CORPORATE SOCIAL RESPONSIBILITY

CODE OF CONDUCT OF THE EUROPEAN SUGAR INDUSTRY

Fifth implementation report (year 2007)

<u>28.2.2008</u>

I – ECONOMIC AND POLITICAL CONTEXT

A. Revision of the reform of the sugar regime
B. Trends in external trade policy having an effect on the regime
C. Foreseeable economic and social consequences

II – MANAGING RESTRUCTURING

A. Monitoring of factory closures
B. Relinquishment of quotas
C. Social impact

III – IMPLEMENTATION OF THE CODE OF CONDUCT IN 2007

A. Minimum standards
B. Examples of good practice

IV – CONCLUSIONS

INTRODUCTION

The Code of Conduct on corporate social responsibility in the sugar industry, signed on 7 February 2003, states that within the framework of their sectoral dialogue committee EFFAT and the CEFS are to ensure monitoring of the progressive implementation of the Code and regularly to update the examples of good practice. To this effect, EFFAT and the CEFS have undertaken to carry out a joint evaluation of implementation of the Code at European level each year, in February, in the form of an annual report covering the previous calendar year.

The first report on implementation of the Code was presented at the plenary session on 27 February 2004. The second report was presented on 28 February 2005, the third on 28 February 2006 and the 4th on 28 February 2007. The present report constitutes the fifth implementation report, covering the year 2007, and will be presented at the plenary session of the sectoral committee for the sugar sector on 28 February 2008. These reports can be accessed on the joint site “www.eurosugar.org”.

I – ECONOMIC AND POLITICAL CONTEXT

A. Revision of the reform of the sugar regime

Two regulations reworking Regulations 318/2006 and 320/2006, which lay down the rules for the NEW sugar CMO and the restructuring fund introduced in 2006, were adopted by the Council of Ministers on 9 October 2007[1]. For its part, an implementing regulation adopted on the 11.10.2007 revised the Commission’s implementing regulation 968/2006 concerning the restructuring fund[2].

It will be recalled that the reform of the sugar regime in 2006 stipulated that - compared to a production quota of 17.4 million tonnes of sugar in 2005 - six million tonnes had to be relinquished before marketing year 2009/2010, otherwise the Commission would itself make a compulsory linear reduction in quotas in 2010. But during marketing years 2006/2007 and 2007/2008, relinquishment of quotas has been a lot lower than expected, totalling only 2.2 million tonnes instead of the 4.5 million tonnes hoped for by the Commission. Thus, the revision of the reform of the regime is aimed essentially at enhancing the attractiveness of the European restructuring fund and preventing a sudden linear reduction in quotas in 2010 from penalising competitive companies and weakening the industry as a whole.

A number of measures encouraging rapid relinquishment of quotas have thus been taken in the new regulations:

- additional aid for growers on certain conditions for relinquishment of quotas in 2008/2009 or during the following marketing year if relinquishment is announced before 31 January 2008;

[1] See OJ L 283 of the 27.10.2007: Council Regulations 1260/2007 and 1261/2007
[2] Commission Regulation 1264/2007 – OJ L 283/16 of the 27.10.2007

- increased financial incentives and fixed compensation for companies relinquishing a percentage of their quota in 2008/2009, on certain conditions;

- furthermore, the final linear reduction planned in 2010 will be cut for Member States according to the total volume of quotas previously relinquished and adjusted per company according to the efforts made.

This reduction in European production of 6 million tonnes in 2010 will result in the progressive closure of over 40% of factories existing before the reform (2005), leading to the probable loss of about 25,000 direct jobs and 125,000 indirect jobs. Beet-growing will disappear from some regions of Europe (30,000 beet-growers have already stopped growing beet since 2005).

B – *Trends in external trade policy having an effect on the sugar regime*

The reform of the sugar regime is a result, firstly, of external pressures ("Everything But Arms" agreement - Loss of the sugar panel at the WTO) and, secondly, internal pressures (reform of the Common Agricultural Policy). The result is that from being a net exporter the EU is becoming a net importer of sugar.

However, the restructuring imposed with a view to a WTO compatible and more efficient regime could run into major obstacles due to the Union's choice of external trade policy, which is incompatible with the sustainability and viability of the sugar CMO. It is a question in particular of new concessions offered to trading partners within the framework of:

- conclusion of the WTO Doha Round;
- bilateral free trade agreements, with first and foremost the Economic Partnership Agreements (EPAs) currently under negotiation with the ACP countries;
- the rules of origin in course of revision applicable to the EPAs and the Generalised System of Preferences (GSP).

WTO - Conclusion of the Doha Round

The Doha Round, the aim of which was to favour the development of poor countries, is taking some time to be concluded for political reasons: election of a new President of the United States at the end of 2008 and clashes of interests between developed countries and some emerging countries. At a technical level, however, work is continuing and there is a strong will on the part of the EU to try to unblock this situation. On 17 July 2007, Ambassador Falconer, Chairman of the WTO Agriculture Committee, made some new proposals for agriculture, accepted by the European Commission as a basis for future negotiations. In particular, this text proposes a considerable reduction in import duties, incompatible with the reform of the sugar regime and taking no account of the decisions taken in 2005 within the framework of this reform[3]. The text provides for the possibility of designating some products

[3] The 2005 reform of the sugar regime provided for a reduction in the reference price of 227.5 Euros/t (intervention price of 631.9 less new reference price of 404.4 Euros/t) corresponding to a 54% reduction in fixed duties, provided that the additional duties resulting from the special safeguard clause remain unchanged. The new proposals by Ambassador Falconer provide for a 66% to 73% reduction in import duties and abolition of the

as sensitive, it is true, but this is coupled with a tariff quota allowing an increased volume of imports. Within the context of the sugar regime, this would be equivalent to going beyond the reduction in quotas of 6 million tonnes provided for by the reform and therefore lowering European sugar production to the same extent. The sugar sector considers it essential to keep the current special safeguard clause unchanged.

Bilateral free trade agreements

Economic Partnership Agreements (EPAs)

On a mandate from the Council[4], the Commission is currently negotiating Economic Partnership Agreements with the 77 African, Caribbean and Pacific (ACP) countries which benefit at present from the so-called Cotonou agreements. Six regions will result from these agreements, radically changing trade relations between the ACP countries and the EU. These free trade agreements – or interim agreements – should be adopted by the Council before the end of the year so as to be compatible with the WTO rules as from the 1.1.2008[5].

For its part, the Sugar Protocol has been denounced by the Council with effect as from 1st October 2009. This means in particular that the import quotas currently provided for will disappear on that date, giving way to liberalised duty-free imports. The "Everything But Arms" regime currently applicable to the LDCs alone[6] will therefore become generally applicable to all ACP countries.

The major risk, therefore, is that of encouraging a level of imports which the EU could not absorb, especially as, contrary to forecasts, the level of domestic consumption in the EU is not increasing. To face up to this situation, the Commission is proposing a safeguard clause for the period 2009-2015, with liberalisation being complete in 2015, it is true, but the complexity of this clause – providing for several (improbable) conditions coming about at the same time – makes it virtually inapplicable in practice[7].

The only realistic solution for the European sugar industry would be for the safeguard clause to be triggered as soon as the sum of the imports provided for exceeds domestic consumption less the production quotas.

In the absence of a clear signal from the Commission making it possible to manage an import volume compatible with the level of EU production and absorption, pointless investments could be made in the beneficiary countries. Ultimately, this could result in a fall in prices on the market which would have a negative impact both on European producers and on the beneficiary countries. If there is no EU external policy consistent with the functioning of the

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special safeguard clause or maintenance of the clause but with a 50% reduction in the additional duties generated.

[4] Article 133 of the Treaty, giving a mandate to the Commission to negotiate external trade agreements in consultation with the 133 Committee and to submit them to the Council for final adoption.

[5] The interim agreements will be completed and finalised during 2008, but they will already be compatible with the WTO as from 1st January 2008, preventing a complaint being lodged at the WTO against the EU. The WTO had granted a derogation to the Union until the 1.1.2008 to allow it to make its agreements with the ACP countries compatible with the WTO rules, providing in particular for reciprocity rules.

[6] Rules of application are provided for until the 1.7.2009, the date on which liberalisation will be total.

[7] The safeguard clause can be only be brought into effect in the following conditions:

. 3.5 million tonnes of imports from the ACP countries;

. 1,380 million from ACP countries that are not LDCs rising progressively to 1.6 million tonnes.

sugar CMO, it is therefore to be feared that all the players will lose out and the reform of the regime, even though considerable efforts are involved, will be a failure.

Other bilateral agreements

For the same reasons as set out above, any concession with the EU's trading partners giving rise to increased imports endangers the functioning of the sugar CMO. Despite the numerous messages from the sugar sector to the Commission, the latter is intervening again with Moldavia, to which its has proposed a TRQ rising progressively from 15,000 tonnes of sugar to 45,000 tonnes. Moreover, this TRQ only concerns sugar in the natural state, with products containing sugar gaining free access and becoming duty-free. We could therefore find ourselves in the same situation as with Croatia in 2006, with opportunist imports of products containing sugar intended to circumvent the established TRQ, which will have to be stopped in an authoritarian manner.

Revision of the rules of origin

Revised rules of origin are in course of definition both for the EPA countries and for the 179 countries in the Generalised Scheme of Preferences. These rules will be different in the two cases in question.

Within the framework of these revised rules, it is essential for the sugar sector for specific measures to be taken to prevent fraud and abuse, resulting in sugar exports to the Union weakening the sugar CMO, be they in the form of sugar or products with a high sugar content.

It is important in particular for a mixture of sugar with any other product not to confer origin, along with flavouring or any other minimal operation providing no added value. Likewise, refining must never confer origin, as provided for by the rules currently in force. It is absolutely essential for sugar and products with a high sugar content to be excluded from cumulation of origin[8].

The Commission has also recently published a notice to European importers asking them systematically to verify the origin of ten products with a high sugar content coming from third countries[9]. It is particularly important for these ten products to be excluded from any cumulation.

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[8] Cumulation is a relaxation of the rules of origin, usually occurring within a regional context and allowing origin to be obtained on the basis of a low added value. The linking-up of large sugar-producing countries with neighbouring LDCs enjoying unlimited duty-free access is to be feared in particular.
[9] See OJ C 265/6 of the 7.11.2007.

C. Foreseeable economic and social consequences

The competitiveness and sustainability of the sugar sector are closely linked to compliance with the rules adopted at each stage in the reform of the sugar regime. The Commission must undertake to comply with these rules and ensure that the Union's external policy remains compatible with the proper functioning of the sugar CMO. Any measure leading to an increase in sugar imports into the Union above what the European market can absorb has the effect in particular of undermining the sugar CMO and reducing production quotas, entailing additional factory closures.

At their annual joint meetings and in their joint positions, the social partners have constantly drawn the Commission's attention to the need for control over sugar imports into the Union compatible with the sugar regime, with the help of quotas[10], or through rules of origin taking the specificity of the product into account[11], so as not to jeopardise the industry's future.

As mentioned above, the effort being made today within the context of the reform of the sugar regime is considerable and is having serious consequences as far as jobs are concerned. Any additional constraint would damage the sustainability of the European sugar industry, hinder the viability of the Sugar CMO and lead to further job losses.

[10] Consultation of the social partners in February 2001 by the Directorate-General for Trade concerning the rules for implementation of the Everything But Arms Regulation until 2009. Joint position of the 20.2.2001.
[11] Joint positions on the preferential rules of origin of the 2.4.2004 and on the GSP of the 14.11.2001.

II – MANAGING RESTRUCTURING

A. Monitoring of factory closures

The social partners monitor factory closures on the basis of public information, press releases and information received through trade union representatives for EFFAT and human resources managers for the CEFS. Essentially, they use public information provided by companies.

The table below gives the trend in the situation as on the 31.12.2007 for marketing years 2005/2006 (adoption of the reform), 2006/2007 and 2007/2008:

Trend in factory closures since 2005/2006

	2005/2006 **(Reference year - Adoption of the reform)**	**2006/2007**	**2007/2008**
Number of factories	183	154	139
Closures	6	29	15
Countries	Ireland, Lithuania, Netherlands, Poland	Austria, Belgium, Denmark, Germany, Ireland, Italy, Poland, Slovakia, Spain, Sweden	Belgium, Czech Rep., Finland, Germany, Greece, Hungary, Latvia, Slovakia, Slovenia, Spain, United Kingdom
Relinquishment of sugar quotas	-	Ireland, Italy, Portugal, Spain, Sweden *(1.149 Mio t)*	Czech Rep., Finland, Greece, Hungary, Italy, Latvia, Portugal, Slovakia, Slovenia, Spain *(0.678 Mio t)*

The number of factory closures and the volume of relinquishment of quotas for 2008/2009 will not be known until April 2008. Intentions to sell quotas to the restructuring fund should be announced by 31 March 2008 at the latest. The Commission will draw up a report in April 2008.[12]

This table shows in particular that all EU regions are affected by the reform in course: Northern, Southern, Central and Eastern Europe (see Annex 1 attached: forecasts by the CEFS Working Group on Manufacturing Costs).

[12] The intention to close down factories in 2008/2009 has already been announced by some companies in Germany, Spain, France, Hungary, Italy, Lithuania, the Netherlands, Poland and the United Kingdom.

B. Probable social impact

As indicated in part I of the report, in all probability the relinquishment of 6 million tonnes of production by 2010 at the latest will lead to the closure of about 47% of factories and the loss of over 25,000 direct jobs. By reason of the measures taken within the framework of the revision of the reform to encourage accelerated relinquishment of quotas, the restructuring in course should intensify in 2008.

From all this, it appears that there are no ready-made, Europe-wide solutions. It is a case per case basis. Countries responded to the challenges in very different ways, according to the national priorities for employment, rural development... Finally, it is even not possible to have a European pattern for the intervention as the extraordinary aid is very much dependent of the quantity of quota which was/will be given back to the Commission.

To the noticeable exception of Italy (where trade unions, companies and national and regional authorities concluded a ambitious national framework agreement for the conversion of the factories into the production of bio-fuels providing also for an ambitious social package), in most countries the social partners to negotiate social plans and the administrations focus themselves in supervising the compatibility of these plans with the European provisions. In general, the social plans are a mix of redeployment, financial compensation, training and early-retirement. The balance between these four elements varies greatly from a country to another and depends much upon the national economical environment.

III – IMPLEMENTATION OF THE CODE OF CONDUCT IN 2007

A. Minimum standards

As is done every year, a survey has been carried out on the implementation of the CSR Code of Conduct in 2007 by the different delegations. This survey confirms that the CSR process is developing constructively within the different delegations, despite extremely difficult restructuring conditions following the reform of the sugar regime and its current revision.

Apart from continuation of the measures systematically and integrally introduced into company life going beyond the different minimum standards, as regards health and safety for instance, in 2007, due to the circumstances encountered in practice, particular accent has been placed on the "vocational training" and "restructuring" standards.

As regards standard 2, "**vocational training**", it should be noted that in addition to traditional training measures linked to sugar industry jobs and techniques[13], a special effort has been made in many delegations to enable employees to improve their skills and develop their personal abilities with a view to greater employability. The concept of "lifelong employability" is thus tending gradually to replace that of "lifelong learning".

This trend is, of course, linked to the present context of restructuring, with the industry no longer being able to guarantee employees that they will be able to complete their entire career

[13] Apprenticeship, processing, health and safety, environment.

within the same company. If it is not possible to offer them a definitive job, it is therefore important to offer them "employability" enabling them to make a career dynamically in other sectors of the industry if necessary.

It is also linked to the observation that in most EU countries the industry is short of skilled labour. It therefore appears that a dynamic "employability" policy would be of a nature to offer greater attractiveness whilst ensuring a labour force of quality.

For standard 7 "**restructuring**", numerous measures are mentioned demonstrating a genuine concern to help employees to find another job as far as possible. These measures can differ of course, depending on local conditions, the degree of openness of the labour market and the company culture. Within the framework of the social plans, for example, it is a question of the following actions: redeployment of personnel in other factories belonging to the same company or in other companies in the sector, or even assistance in placing personnel in companies close to the sector, possibly on a trial basis (company network, customers, users, etc.), or financial aid allowing them to retire or form a business plan. In a number of companies, personalised support has been introduced in the search for a job (help in writing a curriculum vitae, development of personal skills and qualities, acquisition of new skills, applying for job vacancies, etc.). Apart from "coaching" and "outplacement" techniques, in several countries so-called "transfer" companies (e.g. "Transfergesellschaft" in Germany) provide assistance in retraining and relocating personnel. Specific aid can also be granted to employees accepting a mobility effort (long-distance travel or removal). According to the legislation in each country, use is also made of possibilities of pre-retirement, early retirement or part-time work for older employees who want this, particularly in countries where the labour market is less flexible.

As was the case last year, several delegations mentioned regular advance information for employees on the development of the company's situation.

B. Examples of good practice

(See description of examples in Annex 2)

Health and safety (standard 3)

The Czech delegation reported on precautions taken to keep personnel in good health and particularly a free vaccination plan against influenza, jaundice and meningitis, which is highly appreciated by everyone.

The French delegation is continuing with its updating of professional state-of-art guides with the help of specialists in safety, health and the environment: working in silos, risk of the spread of legionnaire's disease, risks connected with the use of formalin, good practice in the safe unloading of beet. A website has been created giving access to the guides with a login and a password (http://www.documentations-techniques.fr/data/snfs/).

Restructuring (standard 7)

In Italy in 2006, 13 of the 19 sugar factories were closed down and a fourteenth is to be closed in 2008. In consultation with employees, trade unions, the local authorities and beet-growers, sugar companies are trying to develop alternative projects enabling a maximum number of people who have lost their jobs to be re-employed. An agreement signed in mid-February 2006 and reconfirmed in December 2007 between the Italian federation and the national trade unions provides employees with guarantees and additional financial assistance on top of public aid.

CONCLUSION

Half-way through the reform of the sugar regime adopted in February 2006 for completion in 2010, with the volume of relinquishment of quotas not being considered sufficient by the European Commission, an acceleration of the restructuring process is under way in order to reach a total reduction in sugar production of 6 million tonnes by 2010 over the next two marketing years (2008/09-2009/10). This means a reduction in production of about 35% and a reduction in the manufacturing margin of around 20%, leading to the closure of about 47% of sugar factories. All regions of the Union are affected, especially rural areas where job possibilities are limited.

To the demands of restructuring must be added major uncertainties connected with the European Commission's external policy. Overlooking the commitments entered into by the Member States at the different stages in the reform of the sugar regime, in the bilateral and multilateral negotiations in course the Commission is tending to offer third countries possibilities of imports into the Union that are incompatible with the proper functioning of the regime. This comes down to aggravating the effects of the reform to a potentially considerable extent.

It is a matter in particular, at the WTO, of concluding the Doha Round negotiations, where the designation of sugar as a sensitive product would make it possible to escape a problematical reduction in customs protection, but by accepting a tariff quota likely to give rise to a substantial increase in imports, which would therefore mean going beyond the 6 million tonnes' reduction in quotas provided for by the reform.

Likewise, the Commission is currently negotiating Economic Partnership Agreements with the 77 African, Caribbean and Pacific countries, which will be divided up into 6 regions. These agreements will replace the present so-called "Cotonou" agreements. As the Sugar Protocol which was attached has been abolished, on the 1.10.2009 the import quotas provided for with these countries will disappear to give way to unlimited duty-free imports. This is an extension of the "Everything But Arms" regime to all ACP countries. In the absence of a realistic and effective safeguard clause, which is not clearly expressed at present, in time this situation could undermine the sugar regime.

Other examples quoted in the report illustrate the fact that the repeated allocation of new import quotas really endangers the very existence of the common organisation of the market in sugar and leads us to wonder if the policy-makers do indeed wish to ensure the sustainability of this industry, as advocated in the reform.

The social partners in the sugar industry have constantly underlined over the years, and forcibly so on the occasion of the introduction of the Everything But Arms Regulation, the absence of any coherence between the Commission's agricultural policy and its external policy. The decisions which are to be taken shortly concerning the safeguard clauses, the rules of origin and import concessions will be crucial stages for the future of the sugar industry, in the knowledge that any additional imports have an impact on domestic production capacities and therefore on employment.

In this particularly sensitive context, and within the framework of their European mandate, the social partners are making maximum efforts to favour, in a climate of trust, mutual understanding and constructive communications of quality. They are trying to move ahead on all matters of common interest, to ensure monitoring of the measures taken in the different countries and to establish an exchange of information and reflections that will be useful for all the profession.

For their part, companies are observing the Code of Conduct on social responsibility signed in 2003 and are trying as far as possible to support employees losing their jobs, going beyond their legal obligations in this respect. However, it is important to recall once again that when the Code was signed the economic conditions were very different. Nobody then could have imagined the extent of the reform or its consequences, not only economic but also social and human. Nor could anyone have anticipated the fact that the Commission's external policy could call into question the success of the reform.

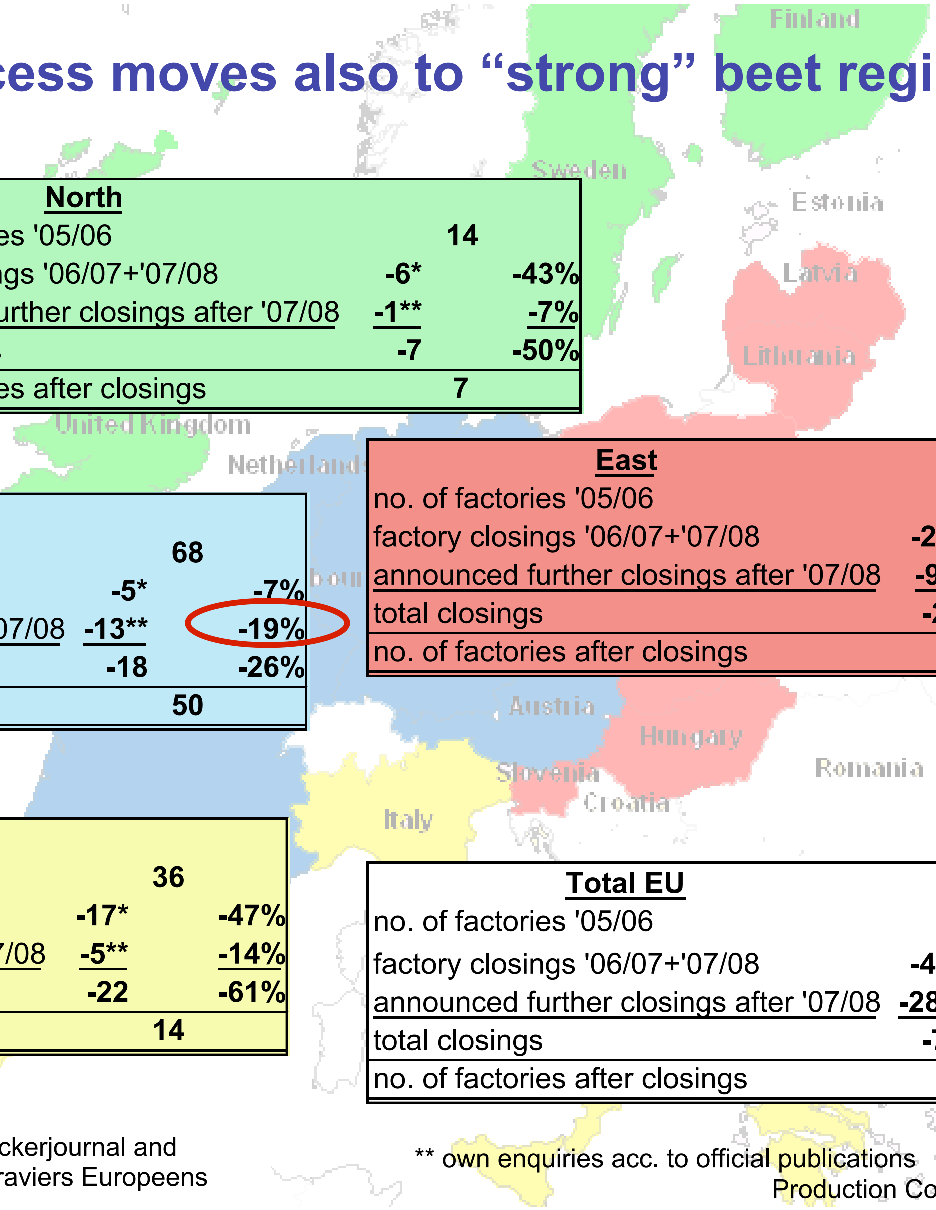
In the knowledge that the reform of the sugar regime is largely due to a political choice by the Union and the Member States within the context of globalisation, the social partners in the sugar industry solemnly call upon policy-makers - both European and national - to do everything possible to ensure that this reform is successful by having a clear and concerted vision establishing coherence between external policy decisions and agricultural decisions. On this will depend in the long run the survival of the European sugar industry and the ability of companies to remain profitable and competitive on the market whilst continuing to offer job prospects to their employees.

ANNEX 1

Factory closures

Forecast by the CEFS working group
on Manufacturing Costs

Restructuring process moves also to “strong” beet regions



North		
no. of factories '05/06	14	
factory closings '06/07+'07/08	-6*	-43%
announced further closings after '07/08	-1**	-7%
total closings	-7	-50%
no. of factories after closings	7	

Central		
no. of factories '05/06	68	
factory closings '06/07+'07/08	-5*	-7%
announced further closings after '07/08	-13**	-19%
total closings	-18	-26%
no. of factories after closings	50	

East		
no. of factories '05/06	66	
factory closings '06/07+'07/08	-20*	-30%
announced further closings after '07/08	-9**	-14%
total closings	-29	-44%
no. of factories after closings	37	

South		
no. of factories '05/06	36	
factory closings '06/07+'07/08	-17*	-47%
announced further closings after '07/08	-5**	-14%
total closings	-22	-61%
no. of factories after closings	14	

Total EU		
no. of factories '05/06	184	
factory closings '06/07+'07/08	-48*	-26%
announced further closings after '07/08	-28**	-15%
total closings	-76	-41%
no. of factories after closings	108	

*Source: F.O.LICHTS Europäisches Zuckerjournal and Confederation Internationale Des Betteraviers Europeens

** own enquiries acc. to official publications

ANNEX 2

EXAMPLES OF GOOD PRACTICE
2007

Czech Republik

France

Italy

HEALTH AND SAFETY – FRANCE

Place and date	**France – 2005, 2006 and 2007** **UPDATE OF THE 2006 DATA SHEET**
Subject	Health and safety - Professional state-of-the-art guides.
Context	In 2004, a regulatory text connected with risks in sugar silos was published by the Ministry of Ecology and Sustainable Development, calling into question certain safety investments relating to a previous text dating from 1998. Some of these measures seem somewhat incompatible with texts concerning the same field but drawn from the Labour Code (transposition of the ATEX Directive on explosive atmospheres) or even inapplicable to the context of sugar (particularly due to the fact that sugar is not self-heating)
Project	Safety officers in the profession wished to organise themselves under a Project Leader in order to study the basics of this text in greater detail, to examine all the constraints and to adopt an approach defining all the means allowing the objectives set by the departmental order to be attained. This approach builds on the reflections carried out by the profession since the 60s and is seen as a major step forward. It is an opportunity to obtain a genuine feedback of experiences on the basis of the accidentology study in this field, both at international level and at the level of French factories (analysis, origin of the accident, aggravating factors and experience feedback with reflections on the preventive measures to be applied). This guide then analyses in detail the measures set out in the departmental order, comparing each one with the state of the art in the matter, proposes new approaches allowing the objectives and the obligations arising from the different texts to be made compatible and goes so far as to make concrete proposals in the event of fire and explosion. On the strength of this enriching approach, the same work has been carried out with regard to a particular problem connected with management of the risk of the spread of legionnaire's disease.
Results	- January 2005: publication of the "professional guide to the state of the art concerning safety in sugar silos". - January 2006: publication of the "professional guide to management of the risk of the spread of legionnaire's disease" and first update of the guide on sugar silos. - January 2007: First update of the guide to management of the risk of the spread of legionnaire's disease. - During 2007: * Second update of the guide to safety in sugar silos, with an annex relating to work inside silos. * Publication of a guide to "good practice in the use of formol in the sugar industry". * Publication of a guide to "good practice in safe unloading". * Creation of a site allowing the interlocutors (Ministries, Regional Directorates, etc.) to have access to our guides (http://www.documentations-techniques.fr/data/snfs/), with SNFS members providing their interlocutors with a login and a password. - January 2008: first update of the guide to "good practice in safe unloading". The results essentially concern a better knowledge of the subjects dealt with, a dialogue with the authorities for wide circulation of the guides and a capacity for anticipating certain events as described with regard to both prevention and reactions to a crisis.

Resources allocated	A Project Leader and his assistant to handle the logistics of the dossier and propose drafts following exchanges. A working group comprising safety managers or engineers (six persons) from different sugar factories. (for the silos guide) A partnership with INERIS which specialises in this subject (for an overall cost fixed at the beginning of the project) and with specialists from the world of insurance, control bodies and fire brigades. Two SNFS technical executives. The investment has therefore consisted above all in the time made available to attend meetings (about ten).
Contact	jppinasseau@snfrs.fr (Social Affairs Directorate in charge of health and safety matters) and raubry@snfs.fr (Technical Directorate in charge of matters relating to industrial safety and the environment).

HEALTH AND SAFETY – CZECH REPUBLIC

Place and date	Moravskoslezske cukrovary, a.s. in Czech Republic (AGRANA) Beginning: 2002
Subject	Health and safety - Free vaccination against meningitis, jaundice and flu.
Context	Moravskoslezske cukrovary, a.s. in Czech Republic suggests and implement free and voluntary vaccination against diseases potentially present and influencing working safety and attendance.
Project	We would like to emphasize the importance of balanced working conditions, good cooperation between partners (employer, employee). We support minimalising losts by sickness and help avoiding hard sickness where it could be possibly caused by working conditions (beet root preparations, outdoor works in maintenance period…).
Result	The interest of a large scope of staff (blue+white collar employees) was used to support this initiative in production, maintenance and agronomy groups hardly influenced by working conditions Vaccinations is plenty used and highly estimated. Vaccination is generally preventive, but vaccination of flu is appraised with the view of effectivity.
Resources allocated	Financially granted from employers fund and social fund negotiated with trade unions.
Contact	Richard Vít, Personnel Director, Moravskoslezske cukrovary, a.s., vit@cukrovar.cz

RESTRUCTURING – ITALY

Place and date	Italy - 2006/2007/2008 and following years
Subject	Restructuring Social dialogue to employee labour force after quota abandonment and closures.
Context	The restructuration process consequent to the OCM reform, in Italy, involved all the sugar companies and in the first wave (2006) 13 out of 19 firms were closed. After that, in 2008, two other firms will be closed (total 15 out of 19).
Project	Through a very deep and intensive social dialogue which involved Employers, Trade unions, Local and National Autorities and Growers associations, the Italian Companies are trying to develop alternative projects (biofuel, energy, …) to employ the most of the people involved in the closures.
Result	A first national agreement was signed in February 2006 between UnionZucchero (the national Association representing the Sugar Italian Companies) and national and local Trade unions to guarantee employees; also giving them additional financial support (additional to the public social benefits). A second national agreement has been signed (11 XII 2007) to confirm the first one, increasing the financial support given to the employees. By the agreements reached between Unionzucchero and Trade unions, collective dismissals involve only older retiring workers and volunteers financially encouraged. In the meantime, several local agreements have been signed to specify how, where and when the new industrial activities intended to employ remaining workers are going to start.
Resources allocated	The whole program has been involving more than 1 500 employees. Retiring workers and volunteers received through collective agreements incentives (from 5.000 € to 38.000 €) to leave the company. People remaining in the companies are involved in working shifts and – when there is no work for them – they receive about 1.000 € / month from public social benefits and about 600 € / month from the company (gross). Such program means about 8.000.000 Euros/year from public resources (social benefits). To guarantee such social plan (additional financial support and incentives to their employees), companies are using a significant part (more or less about 14 %) of the received restructuring aid (Reg. 320/06/CE). In addition, to start new activities (able to offer new job opportunities to all the still employed workers) sugar companies are going to make investments (globally at national level) for over than 1.300.000.000 Euros. Extraordinary financial support to the about 2.500 seasonal workers which lost job opportunities have been given from public resources too (more or less about 9.000.000 Euros in 2006, 9.000.000 Euros in 2007 ; not yet quantified in 2008 but from 4.000.000 to 9.000.000 Euros).
Contact	Avv. Giorgio Sandulli – Direttore Unionzucchero - e-mail sandulli@unionzucchero.it e mail sandulli@unionzucchero.it