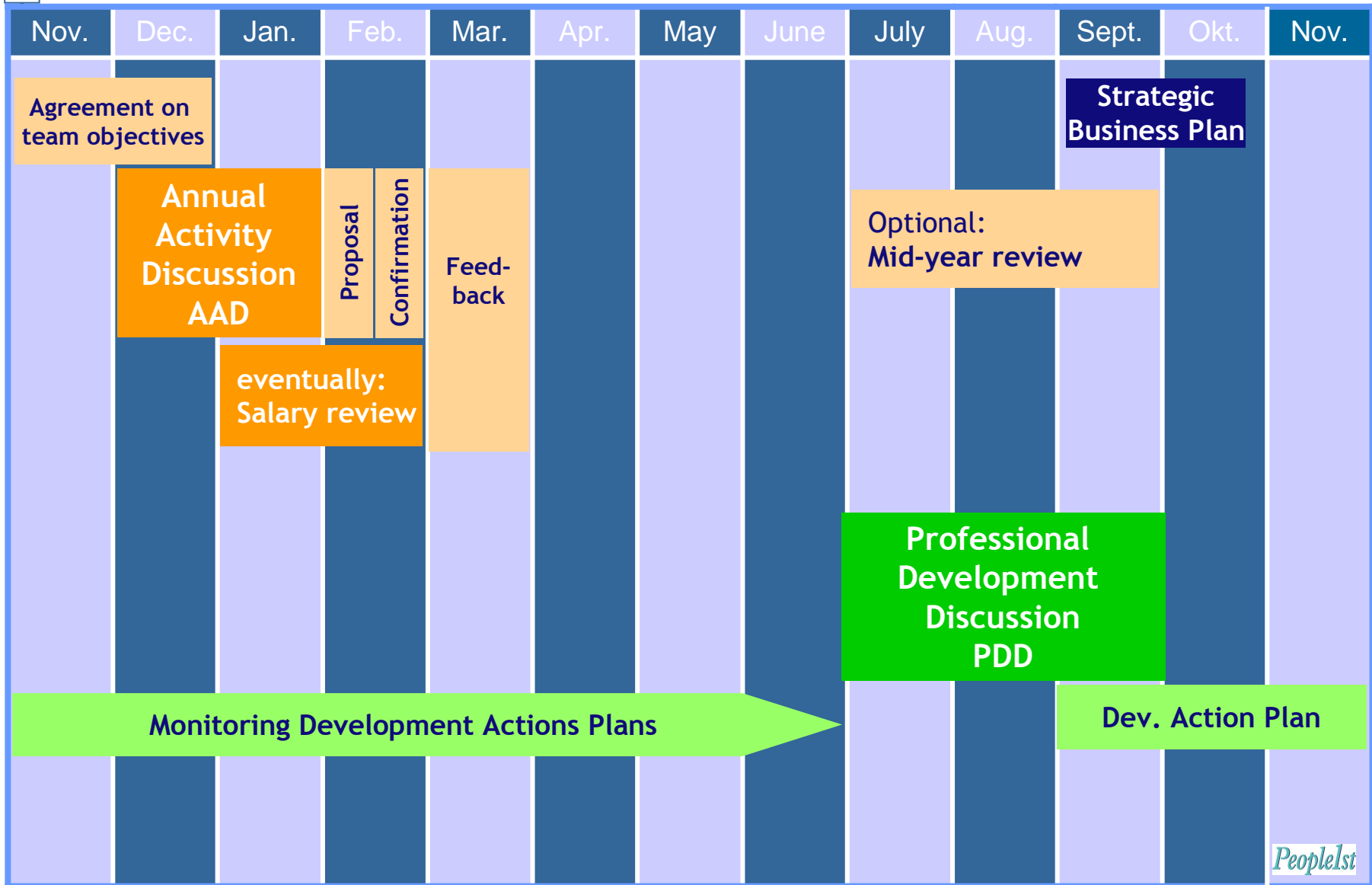
8-9 March 2010

European Convention to assess the
deployment of the agreement

The signing of IDEA



Annual cycle People 1st



➤ **Anticipate medium term evolutions by job family**

- By sharing with employee representatives, each year, at national (National Anticipation Commission) and European (European Anticipation Commission) levels, the analysis of the main evolutions affecting Thales key job families.
- By giving each employee an informed and accurate vision of the future development in their job family to anticipate and take whatever steps are necessary to develop within a rich and diversified career path.

Anticipation: a collective perspective and individual choices





➤ **Support individuals and help them prepare their Professional Development Discussion**

- Career orientation session
- Information on open jobs
- Career corners: freely accessible by employees to obtain guidance and assistance from specialists and have access to information on future developments in job families, training courses available and mobility openings within the Group.

➤ **Enrich training actions**

- Thales is committed to guarantee every employee access to a significant training programme at least once every three years
- A network of training advisors, providing employees individualized support with their training program, is deployed across Europe
- All training attendance is recorded and Thales is committed to promote access to external certification
- Transferring knowledge actions consolidate the training.



➤ **Encourage diversity**

Ensure men and women equality in professional development through a variety of actions taken on recruitment and career development and:

- Annual national report on gender equality in all European countries.
- Develop actions in favour of parenthood: places in nurseries, measures to accompany women during return from maternity leave

Promote diversity to make the best possible use of all talents

- Seniors talents (Career Point after 25 years of experience)
- International career paths (Career 1st)

Attract young talents and accompany them in their integration in Thales

- A buddy dedicated to each newcomer
- Number of apprentices increased and quality of apprenticeship systems improved
- Guided transition into professional life: “From student to professional”



- Thales University priorities reshuffled to take into account the Agreement
- European Commission funding the Conventions
- All actions introduced in HR objectives, scorecards were created
- New resources to lead the projects



**Transparent annual
Activity discussion for mutual
Listening and developing
professional Knowledge**

Entretien annuel d'activité transparent pour l'écoute mutuelle
et le développement des savoir-faire professionnels

Transparent annual Activity discussion for mutual Listening and developing professional Knowledge

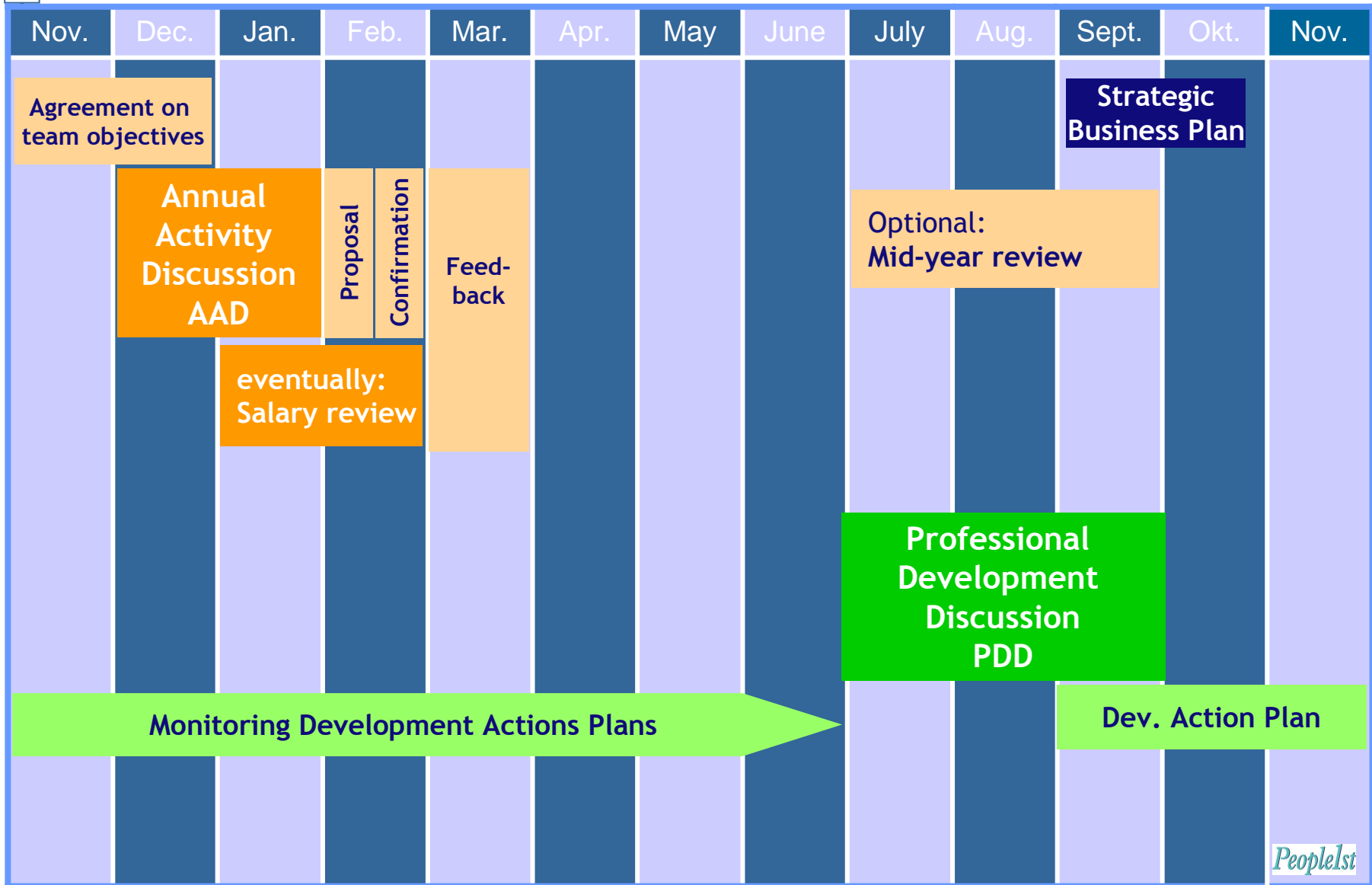
(TALK)



On April 20, 2010 Thales and the European Metalworkers' Federation (EMF) announced the signing of a second Europe-wide agreement known as TALK:

It sets out the principles to guarantee that the Annual Activity Discussion (AAD) with each Thales employee is conducted in a socially responsible climate of mutual respect and comprehension.

Annual cycle People 1st



TALK: Thales commitment to the human dimension of its management approach

- TALK, as IDEA, covers:

* 11 countries:

France, UK, Germany, Italy, Spain, Netherlands, Belgium, Austria, Portugal, Switzerland, Norway;

* 57 000 employees of Thales;

- Provisions of TALK cannot supersede local laws, statutory provisions, agreements or practices in force in the European entities of the Thales group which are more favourable to employees. Similarly, pre-existing salary provisions, such as across-the-board increases, for example, are not affected.

- **Shared commitment to transparency:** Every Thales employee and manager will benefit from an Annual Activity Discussion to be conducted face-to-face in the employee's native language.

- **Opportunity for dialogue** as part of a constructive effort to encourage and facilitate professional development and promote a broader and more collective approach to improvement by reframing individual job performance within a context of teamwork.



- A **continuous dialogue** where the AAD forms only one part and during which every party has the opportunity to express points of view;
- A **collective approach**, with the objective to increase gradually the contribution of each member to the team, and of every team within Thales;
- A **clear description of jobs** defined, discussed and followed on by the National Anticipation Commission and with permanent responsibilities of the post which allow every employee to know his/her role.
- An individual **self-assessment** as first stage to define areas of improvement which is communicated at the beginning of the discussion. To guarantee the balance between the manager and the employee, both the self-assessment and the analysis written by the manager are accessible in confidentiality by each of the parties.



- Built on **best practices** identified in the European countries concerned, TALK includes an **appeal procedure**, organized to resolve possible disagreements in the AAD relative to the performance appraisal by additional discussions.
- A **device of alert** with respect to possible anxiety which does not supersede existing procedures. In every country, the social partners implement such a procedure that will be recorded in a European base of good practices.
- TALK includes compulsory **training** initiatives for future managers to help them fulfil their roles more effectively as well as optional training for each individual employee in how to prepare for the AAD.



TALK follows the 2009 introduction by Thales of a redesigned employee appraisal system:

- “Individual performance” places too much emphasis on short-term achievements and does not reflect the foundations of long-term professional success
- Rather than evaluating employees on their individual performance, Thales now prefers to base assessments on the employee’s overall **level of mastering the job**, with a greater focus on long-term results and professional development of everyone: professional knowledge, impact and contribution as well as behaviour regarding the Thales values, esp. teamwork



TALK establishes **four principles** in the Annual Activity Discussion:

1. **respect** during the discussion
2. **transparency** during both the discussion and in the results it yields
3. **commitment** to opt for the most favourable agreement for the employees with respect to national or international collective bargaining agreements or regulations
4. balanced **dialogue** between managers and their employees

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