

TOTAL FINA ELF

International Confederation of Free Trade Unions

Mr Bill Jordan

Mr David Cockroft

Mr John Evans

Bd du Roi Albert II 5, Bte 1

B - 1210 BRUXELLES

BELGIQUE

Paris La Défense,

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Dear Sirs,

Thank you for your letter of May 4 expressing concern about forced labour in Myanmar. We are glad to have the opportunity to explain our position with regard to our operations in Myanmar. We know that it is regularly listed in reports on human rights by human rights organisations and by the United Nations, but neither the UN nor the European Union has sought to impose trade sanctions against commercial trade with Myanmar.

TotalFinaElf and its three partners – US – based Unocal, Thailand's PTT-EP and Myanmar's MOGE – have developed an offshore gas field in the Andaman Sea. The field is linked to the coast by a pipeline that crosses 65 kilometres of Myanmar territory to the Thai border.

TotalFinaElf and its partners haven't used forced labour to build the pipeline. With an industrial megaproject as large as this one, it would have been impossible to complete the pipeline in just three six-month dry seasons using such rudimentary tools as picks and shovels. The land-based part of the pipeline comprises 5,134 steel tubes measuring 90 centimetres in diameter and 12 metres in length and weighing more than five metric tonnes each. TotalFinaElf and its international contractors deployed more than 2000 employees and more than 700 bulldozers, trucks, motorised cranes and other machines for this project. No forced labourers were provided by the government.

In your letter, you seem to be asking us to leave Myanmar as a way of condemning the country's current leadership. But do you really believe that the people of Myanmar would benefit from renewed isolation? For 35 years, the country closed itself off from the world as part of the "Burmese Way to Socialism", and the standard of living fell to drastically low levels. In our view, prolonging this isolation by cutting off all investment which could create jobs and wealth in Myanmar will not help the country develop. On the contrary, we are convinced that it is in Myanmar's interest to open up, and ultimately, to increase the standard of living and encourage social change.

Our partners in the pipeline project are already contributing to this improvement. We have developed a significant training programme for employees hired locally. In a long-term commitment, we have also opened clinics, hired doctors and equipped schools in the areas involved in the project. It is our company policy to seek to ensure that our activities in developing countries benefit both the local economy and people.

Adresse postale : 2, place de la Coupole - La Défense 6 - 92078 Paris la Défense Cedex
Tél. 33 (0) 1 47 44 45 46

TOTAL FINA ELF S.A.
Société Anonyme au capital de 7 396 615 870 euros
Siège social : 2, place de la Coupole - La Défense 6 - 92400 Courbevoie - France
542 051 180 RCS Nanterre

Moreover, we do our best to make sure that no "forced labour" is used in our area of operations : you will find hereafter a copy of our "Myanmar Code of Conduct", recently released, and posted on the walls of our local subsidiary. This Code, as you will see, puts emphasis on this specific topic.

We are confident that our action, the relationship we maintain with local authorities and the good example given by our company have a very positive effect on the process of the eliminating forced labour.

We appreciate your concern, and I hope that I have answered the questions raised in your letter.

Yours sincerely.

A handwritten signature in black ink, appearing to read 'J. de Naurois', written over a horizontal line.

Jacques de Naurois
Vice-President Public Affairs

TOTALFINAELF E&P MYANMAR

CODE OF CONDUCT

Like every TotalFinaElf subsidiary, TotalFinaElf E & P Myanmar applies the Group's Code of Conduct and more specifically :

RESPECTS THE NATURAL ENVIRONMENT

- Minimizes the impact on environment of its projects and operations.
- Implements whenever needed reinstatement and revegetation programs to restore the environment as closely as possible to its initial state.
- Promotes projects aiming at the long term protection of the environment.



RESPECTS THE CULTURAL VALUES OF MYANMAR AND LOCAL COMMUNITIES

- Establishes proper dialogue with local communities in order to be able to sense the impact of its operations and the needs of the population.
- Ensures that land owners are fairly compensated for any loss caused directly by its operations.
- Avoids interfering in relations between local communities and more generally in political matters.



MEETS HIGH ETHICAL STANDARDS IN WORKING PRACTICES

- Treats everyone fairly and with respect.
- Offers equal employment opportunities to Myanmar nationals.
- Pays fair wages in relation with the prevailing market and provides favorable benefits packages.
- Ensures permanently safe working conditions.
- Develops the skills of the employees through proper training.



CONTRIBUTES TO THE SOCIO-ECONOMIC DEVELOPMENT OF LOCAL COMMUNITIES

- Takes steps to ensure that its activities do not have any adverse effect on the local population.
- Implements support programs in the fields of health and education.
- Develops and improves local infrastructures to facilitate economic activities and make life easier for the local population.
- Initiates self sustaining economic development programs in the area concerned.



PROMOTES RESPECT FOR HUMAN RIGHTS

- Within its area of operations TotalFinaElf E & P Myanmar shall endeavour to protect the rights set forth in the Universal Declaration of Human Rights and international humanitarian laws such as prohibition of forced labor.

Michel Viillard
TotalFinaElf E & P, General Manager



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