

Press Release

Adecco supports Chinese authorities on new labour legislation

Significant change in Chinese labour laws further opens China to world business

London – June 7, 2006: The Adecco Group, the worldwide leader in Human Resource services, with the London Business School, this week brought together the architects of China's new labour laws for a first-ever public discussion of the proposed new laws and their implications. The new laws, which if approved could take effect in 2007, will transform the country's employment infrastructure allowing it to compete effectively with other globalised markets and to comply with International labour standards.

These new draft labour laws also mark a first for China since the legislative process has been open to consultation from trade and labour organisations, companies and other stakeholders.

Some significant insights from this week's sessions include:

- Recognition by the Chinese government of the need for institutional review and potential reform of existing Chinese labour laws. Current laws, while no more than 15 years old, no longer adequately balance the economic progress of China with the appropriate level of protection for workers.
- A clear indication that human resource services should have a part to play in helping to solve China's labour challenges. Companies such as Adecco welcome the opportunity to share their insights and International expertise from working in more than 70 countries.
- The proposed new laws would shine a spotlight on current labour practices, and set new standards for labour dispute resolution and the regulation of employment contracts.

"The rapid growth of China as a trading superpower is forcing some of the greatest changes in economic life since the industrial revolution," commented Tundé Johnson, Compliance Officer and Legal Counsel for the Adecco Group. "This poses a huge challenge both for China and for those looking to do business in China. Understanding the changing dynamics of the Chinese workforce – from migration patterns to skills shortages to new legislation – is critical to success, and something that we are gaining more insight into every day."

Johnson added, "The new laws will not only encourage global companies to invest, but they will also have a huge impact on Chinese business in terms of driving improvements and balance in employment contracts, employee protection and responsible labour placement."

Press Release

Professor Alan Neal, Director of the Employment Law Research Unit in the University of Warwick, added, "It is essential that companies operating in China understand the regulatory environment in terms of labour, as it is undergoing a rapid and complete transformation. Companies that do not do so, or do not adopt the same cautious collaborative approach which has been Adecco's hallmark, are liable to fall foul of the legislation as working arrangements, hiring practices and formal employment contracts will all have to be reviewed and updated."

Participants in this week's seminars included:

- Zheng Dong Liang, Deputy Director General of the Institute of Labour Studies, Ministry of Labour and Social Security
- Rui Li Xin, Deputy Director General, Legal Affairs Department, Ministry of Labour and Social Security
- Zhang Shi Cheng, Deputy Director General, Legislative Affairs Committee, National Peoples Congress
- Professor Alan Neal, an internationally renowned expert in European and International Employment Law, who is currently advising the Chinese Ministry on the reform of labour arbitration procedures and International best practice for labour dispute resolution
- Tundé Johnson, Compliance Officer and Legal Counsel for the Adecco Group

About Adecco

Adecco S.A. is a Fortune Global 500 company and the global leader in HR services. The Adecco Group network connects over 700,000 associates with business clients each day through its network of over 33,000 employees and 6,600 offices in over 70 countries and territories around the world. Registered in Switzerland, and managed by a multinational team with expertise in markets spanning the globe, the Adecco Group delivers an unparalleled range of flexible staffing and career resources to corporate clients and qualified associates.

Adecco S.A. is registered in Switzerland (ISIN: CH001213860) and listed on the Swiss Stock Exchange with trading on virt-x (SWX/virt-x: ADEN), the New York Stock Exchange (NYSE: ADO) and Euronext Paris - Premier Marché (EURONEXT: ADE).

About London Business School

London Business School's vision is to be the pre-eminent global business school, nurturing talent and advancing knowledge in a multi-national, multi-cultural environment. Founded in 1965, the School graduated over 800 MBAs, Executive MBAs, Masters in Finance, Sloan Fellows and PhDs from over 70 countries last year. The School's executive education department serves 6,000 executives and 60 corporate clients on its programmes every year. London Business School is based in the most accessible and international city in the world and is one of only two business schools in the UK to be awarded a six-star (6*) rating by the Higher Education Funding Council for England (HEFCE), confirming the School as a centre of world-class research in business and management.

Contacts:

Adecco Corporate Press Office

Press.office@adecco.com or +41 (0) 44 878 8832