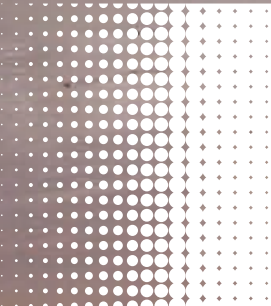


# EDF Energy Sustainability Performance Report 2008



Save today. Save tomorrow.





**Welcome to our Sustainability  
Performance Report for 2008 - an  
overview of our progress towards  
sustainability and our environmental,  
social and economic performance  
last year.**

<b>Introduction</b>	<b>04</b>	<b>Social</b>	<b>43</b>	<b>Environment</b>	<b>91</b>
Chief Executive message	<b>05</b>	Employee health and safety	<b>44</b>	Climate change	<b>92</b>
<b>Our Company</b>	<b>07</b>	Public safety	<b>46</b>	Impacts on climate change	<b>96</b>
Our business	<b>08</b>	Sub-station watch	<b>47</b>	Electricity generation	<b>98</b>
Our sustainability, vision and approach	<b>09</b>	Customers	<b>49</b>	Operations	<b>103</b>
Corporate governance	<b>10</b>	Case studies	<b>50</b>	Case studies	<b>105</b>
Responsible business practice	<b>12</b>	Customer satisfaction	<b>54</b>	Networks	<b>108</b>
Politics, donations and lobbying activities	<b>13</b>	Services for vulnerable customers	<b>56</b>	Case study	<b>109</b>
Review 2008	<b>14</b>	Responsible practices	<b>57</b>	Waste	<b>110</b>
About this report	<b>16</b>	Product development	<b>59</b>	Environmental management	<b>112</b>
Reporting parameters	<b>17</b>	Employees	<b>61</b>	Materials	<b>115</b>
<b>Our Journey</b>	<b>19</b>	Case studies	<b>63</b>	Materials used in power generation	<b>117</b>
Our sustainability journey	<b>20</b>	Pensions	<b>65</b>	Environmental engagement	<b>120</b>
Our commitments	<b>21</b>	Employee engagement	<b>66</b>	Case studies	<b>121</b>
Our market place	<b>22</b>	Training and development	<b>67</b>	Employees	<b>124</b>
The energy challenge	<b>23</b>	Recruitment	<b>68</b>	Case studies	<b>126</b>
Our climate commitments performance	<b>24</b>	Diversity	<b>69</b>	<b>Economic</b>	<b>129</b>
Our social commitments performance	<b>26</b>	Case studies	<b>71</b>	Key figures	<b>130</b>
<b>Our Stakeholders</b>	<b>28</b>	Workforce profiles	<b>73</b>	Energy supply overview	<b>131</b>
Our stakeholders	<b>29</b>	Communities	<b>76</b>	Energy supply for the future	<b>132</b>
Stakeholder advisory panel	<b>31</b>	Case studies	<b>77</b>	Support programmes	<b>133</b>
Engaging with our stakeholders	<b>32</b>	London Benchmarking Group	<b>81</b>	Distribution overview	<b>136</b>
Case Studies	<b>38</b>	Energy related services	<b>82</b>	Social actions	<b>137</b>
Associations, affiliations & external memberships	<b>41</b>	Case study	<b>83</b>	At a glance	<b>138</b>
		Energy related products	<b>84</b>	Table of definitions	<b>140</b>
		Case study	<b>85</b>	<b>Assurance</b>	<b>142</b>
		Our values	<b>86</b>	Independent assurance	<b>143</b>
		Living our values	<b>87</b>	GRI index	<b>145</b>
		Human rights	<b>88</b>	G3 reporting structure - index table	<b>146</b>
		Society impacts	<b>89</b>	G3 management approach - index table	<b>151</b>
				G3 measures coding - index table	<b>161</b>

# Introduction »

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Our overarching aim is to be a genuinely sustainable energy provider. By 2020 our ground-breaking Climate Commitments aim to make further huge strides towards a sustainable low carbon energy business.

“ Our quality of life today relies on secure and affordable energy, but our future critically depends on developing new, truly sustainable low-carbon energy sources. That is a challenge we ignore at our peril.

Vincent de Rivaz Chief Executive Officer

2008 has seen a huge step forward in our evolution. It was a year of transition and significant change for EDF Energy.

The coming together of EDF Energy and British Energy transforms our market position. We have become the UK's biggest electricity producer and are now the largest generator of low carbon electricity in the UK.

Our overarching aim is to be a genuinely sustainable energy provider. By 2020 our ground-breaking Climate Commitments aim to make further huge strides towards a sustainable low carbon energy business.

The goal of sustainability has never seemed more important as we all faced the sudden impact of recession, volatile energy prices, and the threat of climate change. Customers rightly demand energy which is not just affordable and secure, but is also the best choice for the environment.

We believe the concept of sustainability has three dimensions: the impacts of our business on profitability, people and the planet. This report addresses each of these three "Ps" and explains how the acquisition of British Energy will help our business to become truly sustainable. It shows how we are investing to bridge the energy gap and it assesses our performance against the ambitions that we set ourselves a year ago.

The vision and ambitions we have for our business here in the UK are significant. They are built on the very clear vision that EDF Group has set out.

While EDF Group has said that it wants to lead the worldwide energy change, our aim for EDF Energy is similarly straightforward: to lead the change we need and want as we construct the energy future of the UK.

I would like first to highlight four key challenges for EDF Energy – energy affordability, decarbonising energy, health and safety and business performance. In each we made progress in 2008, but we realise we still have a lot of ground to cover.

### Energy affordability

Unfortunately energy price volatility continued into 2008. At this time of economic uncertainty, we know that competitive energy costs are crucial to the survival of many businesses and that we have a special duty of care to our most vulnerable domestic customers.

Our Social Tariff, Energy Assist, supports our most vulnerable customers and was recognised in 2008 by the consumer watchdog Consumer Focus. We have also worked with Government and voluntary bodies throughout the year to develop more effective ways to provide help.

In the long term, we believe that affordability and security of supply depends on reducing dependence on the wholesale market and particularly on fossil fuels. That is why we support the Government's commitment to a diverse energy mix.

### Decarbonising energy

In Our Climate Commitments we committed to reduce the carbon intensity of our electricity generation by 60% by 2020. Last year we took some important steps on that path.

First, we set up a joint venture with our sister company, EDF Energies Nouvelles, to create EDF Energy Renewables. The venture has enabled our two companies to combine their skills, expertise, and resources in one place in order to develop opportunities for renewables development in the UK.

Second, we are building a new highly-efficient combined cycle gas turbine (CCGT) power station at West Burton which is capable of producing 1.3 GW, enough electricity to supply approximately 1.5 million homes. It will help to provide new generation capacity in the short term and will significantly reduce the carbon intensity of our fleet.

Third following the coming together of EDF Energy and British Energy we welcome the addition of eight low-carbon nuclear power stations to our generation fleet. This will strengthen our plans to build four new EPR nuclear reactors in the UK by combining the Group's strong track record in France with British Energy's expertise in the UK.

### Health and Safety

Despite these important developments, Health and Safety must always be our first priority.

Last year, all of us in the Management Team were distressed to learn about two deaths, one in March which resulted in a fatal accident to a contractor and one in May which resulted in a further fatality to a member of our Networks team.

At EDF Energy we have strengthened the Zero Harm programme for training staff to work safely and increase their awareness of potential occupational health and safety hazards. This has produced some encouraging results which are detailed in this report.

I have also been impressed on visits to British Energy sites to see evidence of our new colleagues' total commitment to health and safety. We plan to build a new organisation which draws on the unrivalled experience of both EDF Energy and British Energy with a focus on the continued safe operation of the enlarged company.



## Business performance

Our business model must be both profitable and sustainable in the long-term if we are to make the huge investments necessary for our future.

Overall, the financial performance of EDF Energy has stood up well, despite the impact of the credit crunch, fluctuations in wholesale prices, and a highly competitive market. We must maintain this level of financial resilience.

Our sales totalled £6,616 million, representing growth of 13.3% compared with 2007. EDF Energy's profitability reflected in EBITDA was £758 million for the year, representing a decline of 11.9% but includes accounting adjustments for the adverse impact of the mark-to-market valuation of commodities hedging contracts.

Excluding this adjustment, EBITDA grew by 23.3%. This was driven by higher prices and tariffs in the supply and generation businesses and, to a lesser extent, in the networks business.

## Low Carbon Future

I hope this report demonstrates how, with our new colleagues from British Energy, we can tackle these four key challenges.

As we strive to achieve these goals, this vision depends on substantial investment with the support of our parent company, EDF Group. It will of course make us more competitive and profitable in the future.

We are also acutely conscious of our responsibilities to the society we serve. We listen carefully to our stakeholders and particularly to the millions of customers who depend on us in their homes and businesses.

Our quality of life today relies on secure and affordable energy, but our future critically depends on developing new, truly sustainable low-carbon energy sources. That is a challenge we ignore at our peril.

So the three dimensions of sustainability – our impact on people, the planet and profitability – are right at the heart of everything we do. I hope this report demonstrates how we can play a leading role in delivering a prosperous, low-carbon energy future.



**Vincent de Rivaz**  
*EDF Energy Chief Executive*

# Our Company »

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2008 has seen a huge step forward in our evolution. It was a year of transition and significant change for EDF Energy.



We want to lead the way in tackling the biggest environmental and social issues facing our industry, and it's only through the encouragement of innovation and ideas that we can do so.

**Robert Sansom** Director of Strategy & Sustainable Development

EDF Energy plc is a wholly owned subsidiary of EDFSA, with headquarters at 40 Grosvenor Place, London, SW1 7AA employing 13,406 staff to deliver our services and maintain our infrastructure. We are an integrated energy company that generates and distributes electricity, and supplies electricity and gas.

## Generation

Our strategy centres on vertical integration; our core objective is to achieve a 60% reduction in the intensity of carbon dioxide emissions from our pre-merger EDF Energy fleet by 2020. We plan to develop a diverse generation mix, including nuclear, renewable and fossil fuels, while also strengthening our core engineering competences.

Environmental constraints coming into effect from 2016 are expected to produce a decline in fossil fuel generation volumes. Consequently, we're exploring opportunities to acquire stakes in new power plant generation capacity, to invest in new generation capacity on our existing sites and to agree long-term purchasing contracts.

Our generation portfolio includes gas-fired and coal-fired power plants, which can undertake base load or cycling duties. We're currently constructing a 1,311MW Combined Cycle Gas Turbine power station comprising three 437 MW adjacent to our West Burton coal-fired station.

## Distribution

In 2008 we were the number one distributor of electricity\* (by volume of electricity distributed and regulated asset value) and number 3 energy supplier\*\* (by TWh sold) in the UK. We're also a significant electricity generator with a capacity (excluding PPAs) of 4.9 GW.

Our Networks Business operates three adjacent licensed distribution networks in London, the east and the south east of England, along with other private networks and infrastructure projects. In line with Ofgem requirements, networks are managed and operated as a separate legal entity with their finances and operations governed independently.

Regulated networks operations are subject to five-year price controls, with the next one effective from 1 April 2010 and initial proposals from Ofgem expected in 2009. The price control will set permitted capital expenditure levels from 1 April 2010 to 31 March 2015.

## Private networks, Private Finance Initiatives and Public Private Partnerships

We provide commercial and technical solutions for infrastructure projects, a number of PFI/PPP asset infrastructures and electrical distribution networks projects.

## Supply

The UK energy supply market is one of the most competitive in Europe, with customer churn rates consistently high at around 20% for both gas and electricity. It's estimated that around 20 million households (75% of all consumers) taking both gas and electricity have switched suppliers at least once since markets were opened in the 1990s.

Following a rise in wholesale markets during the second half of 2007, we raised our prices by 7.9% for electricity and 12.9% for gas on 18 January 2008. The upward trend in wholesale costs continued during the first half of 2008 leading to further increases of 17% for electricity and 22% for gas on 25 July 2008.



We believe the sustainable business of tomorrow must deliver high environmental standards, social well-being as well as economic profitability – and with the support of our employees we’re leading the way to achieve our mission: ‘To bring sustainable solutions home to everyone’.

Our mission gives all a clear sense of purpose. It inspires us to develop products and services for our customers and sustainable ways of working for our employees. We want people to know that we’ll deliver Our Climate Commitments and Our Social Commitments – and also help our customers become more sustainable.

**Through Our Climate Commitments and Our Social Commitments, the biggest package of sustainability commitments launched by any major UK Energy company, we’ve defined a sustainability agenda for the long term.**

We’re convinced that sustainability must be at the heart of our strategy and want to lead the way in tackling the biggest environmental and social issues facing our industry and the UK as a whole: how do we keep the lights on while keeping energy prices affordable and addressing climate change? We have to play our part in meeting these fundamental challenges. If we do nothing, in less than ten years the UK will not have enough power sources to meet its electricity demands and will face an energy generation gap.

To bridge this gap, keep prices affordable and reduce carbon emissions we’ll need to use a diverse mix of generation technologies, including renewables, clean coal, gas and new nuclear. We’ll also have to achieve dramatic improvements in the UK’s energy efficiency.

As part of EDF, one of the largest energy companies in the world and the lowest carbon-emitting power producer of all major European energy companies, we share a vision to lead the energy change to be the leader of tomorrow’s energies. We also enjoy access to EDF’s substantial research and development resources.

## Case study »»

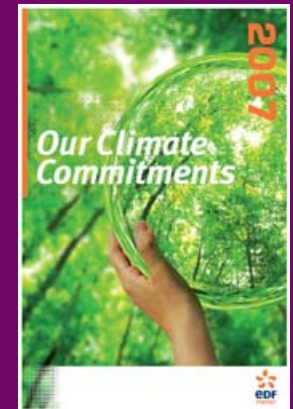
### Winning recognition for our commitment to sustainability from Business in the Community

**EDF Energy has achieved ‘Platinum Plus’ status in the 2008 Business in the Community (BITC) Corporate Responsibility Index – attaining an overall score of 99%, which improves on our past performance and maintains our track record for improvement over five consecutive years. This also places us as Sector leaders in the CR Index.**

The BITC CR Index is a voluntary benchmark, used by companies to compare sustainability practices and performance against peers and the wider business community. The results for 2008, announced in May, were based on a submission we made at the end of 2007.

One of the most notable improvements recognised in 2008 was in our ‘strategic integration’ – the way we’ve implemented our corporate responsibility strategy right across our business – and also our environmental impact, including climate change and waste and resource management.

We also received The Chairman’s Special Commendation at the 2008 BITC Awards for Excellence, earning five ‘Big Ticks’ for our sustainable performance. In addition, Patrick Clarke, EDF Energy Director of Connections was named by HRH Prince Charles as his BITC Ambassador for London in recognition of his work to promote diversity in the workplace.



## Our corporate governance framework ensures that we operate efficiently, safely and effectively, meet all relevant legal and regulatory conditions and report accurately on our performance.

We operate in a dynamic environment, adjusting our business goals accordingly. Robust and effective corporate governance ensures that we set appropriate goals and manage the risks associated with them efficiently.

We strive for the highest standards in corporate governance and continually develop and publish acceptable standards for corporate governance. Some of the most influential are set out in the 'Combined Code', which is published by the London Stock Exchange and outlines the 'Principles of Good Governance' and a 'Code of Best Practice' that are applicable to listed companies.

As a subsidiary of EDF Group, EDF Energy is not listed on the London Stock Exchange and so we are not obliged by law to comply with Stock Exchange rules, or to adopt the same standards as listed companies. However, we do always seek to operate to the highest standards, so we have voluntarily embraced the principles underlying many of these standards, including the Combined Code and the Turnbull Guidelines on risk management.

### How corporate governance works in EDF Energy

Our Board is responsible for providing effective corporate governance policies and ultimately accountable for every decision made. The Board delegates the authority to make decisions to the Chief Executive (who reports directly to the Board). Acting on the Board's behalf, the Executive Management Team ensures that our corporate governance policies and all other systems of internal control, performance reporting and risk management are implemented correctly.

### Our Board

Our Board of Directors is responsible for ensuring that EDF Energy meets all its financial and legal obligations while sustaining – and enhancing – the value we create for our shareholders. Through our directors, the Board meets quarterly to decide our strategy, budget and financial requirements. The Board's remit also covers the policies that we develop to support our strategy, such as our corporate governance policy. As a wholly owned subsidiary of EDF SA our board are appointed by EDF and all members are either employees of EDF or EDF Energy, all qualifications and memberships of individual members are approved by EDF SA as defined in our corporate governance policy CG\_POL\_001.

### Directors and their interests

Directors who held office during 2008 were as follows:

- Daniel Camus - Chairman
- Vincent de Rivaz- Chief Executive Officer
- Humphrey Cadoux-Hudson
- Yann Laroche
- Gérard Menjon
- Didier Calvez

Humphrey Cadoux-Hudson is employed by and has a service contract with the Company. The remaining Directors are employed by and have service contracts with the ultimate parent company Electricité de France S.A ("EDF S.A".)

There are no contracts of significance during or at the end of the financial year in which a Director of the Company has a material interest.

None of the Directors who held office at the end of the financial year had any interests in the shares of the Company or any Group company that is required to be disclosed in accordance with the Companies Act 1985.

There were qualifying third-party indemnity provisions in place for the benefit of one or more Directors of the Company during the financial year and at the date of approval of the financial statements.

We regard appointments to our Board as satisfying the fundamental requirements of capability, expertise, competence, experience and respectability. The level and composition of remuneration of the board, executive directors and the executive team is determined by the board through the operation of its remuneration committee. The remuneration committee is responsible for determining and recommending to the Board the framework for the remuneration of the executive directors and the executive team.

As we are a 100% subsidiary of EDFSA, our Board is not a Unitary Board. We are not required or expected to employ independent non-executive directors, and as such we do not need to create a nominations and compensation committee to select candidates for this Board. As all our Directors are in effect employed by EDFSA there is no particular conflict of interest associated with joining EDF Energy's Board. Should it be necessary, the Board is empowered, at the company's expense, to employ external advisors to address specific issues of particular complexity to help facilitate and support a Director's duties. Conflicts of interest, confidentiality and associated transparency issues are effectively included within our employment contractual agreements where necessary.

### Our Executive Team

The role of our Executive Team is explained in our corporate governance and decision making policies. All members are appointed in accordance with our corporate governance policy CG\_POL\_001 in that all appointments, removals and any special terms and conditions attached to an appointment are agreed by our board. Our Chief Executive is responsible for ensuring that the level and quality of the executive team is adequate to meet our strategic requirements.

These policies clearly explain the principles of devolution between company level and business unit level inside EDF Energy. The policies also explain the roles and responsibilities of our Executive Team members, who in 2008 were:

**Vincent de Rivaz (Chair)**

Chief Executive

**Eva Eisenschimmel**

Chief Operating Officer, Customers

**Humphrey Cadoux-Hudson**

Chief Financial Officer

**Martin Lawrence**

Chief Operating Officer, Energy

**Peter Hofman**

Director Sustainable Future

**Laurent Ferrari**

Chief Operating Officer, Networks

## How we manage risk

Our Corporate Risk Assurance Policy states our risk management objectives and defines roles and responsibilities. It allows us to:

- Identify, evaluate, control and report significant risks
- Implement a comprehensive, consistent, company-wide approach to risk management
- Maintain a risk register detailing risks to branches and support functions and appropriate remedial action plans
- Promote risk control as a fundamental business process

## Our internal control systems

Effective internal controls help us reduce risks, improve competitiveness and comply with EDF Group and legal requirements. In line with best practice, our definition of internal control covers all systems used to provide our directors and managers with reasonable assurance concerning:

- Compliance with laws and regulations
- Compliance with management decisions and guidelines
- The effectiveness and efficiency of our activities and processes
- The relevance and reliability of information, including financial data

Our internal control systems are integrated into our day-to-day processes and managers at all levels of our business are responsible for their implementation.

## Our Internal Control Policy

EDF Energy's Internal Control Policy provides clarity about management's accountability, as well as defining the minimum required standards and helps establish ways to report on internal control to our stakeholders. In line with our vision, strategies are developed, taking into account key strategic risks, and are delivered into management objectives through our 'business as usual' processes and projects. Barriers to achieving objectives are defined as risks as identified by our managers. Each risk is assessed in the context of the level of threat presented and appropriate processes and projects are developed to manage them to an acceptable level. Our Managers also develop and incorporate performance indicators to monitor progress towards objectives. Performance is reported against these indicators regularly and reviewed by managers at the appropriate level, with aggregated key performance indicators and supporting commentary being reviewed and discussed by the Executive Committee on a monthly basis.

Internal control systems are monitored and self assessed at least once a year to support continuous improvements. Self assessment methods are also used to prepare formal performance reports that include action plans for future recommendations and improvements.

## Governing Sustainability Performance

We have two key aspects for the governance and management of our sustainability principles. The first is through our Corporate Responsibility and Environment Panel. Headed by our Director of Strategy and Sustainable Development and Senior Management from each of our business units, this strategic group discusses and agrees our policy and direction with regards key operational objectives for delivering on our commitments for sustainability performance. This panel also reviews our progress with regards existing commitments and targets and takes on board operational recommendations and future planning considerations.

The second aspect of managing our sustainability performance is through our Delivery Group. Chaired by our Head of Corporate Responsibility Strategy (who also sits on the CR&E panel to ensure smooth communications and cross-functional representation), this group is composed of Sustainability Managers from the business units and appointed representatives from the corporate functions of Business Performance, Human Resources, Property Services and the company's Environmental Officer. This group co-ordinates the delivery aspects of our sustainability performance and ensures cross functional communication on initiatives, as well as knowledge sharing and experience. With regards the quantitative performance criteria's the Business Performance team co-ordinates the reporting processes, data gathering, and assurance functions to support and underpin the performance development function.

Our Code of conduct explains our basic approach to business conduct and outlines how employees are expected to comply with company policies and procedures. If an employee suspects fraud, or other improper activities that contravene this code they are requested to inform our Compliance Officer or the Head of UK Internal Audit.

We fundamentally reject any corruption, fraud and bribery activities and welcome fair transparent and freely competitive practices. The company's primary aim is to prevent workplace malpractice from occurring in the first place and we are committed to the highest possible standards of openness, honesty, accountability and ethics. In line with this commitment, we provide our employees and others who may have concerns about any aspect of our work to come forward and voice those concerns, through our whistle blowing policy which is outlined in the code of conduct.

We expect our employees at all times to act honestly and with integrity to safeguard the revenue, property, reputation and other company assets for which we are responsible. Our code of conduct states our policy of zero tolerance to fraud. The term is used to describe such acts as deception, bribery, forgery, extortion, corruption theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion. For practical purposes "fraud" is defined as the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party.

Although the detection of fraud is primarily a management responsibility, the investigation processes are supported by our internal audit team as well as other functions such as HR and Legal. In order to achieve this we are developing further governance structures and internal control processes to either detect or respond to potential areas of fraud.

Where a fraud/bribery/corruption is detected then the Internal Audit Team will assist the management team in their investigations to validate findings as well as attending interviews with management to act as independent witnesses and issue a report on findings and analysis. The Internal Audit function exercises its investigative powers in compliance with the Institute of Internal Auditors (IIA) standards and code of ethics.

The Internal Audit function assesses the Company's internal control by evaluating the following elements during individual audit assignments:

- Compliance with the law, the regulations and the commitments binding on the company and its employees
- Respect of the Company's strategic orientations and policies
- Application of management's internal policies and procedures
- Existence and efficacy of risk management processes
- Relevance and efficacy of internal control systems and processes
- Reliability of information systems
- Integrity of accounting, financial and management information
- Efficacy of procedures for safeguarding the Company's assets
- Relevance, efficacy and efficiency of operations

The Internal Audit team agree to observe the standards and code of ethics of the profession (IIA) including:

- Measurement of the satisfaction of its "internal clients"
- Adaptation of procedures in the light of changes in the profession's practices
- Periodically has its practices evaluated by external auditors

As well as our processes, increasing awareness is a very important component of managing this aspect of our business. This takes two fundamental forms; the first is ensuring our employees are aware of our whistle blowing policy and the second is ensuring that the relevant training is provided to our internal audit team to detect issues, through our normal auditing processes. This training will be through formal accredited anti-corruption training or more general training.

Our employees who work within our internal audit team hold formal qualifications including IIA, and professional accounting qualifications for example ACCA. We do not provide specific formal or informal training to all of our employees in specific fraud or anti-corruption policies. They are provided a copy of the code of conduct which outlines the company position on fraud. Compliance with the code is also mentioned in employee contracts of employment. In 2008 we started to request an annual compliance statement from our managers confirming that their teams had been briefed on the code of conduct. We do not specifically capture the number of business units analysed for fraud or corruption as this is identified in routine audits, we are therefore not in a position to disclose this information.



Recognising the integral importance of energy supply and recent changes in energy legislation, we engage regularly with stakeholders, including regulatory bodies and government on issues that affect our industry, such as the Energy Review, the Climate Change Bill and DPCR5.

We have a declaration in place under the Political Parties, We have a declaration in place which states that our employees must not make donations of any kind to any political party for or on behalf of the company. Employees cannot receive reimbursement from the company for personal political contributions either. Any expenditure incurred with a political party on our behalf not classed as a donation under the Political Parties, Elections and Referendums Act, for example expenditure under £200 or for the purchase of a commercial service, must be declared with the Director of Brand, Sustainability and External communication in advance.

Employees are prohibited from undertaking any work on behalf of a political party during work time, whether as part of company initiatives such as 'Helping Hands' or otherwise. All employees are made aware of this when they join the company and its also made clear in our Code of Conduct, which is issued to every EDF Energy employee.

We made no financial contributions and provided no pro-bono support for any political institution, politician or political party during 2008.

Like other energy sector businesses we have to balance our business and social interests responsibly, providing greater transparency about our views on public policy and ensuring that we're not seen as abusing or taking advantage of any perceived monopoly positions, misleading or misinforming the public, or participating in anti-trust activities through our deregulated or regulated businesses.

During 2008, Ofgem launched a formal investigation into our three distribution Licensees' compliance with Standard license condition 4D(now replaced by Standard License Condition 12), which requires the licensee to offer terms for connection within three months of a request. We've cooperated fully with this investigation and, as of June 2009, are awaiting the outcome and subsequent findings of this investigation.

Other than those outlined elsewhere in this report we have received no significant monetary fines in 2008 for non compliance of laws and regulations and no non monetary breaches of UK or European legislation.

With an economic crisis looming and media headlines once again dominated by energy prices, 2008 was another challenging year for our industry. In this section we focus on some of the ways we have responded to these challenges and also the areas where we believe we could have done better, which will be part of our focus in 2009.

## + Zero harm

Safety is our number one priority and we took positive action throughout the year – introducing new policies and initiatives to support our zero harm programme, including ‘Engine on, Phone Off’, a company-wide policy launched on 1 April which requires all EDF Energy employees to turn mobile phones off when driving during office hours and also bans the use of hands-free kits. As part of the Zero Harm programme, we also introduced six new health and safety standards covering: risk management; incident reporting and investigation; driving management; working at height; control of contractors; and construction design and management.

Our priority for 2009 is to maintain our focus on safe working practices through training, pro-active safety management processes, robust health and safety risk management, effective reporting and powerful sign-posting on all health and safety matters. We also launched six new health and safety standards covering risk management, incident reporting and investigation, driving management, working at height, control of contractors; and construction design and management.

## + British Energy

On 5 January 2009 we completed our acquisition of British Energy Group plc and its subsidiaries – the UK’s largest electricity generator, employing 6,000 people and operating eight nuclear power stations and one coal-fired power station in the UK. Together EDF Energy and British Energy will become the largest integrated energy company in the UK, well placed to support the development of a low carbon energy supply. We plan to build four new EPR nuclear power stations in the UK, with the first coming into operation by 2017.

Our key challenge in 2009 is to successfully integrate British Energy into our UK operations, keeping all of our employees fully informed of key decisions and progress through the year.

## + EDF Energy Renewables

Together with EDF Energies Nouvelles, we launched a new joint venture company, EDF Energy Renewables, in June 2008. We plan to increase our stake in UK renewable generation to 1,000MW through this new company, which already owns and has consent for wind farms with an expected capacity of 218MW and other projects in the pipeline, including approval to build a 90MW offshore wind farm in Teesside.

We’ve also received consent to build a new 1,311 MW power station at West Burton, which will use a Combined Cycle Gas Turbine – the most efficient and cleanest method of fossil fuel power generation. The new station will help us to reduce our carbon dioxide emissions, reduce the carbon intensity of our electricity generation, address a potential shortfall in capacity and diversify our generation mix.

## + Brand awareness

Throughout 2008 we ran a series of nationwide advertising campaigns, focused on sustainability and the 2012 London Olympic and Paralympic Games. Our latest campaign positions EDF Energy as a sustainable brand by stressing the need to ‘Save Today, Save Tomorrow’ – a call to action on sustainability.

It also invites our customers and other consumers to sign up to our 2012 Carbon Challenge and commit to reduce their energy-related carbon footprint by 15%.

Over 330,000 people accepted our Carbon Challenge in 2008; our nationwide advertising throughout 2009 will invite more to follow suit.

## + Employee engagement

Over 9,800 employees completed our 2008 employee engagement survey, with headline results showing that our people believe we’re strong on vision, health and safety, environmental responsibility and two-way communication. Areas for improvement are executive change management, accountability, empowerment and public image – all of which we’ll address during 2009.

## + Environmental Impacts

We are extremely proud of our new STI Ash processing plant at our West Burton power station, which came into operation at the end of 2008. The plant separates ash into two product streams: a low carbon cement substitute and a low calorific fuel that can be re-burnt in the station’s boiler. When fully operational, the plant will prevent 200,000 tonnes of ash from being sent to landfill, while the use of the low-carbon cement substitute will eliminate 150,000 tonnes of carbon dioxide emissions a year.

We have also reduced waste to landfill to 18% of material excavated.

We are ahead of target and recycling almost 62% of our office and depot waste.



## - Economic situation

The economic downturn has affected the whole of the UK, including the energy industry. In addition, we've also experienced extremely volatile wholesale prices for electricity and gas, which have affected the prices we charge customers. Energy prices in the UK are the most volatile in Europe, due mainly to a stronger correlation with gas prices and limited interconnection capacity with the continent. In addition, increases in the cost of gas and coal along with the introduction of a carbon price have driven wholesale electricity prices up since 2005. Nevertheless, we're determined to continue to offer competitive tariffs and additional services for our most vulnerable customers, including a tariff to support the most vulnerable households. We also worked with Government throughout 2008 to develop more effective ways to support people suffering fuel poverty.

## - Health and safety performance

The year was overshadowed by two deaths one in March resulting from a fatal accident to a contractor and one in May which resulted in a further fatality to a member of our Networks team. We launched immediate investigations and are currently working with UK and European experts to identify safer working practices to ensure this type of failure is prevented in future.

## - Compliance investigations involving EDF Energy

During 2008, Ofgem launched a formal investigation into our three distribution licensees' compliance with Standard License Condition 4D (now replaced by Standard License Condition 12), which requires the licensee to offer terms for connection within three months of a request. We cooperated with Ofgem and submitted information relevant to their questions, this investigation is still ongoing as of June 2009.

Ofgem also launched 'The Probe', a study of UK energy supply markets, in February 2008, committing to deliver initial findings by September 2008. The Probe, which focuses on competition in UK electricity and gas retail supply markets for domestic and Small and Medium Enterprise consumers, was conducted using Ofgem's formal information gathering powers; its Initial Report, published in October 2008 concluded that the fundamental structures of a competitive market are in place, with the transition to effective competition well advanced and ongoing. It found no evidence of cartels and stated that the 'Big Six' suppliers (including EDF Energy) are acting competitively Ofgem has, subject to consultation, proposed a number of supplier actions, which are set out under the following headings:

- Promoting more active customer engagement
- Helping consumers make more informed choices
- Reducing barriers to entry and expansion
- Helping small business customers
- Addressing concerns over unfair price differentials



Our 2008 Performance Sustainability Responsibility Report maintains our commitment to report publicly on our social, environmental and financial performance in an integrated summary. This is the second year that we have framed our report around the social, environmental and financial dimensions of sustainability.

The contents of this report reflect our stakeholders' concerns and expectations, as well as the issues that matter most to our performance as a business. The report is intended for all our key stakeholders: customers, employees, business partners, suppliers, public bodies, opinion formers, trade unions and NGOs.

The intent is to publish the report within six months after the data collection timeline.



## Reporting Standards and Audit

To ensure transparency and maintain stakeholders' trust, our 2008 report has been independently audited assured by TwoTomorrows using the AA1000 Assurance Standard. We have also reviewed its contents against relevant performance indicators, including the Global Reporting Initiative (G3 version and aspects of the pilot version of the Energy utility sector supplement). The report provides a balanced presentation of our economic, environmental and social performance. It covers EDF Energy and all subsidiaries in which we have majority control. These are covered in the table below. In our self declared opinion the report satisfies a GRI rating of A+. This report is currently being third party checked and a forthcoming statement will be published.



## Reporting Scope and Boundary

The report covers the activities of EDF Energy plc, our subsidiaries, EDF Renewables and all other joint ventures in which we hold an interest of over 50%, as illustrated in the table below.

Company Name	% EDF Energy Ownership	Included within our Sustainability Report
MUJV Ltd	49.5%	No
Thames Valley Power Limited - 50% JV with ATCO Power	50%	No
EDF Energy Renewables	50.0%	Yes
Powerlink	80 %	Yes
ESCO Ltd.	81%	Yes

Note: Within our company assets, we also have 50% joint ventures in a number of wind power generation companies. These are: EDF EN UK Ltd. (EDF Energies Nouvelles), Bicker Fen Windfarm Limited, Burnfoot Windfarm Limited, Fairfield Windfarm Limited, Rusholme Windfarm Limited, Walkway Windfarm Limited, Teesside Windfarm Limited, Royal Oak Windfarm Limited and Longpark Windfarm Limited. These are not covered within the scope of this report. Thames Valley Power is included in our emissions reporting for generation and CO2.

Consent for the acquisition of British Energy took place early in 2009 and over time British Energy and EDF Energy will be integrated into one structure. As this is a recent acquisition and ongoing discussions are taking place, British Energy is outside the scope of our Sustainability Performance report for this reporting period.

### Reporting Period

The 2008 Sustainability Performance Report covers the 1 January 2008 to 31 December 2008 reporting unless stated otherwise. This follows on seamlessly from our previous reporting period (January to December 2007). This 2008 report (as was the case with the previous report) serves as a summary document and reference is sometimes made to relevant more detailed information that is available in other sections of our corporate website.

A glossary of definitions has also been included this year which provides a description of some of the key definitions used within the report.

### Reporting measurement approaches

With regards data measurement techniques and approaches, the company uses national and international standards wherever possible. For example, the company complies with DEFRA approved approaches for calculating CO2 emissions, OFGEM approved methodologies for employee incident rates and manufacturers recommendations for eco-efficiency savings. The company also employs internal data measurement experts to ensure transparency on the measurement scope and boundaries and to standardise calculations for the robust and credible aggregation of calculations and values to fairly represent the enterprise performance level and achievements. For the basis of this report, a specific data checking and audit process has been employed by the Business Performance team on behalf of the company to verify the credibility and accuracy of the information provided to our stakeholders and interested parties.

We have incorporated the Accounting for Sustainability internal reporting methodology regarding sustainability performance, but this has not resulted in any significant changes in the measurement processes employed in calculating and reporting the performance for our company. The only significant change in the company's sustainability reporting has been as a result of the introduction of the Social Commitments in February 2008 which complement our company's Climate Commitments (launched in June 2007) and provides a more holistic approach to our sustainability journey. These can be seen on our website -

[edfenergy.com/sustainability/our-commitments/index.shtml](http://edfenergy.com/sustainability/our-commitments/index.shtml)

The emergence of our company-wide climate and social commitments and associated performance targets as our newly established long-term sustainability orientation means we do not intend to focus on re-stating particular areas of information included in our previous sustainability performance reports. With regards enterprise-level reporting parameters, other than British Energy, there have not been any significant changes in the constitution of the company during this period. This change will be reported on in future reports.

### Contact Us

Our report has been prepared and co-ordinated by our Sustainable Future department, with close cross-functional involvement throughout the company. As a key reference contact regarding the content of this report, all correspondence should be directed to:

Karen Elgy  
Sustainable Future Delivery Manager  
EDF Energy  
49 Southwark Bridge Road  
London  
SE1 9HH



# Our Journey »

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We have set stretching targets in Our Climate and Social Commitments, reaching to 2012 and beyond; but many of our customers expect more from us today.

“ We want to lead the way in tackling the biggest environmental and social issues facing our industry, and it’s only through the encouragement of innovation and ideas that we can do so.

**Robert Sansom** Director of Strategy & Sustainable Development



EDF Energy is working hard to ensure that sustainability is at the very heart of the way we do business. For us, it means running our business in ways that deliver improved environmental, social and financial performance.

Sustainability is about achieving the right balance, and in the energy sector this is particularly important. To tackle challenges such as climate change, long-term energy security and affordable energy for all, there's no doubt that we need to meet environmental, social and economic demands.

In 2006, we launched our Sustainable Future project as a catalyst for the development of sustainable business practices and over the past two years have made significant progress towards our objectives. We've clearly defined our sustainability strategy in Our Climate and Social Commitments – the most ambitious commitments on sustainability made by any UK energy business to date.

Over the past five years we've consistently improved our ratings in the Business in the Community Corporate Responsibility Index, achieving 'Platinum Plus' status to attain a leadership position in our sector.





We understand that sustainability is a journey rather than an end destination. We started the current stage of this journey in 2007 when we launched Our Climate Commitments on World Environment Day and moved further forward in 2008 when we published Our Social Commitments.

Our Climate Commitments focus on climate change and waste. Including targets for our power stations and transport emissions. Our Social Commitments address a number of challenges: energy affordability; security of supply; safety; supply chain; employee engagement; and community investment.

We've worked closely with our key internal and external stakeholders to define our sustainability agenda and ensure that our commitments address material issues. As a result we have established EDF Energy as a respected point of reference on energy policy and sustainability issues. The key groups we consult with include: the EDF Energy Stakeholder Advisory Panel; Forum for the Future; Fuel Poverty Advisory Group; National Energy Action; EDF Group; and our National Works Council. Our dialogue with all of these stakeholders is ongoing.

## 2008 highlights

In line with Our Climate and Social Commitments we made significant progress in 2008 on our journey to become a truly sustainable energy company:

- We launched our programme for greener schools – the Pod, which forms part of the London 2012 education programme 'Get Set', with over 2400 schools registering on the Pod website this year to access practical advice on how to improve their energy efficiency.
- We launched a joint venture company, EDF Energy Renewables, with EDF Energies Nouvelles, which will spearhead our renewables activities in the UK.
- We ran an advertising campaign acknowledging that: 'It's not easy being green' and persuaded over 330,000 people to sign up to the 2012 Carbon Challenge to save energy, save money and help save the environment.
- We donated nearly £2.5 million to the EDF Energy Trust to help customers struggling with serious household debt – exceeding the pledge in Our Social Commitments to donate at least £1.5 million annually.
- We were recognised by industry regulator Ofgem and received £350k in their discretionary reward scheme for our CSR activities.

## Looking ahead

In March 2009 we announced our two new national charity partners: Global Action Plan and the MS Society. We will work with both to encourage our employees and customers to help tackle sustainability challenges and help us meet our commitments through a wide range of volunteering and fundraising activities.



We have set stretching targets in Our Climate and Social Commitments, reaching to 2012 and beyond; but many of our customers expect more from us today. If we want to be recognised as the leading sustainability energy company we need to address their present concerns about security of supply, energy affordability and other pressing issues.

## Helping vulnerable customers

We are committed to helping all of our customers, especially fuel-poor customers and we were the first energy company to introduce a special tariff for the most vulnerable of our customers. We were also one of the first energy suppliers to establish an independent trust fund to help customers in debt and to align electricity prepayment prices to those of our standard credit tariffs. With the launch of Our Social Commitments in 2008 we've pledged to do even more for those most in need.

## Energy supply

We believe that our customers want suppliers to make it easier to buy low impact products – and as a responsible company we've introduced products and services that can help customers save energy, save money and reduce their carbon footprint. We reward customers who reduce their consumption through our 'Read. Reduce. Reward' scheme and encourage them to improve energy efficiency by signing up to the 2012 Carbon Challenge. At the start of 2009 we also launched Eco 20:20, a product providing discounted energy in the evenings and at weekends.

We're investing around £300 million in domestic energy efficiency measures over the next three years, in line with the first phase of the UK government's Carbon Emissions Reduction Target programme. We cover everything from energy saving light bulbs and loft or wall insulation to the use of heat pumps and communal heating systems.

## Generation

If we don't take action, within 10 years the UK will have insufficient power sources to meet electricity demand. To bridge this 'energy generation gap' while maintaining affordable prices and reducing carbon emissions we believe that substantial investment in new generation capacity is needed, with renewables, clean coal, gas and nuclear energy all playing an important part.

In 2008 we started building work on a new 1.3 GW gas-fired power station at West Burton, which will supply enough energy for around 1.5 million homes. We also launched a new joint venture company EDF Energy Renewables and early in 2009 acquired a nuclear energy generation capacity through the acquisition of British Energy.

## Networks

As the need for more decentralised energy technologies increases our networks will face new challenges. We will need to be flexible in our approach and will certainly need to recruit more engineers to bridge the skills gap that our industry faces. The recruitment section within this report outlines how we are addressing these challenges. We will also need to invest to maintain reliable supply and to develop the networks of the future.

How can we meet escalating global demand for secure, affordable energy? What can we do to tackle climate change? The global community must find cost effective, lasting solutions to these challenges. In the UK, we can make a difference by replacing our ageing energy infrastructure with technologies capable of delivering affordable, secure, low carbon energy.

Our industry faces significant challenges. We must bridge the energy gap in UK generation within 10 years while also meeting the European Union's (EU) renewable energy targets. The UK government has set its vision for the future of energy supply, emphasising its support for a stronger EU Emissions Trading Scheme after 2012 and for the construction of a new generation of nuclear power station. It is now taking action to ensure that new nuclear power stations can be built in the UK.

In 2008, the UK government finalised its Climate Change Act, committing the country to binding targets for carbon emissions reductions: 26-32% by 2020 and 80% by 2050, compared to 1990 levels. It also proposed planning reform to reduce delays in major projects, specifically those related to energy generation. The EU also published ambitious climate change targets, committing to cut carbon emissions, improve energy efficiency and increase renewable energy levels.

## Combined Cycle Gas Turbine generation

We reviewed our future energy generation requirements as early as 2005, taking into account our sustainability aspirations. Consequently, we committed to build a new Combined Cycle Gas Turbine generation (CCGT) power station, which will come into service by 2011. We may invest in a second CCGT station of similar size to enter service at a later date. The CCGT station at West Burton received Government consent in October 2007. It will comprise three 437MW units with a combined capacity of 1.3 GW.

## Renewables

Our joint venture company, EDF Energy Renewables, currently owns or has consent to build wind farms with an expected capacity of 218MW and with other projects currently in development we plan to increase our renewable power generation capacity to 1,000MW.

## Nuclear power

The UK government is committed to developing new nuclear generation capacity and has concluded that the electricity industry should be allowed to build and operate new stations, subject to normal planning and regulatory requirements.

We aspire to build and operate four new EPR nuclear plants in the UK, deploying the same technology that is being used at an EPR station in Northern France in order to maximise standardisation of design, construction and operation. Together with AREVA, we've submitted an application to the relevant UK authorities for certification of an EPR plant model in the UK and also ordered critical components required to build two EPR plants. Our first station is planned to enter service in 2017.

EDF Development Company Ltd, a wholly owned subsidiary of EDF International established during 2008 has acquired land on which it intends to build new nuclear stations, alongside existing nuclear facilities at Hinkley Point and at Wylfa. Following our purchase of British Energy, we also have access to eight further sites on which new stations could also be built. British Energy's four priority sites are in the south of England at Sizewell, Hinkley Point, Dungeness and Bradwell and data is already being collected in order to carry out environmental impact assessments at each location. Transmission connection and construction agreements with the National Grid for approximately 10.8GW gross capacity from 2016 at these sites are also in place.

The construction of new nuclear power stations at all EDF Energy and British Energy sites remains subject to the government's Strategic Siting Assessment and the granting of appropriate planning authorisations.

## Our Approach to Sustainability

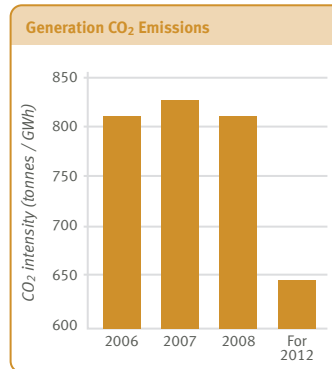
Our sustainability activities very much support the Precautionary Approach that emerged from the 1992 Rio Declaration (Principle 15). Where there are threats of serious or irreversible damage, lack of full scientific certainty shall be not used as a reason for postponing cost-effective measures to prevent environmental degradation.

We believe we have been applying the Precautionary Approach through our Climate Commitments. This has involved significant investments in eco-efficiency programmes for our generation plants and buildings and the development of our low carbon generation portfolio. We also have invested in full compliance of ISO 14001 across some areas of our business, which serves to identify and mitigate against environmental degradation and environmental risks.

## 1. We will reduce the intensity of CO2 emissions from our electricity generation production by 60% by 2020

The progress on CO2 reductions is in line with our plans. The key milestone in delivering our target is the development of new assets (1300MW CCGT plant at West Burton), but especially renewable, with currently installed capacity of 62MW wind farms, and nuclear, where the £12bn purchase of British Energy will provide the platform for new nuclear capacity.

In the interim we're also progressing in improving our fleet efficiency, and continue to invest in CHP generation.

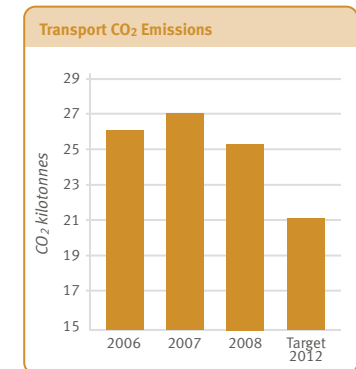


## 3. We will take action to cut CO2 emissions from our transport by 20% by 2012

In 2008 we have implemented local initiatives to encourage staff to drive less, more responsibly, and make use of more fuel-efficient vehicles across our fleet. There are also voluntary staff commitments to reduce personal mileage by 10%.

So far, the success manifests in reduced total mileage driven (down 8%), and reduced fuel consumption (down 4%). Total CO2 emissions decreased, after a 2007 increase, by 2.8%. A company-wide change initiative will help close the gap to our 2012 target, and we are confident in making further substantial progress.

**Savings:** between 2006 and 2008 EDF Energy has saved £900,000 from reduction in fuel and mileage.

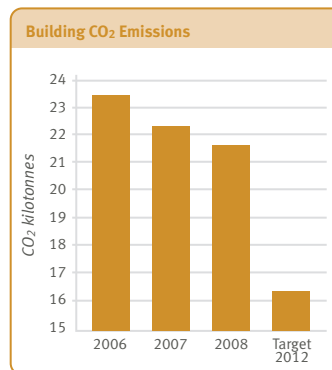


## 2. We will take action to cut CO2 emissions from our offices and depots by 30% by 2012

The initiatives under our 'Energy Mandate' project will deliver a 75% saving towards the overall target, e.g. through improving building infrastructures and insulation. We are investigating further potential to achieve the challenging target we have set ourselves.

In addition the expansion of our building portfolio, as well as essential but energyconsuming IT equipment, may put the 2012 target at risk.

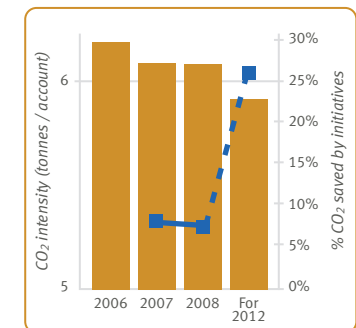
Current success in cutting emissions so far resulted in a £k263 financial saving for the Company.



## 4. We will reduce the proportion of CO2 arising from our customers' energy consumption by 15% by 2020

Progress to reduce our customers' emissions to the planned levels is in its early stages. The main area of concern is reducing the CO2 per customer via consumption reduction against ongoing strategy plans to target high consumption customers ultimately using low carbon energy. We launched the 2012 Carbon Challenge to help start consumer action. In a survey, 66% of major business customers who contacted us about their energy efficiency needs agreed we helped them to reduce their carbon footprint. The initiatives are all ongoing, with products as RRR, and CERT still being our primary achiever.

**Investment in 2008:** EDF Energy's CERT contributions amounted to almost £90m.



## 5. 100% employee involvement by 2012

In 2008 good progress was seen in our three core activities ('One Planet Ambassadors', 'Helping Hands' community engagement, and employee sign-up to our 'Carbon Challenge' campaign).

We are still working to find intelligent solutions to problems like accurate measurement, and the avoidance of double-counting of involved staff.

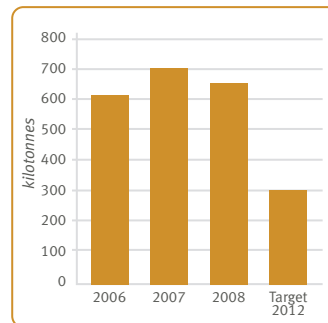


## 6. We will reduce the volume of materials from generation activities sent to landfill by 50% by 2012

Due to increased generation needs and commissioning problems with our new STI plant more ash than forecast was sent to our landfill site. Demand for ash from the cement industry is slowing due to the economic climate. We must investigate in more actions to reduce our landfilling.

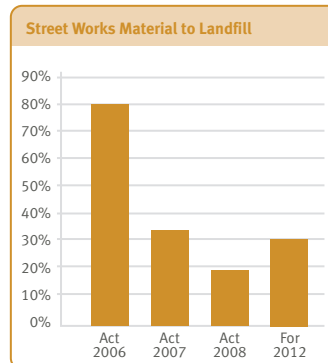
**Investment to date:** £6.2m

**Future Investments:** £2.2m



## 7. We will reduce our street works landfill waste by 30% by the end of 2007 and eliminate it completely by 2020

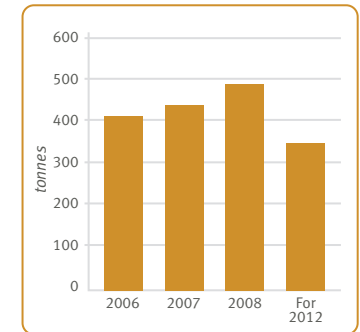
Notwithstanding the excellent recycling and re-use success over the last few months, where we intensified collaboration with recycling industry and local councils, we are applying a cautious trajectory path to 2012 (and beyond), to cater for identified influences outside our control, especially future limitations to re-using excavated materials.



## 8. We will reduce the volumes of waste we produce in our energy billing activities by 30% by 2020

Billing waste volume will dramatically reduce once EDF Energy's new CRM system goes live, leading to improved online billing facilities for our customers by 2012.

**Investment in 2008:** EDF Energy's CERT contributions amounted to almost £90m.

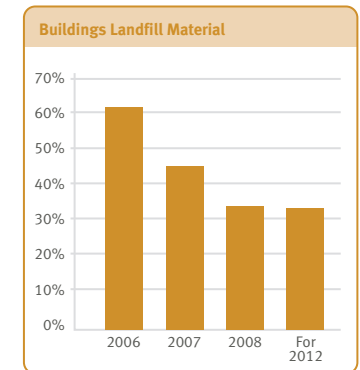


## 9. By 2020 we will send no office and depot waste to landfill

We will also increase the recycling rate to beyond the national average (minimum 65% by 2012).

We have managed to reduce our landfill rate from our buildings to below the national average, 4 years ahead of plan. We therefore plan to aim for more challenging targets in the years to come.

On the other hand the absolute waste volumes have increased, and may potentially increase further due to large investment projects from DPCR5, so we must increase our efforts to reduce waste.

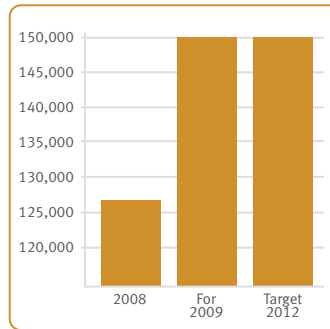




## 1. We will commit to keeping our prices competitive and will provide enduring support for our most vulnerable supply customers until 2012

The customer numbers on our Social Tariff have continued to grow rapidly. A new Social Tariff will be introduced in 2009 that complies with the OFGEM definition and will enable us to work with DWP on data sharing to assist an even greater number of customers. EDF Energy has also continued to make £m1.6 in awards through the Trust Fund, exceeding our planned spend.

**Investment to date:** £9.2m

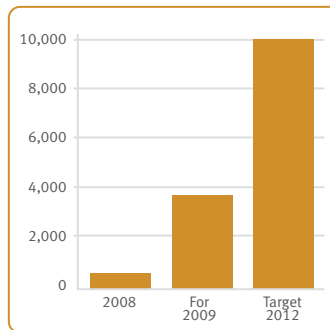


## 2. We will lead the industry in protecting vulnerable customers from the adverse effects of power cuts

The vulnerable customers of our networks operations receive different means of support in the event of a power failure. Our target for 2008 was not achieved, but we aim to make this shortfall up during 2009.

To lead the industry means, to assess our emergency / social involvement and financial investments against other industry participants, and be on top.

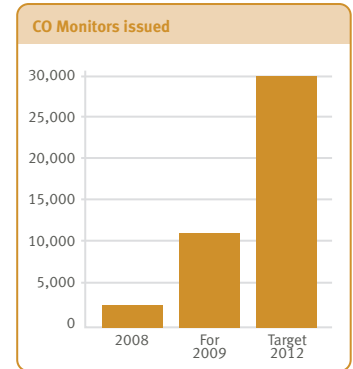
Looking ahead into 2009 we will work to improve our priority services register, and we will team up with the other DNOs to create industry wide, more efficient and effective data bases and exchange.



## 3. We will extend our health and safety activity to support children, community groups and our customers

The company has a responsibility to ensure the public remains safe and understands the dangers inherent in electricity production, distribution and use. We strive to prevent anyone being hurt by our electricity network, we educate school children about the use and dangers of electricity, and we help reduce the number of incidents of carbon monoxide poisoning from faulty gas appliances in homes.

The CO detectors issued in 2008 are the first step towards our goal, and we will massively increase handing out detectors in 2009, planning to invest £135,000.



## 4. We will work with all our suppliers to ensure they meet the ten principles of the Global Compact to guarantee an ethical supply chain

We want to ensure that our supply chain is “ethical”. By this, we mean we want our suppliers and contractors to work towards the same high levels of human rights, labour standards and environmental management that we aspire to. As part of EDF Group we are a signatory to the UN Global Compact, and we are committed to promoting responsible business practice within our sphere of influence, so we have begun with an internal improvement project to re-assess our suppliers, and to revise our contracts. Any new supplier for EDF Energy will have to be GC compliant.



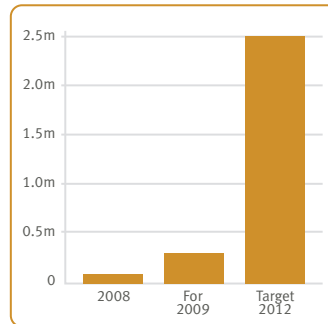
## 5. By 2012, 2.5 million young people in the UK will have participated in our Sustainable Schools Programme, learning about the sustainable use of energy

We want to increase understanding of sustainability, climate change and the efficient use of energy among young people across the country.

The Programme for Greener Schools (called 'the Pod') aims to engage with 2.5million school children by 2012, registering 11,000 schools. The Pod is designed to make real, practical and measurable change to Energy, Waste, Water and Carbon within schools, homes and communities.

After its promising start in September we have reached our 2008 target and are confident to expand our activities as planned.

**Planned total project costs:** £2.3m



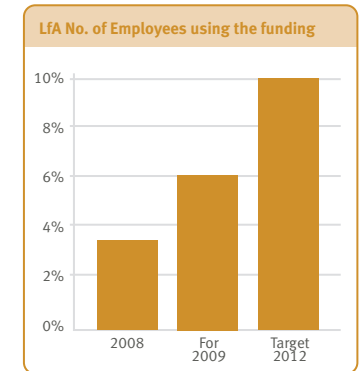
## 6. By 2012, we will have attained gold standard from independent experts for our approach to diversity and inclusion

We will also have increased opportunities for our employees to develop and improve a range of skills including basic life skills.

As an inclusive company, we want to capture the value that difference brings. 'Gold standard' stands for overall top performance in fields of inclusion, diversity and non-discrimination, and we want external stakeholders to recognise EDF Energy as an inclusive organisation.

EDF Energy's Diversity & Inclusion Action Group is now established within the organisation with representatives from the main business areas. Throughout 2009 an action will be developed and rolled out over the 4 years to come.

Our efforts to promote internal personal development didn't meet the target, so renewed efforts are necessary to better communicate this opportunity to all staff.



# Our Stakeholders »

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EDF Energy wants to be recognised as a leading and respected point of reference on energy policy and matters concerning our business. We maintain dialogue with various organisations in order to understand our stakeholders' views and take these into account when we plan our business activities.

“ It is a fascinating and challenging time for the energy market. We are seeing increasing wholesale energy prices and the credit crunch while, at the same time, customers want better service and an improved experience. This is therefore an ideal time to share practices and learn from each other.

**Richard Wakelen** Director of Business Strategy & Performance

EDF Energy wants to be recognised as a leading and respected point of reference on energy policy and matters concerning our business. We maintain dialogue with various organisations in order to understand our stakeholders' views and take these into account when we plan our business activities.

Our engagement with key stakeholders – shareholders, employees and customers – reflects the emphasis we place on safety and sustainability. It helps us to build trust, demonstrate transparency, formulate strategy and policy and improve our operations, products and services. We have a duty to our key stakeholders, and to others, including: political institutions and the regulator, local communities, NGOs, the media, our Stakeholder Advisory Panel and the London Organising Committee of the Olympic Games (LOCOG). We engage openly and actively with all these groups on a formal, informal, structured and ad hoc basis.

## Political institutions and the regulator

We engage with political and regulatory stakeholders to help them understand our business better and to shape the policy environment in which we operate.

We engage with Parliamentarians who represent constituencies within our geographies or have an interest in energy policy, focusing on three key themes: security of supply, climate change and affordability. We aim to improve understanding on both sides and to explain how we can help them provide support for their constituents.

We engage with an increasing number of civil servants from several different government departments and also work closely with devolved bodies such as the Scottish Parliament, the Welsh Assembly, the Greater London Authority and local authorities.

We focus on key events in parliament, including debates, bills and select committees, to highlight specific issues. In 2008, we participated in a Business and Enterprise Select Committee investigating the operation of the energy markets and provided information to MPs regarding the 2008 Energy, Climate Change and Planning Acts. We also participated in a consultation process to inform MPs about our plans to invest in our networks as part of Ofgem's Distribution Price Control review 2010-2015.

In June and December 2008, CommunicateResearch surveyed 160 MPs to evaluate the effectiveness of our engagement strategy. Those surveyed rated EDF Energy as the most effective contributor to energy policy debate, with 84% declaring themselves 'very' or 'fairly' familiar with our company, moving us upward in the familiarity ratings to second position. Between June and December the number of MPs who support plans to build new power stations rose from 68% to 70%.

We maintain a close working relationship with the industry regulatory body Ofgem – a key stakeholder that makes decisions which can fundamentally affect the way we do business.

## Media

The media plays a vital role in dealing with high profile issues or crises affecting any parts of our business. The promptness, speed and accuracy of our engagement are crucial to protecting the company's reputation. The EDF Energy press office operates 24 hours a day, 365 days a year to deal with media queries at any time.

Engaging with the media is crucial to disseminating important messages about any incident to our customers and other stakeholders. A good example of this is in the case of wide spread outages where the media team are able to update affected customers through local radio and other media.

We worked hard throughout 2008 to build a positive national and regional profile for EDF Energy, putting in place a planned activity programme to improve our reputation with stakeholders and to minimise negative media coverage of our activities. We further improved our crisis communication plans, and against the backdrop of rising energy prices, the British Energy acquisition and concerns around climate change, assumed visible leadership positions on key issues of energy policy and customers concerns.

Our efforts to build constructive relationships with journalists and the wider media produced positive coverage of a number of key events, including the British Energy acquisition, the outcome of the Government consultation on nuclear energy, our public consultation at Hinkley Point and the Toyota Hybrid car event in Hyde Park, London. We also worked closely with the EDF Group's press office in France and arranged a number of trips to French power stations for UK journalists. For the third year running we were finalists in the magazine PR Week's award scheme.

## London Organising Committee of the Olympic Games

We're using our status as a Sustainability Partner of the London 2012 Olympic and Paralympic Games to build our brand and connect with local communities. Through our sponsorship we hope to encourage people to reduce their carbon footprint during the run up to 2012. In September 2008, we launched a programme for sustainable schools with LOCOG, the Eden Project and Eco-Schools that aims to reach 2.5 million children before the Games start. We're also working with the Olympic Delivery Authority and its contractors to deliver renewable electricity for the Games and source clean fuel for the Olympic Cauldron.

### Communities

We want to make a positive contribution to the communities in which we operate and work in partnership with local community organisations, schools and colleges to support projects with environmental and educational goals through our Helping Hands and Ambassador volunteering programmes. We advise local residents about the safe and efficient use of energy and, through our sustainable schools programme, to advise school children and teachers about energy efficiency, renewable energy and climate change. Local people also have the opportunity to find out how EDF Energy works at our on-site visitor centres.

We keep local communities informed about our plans and their potential impacts. For example, in October 2008, we launched a community consultation programme on our plans for a new nuclear power station at Hinkley Point in Somerset.

### NGOs

We meet representatives of a number of charities and NGOs to discuss issues and to develop Our Climate and Social Commitments. We work with the Fuel Poverty Advisory Group, and with the WRVS through our 'Safe, Warm and Well' campaign, to support vulnerable customers. Since 2007 we've held an annual stakeholder forum the House of Commons in partnership with the National Right to Fuel Campaign, other stakeholders in attendance included: Help the Aged, Age Concern, WRVS, Fuel Poverty Advisory Group members and Citizen's Advice Bureau. In 2008, our Networks branch formed a partnership with the Red Cross to provide specialist support for vulnerable customers. Looking forward, we are keen to work with more NGOs and have participated in a number of debates to make contact with possible partners.

### Customers

In 2008 we conducted surveys and held interviews to maintain constructive dialogue with our customers – including vulnerable customer groups. Providing appropriate products and services for these groups is a priority for us and we have trained our customer service advisors and metering agents to identify and provide assistance to customers who need extra help. We work closely with consumer organisations such as Consumer Focus and Consumer Direct to ensure that we meet best practice and respond effectively to consumer concerns.

### Employees

We're committed to recruit and retain great people – so listening to our employees is a priority. We communicate with them regularly through team meetings, learning sessions, briefings and via our intranet. We also conduct an annual employee engagement survey which helps us to understand employees' views and respond accordingly through appropriate company wide activity. Areas for improvement include change management and related communications, accountability, empowerment and employee perception of our public image, all of which we will seek to address during 2009.

### Suppliers

We work with our suppliers and business partners to ensure that they manage their operations in line with our ethical supply chain business principles.



We set up a Stakeholder Advisory Panel in 2006, the objective of the Panel is to allow our chief executive and our executive to draw on the experience of eminent and diverse senior advisors outside of EDF Energy, to discuss key strategic issues and their impact on our business, the panel helps us by:

- Utilising their expertise, experience and intellect both to challenge the Executive on its strategy and the business approach of EDF Energy, and to input into the development of our strategy
- Actively supporting the development of our position as point of reference by building links with key opinion formers and;
- Being advocates on our behalf

The panel meets on a quarterly basis and we can also access the knowledge of members on an ad hoc basis. The panel has never had any legal or fiduciary responsibilities and any actions proposed are subject to the normal governance process of the company.

Panel members provide a strong voice on behalf of our stakeholders and have helped us shape key policies in recent years, including Our Climate Commitments and Our Social Commitments. The members of the panel are Will Hutton, Chair John Roberts, Diane Coyle, Shaks Ghosh, and Lord Hunt.

## Stakeholder advisory panel perspective

I welcome the chance to comment on EDF Energy's Sustainability Performance Report for 2008 and hope you will find this account of one year in EDF Energy's steady evolution as a sustainable energy business illuminating.

In the report you will find case-studies which bring to life the imaginative ways staff are fulfilling the company's public mission to be socially and environmentally responsible. For EDF Energy this means respecting the aspirations of staff, customers, suppliers and society at large.

We believe 2008 has been a pivotal year in EDF Energy's development. The global financial crisis and volatility of global energy prices has put unwelcome pressure on us all, whether business or household energy users. In these tough times, we need reassurance that our power supplies will be both secure and affordable and we have expressed our anxiety about the impact of price rises, particularly on the UK's poorest communities.

Public interest has also been particularly intense because of its takeover of British Energy, creating the UK's largest electricity generating company. EDF Energy has ambitious plans to build a new generation of nuclear power stations which represents a big step towards the development of new nuclear power stations in the UK.

I am impressed that throughout the year we, as stakeholder representatives, have been able to discuss these sensitive issues openly and frankly with the senior management team and that we have been regularly consulted on a wide range of subjects. Our independence has been fully respected by the company, allowing us to speak out confidently on sensitive questions and public concerns.

The Stakeholder Advisory Panel was established in 2006 with an aim to provide expert input into the company's long-term approach to sustainability. Some businesses pay no more than lip-service to concerns like climate change, but we are satisfied that EDF Energy is totally serious in its declared mission, "to bring sustainable energy solutions home to everyone".

Our job is to safeguard that commitment, challenging regularly to see whether EDF Energy's public promises about social and environmental performance are being realised in practice. Our experience in 2008 suggests to us that the company's ambitions – for instance a 60% cut in the carbon intensity of its electricity generation by 2020 – are genuine. And we believe they are increasingly shared at all levels from boardroom to the front-line.

The UK energy industry has to evolve very rapidly to meet the interlocking challenges of security, affordability and carbon reduction, while at the same time bridging a looming energy gap as obsolete coal and nuclear stations are retired. We believe that EDF Energy understands the scale of that sustainability challenge, and has the capacity and know-how to meet it.

Robust corporate governance is vital to the success of any business. We welcome the opportunity to assist that process through helping shape this Sustainability Performance Report. Throughout we have worked closely with Two Tomorrows formerly Csrnetwork, the company's independent assurers.

This is a time of change at EDF Energy and in the UK energy sector which will bring both opportunities and challenges. As a panel we look forward to continuing a frank and fearless conversation with EDF Energy as it continues its journey to become a truly sustainable energy provider.

**Will Hutton,**

*Executive Vice Chair, The Work Foundation*

Chair EDF Energy's Stakeholder Advisory Panel



As illustrated in the table below, we have a diverse range of stakeholders who raise a number of issues that they want us to address. In 2008, discussions with our stakeholders raised a number of issues which presented us with significant challenges which have been taken on board as part of our

commitment to address material issues from our operations and services. As well as outlining our achievements and the progress made towards finding solutions to these issues, the following table also highlights the areas which still need further work and action.

Our Stakeholder(s)	Stakeholder Issue	Communication Channel	2008 Actions, Progress & Achievements
Employees	Open and transparent two way engagement with all employees	<ul style="list-style-type: none"> <li>Employee Engagement Survey</li> </ul>	<ul style="list-style-type: none"> <li>After focussing on employee satisfaction for the past five years we replaced our annual employee survey with a new Employee Engagement Survey (EES) – which now measures engagement</li> <li>Over 9,800 employees took part in the 2008 Employee Engagement Survey, which is 73% of our total company head count – a 2% improvement on 2007. Our overall score for the ‘communication’ category in 2008 was 2% above other UK companies</li> <li>The survey highlighted a number of areas in which we can work on which include leadership, customer focus, change management, accountability, empowerment and employees’ perception of our public image</li> </ul>
Employees	Health and Safety Awareness	<ul style="list-style-type: none"> <li>Training</li> <li>Intranet signposting</li> </ul>	<ul style="list-style-type: none"> <li>Launch of our Zero Harm programme</li> <li>Development of accessible Occupational Health Services website on social well being and occupational health services including our employee support programme</li> <li>Ongoing training programme for managers and employees</li> </ul>

Our Stakeholder(s)	Stakeholder Issue	Communication Channel	2008 Actions, Progress & Achievements
Employees	Employee awareness on sustainability	<ul style="list-style-type: none"> <li>• Training</li> <li>• Intranet</li> <li>• Sustainability ambition linked to Company Incentive Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Participation in Group wide Sustainable Development Awards</li> <li>• Sustainability engagement plans agreed for roll out in 2009 including circulation of a sustainability booklet</li> <li>• Sustainability intranet launched</li> <li>• Dedicated learning of new advertising campaign through launch of advertising feature on intranet</li> <li>• Awarded Investors In People recognition (IIP)</li> <li>• Launch of Social commitment dedicated to diversity</li> </ul>
Employees	Diversity in the workplace	<ul style="list-style-type: none"> <li>• Diversity and Inclusion Action Groups</li> </ul>	<ul style="list-style-type: none"> <li>• Internal diversity and inclusion working group set up</li> <li>• Successful launch of African-Caribbean network</li> <li>• One employee named by HRH the Prince of Wales as his Business in the Community Ambassador for London to promote diversity</li> </ul>
Customers – Major	Quality of Service, price, reliability of service, market and products information advice, Climate Change	<ul style="list-style-type: none"> <li>• Café Energy workshops</li> <li>• Satisfaction Surveys</li> </ul>	<ul style="list-style-type: none"> <li>• Ran successful well attended Café Energy' workshops to educate customers about the CRC (Carbon Reduction Commitment)</li> <li>• Education of customers on how they can meet the scheme requirements and avoid penalties whilst promoting carbon reduction through our Energy Services products such as the award winning Energy Toolkit</li> <li>• As part of the CFI (Customer First Initiative) a complainant's survey now monitors complaint resolution to ensure that complaints are fully resolved and subsequent improvements are made to our processes</li> </ul>
Customers – SME	Quality of Service, price, reliability of supply, product information, advice, Climate Change	<ul style="list-style-type: none"> <li>• Satisfaction Surveys</li> <li>• Dialogue with front line employees</li> </ul>	<ul style="list-style-type: none"> <li>• Signed up to the voluntary Business Energy Efficiency Agreements to reflect our focus on such issues</li> <li>• Worked closely with our customer chain to ensure that energy bills and green issues are at the fore of our activity</li> </ul>

Our Stakeholder(s)	Stakeholder Issue	Communication Channel	2008 Actions, Progress & Achievements
Customers – Residential	Quality of Service, price, Service, reliability of supply, product information advice, Climate Change	<ul style="list-style-type: none"> <li>• Satisfaction Surveys</li> <li>• Dialogue with front line employees</li> </ul>	<ul style="list-style-type: none"> <li>• Launch of EDF Energy 2012 Carbon Challenge</li> <li>• Residential version of energy efficiency toolkit launched which includes a home energy survey option</li> <li>• New bill design based on customer requirements</li> <li>• Tariff naming – Research was carried out to understand which names helped customers to understand fixed price tariffs, and the new names were chosen accordingly</li> <li>• Our Customer Service Centre at Fore Hamlet, Ipswich won Utility Week’s customer care award</li> </ul>
OFGEM (Regulator)	Quality of service, prices, vulnerable customer policies	<ul style="list-style-type: none"> <li>• Dialogue</li> <li>• Voluntary agreements</li> <li>• Voluntary Best Practice</li> <li>• Licence Conditions</li> <li>• Attendance at regular meetings</li> <li>• Full and transparent responses to all investigations and information requests</li> </ul>	<ul style="list-style-type: none"> <li>• Recognised for our work to vulnerable customer groups, for the third year running, we won recognition for our achievements in the annual Customer Service Reward Scheme.</li> <li>• All responses on the Probe and the review our distribution licences have been done within deadlines set by Ofgem</li> <li>• Conclusion from the probe published in October 2008 concluded that the fundamental structures of a competitive market are in place, with the transition to effective competition well advanced and ongoing recommendations included:</li> <li>• Promoting more active customer engagement</li> <li>• Helping consumers make more informed choices</li> <li>• Reducing barriers to entry and expansion</li> <li>• Helping small business customers</li> <li>• Addressing concerns over unfair price differentials</li> </ul>
Suppliers	Lasting Business relationships On time payments	<ul style="list-style-type: none"> <li>• Information sessions</li> <li>• Dialogue</li> </ul>	On time payments through shared services efficiency programme

Our Stakeholder(s)	Stakeholder Issue	Communication Channel	2008 Actions, Progress & Achievements
Business in the Community	Sustainability Performance	<ul style="list-style-type: none"> <li>• Dialogue</li> <li>• Award submissions</li> <li>• Corporate Responsibility Index</li> </ul>	<p>Achieved platinum plus in the Corporate Responsibility Index with a score of 99%</p> <p>Five big tick awards for:</p> <ul style="list-style-type: none"> <li>• <b>Healthy Workplace</b> – for EDF Energy’s employee support programme which has reduced the incidence and impact of psychological ill health at work</li> <li>• <b>Responsible Marketing</b> - EDF Energy has helped lead the way in supporting vulnerable customers and has had a significant positive impact on how other energy companies now act</li> <li>• <b>Healthy Communities</b> - The London Warm Zone is a substantial investment by EDF Energy over and above our regulatory obligations. The scheme helps low income households to save money, improve comfort and maximise household income</li> <li>• <b>Environmental Leadership</b> – This award is for companies that can demonstrate leadership and improved impact by integrating environmental strategy into core business processes</li> <li>• <b>Impact on Society Award</b> – This award is for companies that are improving their business and their overall impact on society through leadership in responsible business practices</li> </ul>
Stakeholder Advisory Panel	Strategy and Business Development, Climate Change	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Two way transparency</li> </ul>	Social commitments launched
Shareholders	Economic performance and profitability	<ul style="list-style-type: none"> <li>• Group Sustainable Development Report</li> <li>• Sustainable Development Reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Throughout 2008 we’ve used our new Connected Reporting Framework (CRF) to report progress to our Group on the delivery of Our Climate and Social Commitments</li> <li>• Implementation of Accounting for Sustainability Framework for all Sustainability reporting</li> </ul>

Our Stakeholder(s)	Stakeholder Issue	Communication Channel	2008 Actions, Progress & Achievements
Research and Development	Partnership Participation	<ul style="list-style-type: none"> <li>• Energy Technology Institute</li> </ul>	Development of a maintenance and grid connection strategy for the offshore wind turbines to be used in Project Deepwater Turbine, which involves the construction and deployment of a 5 megawatt offshore wind turbine
Schools and Universities	Support and expertise Participation and Learning	<ul style="list-style-type: none"> <li>• Interactive learning</li> <li>• Dialogue with schools</li> </ul>	Launch of the POD with over 2400 schools registering since launch
Ministers and Parliament	Climate Change Energy Efficiency Environmental Performance	<ul style="list-style-type: none"> <li>• Visits to our sites</li> <li>• Dialogue</li> <li>• Performance Report</li> </ul>	<ul style="list-style-type: none"> <li>• We shared plans on site in areas such as nuclear power, networks and community initiatives</li> <li>• We also hosted a visit to the London Warm Zone and Barkantine Combined Heat and Power Plant</li> <li>• Our Climate Commitments-performance outlined in Sustainability Performance Report 2008</li> </ul>
Public, MPs, Local Authorities, Communities, NGOs	New Nuclear	<ul style="list-style-type: none"> <li>• Public Exhibitions</li> <li>• Dedicated Website</li> </ul>	<ul style="list-style-type: none"> <li>• 100 completed questionnaires, outlining the issues that concerned them – most notably issues relating to road infrastructure, the generation of new jobs, local investment, training, health and safety and environmental issues all of which we took into consideration We will look at all the issues in detail and report back to the local community when our plans are further advanced</li> </ul>
Government/NGO's	Renewable Obligations	<ul style="list-style-type: none"> <li>• Consultation</li> <li>• Dialogue</li> <li>• Application Process</li> </ul>	<ul style="list-style-type: none"> <li>• Consent for Teesside Offshore</li> </ul>



Our Stakeholder(s)	Stakeholder Issue	Communication Channel	2008 Actions, Progress & Achievements
Government, MP's, NGO's, Employees, Stakeholder Advisory Panel	Social inclusion Initiatives Energy Affordability Safety Ethical procurement Diversity	<ul style="list-style-type: none"> <li>• Dialogue</li> <li>• Meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Launch of Our Social Commitments</li> <li>• (Link to Social Commitments)</li> </ul>
Vulnerable customers NGO's Welfare groups Constituency MPs	Winter Risks	<ul style="list-style-type: none"> <li>• Safe Warm and Well Campaign</li> </ul>	<ul style="list-style-type: none"> <li>• Specific annual campaign on winter risks</li> <li>• Mitigation of risks to vulnerable customers</li> <li>• Demonstrates we care for our customers</li> </ul>

## Consulting business stakeholders about our income and spending plans

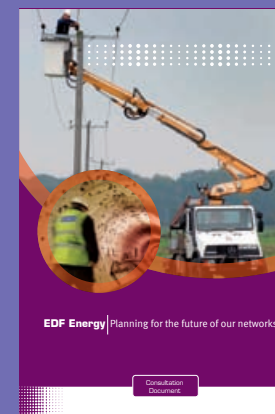
**In support of the fifth Ofgem Distribution Price Control Review (DPCR5), which will set funding levels for distribution network operators during the period 2010-2015, EDF Energy has actively engaged with business stakeholders to explain our plans and ensure that their views are taken into account in our final business plan.**

The DPCR is a process that determines the level of capital investment and operating costs for network companies, while also capping the fees they can charge. The process aims to ensure that distribution network operators (DNOs) use their monopoly privileges appropriately. As part of the DPCR5, which will set funding levels for DNOs from 2010-2015, Ofgem completed an external stakeholder consultation process, which involved environmental groups, trade unions, MP and regional development agencies. In support of this process, EDF Energy produced a comprehensive consultation document: EDF Energy Networks: 'Planning for the future of our networks'.

The three-month consultation process from July to September 2008, focused on business stakeholders because Ofgem had already completed a survey of electricity end consumers. As part of the process, stakeholders were invited to view our investment plans on a DPCR5 consultation website and to share their comments on a range of issues such as safety, sustainability, recruitment and training. EDF Energy also ran three workshops, to share our proposed income and spending plans and to debate issues during a public forum.

At the end of the three month consultation period, feedback from stakeholders was analysed and used to re-shape our final business plan, which was submitted to Ofgem in February 2009. Its response will be made public when they publish their final proposals for all network companies in November 2009.

Our Head of DPCR and consultation workstream lead, Keith Hutton (who hosted our stakeholder workshops) feels that the consultation process was: "an important way for EDF Energy to enter into an informed dialogue with a wide range of companies and organisations on the priorities for electricity distribution." He believes that our actions have helped us to: "build on our knowledge of the distribution networks and the challenges we face, whilst gaining buy in from all our stakeholders."



### Sharing our plans to build two new nuclear power plants at Hinkley Point, Somerset, with local stakeholders

Following our acquisition of British Energy, we want to invest in four new nuclear plants in the UK, using European Pressurised Reactor (EPR) technology – with two new EPRs to be located at Hinkley Point in Somerset. To ensure that local people and other stakeholders understand our plans in full and have the chance to share their views we've held a series of public exhibitions and consultation sessions.

The two new EPRs at Hinkley Plant will be built on newly acquired land alongside an existing reactor. Obtaining the necessary consents and constructing the plants is likely to take at least nine years with the first new reactor in operation by the end of 2017.

To share our plans at Hinkley Point with local stakeholders, we held four public exhibitions in the Somerset area. They were attended by 275 local people, who submitted over 100 completed questionnaires, outlining the issues that concerned them – most notably issues relating to road infrastructure, the generation of new jobs, local investment, training, health and safety and environmental issues.

Simon Dunford, Hinkley Point project manager believes that the exhibitions and public consultations were a valuable part of the preparation process: 'We are really pleased that so many local people took the time to come and talk to us. Most welcomed the potential jobs, investment and regeneration, but local people also wanted reassurance about key issues such as roads and transportation. We will look at all the issues in detail and report back to the local community when our plans are further advanced.'



### Working with local stakeholders in Teesside to promote wind power in the UK

EDF Energy and sister company EDF Energy Nouvelles have teamed up to form a joint venture EDF Energy Renewables, which will spearhead the EDF Group's renewable projects in the UK. In 2008 the new company worked closely with stakeholders to complete the consent and approval process for a new offshore wind farm in Teesside.

EDF Energy Renewables will explore the use of a range of renewable technologies, but its primary focus will be on onshore and offshore wind power. The company already has around 150MW of renewable capacity in place across the UK and consent to complete a further 200MW.

Having completed and received the appropriate consents in 2007 to build a 90MW offshore wind farm in Teesside, with commissioning and building work set to commence in 2010, EDF Energy Renewables worked closely with a wide range of stakeholders throughout 2008. These included NGOs and representatives from local communities to ensure that their concerns and needs were addressed.

Additionally the work carried out with the local media and in providing ongoing support, training and advice to the project's development team including crisis support and management of messages through court proceedings, resulted in a substantial positive shift in the media coverage in relation to this project.



Within our day-to-day business operations and marketplace activities, we have formed a number of associations, affiliations and external memberships. Through other affiliations we can gain the knowledge and skills necessary to maintain our leadership positions in what is a highly competitive marketplace.

We have different types of memberships and affiliations relating to the various technical, professional and managerial activities undertaken throughout the company. In the table outlined below we have summarised some of these which are relevant to our different business functions and those relationships we believe are most material for sustainability performance in our day to day business.





Associations	Affiliations & External Memberships	Membership Role	Business Function Description
Energy Retail Association	Paid Member	Trade Association	All Residential and Small Medium Enterprise areas
Energy Networks Association	Paid Member	Trade Association	Networks only
Association of Electricity Producers	Paid Member	Trade Association	Electricity generation areas
Joint Environmental Programme (JEP) of coal station operators	Paid Member	R&D	Electricity generation environmental impacts
UK Business Council for Sustainable Energy	Paid Member	Trade Association	Energy policy & sustainable development
Carbon Capture and Storage Association	Paid Member	Trade Association	Carbon capture and storage
Emissions Trading Group	Paid Member	Government-Industry Forum	Carbon emissions trading
British Wind Energy Association	Paid Member	Trade Association	Renewable energy
Renewable Energy Association	Paid Member	Trade Association	Renewable energy
National Energy Action Supporters Group	Paid Member	Advocacy	Fuel Poverty
Business in the Community	Paid Member	Advocacy	Sustainability Performance - benchmarking
Corporate Responsibility Group	Paid Member	Advocacy	Sustainability Professionals Learning Network
Energy Technologies Institute	Founding Member – pro-bono and financial	Development support	Sustainability Performance - Research & Development
London Benchmark Group	Paid Member	Advocacy	Community Investment – benchmarking
Forum for the Future	Paid Member	Advocacy	Sustainability Performance – strategic
Accounting for Sustainability	Pro-bono participatory member	Development support	Sustainability Performance – internal measurement
ENDS Report	Paid Member	Trade Association	Environmental
Barbour Index	Paid Member	Trade Association	Health and Safety and Environmental

To be a truly sustainable business we must meet our social responsibilities to our employees, customers, suppliers and the communities we serve. Our Social Commitments, launched in early 2008, explain how we can tackle key issues such as safety, customer care, skills development and diversity.

“ In February 2008, we published ‘Our Social Commitments’. Together with ‘Our Climate Commitments’, I believe that these two documents promise the biggest package of environmental and social initiatives of any major British company. I’m very proud of our significant public pledges.

Eva Eisenschimmel Chief Officer, People, Organisation & Brand Performance

We have a robust health and safety management system and governance framework in place to manage personal and process safety, covering risk assessment, annual improvement plans, key performance indicators, targets, performance review, emergency response plans, training and competency development, human factors, audit and verification.

## Health and Safety Policy

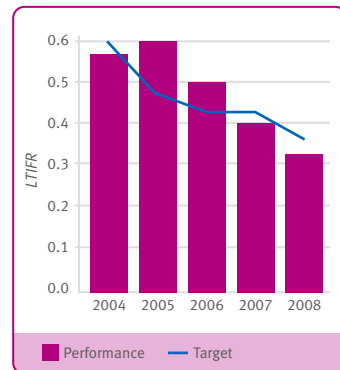
We put safety at the heart of everything we do. We believe that all harm is preventable, so our aim is zero harm. In line with this aim our Health and Safety Policy states five key principles:

- Every job will be done safely, no matter how important or urgent it is
- Each of us has a personal responsibility for our own health and safety and for those around us
- Putting people to work carries a specific responsibility and accountability for health and safety which will be visibly demonstrated
- Each near miss we learn from reduces the chance of harm next time
- Each of us will spot, report and deal with hazards to help create a harm free workplace

## Health and Safety performance in 2008

The year was overshadowed by the death of two of our colleagues due to accidents at work. In March 2008, a contractor working at our Sutton Bridge site died following an accident and in May an employee working for our Customer Operations division, part of our Networks branch, was killed when working in the vicinity of an extra high voltage transformer which failed and exploded. We immediately launched investigations into both incidents, to identify the causes of the failures. We are working with European experts to help us improve the relevant working practices so that this type of failure can be prevented in future.

Our Lost Time Injury Frequency Rate (LTIFR) for employees and contractors improved during 2008, with a year end figure of 0.33 per 100,000 hours worked. The table below shows our LTIFR for the past five years.



## Health and Safety management

Health and Safety remains our number one priority and we are determined to provide workplaces that are ‘Safe for All’. We are working hard to put in place procedures, safe working practices and health and safety training that ensures our employees are competent to carry out their daily duties safely. We have also launched several behavioural programmes to improve our health and safety culture and achieve our goal of zero harm.

Work will continue to develop a number of initiatives during 2009. These include:

- The Zero harm helpline - a free, confidential telephone service that allows employees and contractors to report unsafe acts and conditions that they feel unable to mention to their supervisor or manager
- The Zero Harm Project – an initiative launched that aims to change procedures and behaviours. It involves a full review of our safety training programmes to ensure that priority is given to refresher safety training for our employees and includes a Stress Awareness Training package for all line managers developed by Occupational Health in conjunction with Employee Engagement

Improving our Health and Safety Standards – we have put in place a project to deliver improved standards across EDF Energy by focusing specifically on: risk assessment; incident investigation; driving; contractors and construction; and working at heights as well as on embedding key occupational health processes (health surveillance and fitness for work assessments) within each of these standards.

Our Health & Safety Assurance and Integrity Management System (AIMS) – a framework that sets out our requirements and expectations regarding occupational health, safety and sustainability. It is supported by a dedicated Audit function that works with our branches and functions to drive improvements.

## Occupational Health and safety standards

As part of the Zero Harm programme, we introduced six new health and safety standards covering: risk management; incident reporting and investigation; driving management; working at height; control of contractors; and construction design and management. In line with our belief that training makes a vital contribution to safer working, all employees were made aware of the new standards and those with specific responsibilities covered by any of them received additional e-learning and are currently undertaking a face-to-face training programme. Our efforts to spread the word about safety and make sustainable safety practices 'business as usual' are ongoing.

## Zero Harm 'big conversation' and safety focus week

As part of the Zero Harm programme, we also introduced six Early in 2008, all of the 5,000 employees in our Networks branch, the area of the business with some of the most obvious potential hazards, were invited to hold a Zero Harm 'big conversation' through more than 100 briefing sessions held across London, eastern and southern England. Later in 2008, we ran 'Stop for Zero Harm' days to reinforce the seriousness of the safety message. In February, Energy Branch ran a safety focus week across its power stations and office locations. Attention was focussed on different aspects of safety each day, including those to be introduced later in the year through the Zero Harm Project.

## 'Engine on, phone off'

Our employees drive millions of miles every year while at work. To improve driving safety, we carry out driver risk assessments and have introduced a strict 'engine on, phone off' rule across the company covering the use of mobile telephones.

## Employee health and safety in 2009

Our employees drive millions of miles every year while at work. To improve driving safety, we carry out driver risk assessments and have introduced a strict 'engine on, phone off' rule across the company covering the use of mobile telephones.

## Employee health and safety in 2009

In 2009, we aim to build on the groundwork completed this year, by completing the implementation of our six safety standards and focusing further attention on areas: working at height; improving safety behaviours; and putting people to work safely.

Our Occupational Health Management Approved Code of Practice (ACoP) will be the first of the A&IMS ACoPs to be implemented in 2009. Networks has created an Operational Assurance team to review current policies and facilitate discussion of safety issues, create new learning opportunities and ensure that any future policy is fit for purpose.

## Health and Safety Engagement

All new employees complete health and safety training and we regularly provide material to ensure that all employees are kept up to date with our health and safety programmes. We offer refresher training on request and run a number of health and safety awareness programmes, including roads shows, leaflets and poster campaigns. Employees can also access our dedicated Health and Safety intranet site.

During 2008 we also issued the "Take Care Code" to our employees, advising them on ways to stay safe at work. The code is also available on our intranet. In 2009, our Customer Branch employees will all attend a health and safety foundation day, which was initially rolled out to managers between September and December 2008 as part of a programme that will include further face to face briefings and e-learning modules.

We've proactively engaged with all employees on health and safety matters through our Zero Harm programme, developing new engagement tools to do so. We don't measure how many employees have been through specific training programmes because our focus is on programme quality, but we're confident that our Zero Harm programme has been cascaded to all of our employees, through team meetings, face to face briefings, road shows, our intranet and the roll out of our 'Take Care' code.

## Health and Safety and our Contractors

Contractors and subcontractors working at EDF Energy sites complete health and safety training in accordance with our contractual agreements – the same is true of those working in our offices and other non-field work. Our reception staff are trained to make sure that anyone visiting an EDF Energy site is briefed on its health and safety procedures. We don't keep annual records of how many contractors visit or work at our sites, as the numbers vary greatly from day to day. Instead, we concentrate our efforts to ensure that all contractors and visitors are informed about our local health and safety procedures. As a result, we don't report how many contractors have completed health and safety training in this report.

We take positive action to reduce harm to the public from any of our operations. Over recent years we have invested an increasing amount of time, energy and resources to make sure that more people, especially children, are aware of the potential risks posed by electricity distribution networks and the infrastructure and equipment that supports them.

A number of different ways of informing customers about the safe and careful use of our products are outlined in this report. We take our responsibilities very seriously, liaising with customers who lose their power supply, for example and providing emergency numbers on the back of our bills and in customer information literature.

For the last few years, we've worked with the WRVS to provide support to customers who've lost supply, providing hot food, hot drinks and blankets to individuals or local communities as necessary. In 2008, we launched a partnership with the Red Cross, who now provide support when more than 12 homes lose supply, including practical assistance and transport to move vulnerable customers to a safer location.

### Connecting with Vulnerable Customers

Cuts in electricity supply can have life threatening consequences for vulnerable customers, particularly those who rely on powered medical equipment. We're working in partnership with fuel cell specialists Ceres Power to develop prototype Uninterruptible Power Supply (UPS) devices that could guarantee electricity supply for vulnerable customers,

even during power cuts. An engineering demonstrator that has been developed shows that the functional requirements can be achieved. Discussions are ongoing to decide how to proceed to develop a commercial product to deliver the benefits to our vulnerable customers. This project has been funded using the Innovation Funding Incentive (IFI) that was introduced by the government's regulator Ofgem, to support research and development to enhance the technical development of distribution networks.

Also, with our customers' permission, we keep details of our most vulnerable customers on our Networks Branch Priority Services Register. Although this won't necessarily mean we can restore such customers' power any more quickly, we can offer additional help and extra support if they do experience a power cut. We try to proactively contact customers on our register if we know of any problems in their area. We keep in touch with those customers with regular updates and, if necessary, we will ask the WRVS to visit customers to provide support including hot drinks, meals and blankets if necessary. We have worked with the WRVS for a number of years and the service they have provided has proved to be reliable and effective.

### Safety in Education Team

Whether we're parents, teachers or simply in charge of children, we all want to help them keep safe. Our networks branch has created a number of informative initiatives and information sources to help make it easier, as summarised below:

- The 'Can I have my ball back' scheme is a service for calling us so that we safely collect a child's football, Frisbee or kite if it lands on one of our sites.
- Substation watch is an initiative we run in co-operation from Neighbourhood Watch to help protect electricity substations from vandalism, theft and unauthorised access, so as to protect equipment (and supplies) as well as to protect potential intruders.

- Power up! We've created a website aimed at children, and their teachers and parents, on the subject of electricity. It provides lesson plans for Key Stages 2 and 3 with related materials, plus information and guidance for parents, plus interactive quizzes and games for children.

In February 2008, our Networks business committed publicly to share key safety messages with one million school children at Key Stages 2 and 3 by 2012. The team of dedicated advisors spread the word to almost 113,000 children during 2008 and aims to reach a total of 280,000 children by the end of 2009.

Education Advisors run interactive safety sessions at schools across our distribution networks, tackling serious issues in a relevant way. The sessions enable us to build beneficial relationships with local communities and give children the chance to report suspected incidents of trespassing or vandalism. The sessions also support the teaching of Science, Design Technology and other subjects at Key Stages 1 and 2.

The team works closely with organisations including the Police, Fire Service, St John's Ambulance, and also with volunteer EDF Energy employees, at Crucial Crew and Junior Citizen Events – designed to bring positive messages about personal safety, crime prevention and good citizenship home to young people. Crucial Crew and Junior Citizen Safety messages are also featured on a DVD co-produced by the Metropolitan Police and a children's charity.

Our Education Team's activities are supported by Powerup! – An interactive website that supports the team's efforts and provides a wealth of safety and curriculum-related information about electricity.



**With regards product responsibility we have a range of initiatives that seek to ensure each of the stages in the delivery of energy are safe. Public Safety is a material aspect of our business and we go to great lengths to protect the public from harm, we seek to ensure our product is safe and secure from its generation through to its distribution. Other than the legal requirements to ensure we protect the public from harm we are also looking at additional ways in which we can work with communities. During 2008, other than those outlined elsewhere in this report we have had no significant fines for non-compliance with laws and regulations concerning the provision and use of our products and services.**

For example the theft of valuable metals such as lead and copper from industrial locations, including our sites, has increased dramatically in recent years. Thefts of metals from our sub-stations have resulted in cuts to live cables and consequent interruptions to customers' electricity supply.

To help us address metal theft and a range of other issues highlighted by residents living near our sub-stations (including vandalism, fly tipping, drug related incidents, noise pollution, Electro Magnetic Field concerns and ecological issues) our Public Safety Team linked up with Neighbourhood Watch back in 2006 to run a pilot scheme across Hertfordshire that involved up to 20,000 volunteer public 'watchers' – our eyes and ears at a local level, where they can help us prevent negative impacts. The 'HertsWatch' scheme is still running and now has its own website. Similar schemes were rolled out in seven different languages across Bedfordshire, Essex, Kent, Cambridgeshire, Norfolk and Suffolk during 2008.

The table opposite outlines the preventative measures we took during 2008 to public safety issues related to our sub-stations and other assets.

Public safety Issue	Our Improvements
Electro Magnetic Field (EMF) enquiries	All the equipment we install at our sub-stations meets government standards concerning exposure to the public. We deal with enquiries concerning EMF in accordance with established Health Safety and Sustainability (HSS) procedures issuing public information packs and taking EMF measurements as required.
Noise pollution	HSS procedures provide a methodology that ensures our rapid response and involves specialist consultants to investigate complaints and mitigate those that are justified. We also try to contribute to any planning requests made for properties located close to our assets.
Fly tipping	We carry out security reviews and upgrades as appropriate. We support Local Authority initiatives, follow up all reports and incidents promptly and provide evidence and information to regulatory authorities.
Preservation of protected species	We have documented procedures in place to protect wildlife on our sites. We also map the ecological status of our known sites using Geographic Information Systems.
Theft	We have improved security standards at our sites and we provide any incriminating evidence to the regulatory authorities.
Vandalism	We work closely with regulatory authorities, providing evidence and information to support prosecution.
Drug related issues	There is a dedicated category in Airline for the removal of sharps and we have approved contractors who are called out when such items are reported by our employees. Contract Management ensure contractors are trained to the minimum Networks Branch standard.
Representatives visiting customer homes	Representatives working on our behalf are required to wear relevant company clothing and display their identity badge clearly when visiting customers.  Customers can also contact our dedicated Priority Services Team if they have any doubts about the callers' identity and they will check the authenticity.

Note: We have not specifically measured our improvements in 2008. However as the programmes progress we will report on developments in our 2009 report

## Case study >>

### Winning industry-wide recognition for our Sub-station Watch public safety scheme

For the third year running, EDF Energy Networks has won recognition for its achievements in the annual Customer Service Reward Scheme, run by our industry regulator, Ofgem and open to all Distribution Network Operators (DNOs).

The scheme recognises DNOs' economic, social and environmental achievements. EDF Energy Networks became the first DNO to win an award in three consecutive years on the basis of several pioneering projects; we received particular praise for Sub-station Watch, a partnership with local Neighbourhood Watch schemes and the police and for our Networks collaboration with the East Anglian Air Ambulance service to reduce the safety risks of overhead lines.



### Security and Signage

We take appropriate action to protect the public from our distribution and transmission assets. Our sub-stations assets and overhead wire and underground cabling are clearly identified as hazards with barriers and visual signage to deter members of the public coming into contact with them. We comply with all health and safety signage rules all of which proved reliable and effective throughout 2008. As a diverse company that uses signage in many different ways, we expect all employees to display the relevant company signs and any required within health and safety legislation.

As reported earlier, as well as monitoring and checking sites to ensure safety is maintained, we've developed a sub-station watch initiative with Neighbourhood Watch to help us minimise public exposure. Our website carries information about the appropriate use of signage symbols for excavators working on or near our sites to give maximum warning protection for the public. See [www.edfenergy.com/safety-emergencies/safety-around-electricity-gas/understanding-safety-symbols/understanding-safety-symbols.shtml](http://www.edfenergy.com/safety-emergencies/safety-around-electricity-gas/understanding-safety-symbols/understanding-safety-symbols.shtml)

Our Networks business provides an emergency service – the Safety and Security of Supplies Enquiry Service. It's continuously staffed and can be contacted by anyone 24 hours a day, 365 days a year. Our call agents are trained to provide non-technical advice about avoiding danger from the distribution system and from loss of supply. Team members have the appropriate communication and customer contact skills, but may be assisted by other non-technical staff during widespread emergencies. If technical advice or assistance is required, enquiries are passed on to an appropriate specialist. We deal with all reports and enquiries strictly on their merits and do not discriminate in the provision of the service or use contacts to promote any electricity supply business.

Our reporting arrangements are made available to other utilities, local authorities and emergency services. Appropriate liaison arrangements with these and other representative bodies are in place and are reviewed from time to time to ensure that effective communications are maintained.

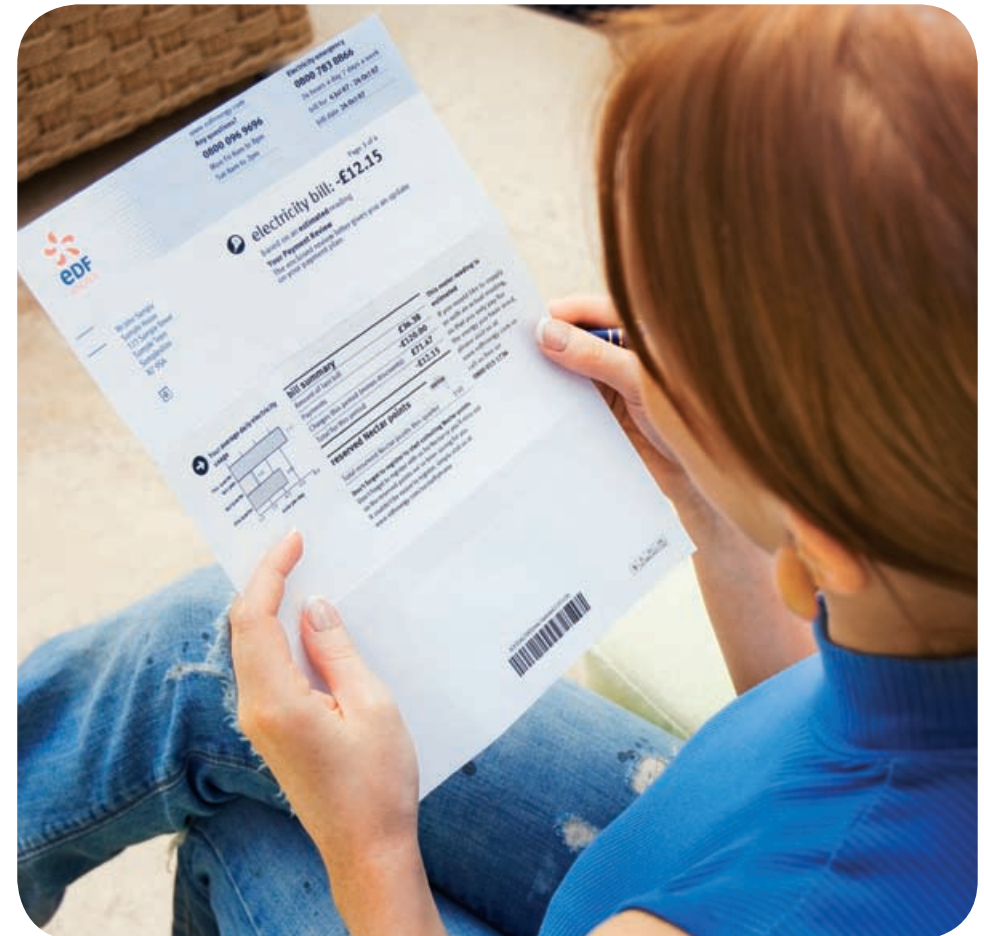
## Affordability

We believe that the best way to tackle fuel poverty is to address its root causes: low income, poor housing and energy costs. We have been pro-active in the development of vulnerable customer policies and aim to keep social policy high on our agenda.

We aim to help the UK Government achieve its fuel poverty targets through industry-leading initiatives, by working with voluntary, public and industry partners to identify consumers most at risk and by contributing to the development of public policies that address the root causes of this issue.

As a consequence of higher energy prices during 2008, the number of households in fuel poverty has increased. In response, we have consistently exceeded our regulatory obligations to provide our customers with effective energy debt management solutions.

Our fuel poverty strategy hinges on a number of ongoing initiatives, including the London Warm Zone, a scheme that helps local boroughs address fuel poverty at an individual household level. We were also the first energy supplier to introduce a social tariff, over 126,000 customers benefit from price discounts through our Energy Assist scheme. In addition, our Trust Fund provides financial support, free advice, grants and information about ways to reduce energy consumption to customers who are struggling to pay their energy bills.



### Playing our part in meeting the UK's Carbon Emissions Reduction Target

**The Carbon Emissions Reduction Target (CERT) is a UK-wide statutory programme aimed at reducing household carbon emissions. Previously known as the Energy Efficiency Commitment, CERT will run from 2008 to 2011, with a target to make homes more energy efficient and achieve a lifetime saving of 154 million tones of carbon dioxide (CO2).**

CERT calls on energy suppliers to provide products and services that help consumers reduce their carbon emissions – with at least 40% of the CO2 saved coming from 'priority' customers, a category that includes people who receive specified income or disability benefits and all householders over 70 years old.

Up to 25% of heat in a house can be lost through the roof, and up to 35% through the walls. Consequently, loft and cavity wall insulation are two of the most cost effective ways to reduce heat lost and conserve energy. EDF Energy made a significant contribution to CERT during 2008, completing a total of 124,000 insulation installations (52,000 cavity wall insulation and 72,000 loft insulation), a 43% improvement on a total of 87,000 installations completed in 2007. No fewer than 88,000 (71%) of the 124,000 installations completed were for priority customers, an achievement that exceeds our 40% target for the year.

To meet our CERT target for the year we worked with a range of insulation installers and managing partners, as well as lighting specialists who helped us address the low energy lighting requirements set out in the programme.

Our Home Insulation scheme now provides free cavity wall and loft insulation to all our Priority Group customers and offers discounts to any home owner or private tenant (including non-EDF Energy customers) who are 'able to pay'.





### Extending our help for vulnerable customers through our social tariff, Energy Assist, and the EDF Energy Trust Fund

As part of our Social Commitments, published in February 2008, we pledged to offer a social tariff for vulnerable customers until at least 2012 and to extend Energy Assist, our current social tariff, until March 2009. We also committed to invest £40 million by March 2011 to support customers in or at risk of fuel poverty and to support the EDF Energy Trust Fund, which supports vulnerable customers, until at least 2012.

Throughout 2008 we made significant efforts to make more customers aware of Energy Assist, promoting the tariff through third party intermediaries who work with low income households. As a result, the number of customer accounts benefiting from the 15% discount Energy Assist provides increased from around 60,000 to more than 126,000 by the end of the year. This increase is partly due to the proactive step we took in July 2008, when we identified 33,000 vulnerable customer accounts and transferred them to the social tariff.

In line with our Social Commitments, we have also developed a three-year plan running to March 2011, in order to maximise our pledged £40 million investment to help customers in or at risk of fuel poverty. We also donated over £2.4 million to the EDF Energy Trust Fund – money which enabled the Fund to lift more than 3,600 households out of debt and help many more households through its financial support for partner agencies.





### Widening access to affordable warmth through the London Warm Zone

**Originally set up by EDF Energy as a government backed pilot in partnership with the London Borough of Newham and Warm Zones Ltd, the London Warm Zone now provides a doorstep advice and support service to help tackle fuel poverty and climate change across 23 of the 33 London Boroughs.**

The London Warm Zone operates through a one-stop service that involves door to door, street by street assessments of customers' circumstances and consequently the provision of a range of useful services, including central heating installation, heating improvements and insulation. It also operates a comprehensive benefits service to help low income families claim any benefits to which they are entitled.

The London Warm Zone provides valuable support for vulnerable customers, who are often unaware of the support services and benefits available to them. In 2008, EDF Energy committed around £2 million to sponsor the London Warm Zone and fund a range of measures including cavity and loft insulation. Between October 2007 and September 2008, the London Warm Zone completed some 23,500 household assessments, installed energy efficiency measures in around 6,000 homes based on the Government Warm Front assessment criteria and completed more than 5,400 benefit checks, which realised a total of £1 million unclaimed benefits in 2008. In all, the London Warm Zone, invested £5.25 million to help vulnerable people in London, thanks to funding from the Government Warm Front scheme and the London Boroughs as well as EDF Energy.

During 2008, the London Warm Zone won the EDF Group's Sustainable Futures trophy, achieved a 'Highly Commended' in Business in the Community's BUPA Healthy Communities category and was a finalist in the 'Impact on London' award.

The final word on the London Warm Zone's effectiveness must go to the people that it helps. Mr and Mrs Richards of Plaistow, who completed home insulation worth £4,000 thanks to a London Warm Zone grant, are in no doubt about its value. As Mrs Richards explained: 'we could not afford to install all the heating ourselves – fortunately, the London Warm Zone came along to help.'



### Mobilising our employees to help vulnerable people stay 'Safe, Warm and Well' this winter

For the second year running, EDF Energy has teamed up with the charity WRVS to run Safe, Warm and Well, a campaign spearheaded by UK broadcaster Gloria Hunniford that helps to protect vulnerable people, including elderly customers and those with disabilities, from 'winter risks'.

Last winter WRVS distributed 50,000 Safe, Warm and Well leaflets through home help services, put up awareness posters in hospital shops and cafes, and worked with EDF Energy employees to target commuters at stations across the south-east and south-west of England.

In 2008, many of our employees answered the Safe Warm and Well call to action a second time during one of the harshest winters for many decades, by providing energy efficiency help, practical advice and assistance with payment issues. To support their efforts we ran a communication campaign that advised them about practical steps to help those at increased risk in winter and to keep an eye open for vulnerable neighbours, friends and family members.

The 2008 Safe Warm and Well campaign was launched at a WRVS reception in the House of Commons, where MPs from all parties discovered the practical steps EDF Energy and WRVS are taking to support elderly and vulnerable people.



We aim to get things right for our customers every time and to provide them with a high quality service that improves over time. In 2008 we took positive steps to improve the way we listen to our customers and handle any complaints they may have.

In 2008 Consumer Focus was created as a new consumer champion with stronger statutory powers and a wider remit than previous bodies. Consumer focus has a duty to investigate cases where the customer has been or is facing disconnection, and powers to investigate cases on behalf of vulnerable customers. They also have a responsibility to analyse and monitor complaints statistics.

For the last reporting period of energywatch's domestic customer complaints rankings, EDF Energy was ranked 2nd with a ratio of 11.9 complaints per 100,000 customers, this means we have maintained our position for two consecutive years.

## Customer Plus

We have played an active role in industry-wide discussions about the management of customer complaints, working closely with other energy companies and stakeholders throughout 2008 to ensure that the transition to new processes was completed seamlessly, transparently and in accord with our customers' interests. To support the new process we have implemented our own complaints management system, Customer Plus. This enables employees to log customer complaints and concerns in 'real time', allowing us to deal with complaints faster and to track their progress from first contact through to final resolution.

We have improved the way we share customer feedback and learn from experience across our business. We now create an accessible case study following every complaint – highlighting all aspects of our service that fell short of the high standards customers expect. These case studies help employees resolve future problems and understand the impact that complaints have on our reputation and competitiveness. We also run regular complaint reduction and prevention meetings to discuss future service improvements.

## Customer feedback

In 2008 we completed approximately 150,000 customer interviews, during which views concerning billing, value for money, quality, customer care and brand were gathered. On the basis of this feedback we launched a number of new initiatives including:

- Customer billing – research was conducted with customers to evaluate the layout of the bill, and explore the needs and wants from consumers. New bills were then designed around the recommendations based on the customer requirements.
- Product development – research was carried out to find out the kinds of products/tariffs customers would like and what would benefit them. Ideas and concepts were then taken further and researched to focus on the specifics to deliver a number of customer centric products throughout 2008.
- Tariff naming – research was carried out to understand which names helped customers to understand fixed price tariffs, and the new names were chosen accordingly.

We also participated in independent research company We also participated in independent research into customer satisfaction of 43,000 energy customers, 5000 of which were EDF Energy customers, to ascertain their feelings and experience with their energy supplier. The survey concentrated on services provided. Results demonstrated that 69% of our gas customers and 67% of our electricity customers were either very or quite satisfied with the ease of contacting EDF Energy. 63% of our gas and electricity customers were either very or quite satisfied with being able to understand their bill.

A survey of 2000 customers 300 of which were EDF Energy customers was carried out by Data Monitor in quarters one and three customers showed that 91.3% of our major business customers were totally satisfied. We aim to improve satisfaction levels throughout 2009, focusing our efforts to prevent complaints and to resolve all queries the first time they are raised.

At present, we don't offer translation services to help customers' complete surveys, but meet priority service groups face to face to undertake research and to listen to their views about how we can improve our services.

## Networks

Our Networks business uses two measures to assess performance: Customer Minutes Lost (CMLs) and Customer Interruptions (CIs). Both are reported to Ofgem on a quarterly basis and CI is per 100 customers and CML is per customer. Good performance in both would be demonstrated by having a lower figure than the targets set by Ofgem. In 2008 Networks performance was as follows:

Customer Interruptions	EPN*	SPN*	LPN*
2008	80.84	81.23	31.59
2008 Targets Ofgem	85.70	84.50	36.20

Customer Minutes Lost	EPN*	SPN*	LPN*
2008 Performance	82.17	96.86	43.37
2008 Targets Ofgem	69.10	68.20	40.10

\*Eastern Power Networks  
 \*Southern Power Networks  
 \*London Power Networks

Every month our regulator Ofgem surveys of our network customers in each of our network areas. They are asked to rate their contact with us on scale of one to five (one being poor, five good) based on politeness, willingness to help, accuracy, usefulness of information and speed of response. We will work throughout 2009 to improve these scores.

	EPN*	SPN*	LPN*
2008	4.19	4.03	3.96

## Supply Performance

Our power generation facilities and transmission and distribution networks carry out both planned and unplanned emergency maintenance and repairs. Balancing the needs of our customers with our operational imperatives, some unplanned emergency repairs are relatively quick and temporary in nature to ensure critical power is restored when most needed and we return to make more permanent restorations and repairs later. We monitor and report on such performance criteria, not only for our internal management processes, but also with regards our service monitoring and reporting obligations to Ofgem (the UK national regulator). Key material issues relating to our product and implemented programmes of work to improve our performance, some of these programmes are outlined opposite:

- We take our obligations to vulnerable customers very seriously, and one issue we have identified are those risks particularly to those who rely on powered medical equipment. We have therefore partnered with fuel cell specialists Ceres Power to develop a prototype Uninterruptible Power Supply (UPS) device that could guarantee electricity supply for vulnerable customers, even during power cuts. We will report on the progress and improvements in our 2009 report when we have analysed the success of this prototype.
- Having identified an issue with noise from our substations we have developed a Noise Management Plan which is currently being reviewed by the Environment Agency for approval. It sets out all relevant noise sources, control measures and monitoring arrangements. One approved we will measure the improvements and report on this in our 2009 report.



We provide specialist services for:

- Customers who are blind or visually impaired
- Customers who are deaf or have hearing difficulties
- Elderly customers
- Customers with a disability
- Customers who are chronically sick
- Customers with other specific needs, such as speech difficulties

We publish an information booklet outlining our services for priority customers and promote it on the back of all domestic bills and our website. Our customer facing employees are also trained to identify priority service customers on the door step and the telephone.

We offer a range of services dependent on individual customer needs, providing partially sighted or blind customers with bills in large print, braille, audio cassette or CD. We also offer a talking bill service through our Specialist Priority Service team and a minicom service for customers with hearing difficulties.

All our customer facing employees are trained to explain the products and services available for priority service customers. Our Specialist Markets team are responsible for any changes to our priority service products and services and work closely with our communication and training teams to ensure all changes are cascaded to employees. We also provide refresher training for all employees in customer facing roles and have an intranet site dedicated to priority services which is kept up to date by our specialist market team.

A dedicated team of Priority Service Specialists based at our Contact Centre in Exeter, deals with priority service customers. It provides specialist advice and an individual customer account management service. Team members also visit customers at home if necessary.





## Privacy

We make customer privacy a priority and go to great lengths to protect customer information. Our privacy policy covers the collection, use and disclosure of personal information that may be collected by our company.

We take our customers' privacy very seriously and don't sell or rent contact information to others. We provide information to our field agents who need to visit customers' premises and all customers are informed of this in their terms and conditions of supply.

When customers apply for EDF Energy services through our website, we use secure pages which encrypt all input information before it's sent to us. We then follow strict security procedures in the storage and disclosure of information provided by customers to prevent unauthorised access. To complete our security procedures we occasionally request proof of identity before disclosing sensitive information to customers.

All personal data we hold within relevant filing systems is covered by the Data Protection Act and we comply with all eight data protection principles which are:

- **First Principle:** Personal data shall be processed fairly and lawfully. The individual must give consent and the processing must be for a legitimate purpose. To give consent, there must be a specific and informed indication of wishes and the individual must receive proper information.
- **Second Principle:** Personal data shall be obtained only for specified and lawful purposes, and shall not be further processed in any manner incompatible with that purpose or those purposes.
- **Third Principle:** Personal data held shall be adequate, relevant and not excessive in relation to the purpose or purposes for which it is intended to be processed.

- **Fourth Principle:** Personal data shall be accurate and, where necessary, kept up to date.
- **Fifth Principle:** Personal data processed for any purpose or purposes shall not be kept for longer than is necessary for that purpose or those purposes.
- **Sixth Principle:** Personal data shall only be processed in accordance with the rights of individuals under the DPA.
- **Seventh Principle:** Appropriate technical and organisational measures shall be taken against unauthorised or unlawful processing of personal data and against accidental loss or destruction of, or damage to, personal data.
- **Eighth Principle:** Personal data shall not be transferred to a country or territory outside the European Economic Area, unless the country or territory ensures an adequate level of protection for the rights and freedoms of individuals in relation to the processing of personal data (is controlled by European Commission).

During 2008 we received no substantiated complaints regarding breaches of customer privacy. All our privacy policies are maintained and are the responsibility of our Head of Legal who works with the Branch legal teams to ensure compliance.

The Managing Director of Business Information and Technology has the responsibility for producing, publishing and maintaining our IT security policy.

## Sales

We've adopted a multi-dimensional approach to ensure that the activities of our Sales Agents are fair and transparent. We insist that external sales agencies follow the same approach and abide by our policies and values when undertaking the following activities on our behalf.

## Recruitment processes

Identity and reference checking – Two referees (at least one business) are checked during recruitment. There is a ten day window in which to obtain the second reference. The agents must also provide a National Insurance number and proof of address.

All agents are checked on the Energysure Register. This lists all names of sales agents active in domestic energy sales during the past 6 years. Any agent dismissed by an energy supplier, is listed and will not be employed again by any energy supplier.

## Training of agents

All agents are trained to carry out their job effectively. Training covers current energy market conditions, relevant regulation and a full briefing on our products and services. Agents are also trained to recognise and respond appropriately to customer ethnicity, diversity and vulnerability.

## Ongoing monitoring of agents

All agents are placed on a probationary six month contract and only employed full time when they have passed all relevant assessments during this period. All sales agents receive monthly feedback on the number of completed sales and the percentage of these resulting in cancellation, along with anecdotal feedback and any complaints generated as a result of their actions.

If issues are identified through this assessment the agent undergoes a remedial action process designed to address and resolve any training needs.

## Sales Support materials

All of our sales support materials comply with the British Codes of Advertising, Sales Promotion and Direct Marketing, and with relevant legislative and licence obligations specifically: the Unfair Terms in Consumer Contracts Regulations 1999; the Consumer Protection (Cancellation of Contracts Concluded away from Business Premises) Regulations 1987; the Consumer Protection (Distance Selling) Regulations 2000; Misleading Advertising Regulations, Enterprise Act 2002; Consumer Protection Legislation (including Misrepresentation Act 1967, Unfair Contract Terms Act 1977; Sales of Goods Act 1979; Supply of Goods and Services Act 1982; Consumer Protection Act 1987; Sale and Supply of Goods Act 1994; Control of Misleading Advertisements Regulations 1988; Consumer Protection (Cancellation of Contracts concluded away from Business Premises) Regulations 1987 (amended in 1998); Unfair Terms in Consumer Contracts Regulations 1999); Criminal Liability Regulations (including Trade Descriptions Acts 1968; Administration of Justice Act 1970; Fair Trading Act 1973; Price Act 1974; Consumer Protection Act 1987 (Parts II, III, IV and V); Consumer Protection (Cancellation of Contracts concluded away from Business Premises) Regulations 1987 (amended in 1998); Consumer Protection (Distance Selling) Regulations 2000); and the Gas and Electricity Supply Standard Licence Conditions. Compliance with these obligations is monitored by the EDF Energy Legal and Regulatory Compliance teams.

## Verification of all sales

We independently verify all face to face sales and contracts are not progressed unless customers confirm that they're happy to proceed. A copy of the signed contract, with full terms and conditions and literature identifying any additional products and services that may be beneficial to them, are sent to customers within 5 days of the sale being completed.

## Processing of complaints

Complaints which are upheld and received through the sales process are categorised into the following types (in line with the Energy Retail Association Energysure Code of Practice categorisation):

- Gross Misconduct – resulting in the dismissal of the agent and where applicable the involvement of the police
- Misconduct – resulting in disciplinary action and if repeated, dismissal
- Competence – requiring coaching or retraining as an appropriate remedy

All Face to Face sales activities are audited externally (by Deloitte's) on an annual basis against the Energy Retail Association Code of Practice for the Face to Face marketing of Energy Supply. Our Director of Field Sales and Services is responsible for ensuring compliance with these policies and procedures.

## Signage & Security

We offer a language line service for non-English speaking customers, with operators fluent in over 100 different languages. We also publish our information booklets in Urdu, Bengali, Somali, Gujarati, Turkish, Hindi, Punjabi, French and Welsh.

Global issues such as climate change and the prospect of diminishing fossil fuel reserves are changing the energy landscape. Our extensive research and development programme focuses on ways to tackle these issues and support our future growth.

## Research and Development

Our research portfolio covers a wide range of activities, including ways to forecast water availability (a major challenge for the 21st century) and the commercial potential of renewable energy sources. EDF Research & Development invests around €1 million every day in research to support our current activities and future challenges – covering generation, distribution, transport, sales and product development. It employs 2,000 people, including 300 with doctorates, 200 individuals studying for PhD or equivalent qualifications and 150 university lecturers.

Our sustainability R&D projects aim is to accelerate development of new technologies to make energy cleaner, cheaper and more sustainable in the future. It covers all of our business areas including generation, networks, energy efficiency and sustainable transportation.

We are involved in many projects involving the use of renewable energy and carbon capture and storage. For example the Energy Technologies Institute (ETI) ReDAPT project which aims to accelerate the development of tidal energy by installing and testing a 1MW tidal turbine at the European Marine Energy Centre in Orkney, delivering detailed environmental performance information which has never been on this scale in real sea conditions. The ETI Deep water project (DIWET5) consists of designing and determining the feasibility of an integrated solution for a 5MW floating offshore wind turbine for deepwater deployment up to 30 metres.

In our Networks business, we made great progress towards the deployment of new technology to assist in the timely location of leaks on its extensive network of fluid filled cables.

Within our R&D energy efficiency related projects were also a priority and we worked on our Domestic Energy Management System & Energy Demand Reduction Programme. These projects support the deployment of smart metering.

We also worked on research into sustainable transport and we are currently trialling a number of electric vehicles. We have taken delivery of a small test fleet of all electric cars. Additionally, we are working collaboratively with Toyota to test the plug in hybrid Prius. Unlike conventional hybrids, the plug in hybrids range can be topped up from standard electricity supplies, while their petrol engines back up the electric drive and keep batteries charged while in the more familiar hybrid mode.

## Product Development Innovation Group

Our Product Development Innovation Group (PDIG) leads the search for innovative customer propositions based on new technologies. In 2008, the PDIG focused its efforts on developing solar solutions and air and ground source heat pumps, which will be used on new building projects and retrofitted to power existing structures. In collaboration with EDF Research and Development teams in France, the PDIG is also exploring the potential of wind turbines, solar photovoltaic and solar thermal systems, as well as fuel cells and electric vehicles.

In 2008, we also introduced an interactive energy efficiency toolkit which our employees can use to assess customers' circumstances and advise them accordingly.

## The Pod

Our sustainable schools programme aims to help schools implement real and measurable changes to their energy and water efficiency, carbon output and climate change contribution. We aim to engage 2.5 million young people by 2012 through the programme, which forms a key part of our Social Commitments.

The programme's web resource, The Pod, offers teachers a range of advice and engagement tools, including free lesson plans, ideas about how to promote 'green' thinking and action, as well as the opportunity to share ideas, information and best practice by uploading blogs, images, movies, podcasts and written material. The Pod's content was produced with help from the Eden Project in Cornwall; its core theme mirrors a wider London 2012 Education programme, Get Set, which is designed to inspire and engage young people during the build up to the 2012 London Olympic and Paralympic Games. More than 2,400 schools are currently registered for the Get Set programme.

## Using an energy efficiency toolkit to help our residential customers reduce costs and their carbon footprint

Following the success of our award-winning Major Business energy efficiency toolkit, we have introduced a similar product for our residential customers – a move that supports our mission to ‘bring sustainable solutions home to everyone’.

To deliver on our mission we need to offer innovative products that make us the supplier of choice for residential customers. Our new toolkit, which is also available to consumers whose energy is not supplied by us, certainly fits the bill.

Customers who choose to use the toolkit complete a survey on the telephone or online. The information they provide is used to produce a Personal Home Energy Report, tailored to the type of property they live in. This report, which outlines the financial, energy and carbon savings they can make, is emailed to them.



## Marketing

We pride ourselves on the effectiveness of our marketing and our open, transparent communication with customers. During 2008, a lot of our marketing activities focused on providing customers with information about our tariffs and products such as Read Reduce and Reward or our nectar loyalty scheme. Our TV and radio advertising focused on SaveToday SaveTomorrow as well as promoting our 2012 carbon challenge.

All our TV, radio, press, direct mail, literature and online communications are checked and approved by our internal legal and regulatory departments to ensure that they comply with advertising law, the British Code of Advertising, Sales Promotion and Direct Marketing and Financial Services Authority (FSA) rules on promotions. Additionally, our TV and radio scripts are also sent to the relevant industry authorising bodies, such as the Broadcasting Advertising Clearance Centre (BACC) for TV and the Radio Advertising Clearance Centre (RACC) for radio, to ensure compliance. Our key marketing staff are trained by our in-house legal to ensure we maintain the highest standards.

We adhere to the provisions of the Mailing and Telephone Preference Schemes, which give our customers the right to be removed from our direct marketing mailing and calling lists at any time.

We had no complaints upheld by the Advertising Standards Authority (ASA) in 2008. We also had no incidents of non-compliance with voluntary regulations or codes concerning our marketing communications.

Our Director of Brand Communication is responsible for compliance with all marketing communications and works with our legal and regulatory compliance teams to ensure a robust sign off process is followed before our marketing literature is cascaded externally.

## Occupational health and social well-being

Our Occupational health programme aims to promote employees' health and well-being as well as to help prevent ill health arising from work activities. The ability to achieve a good fit between the individual and the job is central to its success.

Well-being or wellness is a broader concept than good health, which is clearly linked to productivity. We offer our managers and employees support and training to raise their awareness of work-related health issues and encourage them to take personal responsibility for all aspects of their health at work and out of work. Our work causal ill health rate incidents for 2008 per 1000 employees was 0.92 which is better than our company target of 0.93 and this year for the first time we included employee numbers who used our Employee Support Programme.

## Resilience Enhancement Programme

This on-line self-development programme is designed to increase employees' psychological resilience and ability to cope with difficult, potentially stressful life events. The aim of the programme is to get employees back to the optimal point on the performance-stress curve if they have drifted down it and enable them to retain their optimal position even when life becomes more demanding whether in or outside of work.

In 2009, we will be linking this programme closely with our initiatives to promote physical resilience, through exercise, healthy eating and health screening.

## Stress Awareness Training

As part of the Zero Harm Project and working closely with Employee Engagement, Occupational Health developed this training programme to increase managers' awareness of the

- early signs of stress in themselves and their teams
- importance of personal resilience and how to improve it - particularly during times of change
- skills which can positively reduce stress and improve wellbeing
- need to recognise when a referral to Occupational Health is appropriate and 'how to start the conversation'.

## Occupational Health Team

We employ a Chief Medical Officer and also use 14 occupational health advisors, who are employed by an external service provider, COPE. Our contract with COPE includes service level agreements and key performance indicators to ensure that quality of service is delivered.

Our Occupational Health Strategy now forms part of the AIMS Health & Safety Management System (OH Management Approved Code of Practice) that we've been working towards over the past couple of years, ensuring that our OH practices are aligned with our HR and H&S activities.

Members of our OH teams participate in a number of health and safety committees, including:

- The Company Health & Safety Committee (CHSC), chaired by our Chief Executive
- The Company Health & Safety Forum (CHSEF), chaired by our Director of Health, Safety and Employee Relations of Networks Operations
- The Company Health & Safety Development Group (CHSDG) chaired by our Chief Health and Safety Officer
- The Branch Health & Safety Committees Branch meetings chaired by Heads of Department



## Performance

We've achieved improvements in work causal musculoskeletal problems, partly due to fast track access to physiotherapy and ergonomic advice from our OH teams. Reported problems have are down from 111 cases in 2004 (1.02 per 100 employees) to 11 cases (0.08 per 100 employees) in 2008.

Our overall sickness rates split by region and gender are outlined in the table below:

Region	Days Available	Days Sick	% Sickness
East	470742.57	13792.86	2.93%
Home Based	278601.91	12492.14	4.48%
London	814463.51	23357.64	2.87%
Midlands	124968.05	2459.62	1.97%
North East	368694.71	23705.80	6.43%
South East	883074.55	35458.52	4.02%
South West	435986.26	17583.24	4.03%
Grand Total	3376531.56	128849.82	3.82%
Gender	Days Available	Days Sick	% Sickness
Female	1059380.26	54531.47	5.15%
Male	2317151.30	74318.35	3.21%
Grand Total	3376531.56	128849.82	3.82%

Note: Part days are due to some employees being part time and therefore a percentage of the days a full time employee would be used in the calculations



## Promoting healthy living and raising money for charity through the EDF Energy Mad About Cycling Society

The Mad About Cycling (MAC) Society was set up in 2006 by a group of EDF Energy employees who had recently completed three gruelling charity bike rides – London to Paris, Reims to Paris and Exeter to Brighton.

MAC is open to all employees. It operates in line with just six simple principles: be safe; uphold company values; promote cycling as a healthy, environmentally friendly pastime; raise money for charities; promote a 'better together' ethos across EDF Energy and the EDF Group; and last, but not least – have fun.

MAC organises four or five charity rides every year, ranging from short trips of around 25 miles to 200 mile epics. Every year since 2006, MAC cyclists (who come from all areas of the company) have raised around £9,000 for the company charity. In 2008, when no official charity was nominated they supported a small national charity, Cyclists Fighting Cancer. EDF Energy committed to match all monies raised for this charity pound for pound and as a result, £16,000 was donated in 2008 – equivalent to Cyclists Fighting Cancer's voluntary budget for half a year. The charity will now carry the EDF Energy logo on its own cycling jerseys in 2009 and 2010.

MAC continues to go from strength to strength, with five rides planned for 2009, including a trip from Dieppe to Paris in which colleagues from EDF in France will also participate.

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- skills which can positively reduce stress and improve wellbeing
- need to recognise when a referral to Occupational Health is appropriate and 'how to start the conversation'.



### Award winning 'Employee Support Programme'

We won a BITC Big Tick for this programme and was highly commended in the Health Work and Wellbeing Awards for our:

- Flexible, confidential referral process
- Treatment programme in line with the Government's NICE guidelines for clinical excellence
- Rehabilitation advice involving line management at an early stage
- Robust governance on performance and risk management
- Continuous improvement with organic growth of the service, particularly its training programmes, in line with identified business needs



We want our employees to achieve sustainable success and value their well-being. In line with our ambition to make EDF Energy a employer of choice for high performing people we aim to provide our employees with pensions that allow them to plan for a financially secure retirement and protect them while still at work. We run two pension schemes to support our employees and invest in local communities through a wide range of corporate and employee-driven initiatives.

## Pension schemes

We sponsor two pension schemes:

- The EDF Energy Pension Scheme (EEPS), which was established in March 2004 and includes a number of legacy pension schemes from London Electricity and SEEBOARD, and is open to all employees
- The EDF Energy Group of the Electricity Supply Pension Scheme (ESPS), which was created in September 2005 following the merger of London Electricity and SEEBOARD groups of the ESPS and is now closed to new members

In line with UK law, the Trustees of both pension schemes issue members with annual funding statements, prepared as at 31 March every year. The combined deficit for the schemes as at 31 March 2008 was £511 million – a figure that has subsequently increased, reflecting the turbulent conditions in financial markets. The Trustees of both schemes take comfort from the sponsorship of a strong business but have indicated to EDF Energy that they expect deficit payments to be reviewed following the next formal triennial actuarial valuation to be reviewed unless there is a dramatic recovery in financial markets over the next 18 months.

### ESPS Group membership

Active members	4,366
Pensioners	8,977
Dependents	3,250
Deferred pensioners	4,031

### EEPS scheme membership

Active members	7,353
Pensioners	103
Deferred pensioners	1,859

Further information about both schemes is available in their respective annual reports, both of which are independently audited.





Through our people ambition, ‘High-performing people’ we aim to achieve ‘a significant measurable improvement in employee engagement and performance.’

## Active Engagement

Our previous people ambition, ‘Great place to work’ reflected the need to improve the ways we used our learning and development, performance appraisal and communication processes. It focused on employee satisfaction. Our new ambition emphasises active engagement rather than passive satisfaction. It reflects our need for employees who are actively involved in our business and who feel a shared sense of ownership in it. To deliver our ambitious business strategy by 2012 we need employees who are not simply satisfied, but who also understand our business context, function as advocates for EDF Energy and who deliver high performance which will lead us to competitive advantage.

## New employee engagement survey

To help us improve the way we engage with employees we appointed a new employee survey provider Towers Perrin-ISR, during 2008. As a leading global provider of employee and organisational surveys, Towers Perrin-ISR have already provided survey design expertise and invaluable support in analysing results and helping us to set priorities for action. We have also used the benchmark data they publish annually to give perspective to our survey results.

In 2008, over 9,800 employees (73% of our total head count) completed the Employee Engagement survey – a 2% improvement on 2007. Headline results identify a number of corporate strengths, including clarity of vision, concern about employees’ safety and health, high performance standards, employees’ perceptions of environmental responsibility and good two-way communication between management and employees. They also highlight a number areas in which we need to improve, such as leadership, customer focus, change management, accountability, empowerment and employees’ perception of our public image. These areas will be worked on throughout 2009. In addition, a company-wide Cultural Assessment will be undertaken and will be used to establish the relevance of the 2008 Employee Engagement Survey findings and conclusions within the new British Energy population. Once we have findings that are inclusive of the whole organisation, a cross-company Employee Engagement plan will be developed.





We recognise that our people can make the difference between being a successful company and one that falls short of expectations – so investing in their development makes good sense.

In line with our company ambitions we believe that ‘high performing people’ deliver a better service for customers and more innovative solutions for our business.

### Training and development programmes

Following employee feedback through our 2007 Employee Opinion Survey, we introduced a new Communication Skills programme during 2008. We also increased the number of participants in our four management development programmes and the Leadership Development programme. We increased the number of entrants to our apprentice and technical training courses in 2008, increasing the number of graduates we recruited from 26 in 2007 to 35 this year.

### Investors in People

Following four years of concerted hard work, we were awarded company-wide Investors in People (IIP) status in 2007 – an achievement that demonstrates our commitment to employees and also helps us to attract high performing people. We reviewed our performance throughout 2008 to ensure that we retained IIP recognition.

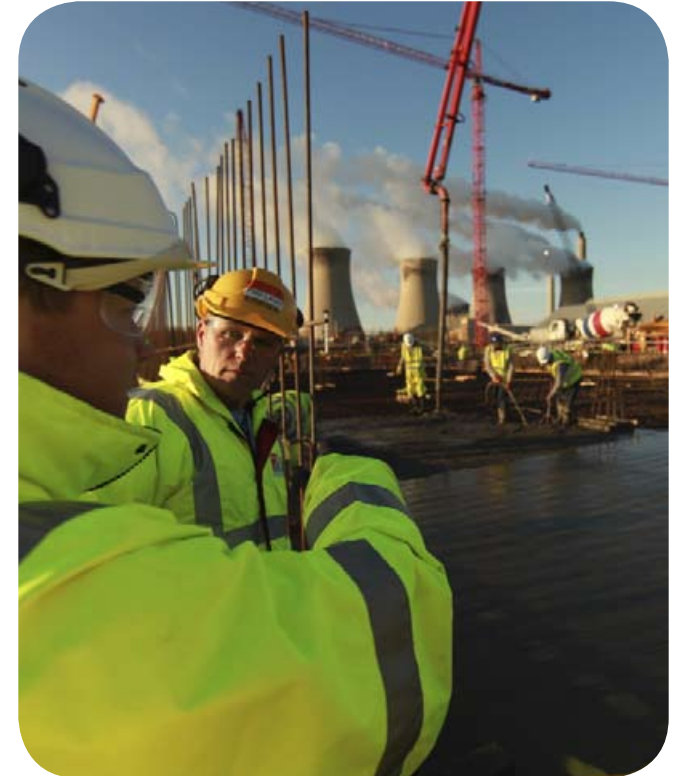
### Learning For All

In line with our ‘High Performing People’ philosophy we run a Learning for All scheme to encourage personal development – offering all employees up to £150 a year to study vocational or non-vocational subjects in their own time. This year, 500 employees participated in the Learning for All scheme and we hope to see this total rise in future. A further 240 employees received funding to study for work related or professional qualifications.

Employees can also apply for funding to support vocational training thanks to our Learning and Education Assistance Policy.

### Management training

We are committed to develop our leadership and management capabilities across the business and an integrated framework is in place, which helps us identify and support talented, ambitious individuals. In 2008 more 317 employees attended one or more management development or leadership programmes, while the roll out of our Communication Skills workshop for managers continued. To date, over 450 key communicators have attended the workshop.



## Our approach to recruitment

People are a valuable asset for any business. In the current 'competition for talent' we use a wide variety of tactics to attract, select and recruit the best people into EDF Energy.

As we have large assets and infrastructure to manage, we either directly or indirectly employ a number of people within the local area and in some instances we are a relatively large employer within a local community.

In 2008 we received just under 12,000 applications for posts in EDF Energy and successfully appointed over 1,900 new employees. Throughout the year we continued to review the way we attract, recruit and select applications, in particular the technology we use to ensure that we bring the very best people into our business in the quickest possible time.

We select, promote and treat individuals on the basis of their abilities and merits and according to the requirements of the job. Everyone is given equal opportunity to receive training and development and to progress within the organisation based on these criteria. All of our advertisements for vacancies encourage applications from all suitable candidates. The media used to advertise these vacancies and the ways in which applications can be submitted are chosen carefully to attract a wide range of potential candidates. In support of our Diversity and Inclusion Vision and Principles, we do not undertake targeted recruitment activity but ensure that we treat everyone fairly and with respect.

We make use of a range of mediums from local press to specifically created micro sites depending on the required skills and knowledge. Our job vacancies are advertised internally to ensure that our employees are given every opportunity to progress within the organisation and a number of roles are also made available at an international level. A dedicated website has been created specifically for these roles.

EDF Energy has a wide range of exciting opportunities to help develop individuals within our organisation. These opportunities ensure that we are investing in our most valuable asset - our people. The Integrated Management Development Programme (IMDP) has been designed to develop a broad range of skills in line with the Management Competency Framework. It ensures that whatever level of management you are, from new or inexperienced manager through to the Company Forum level, you will be able to find the right opportunity to progress your skills.

We do not monitor at present the number of employees who progress through the management levels within the organisation however as we continue our focus on talent management and succession development, this may be an area of interest in the future.

## Graduate recruitment

Our successful graduate recruitment campaign continued throughout 2008, with 35 new graduates joining us from a range of disciplines. The number and quality of applications we received far exceeded previous years, demonstrating the increasing strength of the EDF Energy employer brand.

## Apprenticeships

We continued to recruit apprentices and adult trainees into our Networks branch through the Advanced Modern Apprenticeship programme, with 67 new apprentices joining us in 2008.

## Power Academy

Our partnership with other network companies and the Institution of Engineering Technology to support the Power Academy continued throughout 2008. The Academy has supported 25 undergraduates within EDF Energy to date.

## Energy Day

We participated in the EDF Group's Energy Day at the Stade de France in Paris – an energy generation focused recruitment event attended by 1,200 French students from targeted schools and universities. The event focused on four specific areas: EDF Nuclear; Fossil-fired Generation; Hydro and Renewable Energies, Gas and Optimisation: and the EDF Group.

## The skills gap

Along with other UK network operators we face a significant 'skills gap', with long-term employees approaching retirement and insufficient numbers of suitably qualified younger people available to replace them. We maintained our efforts to address this issue in 2008, introducing a number of new initiatives.

## Engineers Development Programme

We've also launched the Engineers Development Programme, a 30-month course that enables participants to study for a Foundation Degree in Power Distribution Engineering or an equivalent qualification, at London's South Bank University. Many of the first intakes to the programme are current EDF Energy employees who chose to switch roles, or former EDF Energy apprentices. Participants will study part-time, while also undertaking a series of work placements across our business. A second intake is planned for September 2009.

## Energize

Our Networks business strategic resourcing team has developed a range of materials to help attract young people into our industry. The materials, which carry the theme 'Energize', include an informative careers booklet for 14 to 19 year olds. Our Networks business also uses B-live, a free online careers service, to reach young talent. To date, every secondary school and college across our operating areas has received a copy of Energize and named contacts have been established with 165 schools that specialise in engineering and technology, as well as 17 colleges that offer engineering qualifications.

We want our business to reflect the diversity of the communities that we serve and are committed to a policy of fair and equal treatment of all employees and job applicants, irrespective of their age, colour, disability, ethnic origin, gender, gender reassignment, marital status, nationality, race, religion or belief, sexual orientation or on the basis of part time working.

For us, diversity means recognising and respecting individual differences and capturing the value that they bring. We believe it makes business sense to have a work force with a rich variety of experience, styles and backgrounds and to leverage these differences. Our Executive Team recognises that diversity can help us to attract and retain employees and customers, increase our creativity and innovation, and better anticipate the changing needs of our stakeholders.

Adopting D&I as part of our everyday approach is key to our sustainability objective.

We believe that it's successful integration into EDF Energy will ensure:

- Improved employee recruitment and retention from a wider pool of high quality candidates
- Improved employee engagement within a culture where all employees feel included and respected
- Better business performance thanks to high performing people who are encouraged to reach their full potential
- More innovation and creativity in anticipating and meeting the challenges we face
- Better risk management and problem solving thanks to more inclusive teams including people from a wider range of backgrounds
- Lower absenteeism and staff turnover resulting in lower costs
- Competitive advantage thanks to our better understanding of the communities and stakeholders we serve
- An enhanced brand image that attracts and retains new customers
- Improved social performance and corporate reputation
- A more diverse supplier base that supports local SMEs and gives us access to the best products and services
- Alignment with Olympic ambitions and ideas as a Sustainability Partner for the London Olympics

In our Social Commitments, launched in 2008, we outlined an ambition to achieve a high level of recognition from our external experts for our approach to diversity and inclusion by 2012. We've still got a long way to go to fulfil this ambition, but have made encouraging progress in identifying what we need to do so:

- We set up a Diversity and Inclusion Action Group, (DIAG) reporting to our Chief Officer, People, Organisation & Brand Performance including representatives from across our business, in October 2008. It's responsible for identifying actions required to integrate diversity and inclusion in EDF Energy. The Group works with our business units to incorporate DI into our culture.
- Employee networks are an effective way to support our diverse workforce. We set up an African Caribbean network in 2008 and have recently established one for women. Others are planned for the future.
- Our diversity action plan also recognises that our customers have different needs.

We've embarked on a journey to embed diversity and inclusion into our organisation and established the Diversity and Inclusion Action Group to ensure D&I becomes 'business as usual'. We believe that the creation of a company wide action plan, with targeted activities linked to measurable outcomes, will be an effective way to integrate D&I into our business process. The DIAG have identified EDF Energy's Diversity & Inclusion Principles.

- Throughout our organisation, our people have the tools, awareness and commitment to live, breathe and promote our diversity and inclusion principles and make this part of 'business as usual'.
- Ensure our leaders are committed to achieving our diversity and inclusion vision and demonstrate this through leading by example. They take action to overcome barriers to the achievement of the vision.
- We recruit, develop and promote the very best person for every job ensuring that we treat everyone fairly, with respect and select from the widest possible pool of talent.
- We have a working environment where individual differences are valued and our employees are encouraged to understand, respect and embrace diversity.
- We have a working environment that respects individuals' responsibilities and their wish to balance work and personal life.
- We use our influence as a significant supplier and procurer of products and services to encourage and promote diversity through the supply chain and within local communities.
- We appreciate and meet the diverse range of needs of all our customers ensuring we have a reputation as an organisation that has diversity and inclusion as a core value.
- We have robust and clear data to measure our progress. We benchmark ourselves against the best.

## This is where we are in our journey



As part of the development of our company wide D&I action plan, we're collecting and analysing data from a variety of sources. This includes data from our Employee Engagement Surveys and the results of external benchmarking activities as well as a range of diversity information from our HR systems (e.g. gender, age, race and ethnicity along with education and previous experience). This information will contribute to the identification of those activities required to truly embed D&I into our company.

At this stage, our reporting mechanisms are not reliable enough for us to report this data, however as we develop our diversity approach, we anticipate that these measures will become a key component of our action plan. Furthermore, as part of our communication strategy to engage with our employees on the issues surrounding D&I we're also keen to ensure that they're aware of the reasons for using this data and the benefits of doing so. We believe it would be inappropriate to disclose the data before we've completed this communication exercise.

### Supporting diversity and inclusion across our business

**EDF Energy is committed to be a business that reflects the diversity of the communities in which it operates and is determined to involve employees fully in making a diversity and inclusion a reality by setting up Employee Networks.**

In 2008, EDF Energy launched the first Black Minority Ethnic Group, the African Caribbean Network (AC Network). The AC Network, the first in the business to focus on racial diversity, aims to support its members' aspirations and EDF Energy's diversity and inclusion ambitions. Membership is open to all employees of African and Caribbean heritage and also to any other employees that support its aims or have an interest in the issues it discusses.

The AC Network, which is sponsored by EDF Energy's Human Resources Director, Tim Boylin, hopes to inspire colleagues to form similar networks across the business and to produce creative solutions to the diversity and inclusion challenges employees and the business face.





### **EDF Energy Director of Connections becomes HRH The Prince of Wales Business in the Community Ambassador for London**

**Our Director of Connections, Patrick Clarke, has been named by HRH the Prince of Wales as his Business in the Community Ambassador for London to promote diversity within the workplace. Patrick started out as an apprentice engineer and has progressed to become our Director of Connections in the UK. He also holds a seat on the Executive of EDF Energy Networks Branch.**

At the Awards for Excellence event, held in London in July 2008. In a special video address, HRH The Prince of Wales, Business in the Community's President, commended Patrick for the time and energy he has spent mentoring young ethnic-minority students, advising teachers on ethnic issues and supporting black-owned businesses.

The Prince's Ambassador Award is for individuals whose leadership and commitment to responsible business have resulted in changes and improvements in their own company and also inspired other organisations to take action. On receiving his award, Patrick expressed shock, surprise but mostly pride: 'I am delighted and really proud of this recognition.'



As part of the development of our company-wide diversity and inclusion action plan, we're in the process of collecting and analysing data from a variety of sources, including our Employee Engagement Surveys and results of external benchmarking activities as well as a range of diversity information from our HR systems (e.g. race and ethnicity as well as education and previous experience). This information will contribute to the identification of those activities required to truly embed diversity and inclusion into our organisation. Below outlines our workforce profiles.

### EDF Contract Agreement (Permanent Employees Only)

Contract Agreement	Headcount
Collective	9296
Personal	4312
<b>Total</b>	<b>13608*</b>

### Type of Contract (Permanent & Temporary employees)

Type of Contract	Headcount
Permanent	13608*
Temporary	226
<b>Total</b>	<b>14230</b>

### Employment (Permanent & Temporary employees)

Employment	Headcount
Full Time	12420
Part Time	986
<b>Total</b>	<b>13406</b>

### Gender (Permanent & Temporary employees)

Gender	Headcount
Male	9032
Female	4374
<b>Total</b>	<b>13406</b>

\*This table includes employees on maternity and career breaks

At this stage, our reporting mechanisms are not reliable enough for us to consider reporting upon other diversity data; however, as we develop our approach, we anticipate these measures becoming a key component in our action plan. As part of our communication strategy to engage with our employees on the issues surrounding diversity and inclusion, we're also keen to ensure that they're aware of the reasons for using these sources of data as well as the benefits of doing so. The table below outlines our annual employee turnover split by region. With over 13,000 employees working in very diverse roles, and more than 400 job titles we are unable to outline the numbers of employees we have in specific roles or regions.

Region	Average Whole Time equivalents	Voluntary Leavers	Voluntary Turnover
East	1783.88	48.29	2.71%
Home Based	1057.68	315.48	29.83%
London	3071.35	188.81	6.15%
Midlands	474.12	6.8	1.43%
North East	1365.63	146.61	10.74%
South East	3322.03	213.27	6.42%
South West	1626.18	111.36	6.85%
<b>Grand Total</b>	<b>12700.87</b>	<b>1030.62</b>	<b>8.11%</b>
Gender	Sum of Average Full time equivalents	Sum of All Voluntary Leavers	Voluntary Turnover
Female	3887.72	360.49	9.27%
Male	8813.15	670.13	7.60%
<b>Grand Total</b>	<b>12700.87</b>	<b>1030.62</b>	<b>8.11%</b>

Note: Part days are due to some employees being part time and therefore a percentage of the days a full time employee would be used in the calculations.

We've now implementing more refined processes for data capture and review to help us develop our diversity approach in line with our Social Commitments. The areas we can report on are employment type, type of contract, and gender.

We also use hundreds of different contractors every year to provide a range of expertise and complete many different specific tasks. Consequently, contractor data is not included in this report.

Equal salary between men and women is a legal right under the Equal Pay Act 1970 and under European Law. We apply just and fair salary and benefit arrangements for all of our employees, determined solely on the duties and responsibilities of the job role.

We encourage employees who have concerns about equal salary to raise this in the first instance with their manager; if they are dissatisfied with the response they can raise this as a formal grievance. An investigation will be undertaken to determine whether or not there is any difference.

With collective bargaining and job family pay scales, there is normally a minimum salary for entry into a role and a maximum salary which can be achieved over time and through demonstration of skills, experience and competence.

With over 13,000 employees working in very diverse roles, and more than 400 job titles all of which are split between collective bargaining agreements and personal contracts, it is difficult to report the position with salary bands in each Business Unit.

## Collective Bargaining

Collective bargaining has been central to the way we run our business and engage employees since pre-privatisation. And we still engage with many employees in this way. Central Employee Relations are responsible for co-ordinating company-wide relationship with our Trade Union stakeholders, including national level consultations with Trade Union and staff representatives.

We have 20 collective agreements, linked to negotiation and consultation forums within our business units and steering functions. These forums comprise management and trade union representatives; they're responsible for negotiating pay and terms and conditions covered by the collective agreements. We conduct annual pay reviews, most with a review date of 1 April.

## Employees Covered By Agreement (January – December 2008)

2008	2007	2006
68.3%	67.3%	66.7%

At a national level, we comply with Information and Consultation Regulations through the National Works Council (NWC), which comprises management, trade union and employee representatives. The NWC's activities were featured in an IDS article on Information and Consultation arrangements in November 2007. This article describes the way that the NWC works in practice, highlighting what it does well and also areas for improvement.

The standards adopted for our collective bargaining notice periods, which are outlined in the agreements, are:

- Notice on terminating the agreements, typically around 12 months
- For employees, typically 1 month
- For employers, typically 1 to 3 months depending on length of service

The collective agreements don't reference the Human Rights Act 1998 specifically as they predate it by many years. Some however reflect a number of the Articles, including Freedom of Conscience, Expression and Assembly and Article 14 on Discrimination.

The collective agreements also contain clauses outlining ways to deal with any disputes – including provisions for external arbitration or mediation if agreed by both sides.

The collective bargaining agreements and related activities cover our employees, but not the contractors we use across our operations in many different roles. The pattern of our contractor use varies so widely from year to year that we see no benefit in capturing this information.

We support the principles of the freedom of association and collective bargaining. We don't believe that any of our employees (or contractors) is restricted in terms of their rights regarding either of these areas. We're proud of our strong legacy regarding collective bargaining in our sector; we have a long history of engagement with trade unions and high levels of employee membership.

We have mechanisms in place, including the rights of either party to request mediation or arbitration, to deal with conflicts, including the threat of strike action. This depends on both parties agreeing. Arbitration may be binding or non-binding.

All our employees have the right to join a trade union, whether or not they're covered by a collective agreement, and we will actively facilitate any request from a trade union to carry out recruitment activity on our sites, providing this doesn't impact on our business activities.

### Labour Practices

We comply with national laws governing the age of employment in all our selection and employment processes and also prohibit the employment of minors in our contractual agreements, requesting checks to ensure that no children are employed to undertake work related to our business. In the UK, minors may 'work' with us while on approved and legally agreed curriculum-based educational training programmes.

We're not aware that any minors were employed in practices related to our operations during 2008.

Currently we do not have full visibility of forced labour practices in all of our contracts. In order to deliver our Social Commitment to ensure our contractors comply with the ten principles of the global compact we will be reviewing our existing contracts to ensure that the appropriate terms and conditions are in place to enable us to achieve this. There is currently no central mechanism for recording supplier performance in relation to forced labour. We are unaware of any incidents raised in relation to forced labour in 2008.





## Community Support

We play an active role in local communities through many different community investment programmes and encourage our employees to do the same. As members of Business in the Community and the London Benchmarking Group we run community initiatives and report on their impact using recognised best practice.

## Helping Hands

Through Helping Hands, our employee volunteering programme, we give every EDF Energy employee two days of company time each year to get involved in the local community. Employees have used this opportunity to build links with local charities and communities groups by donating their time, energy and expertise. In 2008, 19% of our employees volunteered for up to two days through Helping Hands, many of them contributing to projects that will help us meet our Climate Commitments and Social Commitments.

## Charity partners

We worked with a number of charities during 2008, including WRVS, the British Red Cross and the Industrial Trust. In addition to the many charities helped through Helping Hands, employees also raised money and awareness for Macmillan Cancer Support, Sport Relief and Cyclists Against Cancer. During 2008, we started the selection process to appoint our National Charity Partner for next year.

## Matched funding

We're proud of employees' amazing fund raising efforts on behalf of their chosen charities and offer each of them up to £100 as matched funding. We also allow them to promote good causes on our community and environmental intranet, myplace. We received 480 requests for matched funding from employees during 2008 and awarded a total of £42,500 through the scheme.

## Ambassador programme

We launched our Ambassador programme back in 2005, to make it easier for employees to contribute towards our sustainability goals. Today, we have a network of around 200 'ambassadors' who each spend at least two hours a week promoting environmental best practice or supporting social initiatives in our business and out in the community. In our Climate and Social Commitments, we've pledged to double the number of ambassador hours available to employees.

In 2008, ambassadors organised a wide range of activities. They were the driving force behind our World Environment Day activities. They also helped to raise £20,000 for charity, supporting nationwide fundraising events such as Macmillan's World Biggest Coffee Morning and Children in Need.

We've worked with our ambassadors throughout the year to redesign the programme in order to widen its appeal. As a result, we've created a number of modules, all closely aligned to our sustainability strategy, that cover three broad themes: community, environment and education. We've also set up an Ambassador Steering Committee which meets every month to help develop and promote the programme.

Dafydd Burge, who works on our IT service desk in Plymouth, first became an ambassador because he 'has a passion for being green.' He's positive about the impact and potential of the programme: 'I believe it's important to educate people on how our carbon footprint affects us all. I think 2009 will be an interesting year and, with the new programme being rolled out, should go from strength to strength.'





### Supporting Woodland Workshops for school children through the Nottinghamshire Wildlife Trust

EDF Energy has pledged £150,000 to support the Nottinghamshire Wildlife Trust's education programme over a five year period. The Trust, run by local people for the benefit of local wildlife, runs a number of initiatives for local schools, including Woodland Workshops, which offer positive outdoor learning experiences for school children on the Treswell Nature Reserve, close to our Cottam power station.

The Woodland Workshops were launched in 2007, with a second series following in 2008. They have been so successful that an expanded third series is planned for 2009, allowing more local schools to participate. The Workshops offer children the chance to participate in a range of activities, including tool making, shelter construction and camp fire cooking. They are based on the successful Forest Schools Initiative, first run in Scandinavia during the 1950s.

In addition to the Woodland Workshops, EDF Energy also runs a number of on-site nature reserves and education centres for the local community in Nottinghamshire, for example, the Cottam ash lagoons, which have been turned into a wildlife site.

Our support for the Woodland Workshops clearly benefits the Nottinghamshire Wildlife Trust and the children who participate; at the same time, it also gives our employees the opportunity to get involved in rewarding community-based initiatives.



### Taking green messages to local schools through our Helping Hands programme

As part of Helping Hands, our employee volunteering scheme, a team from our Doxford office in Sunderland have taken important green messages about saving energy and sustainability into a local school.

The team focused on the theme 'Say Goodbye to Standby' – one of the key energy saving messages promoted through the Pod, an EDF Energy initiative that shows schools how they can make themselves greener and more sustainable. In one day, the Doxford team worked with 180 pupils and their teachers at Farrington School, helping them to understand the energy savings that can be made by turning appliances off rather than leaving them on standby.

Pupils completed simple interactive activities – including the use of laminated price cards to 'label' appliances and calculate energy savings over a single year. Using this technique they calculated that their school wasted around £1,500 a year simply by leaving electrical equipment on standby.

The day was judged a great success by all involved, including deputy head teacher Derek Wright, who believes the Pod provides: 'a really simple way to make the school greener and save money.'



### Winning recognition for our supply chain excellence and customer service

**Our Networks business won two national Utility Industry Achievement Awards in 2008 – recognition for our supply chain excellence and the quality of our customer service. The awards, which are run by Utility Week magazine, recognise innovation, outstanding service, efficiency and quality.**

The independent panel of expert judges in the supply chain category commended our Networks entry for its strategic vision and understanding of best practice. The Networks Supply Chain directorate has set itself a goal to be recognised as the best utility supply chain in the UK by 2010.

Our Customer Service Centre at Fore Hamlet, Ipswich won Utility Week's customer care award – earning particular praise for a caring initiative put in place to record the special needs of more than 50,000 vulnerable customers in order to provide them with the best possible service. The Customer Service team worked closely with volunteer agencies to further improve their understanding of vulnerable customers' needs and expectations.

The team at Fore Hamlet also won the title of Best Internal Recruiter in the Suffolk Recruitment Awards, in recognition of their efforts to target the right candidates for internal vacancies and the quality of their recruiting team.



### Winning recognition for our working environment and employee initiatives in the Northeast

**EDF Energy's Customer Services Centre in Sunderland was awarded top prize at the 2008 North East Contact Centre Awards.**

EDF Energy's Sunderland operation is the company's largest customer services centre where around 1,500 employees welcome over six million customer calls every year. The Award judges were impressed by the centre's welcoming work environment and the many opportunities for personal development and career progress available to employees.

The Awards, which are organised by Tyne and Wear Development Company in association with Sunderland City Council aim to recognise and celebrate the dedication and achievement of front line staff working in one of the regions most successful industries.

EDF Energy was judged the winner thanks to a number of ongoing employee focused practices, including:

- An 8 week welcome programme for new employees that balances classroom tuition with hands-on call centre experience and ensures every new starter is assigned an experienced 'buddy'
- A range of flexible working arrangements to help employees find the appropriate work/life balance
- An employee Health Awareness Group that meets every month to discuss health issues and explore ways to make the centre a healthy place to work

- Healthy eating advice for employees who use the centre's restaurant, with the salt and fat content of all choices clearly displayed
- 'Give up smoking' sessions for employees who want to quit the habit
- Fruity Friday – an end of week event during which all employees received free fruit from the centre's Health Awareness Team

The judges themselves took into account a wide range of criteria, covering the quality of customer service offered, training, recruitment, staff retention and welfare.



London Benchmarking Group  
assurance statement

“EDF Energy is an active member of the London Benchmarking Group (LBG). The LBG model helps businesses to improve the management, measurement and reporting of their charitable community involvement programmes. It moves beyond charitable donations to include the full range of contributions (in time, in kind and in cash) made to community causes, and assesses the actual results for the community and for the business.

As managers of the Group, we have worked with EDF Energy to ensure that it understands the LBG model and applies its principles to the measurement of community involvement programmes. Having conducted our assessment, we are satisfied that this has been achieved. Our work has not extended to an independent audit of the data.”

*The Corporate Citizenship Company*



## Responsible procurement

By considering social, economic and environmental factors when we make procurement decisions we can achieve value for money and generate benefits to society and the wider economy without damaging the environment.

Our Social Commitments, launched in 2008, contain a pledge to ensure that by 2012 all our suppliers meet, or are making satisfactory progress towards meeting, the ten principles of the UN Global Compact.

To meet this target, we have launched a project to review and re-engineer our supplier qualification processes so that they allow us to identify and mitigate ethical risks in our supply chain. The project also aims to embed our Zero Harm Ambition into the selection and evaluation processes for all contractor companies that we work with, by systemizing the Control of Contractors Standards developed by our Health & Safety team this year. The project is scheduled for completion in 2010.

In May 2008 we joined with other businesses in a Supplier Support and Information Initiative (SSII), which aims to develop guidance documentation covering carbon management. This documentation will outline the standards that large organisations like EDF Energy expect from suppliers and set out the business case for good carbon management. The results of this year long initiative will be launched in May 2009.

In 2005 we launched our Shared Services Efficiency Programme project to improve our on-time payment performance, which is the percentage of invoices paid within the contractual terms agreed with each supplier. The programme, which involved the creation of a centralised payment function for EDF Energy, has produced significant improvements in our performance, with 82.3% of supplier payments paid on-time in 2008, compared to 67.3% in 2007. We recognise the impact that late payments can have on our suppliers and are committed to continuous improvement in on-time payment performance especially during this time of economic difficulty.

## Human Rights and Our Contractors

In the UK, human rights are covered under the Human Rights Act and various discrimination laws. These will be incorporated in the terms and conditions we agree with our contractors as part of a new process, Total Supplier Management Solution (TSMS), initiated in 2008 to help us meet Our Social Commitments by risk profiling all of our first tier suppliers and ensuring that they all meet, or are making satisfactory progress towards meeting, the 10 UN Global Compact principles by 2012.

The introduction of TSMS follows on from our collaboration with Achilles Information UK Ltd and a focus group comprising other utility organisations, to develop a Labour Standards Risk Assessment that can be used to categorise risks associated with different products and services. Our Procurement team currently uses this method to evaluate risk during competitive tenders; TSMS will allow us to profile all suppliers. We'll appoint a business partner to conduct CR audits against the 10 UN Global Compact principles for all suppliers categorised as high risk and a cross-section of medium and low risk suppliers.

When TSMS is fully implemented and the human rights clauses in our standard terms and conditions have been reviewed by our Legal team, we will be able to measure and report on human rights across our most significant contracts. Until this initiative is fully implemented we are not in a position to disclose the % of supplier contracts and investments screened. We hope to capture the data for disclosure in future reports.

## Competitive Procurement

As a utility company within the European Union, our distribution and corporate business units are bound by the requirements of the EC Procurement Directives, requiring us to competitively tender works, goods and services above specific monetary thresholds to suppliers throughout the European Union. This prevents us from having specific policies and practices that positively discriminate towards local suppliers during our sourcing processes. Purchases from low value suppliers who are more likely to be local to our locations are initiated from within our business units. There are, however no central records currently held of whether they were selected to support the local community, nor do we specifically review the proportion of local supplier-base spending.

### Improving our payment performance for suppliers

**We recognised that suppliers are key stakeholders in our business and that we have a responsibility to pay them in accordance with agreed terms. In 2005 we launched our Shared Services Efficiency Programme (SSEP) to improve payment performance – with impressive results.**

In 2005 we prioritised the need to establish a centralised purchase-to-payment (P2P) process for EDF Energy in order to simplify our procurement processes, improve our payment performance and generate efficiency savings. The SSEP was launched to achieve these objectives.

As part of the SSEP, ten accounts payable functions were consolidated into a single, integrated unit as an integral part of our procurement infrastructure. In addition, new invoice management systems and a company card reconciliation scheme were introduced to further improve our procurement and payment capacity.

The SSEP also involved a culture shift, requiring improved engagement with our business partners and internal stakeholders. To drive home the required changes, 44 change champions operated across the business – providing training and support for their colleagues.

The results of the SSEP have been impressive: our on-time payments in 2007 and 2008 were 67.3% and 82.3% respectively. Looking forward, we are confident that we can achieve further improvements in on-time payment performance and procurement efficiency, bringing benefits to our suppliers, our customers and our business.



As an integrated energy business, involved in generation, networks and supply, we buy a wide range of energy related products – most involving a complex supply chain. We're working hard to develop and adopt sustainable fuel procurement processes.

The coal supply chain involves potential environmental, social and economic impacts. To secure supply we buy coal in the UK and abroad, in roughly equal volumes. EDF Trading, our sister company, buys imported coal and gas purchased on the forward market for us; our wholesale markets team buys UK coal and biomass.

We're working with EDF Trading to integrate the UN Global Compact framework on environmental and labour standards into the procurement process by 2012.

EDF Energy's UK coal and biomass purchasing activities are overseen by the Energy Counterparty Review Committee. The Committee assesses the risks associated with each of these energy trading partners and we include sustainability assessments in the processes. Assessments are based on UN Global Compact criteria and carried out by a specialist business, Innovest Strategic Investors Ltd.

## Biomass

Our power stations have used biomass since 2004. It comes from various sources – woodchip, olive cake, sunflower husks and locally grown short rotation coppice energy crop.

## CO2 Emissions allowances

EDF Trading buys and sells EUAs (European Union Allowances) for us to ensure compliance with the EU Emissions Trading Scheme (ETS). The EDF Group has set up a Carbon Fund, managed by EDF Trading, for all European affiliates who require access to lower cost substitutes EUAs. This is achieved by funding greenhouse gas emissions reduction projects in developing countries under the UNFCCC's Clean Development Mechanism (CDM) framework. The reductions achieved by these projects can be exchanged for certified emissions reductions (CERs) that can be used in limited quantities in the ETS.

## Renewables

We are determined to play a part in building a low carbon future for our customers and for the UK. In June 2008 together with our sister company EDF Nouvelles we announced the formation of a new joint venture, EDF Energy renewables to spearhead EDF Group developments in the UK.

We are developing our own renewable assets and working in partnership with others to deliver against our Renewable Obligations, Fuel Mix Disclosure requirements and customer demand for renewable sourced electricity. We source the renewable energy to meet our obligations and meet our customer demands in a number of different ways: from our own assets, purchase contracts with third parties, the wholesale market and Non Fossil Fuel Purchasing Agency web-based auctions. The NFPA auctions the output from generators contracted under the England and Wales Non-Fossil Fuel Obligation (NFFO) and the equivalent Scottish contracts that were put in place prior to the introduction of the Renewable Obligation in 2002. The NFPA holds two power auctions per annum which award contracts for a six month period that allows parties to bid for the electricity, ROC, LEC and REGOs associated with the individual generator output. In addition they hold ROC only auctions on a quarterly basis which include ROCs associated with the Northern Ireland equivalent to the England and Wales/Scottish arrangements.

## Green Fund

We established the Green Fund to help schools, charities, local authorities, churches, water mills and other non-profit organisations generate clean, green energy in their own communities. In 2008, we awarded funding for 36 renewable energy products, among them a ground source heat pump and solar panel at Bath City Farm and a biomass boiler at Flegg High School in Norfolk.

The Green Fund is financed through our Green Tariff. Customers pay up to £15 annually towards the fund, which we match pound for pound. Non-profit organisations can apply for funding of up to £30,000 to projects, all of which are assessed against five core Green Fund values.

We employ a Green Fund manager to run the fund and provide help and advice to applicants. The EDF Energy Press Office also supports the fund by maximising press coverage of Green Fund projects. In all, the Green Fund has awarded £3.7 million pounds to fund more than 200 renewable energy projects since it was set up in 2001. Organisations can apply to the Green Fund using application forms available on the EDF Energy website. Two funding rounds are run every year; all are overseen by an independent adjudicator.

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## Creating Integrity and Value

At the heart of our brand lie our values. They drive our operating principles and our ambitions, and they are fundamental to the way we work. These values, which we share with the other members of the EDF group are:

- respect for individuals
- respect for the environment
- excellent performance
- social responsibility
- integrity

In particular, our values emphasise treating people fairly, with dignity, openness, honesty and respect. This also requires all employees to show respect in carrying out their duties towards other employees, contractors, partners, clients and other stakeholders with whom we engage. Our integrity and respect values are closely associated with a human rights dimension, which we embellish through our commitment towards equal opportunities in the broadest sense. EDF Energy fully supports the protection of human rights wherever we can have a positive influence.

There's also a strong business case for promoting, endorsing and protecting human rights. Human rights set out what is acceptable to society at large and constitute a fundamental element of the 'licence to operate' relationship between businesses and communities. Developing a clear and consistent position on human rights also reduces a number of risks for our company, including those related to employee safety, working conditions, company assets, long-term performance and brand reputation. Setting high standards on human rights can strengthen our relationships with stakeholders; failure to do so can create damaging media attention and negative publicity.





To ensure that we maintain our ethical values and standards related to human rights, anti-discrimination and respect for our employees, customers, communities and the environment, all our employees are provided with a code of conduct when they join the company. This states that all employees should behave in a way that enhances and protects the reputation of the company and themselves. Copies of the code can be obtained from the company intranet and our Human Resources team, which is responsible for co-ordinating an annual declaration of compliance by all relevant employees. The company reserves the right to make changes to the code to reflect changes in the law, best practice or our business processes.

All our employees receive induction training when they join the company and this includes compliance with company rules, policies and procedures which include:

- Association of Energy Suppliers Code of Practice
- Competition Law
- Data Protection
- Disciplinary Rules
- Equal Opportunities
- Harassment and Bullying
- Health safety and Environment
- Information Security including confidential Information
- Procurement
- Conflicts of Interest
- Fraud
- Whistle blowing Policy
- Contributions to political parties



The most widely recognised international framework on human rights is the United Nations Universal Declaration on Human Rights (1948), which promotes universal respect for, and observance of, human rights, and calls on 'every individual and organ of society' to uphold these standards. As a Group signatory, the principles of the UN Global Compact include human rights elements, as does the voluntary code from the International Labour Organisation (ILO).

As a UK company, based solely within the United Kingdom, our activities are also covered by the Human Rights Act 1998. Most of the elements that came into force on 2 October 2000 align UK law with the rights contained in the European Convention on Human Rights.

The most pertinent aspects of the Human Rights Act 1998 are:

- **Article 4** relating to the prohibition of compulsory or forced labour.
- **Article 6** regarding fair hearing within a reasonable time by an independent and impartial tribunal.
- **Article 8** that enshrines the fact that everyone has the right to respect for their private and family life.
- **Article 9** relates to the right to freedom of thought, conscience and religion.
- **Article 10** states that everyone has the right to freedom of expression, including the right to hold opinions and to receive and impart information and ideas without interference by public authority.
- **Article 11** allows the freedom of association with others, including the right to join trade unions for the protection of their interests.
- **Article 14** sets out the prohibition of discrimination on any grounds such as sex, race, colour, language, religion, political or other opinion, national or social origin.

These legal frameworks broadly describe the fundamental principles under which we engage with our employees; they underpin our integrity and the respect that we extend to all our stakeholders. In addition to the Human Rights Act 1998, the other key principle, endorsed by both the UN's Global Compact and the ILO (above) is the principle of not endorsing child labour. Another central aspect of human rights legislation relates to specific legislation on equality and outlaws discrimination on the grounds of race, religion and belief, sex, sexual orientation and age (highlighted by Article 14 of the Human Rights Act). These discrimination laws are presently being considered for consolidation by the UK parliament as the Equality Act.

## Our approach to Human Rights and Anti-Discrimination

Anti-discrimination is enshrined in law, giving every individual the fundamental right, whether right or wrong, to lodge a complaint or grievance against the company and we respect this right. It's up to the court to decide whether the claim is justified. The fact that a claim is made does not necessarily mean that we have been negligent or irresponsible, however, if a claim is upheld (and has been fairly and transparently justified) we'll accept the decision and take on board any recommendations made to improve our performance in future.

In 2008 we had 4 incidents of alleged discrimination involving our company, all of which were resolved amicably.

## Ethics

We articulate our values relating to integrity and respect in our Code of Conduct. Our Human Resources department sets minimum standards across a range of employee matters, including performance and personal development, diversity and dignity at work. The Code of Ethics commits all EDF businesses and their staff to behave in a law-abiding and ethically sound way.

We don't have a stand-alone policy on human rights, but we set the highest standards regarding human rights and, as this report demonstrates, take it very seriously – particularly those aspects regarding safety at work and the promotion and support of occupational health issues.

We have long standing commitments to the communities in which we operate and to the public in general as an energy provider. Over a sustained period, we've made substantial investments in infrastructure, used and supported local suppliers and created job opportunities for skilled and non-skilled employees.

EDF SA, our parent company has equally strong social values and a tradition of social investment. Both companies recognise the need to balance economic, social and environmental objectives and responsibilities in order to provide sustainable products, services and support for all our stakeholders.

## Minimising our Impacts

We aim to minimise any adverse effects that our generation facilities and operations may have on the health and safety of the public and the environment. We want to be a 'good neighbour' to local communities and try to respond quickly and courteously to any complaints from the public, which usually concern traffic and noise. All of our HGVs are required to use designated routes to minimise their impact on local communities and hauliers who don't do so may have their contracts with us terminated. We try to minimise noise from our power stations by screening sites and installing silencing equipment if appropriate. We also work closely with District and County planning authorities to ensure that new projects take into account the impact of noise on local communities. Both of our coal fired power stations use ash disposal facilities, located close to villages. These only operate on week days and Saturdays, between 07.00 and 18.00 hours, and have been extensively landscaped. They also follow ecology restoration plans, which may involve replanting trees and shrubs, using water runoff to sustain wetland habitats and creating new public paths. When Cottam surrenders its ash disposal permit it will become a local amenity resource, while West Burton will be available for agricultural and conservation uses.

We recognise that many of our day-to-day operations can have an adverse impact on local communities. We try to minimise these impacts and to establish effective communication channels with local stakeholders. Communities affected are usually located at or near our generation facilities or close to maintenance or development work on our distribution networks or transmission assets.

We have a number of policies in place covering transmission cables and substations by our Networks branch, which are published on our street Works intranet site. Our main policy states that we will comply with all primary and secondary legislation, including the Highways Act, New Roads and Street Works Act (NRSWA), Traffic Management Act (TMA) and the associated statutory instruments.

We work with local authorities to reduce traffic congestion, submitting notices to inform them of the times at which we need to carry out work (as required by the NRSWA and TMA). We negotiate these times with local authorities, who have a duty to keep a publish a works register. We provide information about the nature of all major work well in advance and meet with local authorities to co-ordinate our processes, discuss trench sharing if possible. Ultimately, local authorities assess the likely impact of works on congestion levels and may require us to modify our plans, display advance warning signs or publish information leaflets.

We've entered a number of working partnerships with local authorities, including Kent CC, East Sussex CC and Hertfordshire CC, but also meet with regularly with other local authorities.

We support the regional Highway and Utility Committee, National Joint Utility Group and the Energy Network Association, with a number of EDF Energy employees acting as Chairperson or Director. We've recently signed up to Boris Johnson's Code of Conduct for working in London, further demonstrating our commitment to work with local authorities.

We run our own intranet based training programme and have produced a safety video, which was recently show at a national street works event in Cardiff, while over 2,500 copies of a street works handbook have been distributed to our employees in support of a presentation run by the street works team. Regular meetings are held with senior managers across our business to drive performance improvements and reduce defects. We also use a dedicated performance reporting system, which provides data for use in our electronic transfer of notice system.

### Business Planning

We strive to run all of our offices, depots and sites with the safety of our employees and the local communities in mind. Our maintenance programmes ensure that they operate safely and properly to minimise dangers. We also have security in place at all our major sites to prevent intentional damage our assets that could disrupt national energy supply or bring danger to our employees or the local community. Should protestors or terrorists endanger our assets we've developed emergency planning processes known as Business Continuity Programmes for each of our sites to minimise their impact.

Our plans are fit for purpose, business driven and business owned. These provide a strategic and operational framework that:

- Proactively improves our resilience against any disruption
- Provides a rehearsed method for restoring our capacity to supply our key products and services to an agreed level within an agreed time
- Delivers a proven capability to manage business disruption and protect our reputation and brand

Each of our sites have business continuity programmes that will be used in the event of an incident and each site has at least one co-ordinator and a deputy with responsibility for development and implementation of these programmes. Within this report, these processes focus on EDF Energy offices and sites and do not include our nuclear plants which we only recently acquired from British Energy. Additionally we have no hydro-plants in our present energy generation portfolio and thus there is no reason to report on this.



# Environment »

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We are committed to tackling climate change. We believe that this requires concerted effort at an international level and from all stakeholders at a national level.

“As an energy company, we realise that we have a particular responsibility to take care of the environment. That’s why we have put sustainability at the very heart of the way we do business.

Eva Eisenschimmel Chief Officer, People, Organisation & Brand Performance



## We believe that climate change is one of the most important challenges facing the world today and that man-made greenhouse gas emissions are the key driver of climate change.

We are committed to tackling climate change. We believe that this requires concerted effort at an international level and from all stakeholders at a national level.

Our Climate Commitments outline our targets to reduce greenhouse gas emissions. They represent one of the biggest packages of environmental initiatives launched by any major British company. They commit EDF Energy to reducing emissions from all areas of the business.

The new Climate Change Act commits the UK to a binding target of reducing CO2 emissions by 80% by 2050. This is a challenging target. Even if the UK's electricity sector was completely decarbonised, a huge shortfall would remain. We need concerted action in all areas of society to tackle all sources of greenhouse gases.

As a leading energy company climate change presents both a challenge and opportunity to us, we must secure energy supplies for our customers', get them to use energy more efficiently whilst maintaining and building a sustainable company. Our commitments bring to life these challenges and opportunities on how we will tackle the biggest sustainability challenges facing our industry. Our climate commitments identify key issues and set bold targets, not just for ourselves but to inspire customers as well. The continued need to address climate change presents issues and opportunities for our business and for our customers as well as significant investment. Some of the issues and opportunities are outlined in the table opposite:

Key issue	Opportunity
Reducing CO <sub>2</sub> emissions from electricity production	<ul style="list-style-type: none"> <li>• So that EDF Energy generates electricity that is secure, reliable, affordable and helps the UK meet its CO<sub>2</sub> reduction targets.</li> </ul>
CO <sub>2</sub> emissions from offices and depots	<ul style="list-style-type: none"> <li>• Using our experience to develop tools to assist business customers.</li> <li>• Reduce energy costs.</li> </ul>
CO <sub>2</sub> emissions from transport activities	<ul style="list-style-type: none"> <li>• Improved health and safety through better driving techniques and fewer miles driven.</li> <li>• Reduced fuel bills and improved productivity.</li> <li>• Some activities can actually generate revenue, such as Backhaul (see later).</li> <li>• A better work life balance for employees due to less travel.</li> </ul>
Customers' energy consumption	<ul style="list-style-type: none"> <li>• Acquiring and retaining customers through initiatives that encourage people to use less energy.</li> <li>• Being a credible supplier by leading by example.</li> </ul>
Waste from Streetworks	<ul style="list-style-type: none"> <li>• Reduce operational costs. From April 2008 the cost of landfill in tax alone will increase to £40/tonne and rise to £50 per tonne by 2010.</li> </ul>
Office and depot waste	<ul style="list-style-type: none"> <li>• Reduce operational costs.</li> </ul>
Employee behaviour	<ul style="list-style-type: none"> <li>• Sharing climate change issues with staff so they will be more prepared to help the company achieve our Climate Commitments. (For example, discussing environmental responsibility is part of our Customer Services' Induction Day training.)</li> <li>• Increased employee engagement.</li> </ul>

## Energy Efficiency & CO<sub>2</sub> Savings

As an energy utility company, climate change is a strategically important issue for us and we're aware of our responsibility for reducing climate change emissions. Consequently, we've set some stretching targets up to 2012 and 2020 in our Climate Commitments.

We have also invested in new technology to improve the efficiency of our power stations West Burton and Cottam. However the original High Pressure (HP) turbines were designed and installed in the 1960's. Our Sutton Bridge station is already one of the most efficient fossil fuelled power stations in Europe. The HP turbine efficiency was approximately 83%, and an advanced design of blade for modern HP turbines increases the efficiency to approximately 93%. The HP Turbine replacement projects were approved in 2005, with an installation programme running from 2006 to 2010. Initial tests indicate that turbine efficiency is in the region of 91-92%. This is equivalent to an improvement in heat rate of approximately 1-2%. Further tests will be undertaken to assess and validate these initial findings.

As described throughout our environment section, we have been active in our Climate Commitments with regards a range of investment programmes and initiatives that reduce our direct and indirect impact on climate change. We started our process and initiatives during 2007 with key performance targets for 2012 and 2020. The tables below summarise our key areas of activity and the associated CO<sub>2</sub> reductions achieved during 2008.

We are also looking to gain the Carbon Trust Standard, which is accredited independently by the Carbon Trust in the UK. EDF Energy is working towards the standard as part of its move towards a position of compliance for the draft Carbon Reduction Commitment (CRC) Order. The CRC Order should become law at the end of 2009. EDF Energy is proposing to report its emissions on both an absolute and normalised basis. We will report two numbers. Firstly, we will report CO<sub>2</sub> emissions per TWh which will relate to the amount of CO<sub>2</sub> released from the generation of electricity. We will then use a tonnes of CO<sub>2</sub> per TWh sold or distributed from customers. This figure will include emissions from buildings and depots, transport emissions, business mileage, because this represents the amount of CO<sub>2</sub> that is required to service our customer base and to ensure we keep them supplied with affordable, safe and reliable energy to their homes and places of work. Using this metric shows that our emissions overall have not changed significantly between 2006 and 2008. This shows how our upstream generation activities dominate our emissions. However, our down stream operations show an 8.8% reduction overall between 2006 and 2008. We would expect to see this trend, until our investment in new nuclear, CCGT and renewable technologies reduce emissions from our upstream assets.



The table below outlines some of our improvements in efficiency

Energy Saving / Efficiency from Conservation Improvements		Jan-Dec	2008
Generation Area	Description of Initiative/Activity	2008 Energy Saved (MJ)	2008 CO2 Avoidance (tonnes)
Generation Plant	Savings from generation and equipment investments	Improvement of performance needs to be validated. Tests on going during 2009.	
Building Efficiency	Savings from eco-efficiency investment and staff participation actual savings only attributable for 2 out of 5 initiatives of the Env. Mandate; other consumption saving cannot be confidently attributed to investments or staff participation	43.9 GWh consumed	103 t avoided through key Env. Mandate initiatives
CHP installations for clients	Savings through direct heat energy	59 GWh	12000 t
Renewables	Savings through production of renewable Energy	45.4 GWh	45.4 GWh * EDFE 2008 CO2 intensity of 803t/GWh =36.5k t CO2
Client Management	achievements of Commercial activities with domestic consumers and business clients, carbon challenge and CERT's	CERT data is outlined in our Social Section of this report	
Network Loss Reduction	Savings from improved cabling /material investments	No data Available	
Fleet & Service Efficiency	Savings from improved fleet , mileage reduction	5% reduction of CO2 from vehicle fleet. Customers Branch operations achieved a 13% reduction of business mileage	
Staff Travel/Meetings	Savings from improved travel use/teleconferencing	Can't attribute savings to fleet efficiency, as we do not currently measure miles/ journeys saved for our video/Web and teleconferencing facilities.	

## Strategic Leadership

We produce power which is the lifeblood of every community but its production generates significant CO2 emissions and uses precious resources. We believe we have a responsibility to take action.

Our intention is to provide the power which is vital to society in a way that better protects the natural environment on which we all depend upon.

To achieve this, we believe that the UK should maintain a diversity of generation sources. Nuclear power must be part of the energy mix to balance security of supply, climate change and energy prices. Over the last few years we have made this point at every level, from lobbying Government to media appearance.

**The table below outlines our normalised emissions for upstream (generation) and downstream (customer facing) operations between 2006 & 2008.**

		2006	2007	2008
Upstream	tonnes CO2 from Generation / TWh Generation	810,034	823,108	803,669
Downstream	tonnes CO2 from Operations / TWh Energy supplied *	628.1	607.8	577.3

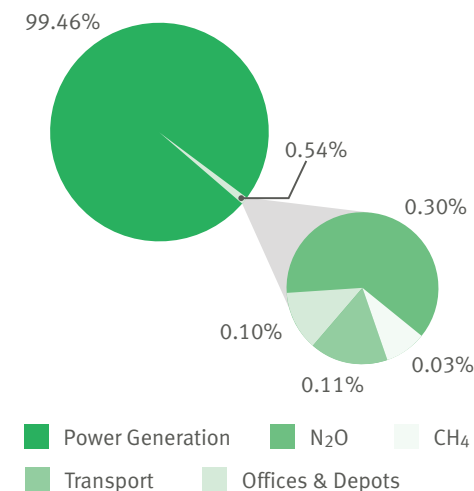
## Our Carbon Footprint

We've developed a robust methodology for measuring our carbon footprint; it allows us to capture by direct and indirect energy greenhouse gas (GHG) emissions. Emissions reported as part of our carbon footprint reflect most of the emissions from sites and companies for which we have overall management control. This is consistent with the EDF Energy Financial Accounting and Health, Safety and Sustainability (HSS) reporting requirements. Our carbon footprint is reported in line with best practice, based on:

- Defra Environmental Key Performance Indicators - Reporting Guidelines for UK Business
- Guidelines to Defra's GHG conversion factors for company reporting - Annexes as updated.
- WRI/WBCSD The Greenhouse Gas Protocol - A Corporate Accounting and Reporting Standard

The carbon footprint shown below shows the relative importance of emissions from our assets. The carbon footprint shows both direct and indirect emissions as CO2 equivalents for a range of sources. The data excludes transmission losses, emissions for our contractors and products/services in our supply chain. As expected the footprint is dominated by emissions from our fossil fuelled power stations, and emissions from transport and office/depots represent less than 0.1% of our total emissions. In light of the British Energy takeover, we will need to review the scope and methodology for determining our Carbon Footprint for 2009. Going forward we expect to report our footprint in absolute and normalised terms.

The table below summarises our key emission sources



The table below outlines a summary of our CO2 Ratios

CO2 Ratio Tables		Jan-Dec 2008
Net Generation/Use	Description	Data & Units
Net Generation	(all sources)	805.1 t/GWh
Net Generation	(thermal plants only)	807.4 t/GWh
Net User Delivered	(own generation, purchased power & power loss estimates)	569 g/kWh

**While we've made CO2 reductions our primary focus, we're aware that other GHGs affect climate change – namely, methane, nitrous oxide, hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF6). CO2 is the most material GHG emission from our activities so it makes sense to focus our intentions on reducing our CO2 emissions, following our integration with British Energy we will be reviewing our plans to expand our emissions reporting capabilities to include other GHGs. Disclosing this data will be voluntary as no regulations require us to do so.**

We think it's particularly important to measure and report our SF6 emissions as this gas is used in our switchgear and transformers, and is unlikely to be replaced in the near future. We use the gas in several different ways: for insulation in substations and for insulation and cooling in transformers; for insulation and arc prevention in switchgear and high and medium voltage systems. These are all closed systems, which are extremely safe and unlikely to leak.

In electrical power systems, high and medium voltage switchgear is required to cut off power if a fault occurs. When power is switched, an electric arc strikes between the circuit-breaker contacts; breakers filled with SF6 are electrically insulated and effectively control arcing. In substations where SF6 breakers are used, the magnetic and electrical fields are removed completely – a real advantage for installers, maintenance staff and people living in the vicinity.

We have records of all our electrical equipment containing SF6, although this needs to be improved and reported more efficiently. Asset Management Projects will address this issue over the next 12-18 months. We're currently reviewing our processes for reporting SF6 losses, with plans to introduce a risk assessment that will identify any potential risks. We're also providing extra training to make sure our employees are aware of the need to avoid SF6 losses.

We meet our customers' electricity demand from two sources. Half is generated through our own generation portfolio; the remainder is purchased from other power generators on the wholesale market.

The table below outlines the CO2 Equivalents of Greenhouse Gas Emission (GHG) for SF6, PFC, HFC, N2O and CH4 for 2008.

Gas/Station	Holding in Equipment (kg)	CO2 Equivalent Conversion Factor	Emissions to air (kg)	GHG potential if Holding lost to atmosphere CO2(equ) (kT)	Actual GHG losses in CO2(equ) to atmosphere (Kt)
SF6	52, 537	23, 900, 000	Not Known	1,255	Not Known
N2O	Not Applicable	310, 000	218, 000	-	68
CH4	Not Applicable	21, 000	277, 900	-	6
PFC	Not Known	-	-	-	-
HFC	Not Known	-	-	-	-



There are a number of output measures that are applicable to scoring the environmental impact of EDF Energy. One of those would be to score by the amount of SF6 that we release into the atmosphere, something that we are already required to report to DEFRA under the F-GAS regulations.

The difficulties with this are threefold: it is impossible to measure the amount of gas that we actually leak; it is difficult to accurately record the amount that we use to up plant with a low gas pressure; there is no expenditure specifically budgeted towards reducing the SF6 leaked.

On the larger items of plant that contain SF6 there are falling and low pressure alarms because these are typically on the EHV system where the gas is required to maintain the electrical insulation. Loss of SF6 from these is taken very seriously and if there are regular leaks attempts are made to locate and fix them. On the smaller items of plant the SF6 is generally required for arc extinction in the event of fault rather than maintaining insulation. As such there are no remote alarms for the gas pressure and leakage is only identified when an operative visits the site and reads the pressure gauge. These are then topped up with SF6 on the first two occasions after which they are identified for repair or replacement as their environmental impact is unacceptably high.

When a plant is topped up the amount of SF6 used should be recorded. The current method is to weigh the gas bottle before and after the fill although this method has both low accuracy and reliability. Some portable mass-flow meters (Predicta MF-1000) are being purchased and trialled to see if a more accurate and reliable system can be devised. Neither of these processes currently reviews whether there may have been gas leaked during the filling process so it is our intention to streamline and audit the amount of SF6 purchased so we can compare these figures. In the long term this will also help improve the environmental sustainability of our plant and our maintenance processes.

We use SF6 as insulation medium in switchgear due to the reduced space requirements and the greatly reduced safety risk over oil as an arc extinction material. While there is no alternative available that has a reduced environmental impact SF6 will continue to be used and in most cases provides the only practicable solution.

We hold some records of all our electrical equipment that contains SF6, and our total inventory is shown in the table above. However, as already explained, we have identified difficulties capturing and converting data from pressure (bar) to kg SF6 gas as required in the field and problems with transfer and capture of data to plant records system, Ellipse, and as a result we are unable to report our SF6 losses as effectively and efficiently as we would want. Responsibility for the HV Switchgear in our Networks Branch is the Head of Asset Management Responsibility and the responsibility for maintenance is the Head of Customer Operations. They will be reviewed over the next 12-18 months the process for reporting SF6 losses and this will include a risk assessment which will identify any equipment that may be leaking SF6. In addition, key steps: will include:

- Centralised procurement of cylinders (rather than local direct ordering).
- Review and update company Engineering Instructions, Standards and procedures.
- Roll out of training and awareness programme to providing our staff with additional training to ensure that they are competent and aware of the need to avoid the loss of SF6 from equipment during maintenance work. This requirement will also ensure we comply with the new F-Gas Regulations.



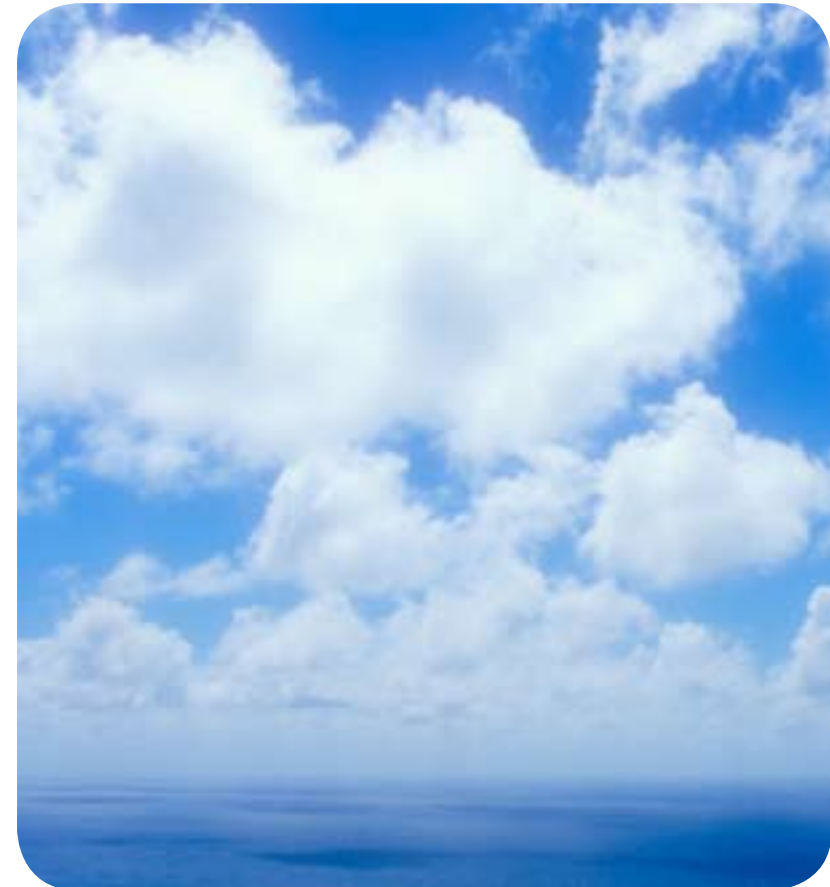
We're committed to cutting carbon emissions right across our business – including our power stations. We're also investing in low-carbon and renewable generation technologies.

In 2008 our three large power stations (two coal-fired, one gas-fired) and Combined Heat and Power (CHP) units produced CO2 emissions with a carbon intensity of 805 kilo tonnes of CO2 for every TWh of electricity produced.

A number of factors determine CO2 emissions from our power stations and CHPs, including national consumer demand for electricity, performance efficiency and the relative prices of carbon, gas and coal. In addition, a reduction in capacity across the UK electricity system caused by outages at nuclear power stations also resulted in increased generation from coal and gas-fired plants, including ours.

### Emissions to Air

The table below outlines our emissions to air from our operated and owned power stations in 2007 and 2008. Data extracted from our 2007 and 2008 pollution inventory returns as provided to the Environment Agency, who regulates our power stations. The emissions detailed below are within the safe limits set by the environment agency and are emitted secondary pollutants associated with the combustion of coal. Sutton Bridge emits relatively few pollutants, because the fuel it burns, natural gas, is relatively clean and free from mineral impurities.



Releases To Air	2008			2007			Metric Unit
	Cottam	West Burton	Sutton Bridge	Cottam	West Burton	Sutton Bridge	
Carbon dioxide – ‘chemical’ 10,000,000#	51.9	59.6		59.2	62.6	BRT	KT
Carbon dioxide – ‘thermal’ 10,000,000#	10 300	9 730	2116571	10 300	9 370	1960905	KT
Carbon monoxide 100,000	4 440	4 770	BRT	4 500	BRT	111.5	T
Hydrogen chloride 10,000	118	276	BRT	624	325	BRT	T
Nitrous oxide 10,000	105	113	BRT	106	106	BRT	T
Anthracene 10	BRT	BRT	BRT	BRT	BRT	BRT	
Benzo(a)pyrene 1	3.64	3.9	BRT	BRT	3.66	BRT	KG
Benzo(b)fluoranthene 1	2.18	2.34	BRT	2.23	2.2	BRT	KG
Benzo(g,h,i)perylene 1	2.18	2.34	BRT	2.23	2.2	BRT	KG
Benzo(k)fluoranthene 1	2.18	2.34	BRT	2.23	2.2	BRT	KG
Chrysene 10	BRT	BRT	BRT	BRT	BRT	BRT	
Fluoranthene		1.95	BRT	BRT	BRT	BRT	KG
Indeno(1,2,3-cd)pyrene 1	2.18	2.34	BRT	BRT	BRT	BRT	
Methane 10,000	63.2	60.7	154	64.2	57	143	
Naphthalene 100	198	212	BRT	202	200	BRT	KG

BRT - Below Reporting Threshold

Metals and compounds reported as mass of the metal	2008			2007			Metric Unit
	Cottam	West Burton	Sutton Bridge	Cottam	West Burton	Sutton Bridge	
Antimony 1	16.4	7.11	BRT	26.3	3.42	BRT	KG
Arsenic 1	115	34.9	BRT	120	13.7	BRT	KG
Beryllium 1	11.2	5.54	BRT	18.8	2.33	BRT	KG
Boron 1,000	80 900	9 630	BRT	13 100	6 680	BRT	KG
Cadmium 1	3.17	1.01	BRT	3.67	BRT	BRT	
Chromium 10	123	60	BRT	162	25.7	BRT	KG
Copper 10	121	71.7	BRT	219	32.3	BRT	KG
Lead 100	107	BRT	BRT	210	27.9	BRT	KG
Manganese 10	859	257	BRT	891	127	BRT	KG
Mercury 1	258	134	BRT	121	120	BRT	KG
Nickel 10	157	79.4	BRT	272	36.3	BRT	KG
Selenium 100	1 700	438	BRT	586	374	BRT	KG
Vanadium 10	183	75.1	BRT	237	35	BRT	KG
Zinc 100	236	107	BRT	363	BRT	BRT	

BRT - Below Reporting Threshold

Other substance groups reported as total mass unless otherwise stated	2008			2007			Metric Unit
	Cottam	West Burton	Sutton Bridge	Cottam	West Burton	Sutton Bridge	
Chlorine and inorganic compounds – as HCl 10,000	118	276	BRT	624	325	BRT	T
Dioxins and furans (PCDDs/PCDFs) – as WHO-TEQ 0.00001	0.00004	0.00007	BRT	0.0655	0.07	BRT	G
Dioxins and furans (PCDDs/PCDFs) – as I-TEQ 0.00001	0.00004	0.00007	BRT	0.0614	0.06	BRT	G
Fluorine and inorganic compounds – as HF 1,000	104	113	BRT	110	117	BRT	T
Nitrogen oxides – NO and NO2 as NO2 100,000	21 400	16 200	997	25 700	22 900	895	T
Non-methane volatile organic compounds (NMVOCs) 10,000	109	117	38	124	110	34.9	T
Particulate matter – PM2.5 1,000	188	111	16.9	286	48.2	15.5	T
Particulate matter – PM10 1,000	377	221	33.8	589	96.4	31	T
Particulate matter – total 10,000	471	277	33.8	737	120	31	T
Polychlorinated biphenyls (PCBs) 0.1	400	429	BRT	435	403	BRT	G
Polychlorinated biphenyls (PCBs) – as WHO TEQ 0.00001	0.727	0.78	BRT	0.00082	0.733	BRT	G
Sulphur oxides – SO2 and SO3 as SO2 100,000	4 700	7.89	BRT	6 439	6 120	BRT	T

BRT - Below Reporting Threshold



Other individual acid-forming gases	2008			2007			Metric Unit
	Cottam	West Burton	Sutton Bridge	Cottam	West Burton	Sutton Bridge	
Hydrogen bromide	12.5	16.3	BRT	23.5	16.3	BRT	T
Hydrogen iodide	7.29	8.27	BRT	9.03	7.94	BRT	T
Sulphur trioxide	129	139	BRT	139	130	BRT	T

Large combustion plant directive	2008			2007			Metric Unit
	Cottam	West Burton	Sutton Bridge	Cottam	West Burton	Sutton Bridge	
Nitrogen oxides	21 400	16 200	997	25 700	22 920	895	T
Particulate matter	471	277	33.8	516	84.3	31	T
Sulphur dioxide	4 600	7 780	BRT	6 330	6 020	BRT	T

BRT - Below Reporting Threshold

**As highlighted, we plan to engage with our stakeholder panel regarding the key emissions to focus on as a priority for our future performance reporting.**

The following table illustrates our emission ratio, as a whole, for our generation plants for Mercury and Precipitator Dust emissions.

### Emission Ratio Tables Jan-Dec 2008

Emission Type	ratio
Mercury	0.000018 Kg/MWh
Precipitator Dust	0.000030 T / MWh

## Overview

In addition to the positive steps we're taking to reduce the carbon impact of our power stations, we're also working hard to reduce the greenhouse gas we produce in other parts of our business.

Through Our Climate Commitments, we've committed to achieve a 30% reduction in carbon dioxide (CO<sub>2</sub>) emissions from the energy we use in our offices and depots by 2012, along with a 20% reduction from our transport fleet by the same date.

We believe all of our employees can play a part in reducing our impact on climate change and we've put in place a whole range of initiatives to reduce CO<sub>2</sub> emissions across our business – covering everything from trials of electric and hybrid fleet vehicles and award winning green travel and car sharing programmes to new building and waste management systems.

We've also developed tools to help our customers reduce their energy use, including our award winning Energy Efficiency Toolkit for business customers, which has now been adapted for use by our residential customers.

## Building standards

In 2007 we set specific targets to reduce carbon dioxide emissions from our offices and depots. Given the diversity of our property portfolio, we have developed a standard approach in 2008 to help us assess the environmental qualities of our buildings and identify potential improvements.

The EDF Energy property portfolio contains buildings of many different ages and construction types. Existing environmental standards, such as ISO 14001, do not allow us to analyse performance of a single site and provide a 'snapshot' in time rather than a dynamic record of a property's environmental qualities. These standards require performance improvements to be undertaken but provide little guidance about what form they should take and little help in determining when they have been completed effectively.

We have worked with the Building Research Establishment to design a simplified assessment process that enables us to rate single properties against a set of standard environmental criteria, to identify improvement opportunities and to assess them by monitoring their potential impact on a property's overall rating. The low-cost, easy-to-use assessment system was developed as a joint venture, involving our energy management function, building management team and the Building Research Establishment.

Our new assessment tool, which is web based, will be launched by the Building Research Establishment at the Ecobuild Exhibition at London's Earl's Court in March 2009. It offers us the potential to reduce our buildings' environmental impacts and their operating costs while also improving the working environment for our employees. Our involvement in developing the system has also improved our awareness and understanding of the environmental aspects of buildings and of property management.

## Building management systems

We are committed to reduce carbon dioxide emissions from our buildings by using lighting, heating, cooling technologies and other equipment more efficiently. Because our buildings vary in design, construction and age, we have reviewed them to make sure that the building management systems we use are as effective as possible.

We have completed research to assess the energy cost of the equipment we use in our buildings and to determine whether more efficient alternatives are available. As a result, more energy-efficient equipment, including voltage optimizers and chiller systems, are being installed in our buildings. We are also installing sub-metering systems and business products such as Energy View, which will allow us to make a more accurate assessment of our energy efficiency.

Building management systems can currently control up to 80% of the energy used in a building, but to be effective they must be connected to as much equipment as possible. Building controls must also be accessible and used to optimise performance. We have identified assets that need to be replaced: upgraded and centralised our building management systems; and monitor the energy efficiency of equipment against set targets. We are also investing in our building management teams to improve their performance and have appointed environmental champions to participate in regular 'energy walks' through some of our buildings to identify potential improvements in energy use.

We are working in partnership to achieve our objectives, bringing together our energy management function, property management teams and our contractors in a single project team. Our Major Business team is advising on the optimal use of Energy View.

## Waste management

In Our Climate Commitments we have pledged to increase the amount of waste we recycle and to reduce the amount we send to landfill. To achieve the waste targets we set in 2007 we have introduced a company-wide waste awareness and action campaign.

EDF Energy employees currently operate from over 100 offices and depots. They create waste in the course of their daily activities, all of which must be sent to landfill unless it can be recycled. Our waste campaign is intended to make all employees more aware of their personal responsibility with respect to waste reduction.

We are consolidating waste collection from our offices and depots into a single waste management contract, undertaken by a single supplier. This will allow us to collate more accurate waste data and provide a waste breakdown for individual sites to help them divert waste from landfill to recycling more effectively. We have also introduced interim annual waste targets to motivate employees and help us track our progress more accurately.

A range of recycling initiatives is currently in place across our business. These include additional facilities to enable waste segregation at larger sites and the collection of mixed recyclable waste from our smaller offices and depots. Other actions, including the removal of desk waste bins have also improved the use of recycling and waste segregation facilities.

To date, we have increased the percentage of waste we recycle from a rate of 39% in 2006 to 62% a figure close to our company target of 65%. We are currently analysing the waste we send to landfill to identify how much of it, can be recycled. Initial reports indicate that we can still achieve a higher proportion of recycled waste in future.

At the early stages of the waste campaign our facilities management team worked closely with the waste service provider; in future, we will place greater reliance on our appointed 'waste champions' to share best practice with our employees and encourage them to improve their personal waste performance.

## Improvements at our power stations

Following the fitting of Flue Gas-desulphurisation (FGD) units at our two coal fired power stations, emissions of sulphur dioxide (SO<sub>2</sub>) and dust have fallen by 79% and 54% respectively compared to 2005 levels. Nitrogen oxide (NO<sub>x</sub>) emissions have also fallen by 23% over the same period. Limits on NO<sub>x</sub> emission levels are set to be reduced again in 2016 and further work will be required to match the new requirements. The table below outlines our NO<sub>x</sub>, Dust emissions and SO<sub>2</sub>.

Year	NO <sub>x</sub> (kt/TWh)	SO <sub>2</sub> (kt/TWh)	Dust Emissions (kt/TWh)
2005	1.839	2.196	0.056
2006	1.878	1.185	0.037
2007	1.906	0.478	0.029
2008	1.423	0.456	0.026



### Promoting the use of electric cars at our offices in Hove and Worthing

EDF Energy is taking part in a trial of a new, fully electric Smart EV (electric vehicle), which has not yet gone on sale to the public. Our feedback will help Mercedes-Benz to shape the electric car of the future.

The Smart EV will be based at Hove for up to 18 months and used for short trips to and from our Worthing office. During this time, all employees at both sites will have the opportunity to use the car for business purposes after completing a brief training programme.

Two Elektromotive charging bay posts (known as Elektrobays) have been installed in the car parks at our Hove and Worthing offices – in prominent positions where they will attract maximum attention from employees and the public. The bays will be also available for use by any of our employees who currently own electric vehicles. Our trial of the electric pool car is part of a wider commitment to low carbon energy solutions, with two further Smart EVs being used by our Transport Division and Elektrobays installed in London and across the UK for use by the public.



### Winning a Gold Award for our green travel scheme in Sunderland

**EDF Energy was one of only two companies to win a Gold Award in Sunderland's Travel Plan Awards 2008. The awards promote sustainable travel and the reduction of congestion in the city. Three award categories – Bronze, Silver and Gold – distinguish the progress made.**

Kevin Gatens, Director of Customer Services at EDF Energy explained why he feels the Gold award is justified: 'We have worked very hard to establish a successful green travel scheme. We have already made significant progress in reducing the number of car journeys taken by staff in Sunderland, which will in turn cut carbon emissions and ease congestion – in line with our Carbon Commitments, launched in 2007, which commit us to reduce carbon emissions from our fleet by 20% in or before 2012.'

EDF Energy's green travel scheme was set up to deal with parking problems in and around EDF Energy's Sunderland operations. Thanks to the scheme, around 700 of our employees now car share, while others benefit from interest free loans for bus season tickets provided by the company.

Stephen Psallidas, a Project Manager with the Tyne & Wear Smarter Choices Team, who organised the awards along with Sunderland City Council, commented that: 'EDF Energy has worked particularly hard to achieve a sustainable travel plan and we are pleased to be able to present them with a Gold Travel Plan Award.'





## Exploring the use of electric cars to cut carbon dioxide emissions from our transport fleet

When we launched Our Climate Commitments on World Environment Day in 2007 we set a target to achieve a 20% cut in carbon dioxide transport emissions by 2012. One answer may be increased use of electric vehicles.

We are currently trialling a number of electric vehicles. We have taken delivery of a small test fleet of all electric cars. Additionally, we are working collaboratively with Toyota to test the plug in hybrid Prius. Unlike conventional hybrids, the plug in hybrids range can be topped up from standard electricity supplies, while their petrol engines back up the electric drive and keep batteries charged while in the more familiar hybrid mode.

The cars are being put through a serious daily workout by a variety of company drivers, who are using roadside electric charging posts, called 'Elektrobays', to top up their vehicles during the day. The 'Elektrobays' were especially developed by EDF Energy and its parent company for use by vehicles in the UK and France; by autumn 2008, around 70 had been installed, mostly in the London area.

Our efforts to date were publicly recognised when our Head of Transport, Chris Pascall, was named the private sector's Fleet Manager of the Year at the national Green Fleet Awards.



As the largest operator of public distribution networks in the UK and a major player in the development of private networks, we provide energy for homes, businesses and organisations in London and across the south and southeast of England. Quite rightly, they all rely on us to provide energy safely, securely and with as little negative impact on the natural environment as possible.

## Biodiversity

Our operations can have both a positive and a negative impact on eco-systems and the animal and plant life they support. To minimise our negative biodiversity impacts, we've worked closely with independent environmental specialists, to develop ways to assess all our substations and introduce Biodiversity Actions Plans to protect the wildlife they support. We've also completed under-grounding projects to remove overhead lines from areas of Outstanding Natural Beauty and bird flight paths. Bird diverters have been fitted to some of our overhead lines to protect swans and other species.

Along with other electricity network operators we use oil as a cooling insulation medium in power transformers at our substations. The use of oil poses a threat of pollution in the event of a leak and we are currently involved in research to find an environmentally-friendly alternative.

We manage in excess of 66,000 locations throughout the South East, East Midlands and London area of England. As a result we do not hold detailed information of the biodiversity interests at our or near our locations for all of our sites. We are working with EDF Group to develop a methodology to identify the potential impact we may have on biodiversity interests at or near our assets and operations. Following this work, we will publish more detailed information in our 2009 report.

It is important, not only to care for our communities and society at large, we must care for local habitats as they are essential for sustaining flora, fauna, forests, wildlife and marine life. Many energy companies will own or be located near to important habitat sites that need to be protected. We also need to be considerate for rejuvenating damaged or poor ecosystem, and to consider opportunities enhancing biodiversity at sites that we plan to build on. In particular we must plan to offset any impacts we may have through our operations. In conjunction with our parent Company (EDF, SA) we are reviewing the opportunities and policies for the protection of biodiversity areas, and the lead for this work is being taken by EDF Energy's Principal Environmental Officer.

Within our networks we have some sites that are being managed to enhance their ecological value. These sites have individual plans in place that consider grass cutting and vegetation management and encouraging composting and mulching.

We're in the process of producing plans for a further 8 sites following the completion of ecological surveys and are working with our vegetation management teams to verify their suitability for new initiatives, such as the installation of owl nesting boxes and the planting of new hedges. We've also developed strategies, planned activities and programmes to manage our assets adjacent to forests, areas of outstanding natural beauty, wetland and freshwater ecosystems, taking into account any risks associated with the transient and seasonal

movement of animal, marine and birdlife. The identification of new sites is ongoing and the aim is to continue the growth of the project over the next few years.

It is important for us to be able to manage new and existing sites to enable us to encourage the appropriate interest and activities to engage our employees at all sites. To this end we have developed strategies, planned activities and programmes for managing our assets alongside forested areas, areas of outstanding natural beauty, wetlands and water ecosystems. We will take onboard any risks associated with the transient and seasonal movements of animals, marines and birdlife to ensure a sustainable ecosystem.

## Fluid-filled cables

Our underground network still includes a proportion of fluid-filled cables (FFC), which contain oil as an insulator. We're steadily replacing FFC with modern alternatives and are set to invest £58 million between 2005 and 2010 in this work.

Our leak management strategy for FFC matches best practice and most cables have been plotted using the Environment Agency's environmental sensitivity map. We know where FFCs cross or run close to high sensitivity areas and are prioritising replacements accordingly. We're also introducing new operational techniques to replace FFCs.

FFCs are Extra High Voltage and consequently repairs can be complicated and time consuming. Many thousands of customers depend on these circuits, so they cannot be switched off without careful planning and access to them is often limited – requiring permission from local government, highways authorities and other land owners. These factors limit access periods and as a result, leaks can continue while access issues are resolved. If we're unable to replace FFCs (for example, where access is not permitted) we try to repair the leak and take steps to avoid further contamination.

### Investigating the use of eco-friendly vegetable oil to cool and insulate our power transformers

Like other network operators EDF Energy has traditionally used mineral oil to cool and insulate the power transformers in our substations across the UK. This oil presents a risk of pollution following leaks. In response, we're investigating the use of vegetable oil as an eco-friendly alternative.

The first 132,000 volt transformer in Europe to use vegetable as a cooling and insulating medium has been installed on the EDF Energy network at Luton. The transformer, built by Areva T&D, has been installed on a trial basis, but if successful could be rolled out across our generation network.

The transformer uses around 30,000 litres of vegetable oil, made from edible soya beans. Oil of this kind has never been used at such high voltages in the UK. However, it is not only biodegradable but also more fire resistant than conventional mineral oil. Its use should extend the life of the Luton transformer, which can supply electricity to more than 30,000 customers.

Our decision to investigate the potential of vegetable oil, in partnership with Areva and the School of Electrical and Electronic Engineering at the University of Manchester, demonstrates EDF Energy's commitment to reduce its impact on the natural environment.



We produce a range of waste materials, from the earth we excavate to complete network upgrades to the ash and gypsum we produce at our coal-fired power stations. In every case, we aim to re-use or recycle as much of our waste as we can.

### Generation

Our coal-fired power stations produce ash and gypsum as by-products during normal operation. We're investing in an ash processing plant (and are investigating the feasibility of a second) that will allow us to produce products that can be sold for use in the manufacture of cement and will also provide a low-calorific coal substitute for re-burning in our power stations.

At present both our coal-fired power stations produce nearly 1144 kilo tonnes of ash a year. Our current investment in new technology should reduce the ash sent to landfill by 50% by 2012.

	2008 Quantity (tonnes)
Pulverised Fuel Ash sent to landfill	673,158
Pulverised Fuel Ash sold	310,350
Furnace Bottom Ash sold	160,337

### Excavation

Our Networks business excavates over half a million tonnes of materials from the ground every year, much of which was traditionally sent to landfill. We're determined to reduce this impact and since January 2006 the branch has been working with Surrey University to investigate ways of reducing or re-using spoil from excavations. Together with our contractors we're trying to re-use more materials during projects and are also collaborating with recycling companies and local authorities to trial a variety of recycling options.

We monitor our progress against recycling targets on a monthly basis. In 2006, 18% of the material we excavate was recycled or re-used. In 2007, we increased this percentage to 65% - cutting the emissions from associated use of vehicles in the process. During 2008 we achieved a reused and recycling rate of 81%.

### Recycling

We launched a number of recycling initiatives in 2008. Through our Ambassador programme we held education sessions for employees to show them how to recycle effectively. All of our offices now have appropriate recycling facilities and we no longer use traditional under-the-desk rubbish bins at any of them.

### Hazardous Waste

We handle and store hazardous waste extremely carefully before it's collected and processed by specialist contractors. The processes are managed through our certified environmental management systems. In 2008 we generated 4423 tonnes of hazardous waste, an increase of 3062 tonnes compared to 2007. We have recently recruited a Waste Manager whose sole responsibility will be to identify waste minimisation opportunities and this will include hazardous waste.

The table below illustrates that, generally, our land-fill waste tonnage has reduced by 16% between 2007 and 2008.

Waste data 2007/2008	2007	2008
Landfill hazardous(tons)	816	1039
Landfill non hazardous (tons)	199,465	118,835
Recycled hazardous (tons)	545	3384
Recycled non hazardous (tons)	356,173	484,431
<b>Total</b>	<b>556,999</b>	<b>607,689</b>

Note: Excludes by products from generation. Nuclear is also outside the reporting scope of this report and as such we have no licensed or unplanned radioactive waste or spillages for 2008

Environment Agency for publication on their website: [www.environment-agency.gov.uk/business/topics/pollution/32254.aspx](http://www.environment-agency.gov.uk/business/topics/pollution/32254.aspx). The same data is also reported to the European Commission and forms part of the European Pollution Emission Register (EPER). In 2008 we had no have no licensed or unplanned emissions of radioactive waste to the environment.

### Ash - Generation Ratio

	Landfill PFA (t)	Generated Elec. (MWh)	Ratio
Cottam	195,368	11,211,900	0.017
West Burton	477,790	10,324,400	0.046
<b>Total</b>	<b>673,158</b>	<b>21,536,300</b>	<b>0.031</b>

The table above shows our ash ratios for each of our power plants

### Other Environmental Challenges

Ozone depletion is a significant environmental challenge. The most well known and widely used ozone depleting substances are CFCs and HFCs, which are used in refrigerators and air conditioning as well as some aerosols and packaging. Carbon tetrachloride and methyl chloroform, two highly potent gases used as industrial solvents, are also ozone depleting.



We don't use CFCs as fumigants or in our fire extinguishers or fire-suppression systems, and we've outsourced maintenance of our refrigeration and air conditioning units. Consequently, we can't assess the amount of CFCs and HFCs lost through these channels; but are developing processes to make sure that virgin R22 refrigerant is not used for maintenance from December 2009 and that R22 is reclaimed from any failed equipment. We'll also work to make sure that:

- All ozone depleting gases are recovered during maintenance and not allowed to escape
- All ozone depleting gases are be recovered from equipment before disposal
- Only reclaimed ozone depleting substances, such as R22 are used from December 2009
- All R22 is phased out by 2015.
- We will verify our maintenance contractors comply with the legislation
- We will undertake a review of all gases on sites, to identify where ozone depleting gases are in use and prepare a phased replacement plan for the equipment
- We will verify that the purchase procedure for new equipment ensures that HFC is excluded. This policy will be implemented by our Facilities Management team.



As a UK leader in energy generation, distribution and supply our operations impact on the environment in many different ways. To monitor, manage and minimise our adverse impacts we use an ISO 14001 environmental management system.

EDF Energy is the largest electricity network owner in the UK, covering the whole of London, the East and Southeast of England. We serve a quarter of the UK's population, distributing power to 8 million homes and businesses; our network of operational substations comprises some 71,000 sites. We take our responsibility to minimise the adverse impacts of our business very seriously, and through our ISO 14001 environmental management system (EMS) have prioritised seven key environmental challenges:

- Achieving sustainable energy supply
- Waste management and reduction
- Water and ground pollution
- Air pollution emissions
- Resource use
- Ecological impacts and environmental 'nuisance'
- Climate change

Our environmental management systems and ISO14000 accreditation are underpinned by the Environmental Compliance Group (ECG) – a sub-group that reports to the Corporate Environment & Responsibility Panel. The ECG ensures compliance with our systems and ISO14000 as we pursue our sustainability ambitions. The ECG, which comprises representatives from all our business units and liaises with our Renewables and New Nuclear teams, is chaired by the Principal Environmental Officer and meets every two months.

The ECG's remit is to:

- Develop our Environmental Strategy, ensuring a proactive, consistent and systematic approach for all of our operations and activities
- Provide specialist support on environmental issues to our Executive Board
- Recommend options for the mitigation of environmental risks that could result in legislative/regulatory action
- Oversee and monitor compliance with Environmental Standards
- Understand/influence government policy and regulatory agencies
- Identify our requirements for environmental support and investment
- Ensure our Executive Team and the CR & E panel are kept fully aware of all major environmental events or issues pertaining to our activities
- Manage and develop the Company Environmental Teams
- Report and rectify any non-compliance with the law

The ECG plays a pivotal role, enabling environmental specialists across the company to work together to develop a consistent and integrated environmental management system. It also identifies and manages key environmental risks and develops work programmes to put in place company-wide environmental KPIs to drive continuous improvement. Every business unit has its own certified environmental management systems, all of which meet requirements and standards laid out by the company.

## REACH

We want to make sure that the chemicals we purchase and manufacture as a by-product meet all environmental safety requirements. We're working with our suppliers to make sure we can match the standards specified by REACH – the new regulations governing the use of chemicals in the European Union.

REACH (Registration, Evaluation, and Authorisation of Chemicals) came into force on 1 June 2007, replacing a number of different directives and regulations with a single system to ensure the effective management and control of chemical supply. REACH makes businesses responsible for showing that the chemicals they use are safe and requires all substances to be registered with the European Chemicals Agency, ECHA.

REACH impacts on our business in two ways: as a producer of products such as ash and gypsum; and as a consumer of chemicals. We have already pre-registered ash, gypsum, recycled street works aggregates and transformer and switch gear oils under the REACH regime in due course we will have to provide data concerning any environmental or health hazards associated with them. We're working with industry partners to test, assess and fully register these products; at present we are not aware that any of them present any high environmental concern.

We will use our procurement processes and work closely with suppliers to ensure that all chemicals we use are registered with ECHA – and used sparingly. We have a Pesticide Protocol in place to govern their use and do not permit the use of chemicals classified as 'substances of very high concern' (SVHC).

## Environmental incidents in 2008

In 2008 we introduced a new system to improve the way we identify environmental incidents and assess their impacts. Consequently, the number of reported incidents captured has increased dramatically - indicating that our old systems were less effective. We welcome this increase because every near-hit or incident reported gives us the chance to avoid similar problems in future by learning from experience. The system was developed to give stakeholders a better understanding of the number and severity of our environmental incidents.

We received 53 environmental complaints in 2008, relating to noise, graffiti, fly-tipping on our land and other nuisance factors, 46 of these incidents were reported to enforcement agencies.

We received three fixed penalty notices to a monetary value of £75 each, for placing office waste in the wrong location, although no waste was disposed of incorrectly or created a public litter problem. We also received a £1,000 fine for an offence committed during 2008, relating to potential disturbances to the resting place of Great Crested Newts. We suspended work as soon as this was brought to our attention and commissioned external investigations; including an assessment by independent environmental consultants that concluded the area possibly affected was a poor habitat for the species and that no newts had been disturbed or injured by our operations. We chose not to contest the case, and although a fine was imposed, the presiding judge commended us for the way in which we presented our case, commenting that: 'I am satisfied that the company is highly responsible regarding the environment and I am also satisfied that it acted immediately to correct any error.'

In the light of this case, we reviewed our processes and procedures. Commencing in 2009 a new training and awareness programme, 'Its not easy Working Green' will be rolled out to more than 3,000 employees, and engineering works in areas of high biodiversity have been suspended under our new procedures.

	Recorded incidents	Reported incidents	Complaints	Prosecutions /Fines
2005	350	13	96	0
2006	429	26	117	0
2007	276	9	92	0
2008	776	46	53	4

Environmental Incidents 1st January 2008-31st Dec 2008

Notes: A reportable accident is one where a pollutant has been released to the environment in breach of licence conditions.

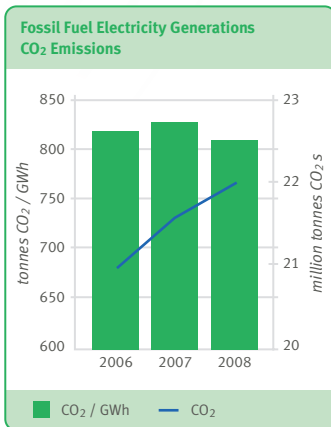
Examples	Year	2008
Spill to bund	Negligible	536
Loss to ground and cleaned up with no-long term impacts	Low	240
Loss to ground, clean-up followed by long-term monitoring and remediation	Medium	44
Reportable Incident. Clean up required, followed by long-term monitoring and remediation	High	2
Ecological impact resulting in loss of protected flora & fauna	Catastrophic	0
Complaint Received from public, regulator, business	Complaints	53

Impact Assessment of Environmental Incidents-This matrix is now used as part of our new environmental assessment process when categorising any incidents raised. We are unable to quantify the amount of oil or chemicals lost from our environmental incidents. However, where an incident has occurred we take all necessary action to remediate the site to a favourable condition. Recorded incidents are minor events that we can easily manage and they had little or no environmental impact.

## Environmental Actions

In 2008 we took positive action to address environmental issues, including emissions from our power stations, noise pollution and the use of water.

We completed the third year of a five-year, £30 million investment programme to improve the efficiency of our coal-fired power stations. The programme should reduce our carbon emissions by 2.5% and with modifications to boilers and the replacement of high pressure turbines and pumps completed at our West Burton and Cottam stations, the programme is due to be completed in 2010. We will explore other ways to improve efficiency and reduce emissions in future.



## Investing in low carbon generation technologies

We believe that a long-term policy framework and the removal of barriers to investment in low-carbon technologies are both required to achieve the UK's carbon emission reduction goals. We're working with government to develop robust policy proposals capable of delivering the appropriate investment levels in a range of low-carbon generation technologies, including:

- Renewable
- Nuclear
- Gas-fired generation
- Clean coal with carbon capture and storage
- Combined heat and power

## Biomass

We have co-fired biomass at our Cottam and West Burton stations since 2004, using woodchip, olive cake, sunflower husks and locally grown willow. We are currently improving our biomass handling facilities and working with government and others to make sure it is used in a sustainable way.

## Noise

We manage noise levels at each of our substations through our Noise Management Plan. A final version has recently been submitted to the Environment Agency for approval. It sets out all relevant noise sources, control measures and monitoring arrangements. Construction noise risks for major works are managed through the construction environmental management plan and for minor works through the main station noise plan.

## Water

The abstraction of water is determined by the Environment Agency, which licenses our power stations. Abstraction licenses for rivers and other water sources are set at a sustainable level and are strictly monitored and enforced.

## Materials Used by our operations

As an energy company, most of the materials we use are required by our generation plants and our Networks business. We use fuel and water during thermal generation. Our distribution networks use wires (typically copper, aluminium and steel) to deliver electricity to consumers. We also use relatively small amounts of chemicals to purify gases and liquid effluents. Our report focuses on the material we use that can have an adverse on the environment, and over which we have direct control.

## Energy Use In our operations

Our office buildings consume fuel directly for heating and indirectly through the use of electricity for lighting and other purposes – consequently, we’ve set clear building energy targets in our Climate Commitments. The table below shows fuel consumption across our building portfolio, although we only report on buildings that we own or are under our management control, allowing us to achieve reductions in energy consumption. Rented buildings are not included as their energy consumption is managed by landlords, giving us limited scope to achieve energy efficiencies. The table highlights an overall reduction in energy use since 2006, achieved through efficiency measures and the closure of less efficient offices and depots. In addition, since 2006, we have undertaken a program of meter installation to improve the accuracy and management of energy in our buildings. Some work has indicated that emissions were both over and under-estimated for our buildings portfolio in 2006. However, the impact on our overall carbon footprint, and that for offices and depots was not material. The reduction of emissions and energy use in our buildings has been achieved despite a significant increase in the number of buildings we occupy and the number of staff occupying the buildings.

## Energy Consumption in Buildings

	2008	2007	2006
Electricity (MWh)	39,577	40,140	42,063
Gas (MWh)	4,305	4,431	5,364

Note: Data relates to buildings where we control energy use and only includes major energy sources. Some sites have emergency generators that are run for just a few hours every year. Energy consumed by these units has not been included as they constitute a de-minimus energy source and don’t contribute materially to our use of resources. The use of our standby generators has remained constant, and they are only utilised for maintenance/testing purposes. The maintenance/testing regime has proved effective and there have been no changes to this regime in 2008.

## Water Use in our operations

In comparison with climate change and waste reduction, we have not made water use in our buildings an immediate material priority and currently have no water targets in place, although their absence is currently under review as we look to improve our BREEAM position. The use of BREEAM, standing for the BRE Environmental Assessment Method, is to assess all aspects of sustainable building design and our adoption and use is a voluntary initiative that we have undertaken to help us to improve and manage the sustainability of our buildings. We don’t collect water consumption data for two reasons: first, not all of our sites and depots are currently metered; secondly, water is used in our offices and depots for personal hygiene, sanitation, catering and (in very low volumes) for vehicle washing. We will be reviewing our water meter coverage as part of an overall project to manage water efficiency.

Typically we return approximately 60% of the water abstracted from rivers close to our generation plants; and approximately 40% is lost through evaporation. We also use a number of chemicals, including sulphuric acid, sodium hypochlorite, hydrazine, sodium bisulphite and antiscalant, in significant quantities during water purification. The water used in our power station boilers must be cleaner than domestic drinking water, because naturally occurring impurities in river water would obstruct the boiler tubes. We’ve explored alternative purification methods and have already reduce the frequency and concentration at which these chemicals are used.

## Other Materials used in our Operations

Although we don’t produce them as by products from our activities, we’re very aware of the hazards presented by PCB’s (polychlorobiphenyls), which were historically used in transformers and switchgear equipment. The UK PCB Regulations specify detailed requirements for their management in electrical equipment, setting 50ppm as the critical concentration threshold. For further details go to: [www.opsi.gov.uk/si/2000/200001043.htm](http://www.opsi.gov.uk/si/2000/200001043.htm)

Our power stations and networks business units follow procedures to record PCB levels and dispose correctly of equipment containing PCB’s. The oil used in our switchgear and transformers is processed by suppliers and own facilities before delivery to ensure it meets the required standard BS 148 (IEC 60296 European standard). Newly purchased equipment that contains oil is specified by the manufacturers under warranty as virgin oil. The sale of goods containing PCB’s was made illegal in 1985, so equipment after that date doesn’t need to be tested.

The following procedures enable business units to control and record PCBs in our electrical plant:

- All Grid and Primary transformers have been tested and all equipment above 500ppm removed; transformers between 50ppm and 500ppm are labelled as required by current regulations
- All transformers at our Cottam and West Burton power stations are below 20ppm, with the majority below 10 ppm; West Burton maintains a register of electrical equipment and PCB content and we're working to improve the records held at Cottam
- Arrangements are made for the decontamination or disposal of any equipment containing more than 50ppm through an approved contractor and the Environment Agency is notified
- All relevant records are kept on our Asset Management records database
- All insulating oils delivered since 1985 have been tested by the supplier prior to delivery

In compliance with legislation and our own sustainability targets, we're progressively eliminating PCB's as more benign alternative become available.

The inventory below outlines the number of sites containing PCB equipment within the thresholds listed below. The proportion of PCB contaminated equipment is less than 5% of our total networks. We do not record the litres or kilograms of oil/solid materials contaminated by PCBs, as we are only required to do so, at the point of disposal which we will continue to report on.

	High-level PCB >100 ppm	Low-level PCB 50-100 ppm	Number of Sites EDF Energy owns
Grid Sites	1	5	406
Primary Sites	4	17	1032
Secondary Sites	18	No data recorded	53, 621





## Water

Water plays a vital role in power generation. Steam is used to drive our turbines, while water is used to cool equipment to maintain its operational effectiveness. The table below highlights the different ways in which we use water in our key generation activities.

Our Sutton Bridge power station doesn't use water for cooling – it has an air-cooled condenser that cools steam for re-use in the boiler. Our West Burton and Cottam power stations are too large to use air cooled condensers and extract water from the River Trent for cooling purposes.

Summarising some key figures from the above table, for all our generation plants, our river water use decreased by 6.5% to 95.8 m3 between 2007 and 2008, and with an increase of 4.6% to 31.9million m3 of evaporation losses from our main cooling towers, the volume of water returned as rejected streams and effluent reduced by 64.6% to 552,800m3. At the same time, our use of water for PFA (Ash) conditioning also dropped by 10.6% to 99,000 m3. Currently we hold two years of data relating to our Integrated Pollution Prevention Control (PPC) and we are therefore unable to provide more historical data.

Station and Year	Cottam		West Burton		Sutton Bridge		Total	
	2007	2008	2007	2008	2007	2008	2007	2008
Total Volume of river water abstracted (million m3)	59.3	54.8	43.2	41	N/A	N/A	102.5	95.8
Loss from main cooling towers (million m3)	15.9	15.9	14.6	16	N/A	N/A	30.5	31.9
Treated for boiler make up (million m3)	1.36	1.51	2.02	1.75	N/A	N/A	3.38	3.26
Supplied to boiler (m3)	862600	956200	950000	1.03	N/A	N/A	1812600	956201
Refined to water as rejected streams and effluent (m3)	492700	552800	1070000	0.72	N/A	N/A	1562700	552800.7
Supplied to FGD (million m3)	1.55	1.57	1.6	1.7	N/A	N/A	3.15	3.27
Lost by evaporation from absorbers (million m3)	1.27	1.35	22700	1.28	N/A	N/A	2.48	2.63
Incorporated into FGD gypsum (m3)	25700	22900	22700	24820	N/A	N/A	48400	47720
Returned to river as waste water treatment plant effluent	257300	193600	367800	364941	N/A	N/A	625100	558541
Used for PFA conditioning (m3)	28000	30400	87000	68600	N/A	N/A	115000	99000
Total volume of towns main water used (m3)	112950	103100	Not available	Not available	77,027	66,409	-	-
Potable water used (m3)	83440	69800	Not available	Not available	N/A	N/A	-	-
Non-potable water used (m3)	29500	33300	Not available	Not available	N/A	N/A	-	-
Total borehole water used (m3)	139600	257000	Not available	Not available	N/A	N/A	-	-

## Water Discharge Quality

We have strict controls in place to make sure that the water we extract is returned to the river at a temperature that meets the Environment Agency's license conditions. The Environment Agency monitors our compliance with these conditions. We also monitor concentrations of substances in the discharge waters. Again this sample monitoring is to ensure we meet the Environment Agency's License conditions on water quality discharges back into watercourses.

The Table below demonstrates an analysis of inorganic discharges from West Burton and Cottam Power Stations for 2007 & 2008 in to the River Trent, Nottinghamshire. Samples have been sent away to an independent ISO17025 accredited laboratory.

Water contains many of the above elements naturally, and we monitor the discharges to ensure that releases are not too concentrated. These are regulated all year round. The operation of West Burton and Cottam Power Stations during 2008 has had no significant changes from previous years' data. All data is reported to the Environment Agency under the PPC (Pollution Prevention Control) regulations. The major component of the power station releases arises from the Flue Gas Desulphurisation (FGD) waste water treatment plant. The actual releases to water in 2008 are generally significantly below the maximum permitted (with the exception of cadmium at Cottam), though some of the determinants are significantly higher than pre-FGD operation. We liaise with the Environment Agency on such matters. In respect of cadmium, the FGD Waste Water Treatment Plant has a known problem with pH control. A plant modification is currently being commissioned with the existing lime milk dosing system will be replaced with a caustic soda based system, which will provide improved pH control. We will share further progress of this area within our 2009 report.

Substance	Cottam			West Burton			Grand Total
	2007	2008	Total	2008	2007	Total	
Ammoniacal N	0	0	0	0	0	0	0
Arsenic	0.3	0.2	0.5	0.9	0.8	1.7	2.2
Boron	0	0	0	0	0	0	0
Cadmium	4.1	13.3	17.4	0.75	0.9	1.65	19.05
Chromium	5.9	4.8	10.7	0.75	8.8	9.55	20.25
Copper	7.1	4.8	11.9	0.75	8.8	9.55	21.45
Fluoride	0	0	0	0	0	0	0
Iron	11.8	9.5	21.3	6.2	18.2	24.4	45.7
Lead	0.6	0.5	1.1	1.2	1.1	2.3	3.4
Mercury	0.02	0.02	0.04	0.009	0.02	0.029	0.069
Nickel	12	19.3	31.3	4.9	18.1	23	54.3
Selenium	8.2	7.8	16	25	26.1	51.1	67.1
Silver	1.2	1	2.2	0.45	1.9	2.35	4.55
Vanadium	11.2	9.5	20.7	0.9	17.8	18.7	39.4
Zinc	17.6	9.9	27.5	2.4	17.8	20.2	47.7
<b>Grand Total</b>	<b>80.02</b>	<b>80.62</b>	<b>160.64</b>	<b>44.209</b>	<b>120.32</b>	<b>164.529</b>	<b>325.169</b>

## Fuel used in generation

Fuel is a major component in electricity generation. We use coal, heavy fuel oil and gas (natural and propane) to run our thermal plants and biomass substitutes to achieve pre-firing efficiencies. The table below shows our total use of the main fuel types in 2008.

Fuel Use	Power-plants	CHP units	Jan-Dec 2008 Total
Natural Gas (MWh)	11, 716, 730	13, 561	11,730,291
Coal (t)	8,600,248.09	0	8,600,248.09
Heavy Fuel Oil (t)	73,549.48	0	73,549.48
Biomass (t)	184,120.82	0	184,120.82
<b>Other</b>			
Imported Electricity	248, 548	94, 320	342,860

We also use electricity at our power stations to run plant, for lighting and to meet other peripheral needs. Our electricity use, referred to as 'indirect' energy use is shown in the table below. The amount of energy used in any given year reflects the availability of our power stations, market conditions and our running regime for electricity generation.

## Electricity Use in Generation (MWh)

Generation source	2008	2007	2006
Cottam Power <i>Self-Generated</i>	675, 575	647,524	559,505
Cottam Power <i>Imported Energy</i>	88,394	112,024	156,398
West Burton Power <i>Self-Generated</i>	558,807	536,827	509,975
West Burton Power <i>Imported Energy</i>	160,154	145,548	137,208
Sutton Bridge <i>Self-Generated</i>	165,237	159,021	167,868
Sutton Bridge <i>Imported Energy</i>	0	0	0

Note: The table demonstrates that our power station at Cottam increased by 5.7% in 2007 and had only a moderate increase of 0.6% in 2008. At West Burton, the increase has been steady at 5.4% per annum between 2006 and 2008. Sutton Bridge however experienced a drop of 5.6% in 2007, followed by rise of 3.8% in 2009, relating to an overall 0% change in electricity consumption between 2006 and 2008. These changes are driven by the availability of the units and demands on the stations to generate more flexibly. This table does not include CHP as there is no data available. Nuclear is also not included.

## Material Use – Recycled Input

The principle materials we use are fuels, water and chemicals. It is better for the environment to burn fossil fuels as cleanly and as efficiently as possible. Fossil fuels are a finite resource, which are responsible for emitting greenhouse gases into the atmosphere. We are unable to recycle the fuel; however the burning of coal produces ash, which we are able to sell as a by-product for the production of cement and other building products. In addition, we use equipment at our power stations called fuel gas de-sulphurisation (FGD) FGD removed in excess of 92% of the sulphur dioxide emissions from the power station's emissions to atmosphere. The operation of FGD also produces another by-product called gypsum, which is used in the production of building materials such as plaster-board. The use of ash and gypsum for building materials avoids these materials being sent to landfill.

The principal materials used by our Networks Branch are fuels, insulating oils, metal (ferrous and non ferrous) and wood. Fuels are not recycled, however some of our insulating oils are reprocessed, reclaimed or recycled for further reuse by EDF Energy and therefore exempt from tax. We are unable to provide data for our insulation oil losses although we are in the process of examining options to better capture this information. All of the metals we use (approx 2,300 tons a year) in overhead works, transformers, switchgear and cables are recycled – with volumes recorded every month. Most of the wood we use is in packaging for other materials and is returned to the supplier, although dealing with hazardous wood waste (for example, creosoted/CCA poles and tandalised fencing) still presents a challenge. We need to treat poles and fences to stop them rotting and our Networks Branch are currently scoping a project to decide how we can best avoid sending this material to hazardous waste landfill.

## Customers

As part of our efforts to tackle climate change we've pledged to help our customers reduce their carbon emissions, setting an ambitious target to achieve a 15% reduction in the proportion of carbon dioxide arising from our customers' energy consumption by 2020.

We've put in place a range of green products and services to help customers use less energy, including smart meters and our award-winning 'Read. Reduce. Reward.' scheme, with over 540,000 customers focusing their efforts on reducing their energy consumption, in turn enabling them to save money and earn Nectar points.

Other green initiatives in place at the end of 2008 included our 'Save Today, Save Tomorrow' advertising campaign, which reassures customers that we can help them go green, and the 2012 Carbon Challenge – an invitation to our customers to set their own personal energy efficiency targets, save money by following our online coaching programme and benefit from some great offers. We're also proud to be sustainability partners of London 2012 itself.

## Business customers

Supplying gas and electricity to large commercial customers, our Major Business team develops innovative products that support EDF Energy to deliver its mission. In addition, it:

- Helps deliver "Our Climate Commitments".
- Ensures our customers achieve their energy efficiency targets.
- Improves the carbon footprint of UK plc, not just EDF Energy.
- Delivers tangible business benefits stemming from taking a leading position in the sector. This makes the strategy financially sustainable, as well as helping us meet our climate commitments.

To develop innovative products we took advice and input from experts within EDF Energy and EDF Group, and combined this insight from research and other organisations to create a range of initiatives. These served to inform, educate and raise awareness among our large business customers. The initiatives were:

- The Advanced Efficiency Programme: the first entirely in-house service provided by an energy company to cater for those prepared to invest in energy audits and bespoke energy efficiency programmes.
- The Energy Efficiency Toolkit: an interactive multi-media CD-based resource that provides a vast array of free materials and advice.
- Free educational seminars to explain the mechanics, risks and opportunities of the upcoming Carbon Reduction Commitment legislation to nearly 500 business customers in 2008.

This year, we also helped over 400 business customers prepare for the Carbon Reduction Certificate through 22 'Café Energy' workshops – interactive events which take customers through the steps they must complete to comply with this new legislation in easy-to-understand stages.

## Products and Services

Unlike many other products and services provided to customers and clients, the main environmental impacts from providing electricity and gas are through the generation and distribution operations.

We are obligated as a distributor of packaging and waste under the Electronic and Electrical Equipment (WEEE) regulations to make sure we pay for the recovery of packaging and electrical/electronic equipment via membership of regulated compliance schemes.

We sell or provide free products such as energy saving light bulbs, carbon monoxide testers or equipment to commercial customers. We supply products with more than 50 tonnes of

packaging per annum and have a turnover in excess of the £2m which is the legal threshold for compliance with WEEE regulations. We are registered with the Environment Agency and we manage our obligations through registered compliance schemes and Distributor Take-Back Schemes (DTS). The table below shows the amount and type of materials we have been obligated for under the Producer Responsibility Regulations to pay for our compliance scheme to recover and recycle on our behalf. The variation between years reflects the changes to our business as we have in-sourced activities that had been previously been undertaken by other companies. In addition, EDF Energy has withdrawn from some PFI contracts.

The Table below shows the recovery and recycling obligations for the Producer Responsibility (Packaging) Regulations for the years 2007 and 2008. EDF Energy meets these obligations through membership of a registered compliance scheme, through which we pay fees to enable the waste industry to develop the infrastructure and capacity to recover and recycle packaging materials. In addition, to our membership of this scheme which is a legal requirement, we also take steps to recover and recycle packaging at our own depots.

Material/Type (t)	2007	2008
Recovery Obligation	215	430
Recycling Obligation	198	396
Total Material Specific Obligation	172	186
Paper	103	85
Glass	0	0
Aluminium	0	0
Steel	53	4
Plastic	4	4
Wood	12	93

The variation between years reflects the changes to our business as we have in-sourced activities that had been previously been undertaken by other companies.

### Helping our customers to reduce their carbon footprints by installing solar energy solutions

**The Waters, a family of five living in Tunbridge, Kent, are among the first EDF Energy customers to obtain electricity from solar thermal panels installed on their property by our specialists.**

Eco-enthusiast Mr Waters, lives with his wife and three children in a five-bedroom house in Tunbridge, Kent. His home, a modern property which has no gas supply, is already extremely energy efficient, but he's confident that the solar panels will turn his household even greener.

His family are committed to reduce their carbon footprint – a determination that matches our own Climate Commitments, in which we've pledged to reduce the carbon dioxide arising from our customers' energy consumption by 15% in or before 2020.

The panels were installed during winter, yet despite the bad weather, the Waters managed to heat some of the water in their home from via solar energy almost immediately after the system was commissioned. They're now looking forward to the summer months, when a higher level of energy will be obtained.

Mr Waters declares himself satisfied with his green energy solution and also commends EDF Energy for our 'mature and appropriate' sales technique and service standards.





### Helping our major business customers understand and respond to the Carbon Reduction Commitment

Recently introduced carbon management legislation in the UK, particularly the Carbon Reduction Commitment (CRC), is complex and difficult for many businesses to understand. To help existing business customers and new prospects, our Energy Services Team has ran 22 'Café Energy' workshops in 2008 – helping over 400 businesses prepare for the CRC.

The CRC is a new emissions trading scheme that affects all business with half hourly meters and places additional requirements on any organisation that uses more than 6,000MWh of energy a year, including the need to forecast annual carbon emissions, buy carbon allowances to cover them and to reduce emissions year on year in order to maintain league table rankings that could affect their brand reputation.

The Café Energy workshops are an innovative and cost-effective way to explain the CRC to existing customers and new prospects. Run by a dedicated team of six, they are informal, interactive and succeed in bringing over 400 pages of guidelines to life in 'bite size chunks'. Participants have reacted positively to both their content and format.

The Café Energy workshops are a good opportunity for EDF Energy to enhance its reputation with existing customers and new prospects – positioning us as the first energy supplier to take the initiative in

helping businesses understand and respond to the CRC. They have also provided opportunities for us to build positive relationships with the Department of Environment, Food and Rural Affairs and the newly formed Department of Energy of Climate Change.

More than 80 EDF Energy employees have also been briefed on the Café Energy presentation content and as a result, our sales teams are now better prepared to speak to customers about its requirements.



## Southwold Primary School

Southwold Primary School in Hackney, East London, has shown what can be achieved after an effective energy audit and implementation plan. Since receiving its Display Energy Certificate in October 2008, installing a Building Management System, and taking far-reaching steps to improve energy efficiency, the school has achieved a 25% reduction in energy consumption.

Gary Boyd, Headteacher of Southwold Primary School comments “As a school built in 1863, it was difficult to know where to start making changes to improve energy efficiency – yet with the support of EDF Energy, we are making real progress and have even become the first school in the Borough to have a Display Energy Certificate. We have already reduced our energy use by 25% which means that we can spend more on the children’s education as well as reducing our carbon footprint so the children can contribute to help arrest global warming.”



In line with Our Climate Commitments, we're mobilising our employees to help us make a positive difference, through our role as a sustainability partner with the London 2012 Olympic and Paralympic games and many other inspiring initiatives.

## Engagement

In accordance with our ISO14000 certification, we provide environmental impact assessment, hazardous material identification and COSHH storage training for key employees. During our integration with British Energy we'll review employee skills and competences to make sure that they match the needs of our business and the environment.

Some of our Health Safety and Sustainability employees hold formal environmental qualifications (e.g. degree or IEMA diploma) and some are also members of recognised environmental bodies (i.e. IEMA). In 2009 our Corporate Sustainability team have plans to roll out a sustainability booklet which will provide employees details of our environmental policies and procedures.

Our Company wide magazine 'Connect' which is managed by our Corporate Communications department, also outlines a regular feature on our environmental performance as well as providing details of ongoing and new projects. All employees also have access to MyPlace and we also have a dedicated environmental intranet site which all employees have access to.

## Engagement of Employees

We recognise that it is important for our employees in high biodiversity risk areas to be fully aware, engaged and competent to manage our biodiversity plans. So in 2008 we:

- Circulated HSS bulletins outlining the actions to be taken to protect wildlife, this was to ensure we can raise awareness of wildlife issues following a prosecution for disturbing great crested newts.
- Reviewed our GIS system Netmap to improve the way that wildlife and biodiversity information is collated.
- Invest in upgrading our Netmap software to include satellite imagery so that qualified employees can identify areas of natural habitat remotely.
- During 2009 refresher training will be provided to staff to re-enforce the environment training given on induction to the company.
- In Networks Branch a face2face briefing included a 2 hour session on wildlife preservation in February 2009.
- Where instances of sensitive species or habitats have been found, the work has been changed or stopped to reduce the risk of disturbances or incidents.

For all major projects or developments we will normally complete the following before starting a project:

- Full Environmental Impact Assessment (EIA), developed by external consultants
- EIA will identify major emissions and potential receptors
- EIA will identify whether any of the sensitive species or habitats will be adversely affected
- Mitigation options will be identified.
- EIA will be communicated to public.
- EIA may identify the need for habitat restoration/recreation or compensatory measures if over-riding nation importance.

For smaller projects and assessment of wildlife impacts will be undertaken which includes:

- In house assessment
- Desk top assessment
- Use of online tools or information to provide generic or publicly available information (i.e. Air Pollution Information System, MAGIC).

The Health Safety and Sustainability teams within each Branch are responsible for identifying and managing biodiversity issues, with additional support and guidance given by the Environmental Compliance Group to ensure that there is a consistent approach taken to biodiversity and to share best practice or issues from across the company.

### Ambassador programme

In 2005 we launched our ambassador programme to make it easier for employees to contribute towards our sustainability goals. At the end of 2008, over 250 ambassadors were involved in the scheme, each spending a minimum of two hours a week to promote activities and initiatives in support of Our Climate and Social Commitments. In 2008, they were the driving force behind our World Environment Day activities and helped raise over £30,000 for charities through fundraising events such as Macmillan's World Biggest Coffee Morning and Children in Need.

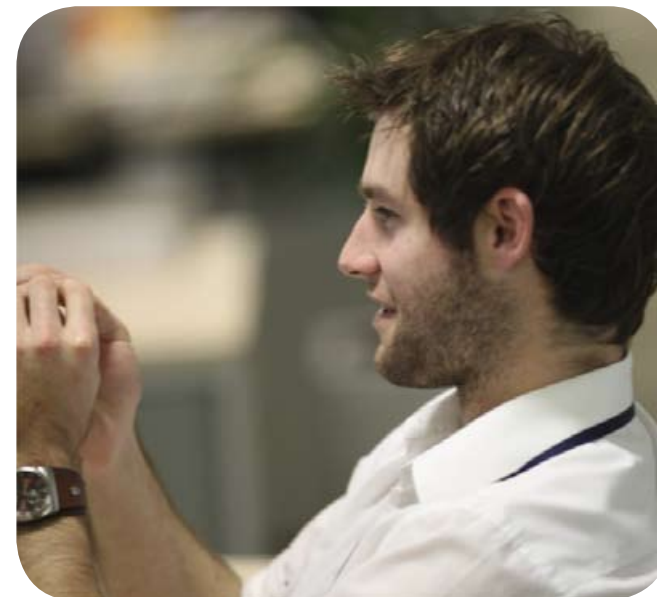
Over the past year we've worked with our ambassadors to redesign the programme and widen its appeal even further. We've created three new modules covering community, environment and education and also created an Ambassador Steering Committee, which meets every month to help drive the programme forward.

### World Environment Day

On 5 June 2008, employees for all parts of EDF Energy participated in activities to promote and support World Environment Day – a global event run by the United Nations to raise awareness of environmental issues and attract attention from politicians, businesses, national leaders and the general public.

For EDF Energy the date was doubly significant as it marked the first anniversary of Our Climate Commitments, in which we set out a set of targets and pledges to help tackle climate change. The theme for World Environment Day in 2008 was 'CO2: Kick the Habit towards a low carbon economy'. It provided a focal point that set our employees thinking of innovative ways to reduce their carbon footprint.

A company-wide photography competition linked to the event, called on employees to capture their 'perfect world' on camera – an appropriate way to highlight sentiments and thinking behind EDF Energy's advertising theme, 'Save today, save tomorrow'. The range of entries captured the incredible diversity of our home planet and emphasized the need to act on climate change now.



### Aligning employees behind our Climate Commitments through our 'My Perfect world' photography competition

We launched our My Perfect World employee photography competition on June 5 2008 – World Environment Day. The aim of the competition was to celebrate the positive aspects of our world and highlight the need to 'Save today, save tomorrow'.

All of our employees were invited to enter photographs that captured their 'perfect world'. Their entries were displayed on the company intranet and judged initially by branch panels, which selected finalists to go through to a company-wide competition. The first prize on offer was a visit for four to Cornwall's Eden project, including sustainable transport and back plus an overnight stay in an eco-friendly hotel.

The competition was just one of the ways in which we marked World Environment Day 2008 and its key theme of reducing carbon dioxide emissions. Emily Smith from our Sustainable Future Team believes that our activities: 'will help employees understand what we are doing to tackle climate change and the practical steps they can take to get involved.'

The winning photo will be used as the background image to all EDF Energy company credit cards issued in 2009 as well as being the image used for the cover of this report.





### Improving energy efficiency and reducing carbon emissions in our new 'office of the future'

**EDF Energy's new offices at Cardinal Place in London have been designed and fitted out with both improved working efficiency and better environmental improvement in mind – reflecting our Climate Commitment to achieve a 30% reduction in carbon dioxide emissions from our offices and depots by 2012.**

Employees from our Energy Branch, Customers Branch, Sustainable Futures and EDF Energy Renewables moved into the new offices in two waves during May and August 2008 – allowing us to maximise the benefits that come from having a number specialist teams working closer to each other.

Employees arrived at Cardinal Place to find a building and environment designed and fitted out with environmental efficiency in mind, with valuable input from many different areas of our business, including our One Planet Ambassadors.

We achieved a zero accident, incident and near-miss record through the fit-out and installation process. We also instigated a number of processes in the temporary site office to maximise energy efficiency whilst the fit-out works were in progress, for example by switching off electrical office equipment when not in use and switching off lighting and temporary power supplies at the end of each working shift.

Our offices are fitted with light sensors to ensure that lights are only used in occupied spaces; they also benefit from efficient floor-to-ceiling and roof-top glazing which allows maximum natural light to enter. It has a BREEAM environmental assessment of 'very good' – the second highest rating that can be achieved.

Outside the building, there are ample bicycle parking spaces – even the sculptures displayed in the office are made from reclaimed steel.



### Working in partnership to develop low carbon energy solutions through the Energy Technologies Institute

As a founding member of the Energy Technologies Institute (ETI), a partnership between several global industries and the UK Government, EDF Energy is actively involved in the search for viable low carbon energy technologies, including offshore, wind, wave and tidal stream energy generation solutions. These are all research and development projects and EDF Energy is part of the consortium that will deliver the projects.

The ETI is a Limited Liability Partnership between international industrial companies with a strong focus on energy, and the UK government. The private sector partners are: EDF Energy, BP, Caterpillar, E.ON, Rolls Royce and Shell. The public sector partners are the Engineering and Physical Sciences Research Council (EPSRC) and the Department for Innovation, Universities and Skills (though this has just been merged into BERR).

All partners involved are working hard to identify and support promising low carbon energy technologies from a range of industry and academic sources. Crucially, ETI members leverage their own human resources and capital to facilitate the demonstration and testing of new technologies in realistic environments – the first step towards their commercial deployment.

The ETI hopes to make a significant contribution towards meeting the UK's 2050 carbon dioxide targets and in January 2009 unveiled the first four innovative projects to benefit from a fund worth up to £1.1 billion. EDF Energy will be directly involved in two of the four projects, both of which could deliver cheaper renewable energy from 2020 onwards.

EDF Energy is developing a maintenance and grid connection strategy for the offshore wind turbines to be used in Project Deepwater Turbine, which involves the construction and deployment of a 5 MW offshore wind turbine. We're also playing a key role in Project ReDAPT, which will see a 1 MW tidal turbine installed at the European Marine Energy Centre in Orkney – enabling tidal testing to proceed at larger scale in real sea conditions than ever before. EDF Energy is developing a hydrodynamic 3D model to evaluate the turbine's performance and environmental impact.

Find out more about the ETI at [www.energytechnologies.co.uk](http://www.energytechnologies.co.uk)



To be a sustainable business we must be profitable, delivering economic benefits for our shareholder and stakeholders. In the face of increasing competition and fluctuating energy prices, we've demonstrated our commitment to long-term sustainability by making decisions for a low-carbon future.

“ During 2008/2009 we are investing around £450 million in electricity networks as part of a projected investment of almost £2.1 billion over five years.

Laurent Ferrari Chief Operating Officer, Networks

EDF Energy is a wholly-owned subsidiary of EDF. As an integrated energy company we generate, distribute and supply electricity and gas in the UK through our Energy, Networks and Customers branches.

In 2008 we were the leading distributor of electricity in the UK (in terms of electricity distributed and regulated asset value) and the third largest electricity supplier (in terms of TWh sold). We are also a significant electricity generator, with a nameplate capacity (excluding PPAs) of 4.9GW.

In 2008 we distributed electricity to more than 8 million homes and businesses in London and the east and south-east of England, via a 182,000 km network, supplying 52.1 TWh of electricity and 30.3 TWh of gas in total. At the end of the year we had 5.6 million customer product accounts, including residential customers, small and medium enterprises (SMEs) and major business account holders.

Our total sales in 2008 were £6,621 million. We employed 13,406 people in full-time employment.

At 31st December	2008	2007	2006
Sales (£million)	6,621	5,744	5,673
Electricity	4701	3,895	4,000
Gas	859	685	606
Other	1061	1,163	1,066
Profit before tax (£million)	189	342	405
Electricity (GWh)	52,069	52,435	53,462
Gas (GWh)	30,298	28,685	25,849
Number of customer accounts (thousands)	5,560	5,539	5,497
Employees	13,406	13,158	12,319
Networks Regulated Asset Value (£billion)	3.5	3.2	3.1

## Fuel Labelling

All electricity suppliers in the UK are required to publish information on the generation sources of the electricity they provide to their customers. The table below shows how the energy used from April 2007 to March 2008 by our residential and business and residential customers was generated. Our customers' total electricity demand comes from two sources: half is generated from our own generation portfolio; the remainder is purchased from other power generators via the wholesale market. Fuel Mix disclosure in the UK was introduced in 2005 and therefore there is no data available prior to this period.

Fuel Source	EDF Energy Fuel Mix	UK Fuel Mix
Coal	49%	33%
Nuclear	12%	16%
Gas	31%	43%
Renewable	6%	6%
Other	2%	2%

We buy and sell power, purchasing gas, coal and other commodities on the wholesale markets to meet the demands of our generating plants and customers. We operate three major power plants in the UK, with a combined generating capacity of 4.9 GW.

Commodity prices were extremely volatile throughout 2008, more so in the UK than in France or Germany, because of their strong correlation with gas prices here and our limited interconnection capacity. Energy prices rose strongly during the first half of the year, reflecting a steep rise in global oil prices – the result of tight supply margins as demand increased, particularly in China. From early July, energy prices fell sharply, reflecting deteriorating global economic conditions, although depreciation in sterling has reduced decline in UK energy prices compared to other global energy commodities.

## Generation

We operate gas-fired and coal-fired power plants, undertaking base load and cycling duties. We have three major power plants in the UK, with a total generating capacity of 4.9 GW:

- Sutton Bridge, Cambridgeshire: a Combined Cycle Gas Turbine Plant with a capacity of 803 MW, commissioned May 1999
- Cottam, Nottinghamshire: a coal-fired plant with four units generating a capacity of 2,008 MW, commissioned 1970
- West Burton, Nottinghamshire: a coal-fired plant with four units and two open cycle gas turbines, delivering a total capacity of 2,052 MW, commissioned 1970

In 2008 we generated 27.2 TWh of electricity for sales. Output from our generation plants effectively meets demand from our residential and SME customers; demand from our large business customers (with consumption measured on a half-hour basis) is met through wholesale market purchases.

## Risk management

For residential and SME customers we determine our minimum exposure to the risk of energy cost variations in advance and set maximum and minimum hedging levels along with clear limits to provide the basis for a supply strategy that covers all raw materials.

## Electricity

In addition to the electricity we generate, we also purchase it through a number channels:

- Long-term contracts with Barking (London) and Teesside CCGT (north-east) power stations as well as Scottish and Southern Electricity, to purchase approximately 4.8 TWh annually
- Contracts with generators connected directly to distribution networks that require no transmission network, primarily those using renewable energy sources, which allow us to source electricity close to the point of demand in order to reduce costs – providing approximately 2.6 TWh annually
- Wholesale purchase contracts based on quantities and variable periods, within the bounds of risk parameters set in advance, providing approximately 28.2 TWh annually

Losses of approximately 3.6 TWh are incurred annually during the distribution of generated and purchased electricity.

## Gas and coal

Gas for end-users and our Sutton Bridge power plant is purchased through a diversified contract portfolio. Coal purchases are based on the generation forecast and coal stock targets. We purchase around 40% of our coal in the UK and the rest from international sources.



The UK government has set its vision for the future of energy supply, emphasising its support for a stronger EU Emissions Trading Scheme after 2012 and for the construction of a new generation of nuclear power stations. It is now taking action to ensure that new nuclear power stations can be built in the UK.

### Combined Cycle Gas Turbine generation

We reviewed our future energy generation requirements as early as 2005, taking into account the risk of limited liquidity in the wholesale market and our sustainability aspirations. Consequently, we committed to build a new Combined Cycle Gas Turbine generation (CCGT) power station, which will come into service by 2011. We may invest in a second CCGT station of similar size to enter service at a later date. The CCGT station at West Burton received government consent in October 2007. It will comprise three 437MW multi-shaft units with a combined capacity of 1.3 GW. The plant will be designed to our specifications with EDF CIT operating as construction engineering and procurement manager.

### Renewables

Our joint venture company, EDF Energy Renewables, currently owns or has consent to build wind farms with an expected capacity of 218MW and with other projects currently in development we plan to increase our renewable power generation capacity to 1,000MW.

### Nuclear power

The UK government is committed to developing new nuclear generation capacity and has concluded that the electricity industry should be allowed to build and operate new stations, subject to normal planning and regulatory requirements.

We aspire to build and operate four new EPR nuclear plants in the UK, deploying the same technology that is being used at an EPR station in Northern France in order to maximise standardization of design, construction and operation. Together with AREVA, we've submitted an application to the relevant UK authorities for certification of an EPR plant model in the UK and also ordered critical components required to build two EPR plants. Our first station could enter service in 2017.

EDF Development Company Ltd, a wholly owned subsidiary of EDF International established during 2008 has acquired land on which it intends to build new nuclear stations, alongside existing nuclear facilities at Hinkley Point and at Wylfa. Following our acquisition of British Energy, we also have access to eight further sites on which new stations could also be built. British Energy's four priority sites are in the south of England at Sizewell, Hinkley Point, Dungeness and Bradwell and data is already being collected in order to carry out environmental impact assessments at each location. Transmission connection and construction agreements with the National Grid for approximately 10.8GW gross capacity from 2016 at these sites is also in place.

The construction of new nuclear power stations at all EDF Energy and British Energy sites remains subject to the government's Strategic Siting Assessment and the granting of appropriate planning authorizations.



**We do not partake in support or receiving financial support from political parties, however we do engage fully in government and EU programmes and are in principle supporters of such trade mechanisms for facilitating sustainability-related changes in the energy sector.**

Our policy on such programme is that we will work with other companies, Ofgem and other bodies and play an active part in the consultation process for any improvement programmes. For example we worked on the Energy Demand Research Project EDRP smart metering initiative; four major energy suppliers, EDF Energy, E.ON, Scottish Power and Scottish and Southern Energy are leading trials examining how customers respond to better information about their energy consumption. Across these suppliers the project is funded by £10m from the Government, matched by equivalent funding from the companies, and the trials are being managed by Ofgem on behalf of the Government.

On EDRP, a quarterly claim is submitted and EDF Energy and its partners have submitted claims for £1.6m relating to costs incurred over 2008.

We have also participated in some other smaller Smart Metering initiatives in conjunction with partners which are in part funded by the Technology Strategy Board (TSB). The funding on these projects is not as high, but we cannot disclose full details due to confidentiality disclosures that have to be agreed with all partners.

## Strategic Supply Planning

Planning and energy demand forecasting is a fundamental activity within our company as we seek to provide a seamless energy utility service. Our assets are multi-million pound investments which may operate, once built, for between thirty to sixty years. We need to manage and balance our future demand forecasts, with assets of different generation capacity, portfolio mix and lifecycle, with the aim of optimising the value of short-term production and managing the risks of supplying our customers in the short, medium and long term, and making a significant contribution to meeting the UK's energy needs in a secure, affordable, low carbon manner.

## Supply Capacity & Demand Management

We can supply our customers with electricity from our own power stations or can purchase electricity generated by other companies on the wholesale market; we can also sell the electricity from our power stations on the wholesale markets. During 2008, we supplied more electricity than we generated and so we purchased more than we sold on the wholesale market. Following the acquisition of British Energy in early 2009, the position is reversed and we will generate more electricity than we supply to customers.

In deciding how much power we will generate and how much we will buy or sell on the market, we seek to optimise our financial performance, thus minimising the cost of the energy needed to supply our customers.

In view of this, our investment planning does not attempt to achieve an exact match between customer demand and generation capacity but does need to consider the balance between generation and demand as part of the management of strategic risk.

EDF Energy also has to purchase the gas and coal needed for its generation assets and the gas needed by its gas customers. As EDF Energy does not own gas or coal production assets, we purchase these fuels.

## Existing and planned generation assets

In 2008, we owned and operated 5GW of generating capacity, of which the major components are the coal-fired power stations at Cottam and West Burton in Nottinghamshire (2000MW each) and the combined cycle gas turbine (CCGT) power station at Sutton Bridge in Lincolnshire (800MW). A further 1300 MW CCGT plant at West Burton is under construction and is planned to be operational in 2011.

EDF Energy intends to lead the revival of nuclear generation in the UK with the objective of building four European Pressurised Reactor (EPR) nuclear plants of 1600MW each, with the first plant to be operational by the end of 2017. We are working to secure the necessary site licences and planning consents to enable construction to start in 2011.

In addition, we plan to develop 1000MW of renewable generation through EDF Energy Renewables Ltd, a joint venture between EDF Energy and EDF Energies Nouvelles.

Following the acquisition of British Energy, we have added 9 GW of existing nuclear generating capacity to our portfolio. However, as a condition of the acquisition of British Energy, we have agreed to sell Sutton Bridge power station within the next few years and also to sell British Energy's 2000MW coal fired power station at Eggborough.

## Long term capacity planning

In planning investment in new generation capacity and the decommissioning of existing generation capacity, we have to take account of a number of factors related to both the UK's overall generation mix including:-

- There was a fall in electricity demand in 2008 as a result of the economic downturn and there is significant uncertainty over the likely recovery from the downturn.
- The expected closure during the next decade of a significant volume of generating capacity, including some 12GW of coal and oil fired generation required to close by 31 December 2015 by the Large Combustion Plant Directive.
- The need to replace existing means of generation by zero or very low carbon generation as an essential element of the Government's target of an 80% reduction in greenhouse gas emissions by 2050.
- The UK's need to maintain a diverse generation mix to assist to ensure security of supply.
- The development of Government policies in support of reductions in carbon emission, promotion of renewable energy and security of supply and the expected impact of these policies on the economics of various forms of power generation.

Although we do not necessarily need to match our generation capacity and customer demand, our investment planning does take account of the expected balance between generation and demand over the medium to long term. In considering this balance and also the right mix of plant within our portfolio, we will consider factors such as:-

- The impact on carbon emissions
- Load shape (How well suited is the generation portfolio to meeting the variations in customer demand in a cost-effective manner?)
- The expected lifetimes of our existing plant
- The risk exposure of our portfolio (e.g. to changes in fuel prices) and the value of retaining diversity in our portfolio to manage risk.
- The lead time for obtaining consents for, and constructing, new power stations and the value of retaining options for new development to ensure that we are able to make the right investment decisions at the right time.

Recognising the inherent uncertainties in long term planning, we will review our investment strategy and individual investment decisions to check that they are robust against a range of scenarios and that proposed projects will meet our financial criteria. EDF Energy works with other companies in the EDF Group to develop a set of internally consistent scenarios for this purpose.

As well as investment in new generation assets, the choices for structuring our energy generation and demand portfolio will include investment in our existing generation assets and entering into long term contracts to buy or sell power.

For example, we invested in our coal fired power stations to fit Flue Gas Desulphurisation (FGD) and making modifications to reduce oxides of nitrogen to ensure that we were able to meet emissions standards introduced from 1 January 2008 by the Large Combustion Plant Directive. This means that, unlike a number of other coal fired power stations whose output has been constrained, Cottam and West Burton can meet emissions limits on nitrogen and sulphur oxides with no significant restrictions on output until 31 December 2015. We are currently considering the possible further tightening of emissions constraints by the European Commission after 2015 to enable us to decide the best strategy for these power stations; to do this, we are not only assessing the available technical choices but are also engaging in dialogue with the UK Government and the European Commission. The post-2015 strategy may require significant investment to achieve further improvements in emissions performance or it may require us to operate the power stations at reduced load factors after 2015 and it will ultimately lead to closure of these power stations at some date after 2015. As part of this strategy, we shall plan for the responsible decommissioning of these power stations.

This report does not describe any nuclear decommissioning process, costs and management policy and processes, as we did not acquire the nuclear power stations as part of British Energy until after the end of 2008.

Our strategy is implemented through the Medium Term Planning process, resulting in detailed plans and annual budgets against which performance is managed.

### Short to Medium Term Capacity Planning

From about three years ahead of the time that we will supply customers, we are able to start customer demand forecasts for gas and electricity as the basis of hedging decisions to manage risk.

As explained above, our planned electricity generation is not directly linked to our expected customer demand. We buy or sell from the wholesale market to manage risk and to optimise our financial performance taking into account both customer demand and expected generation output.

We schedule our generation plant in response to price signals and not directly in response to demand; nevertheless, it will generally be true that the “spread” between the price of power and the price of fuel and carbon emissions permits will be higher when demand is higher. However, this spread will depend on the specific costs and the thermal efficiency of each generating unit.

We also need to take account of other factors such as the need for planned maintenance outage and the risk of unplanned outages.

In planning maintenance outages, we take account of the statutory requirements for boiler inspections, our monitoring of the condition and performance of our plant and opportunities for improvements in efficiency or availability. The timing of outages depends partly on market conditions, with the major outages on our coal fired plant, typically taking place during the summer, when demand is lower and wholesale power prices are usually lower. However, we also have to take account of, and plan carefully for, the availability of labour and materials. The work programme during a major outage requires very detailed planning to enable us to carry out the necessary work in as short a period as possible so that we can return the unit to service on time. Particular attention is paid in this planning to ensuring that the work will be carried out safely, in accordance with our zero harm approach and to work closely with the contractors we employ to make sure that they work to our standards.

As a result, our electricity generation will be heavily influenced by national customer demand although not following it directly. As demand varies seasonally and at different times of day and is also affected by weather, electricity generation will respond to these variations. Generation plant that has low marginal costs or that is unable to operate flexibly will tend to operate as baseload plant whereas other generation will tend to operate more flexibly to match customer demand. For example, the operation of our coal fired generation will depend very much on market conditions, operating at baseload when demand and power prices are high but running much more flexibly when demand and power prices are lower.



We operate three neighbouring distribution networks in the UK. In line with Ofgem requirements, they are operated as a separate legal entity from the rest of EDF Energy through our Networks branch, to ensure that competition is not restrained, hindered or distorted. We also deliver commercial and technical solutions for infrastructure projects and electrical distribution network projects.

### Public networks

Our network covers over 29,000 km<sup>2</sup> and distributes 87 TWh of electricity annually through 47,000 km of overhead wires and 135,000 km of underground cables. We are the largest distributor (in terms of volume and regulated asset value) in the UK, bringing electricity to 8 million customers.

Our distribution networks all work in very different locations: a concentrated urban network in London; a mix of rural and urban networks in the east and south-east of England. We invested £530 million in asset replacement, reinforcement and network extensions during 2008. Our network performance is strongest in London, where almost the entire supply network is underground and unaffected by the weather.

Our Networks business generates income through Distribution Use of System charges to the supply companies, who in turn contract with the end customer. Our charges are among the lowest in the UK.

The regulated businesses are subject to a five year price control, which is agreed following data analysis and negotiation. The next price control comes into effect from April 1 2010, with initial proposals from Ofgem the industry regulator, expected during 2009.

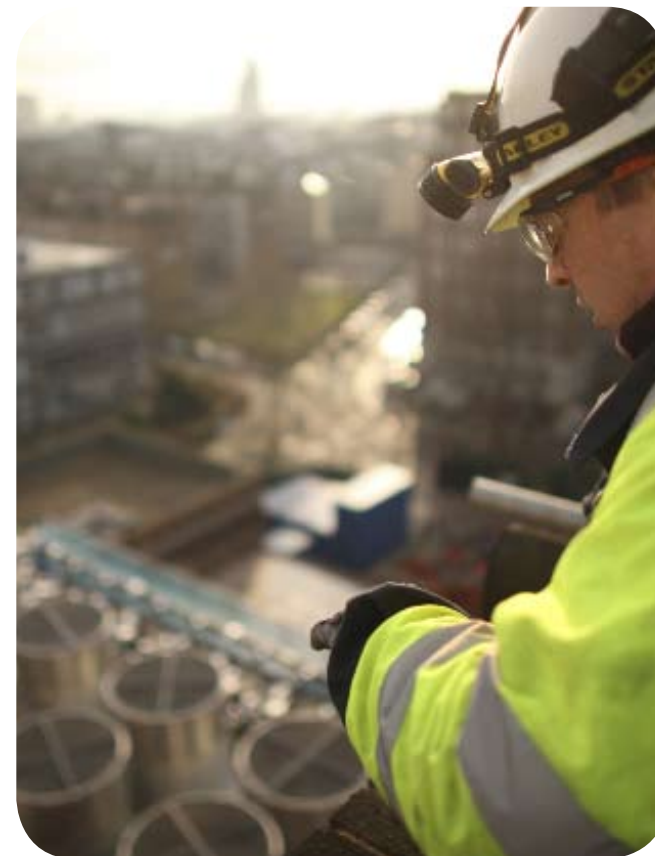
### Private networks and initiatives

We provide a wide range of commercial and technical solutions for infrastructure projects and electrical distribution network projects, including those for:

- Heathrow, Gatwick and London airports
- Docklands Light Railway Lewisham extension
- Several commercial buildings in the London Docklands

We're also involved in a number of joint venture investment projects. We hold an 80% interest in the Powerlink consortium, a 30-year contract to maintain and upgrade the London Underground's high voltage distribution system. We also have a 49% interest in MUJV Ltd, a venture with Veolia Water to design and lay all water, wastewater, gas and electricity pipes and cables to a new building being constructed by Aspire Defence for the Ministry of Defence.

Our contracting business has several major contracts with customers that include Network Rail (Power Supply Upgrade), Pfizer, London Underground and Islington Highway Lighting.





## Company Incentive Plan

We operate a company bonus scheme (CIP) for all employees including our Executive Team. This is approved by the Company Remuneration Committee. The scheme comprises a balanced set of measures relating to the five Ambitions of EDF Energy at Company and Business Unit level.

Typically 40% of bonus is determined by Company and Business Unit financial performance, with the remaining 60% judged against performance across the Company's other four Ambitions; Safe for All, Customer's Choice, High Performing People and Sustainable Performance."

## Accounting for sustainability

In 2006 we launched our Sustainable Future project with three key objectives in mind: to make corporate responsibility a true driver for improved business performance; to make EDF Energy a sustainable energy business that adds economic, social and environmental value: and to put sustainability in our 'DNA'.

## Our Commitments

We launched Our Climate Commitments in June 2007, explaining how we intend to reduce our own environmental impacts and how our customers can reduce their energy consumption. As part of an ambitious package of initiatives, we committed to achieve a 60% reduction in our power stations' carbon dioxide emissions intensity by 2020.

In February 2008 we added to Our Climate Commitments with the launch of Our Social Commitments – an equally extensive and ambitious statement of intent.

## Inspiring our people

People make a business successful and a modern, knowledge-based business like ours has to engage and inspire its employees, rather than 'instruct' or 'tell' them what to do. We aim to make EDF Energy a company that employees feel to be clearly connected with their aspirations, in which they are engaged to deliver improved business performance.

## Connected Reporting Framework

Throughout 2008 we've used our Connected Reporting Framework (CRF) to report progress to our Executive on the delivery of Our Climate and Social Commitments. The CRF was launched by The Prince's Accounting for Sustainability Project in December 2007. It provides a reporting model that presents key sustainability information alongside more conventional financial data to give a more rounded and balanced picture of an organisation's overall performance. We have also provided feedback to the Prince's Accounting for Sustainability Project about our experience of using the tool in order to support its improvement in future.

## Shareholders

EDF Energy plc is a wholly owned subsidiary of EDF SA and we comply with our obligation to hold an Annual General Meeting within 6 months of the accounting reference date. Shareholders have the right to call a General Meeting to discuss any matters arising including those to amend the constitution of the company.



EDF Energy has the mission “to bring sustainable energy solutions home to everyone”. This guiding principle shapes the way we do business.

To help us achieve it, we developed five ambitions, each of which relates to one or more of our stakeholders. These five ambitions are:

- Safe for All
- Shareholder’s Expectation
- Customers’ Choice
- Sustainable Performance
- High Performing People

These ambitions represent our balanced view of business success. This section shows “At a Glance” how through our Key Performance Indicators (KPIs) and supporting measures how we have progressed in delivering our vision. Each measure is linked to a section of the report.

Our Climate and Social Commitments are shown under Sustainable Performance.

AMBITION	MEASURE	KPI	2008	2007
<b>Safe for All</b>	Days of zero harm	Days	259	N/A
	Lost Time Incident Rates	/100,000hr	0.33	0.39
<b>Shareholder’s Expectation</b>	Profit before tax	£M	189	342
	Turnover	£M	6,616	5,744
<b>Customers Choice</b>	Preference rate	%	82.8	82.6
	Customer product accounts	millions	5.6	5.5
	Networks customer satisfaction	%	64.7%	69.5%
	Distribution customer interruptions	number per customer per year.	194	191
	Distribution customer minutes lost	minutes. per customer per year	224	204

AMBITION	MEASURE	KPI	2008	2007
<b>Sustainable Performance</b>	CO2 from power stations	millions tonnes	21.9	21.5
	CO2 from building energy use	'000 tonnes	22.1	22.5
	CO2 from transport	'000 tonnes	25.4	26.8
	CO2 per customer account	tonnes	6.1	6.1
	Employee involvement	Index %	39.2	25.2
	Ash to landfill	'000 tonnes	673	701
	Street-works waste to landfill	%	18.6	35.4
	Managed building waste to landfill	%	37.9	47.1
	Eligible customers on social tariff	No.	126,723	
	Packages of support to vulnerable customers	No.	632	
	Children educated in electrical safety	No.	112,980	
	Children registered on Sustainable Schools programme	No.	53,698	
	<b>High Performing People</b>	Employee engagement survey	% engaged	63.7
No. of employees		Headcount	13,406	13,158

Key Measure	Definition
Buildings and depot waste	Office and depot waste is any waste that arises from EDF Energy business activities undertaken at an office or depot. It includes office waste streams such as paper, cardboard, IT equipment, furniture and plastic cups, depot waste streams such as metals and transport waste, and operational projects where EDF Energy has the Duty of Care for the waste. It excludes by-products, such as ash from power generation and spoil from street works. Office and depot waste is re-used, recycled or disposed of through assigned, dedicated and specialist disposal routes managed as part of a contract with waste service providers. The volumes of waste are supplied to EDF Energy by its waste contractors.
Streetworks waste	Any spoil produced in the process of EDF Energy Networks excavation of the highway, including waste produced by sub-contractors, can be divided into the three categories of re-usable on site, recovered for recycling, and disposed waste. The percentage of excavated spoil re-used and recycled is measured against the total volume of spoil excavated. The volumes of waste are supplied to EDF Energy by its waste contractors
SO2	The emissions of SO2 from our coal-fired power stations are regulated by the Environment Agency under the Pollution Prevention and Control (PPC) permits and in accordance with the Environment Agency document "A Framework for the Regulation of Existing Large Coal- and Oil-Fired Combustion Plant at Power Stations in England and Wales: 2008-15". Data is audited periodically by Deloitte on behalf of the EDF Group.
NOx	The emissions of NOx from our coal-fired power stations are regulated by the Environment Agency under the Pollution Prevention and Control (PPC) permits and in accordance with the Environment Agency document "A Framework for the Regulation of Existing Large Coal- and Oil-Fired Combustion Plant at Power Stations in England and Wales: 2008-15". Data is audited periodically by Deloitte on behalf of the EDF Group.
Particulate	The emissions of Particulates from our coal-fired power stations are regulated by the Environment Agency under the Pollution Prevention and Control (PPC) permits and in accordance with the Environment Agency document "A Framework for the Regulation of Existing Large Coal- and Oil-Fired Combustion Plant at Power Stations in England and Wales: 2008-15". Data is audited periodically by Deloitte on behalf of the EDF Group.
Pulverised Fuel Ash and Furnace Bottom Ash	Ash data is reported to the Environment Agency in accordance with the Pollution Prevention and Control (PPC) permit requirements. Data is audited periodically by Deloitte on behalf of the EDF Group.
CO2	The CO2 emissions from EDF Energy's generating plants are determined in accordance with the site specific Environment Agency permits issued under the "Greenhouse Gas Emissions Trading Scheme Regulations 2005 (S.I.2005 No 925) (The "ETS Regulations"). The UKAS accredited organisation CICS conduct annual verification audits of the Greenhouse Gas emissions data reported by EDF Energy, which once verified are submitted to the Environment Agency and entered onto the EU ETS Registry.
MP survey	Results are the independent findings from an externally commissioned report.
LTI Frequency Rate	The Lost Time Incident Rate is the number of lost time incidents per 100,000 hours worked. Lost Time Incidents are defined as the number of workplace accidents that lead to a day or more off work. A day represents the next full working day following the accident. The measure covers all staff – employees, agency and contractors. To convert the reported performance to the GRI standard LTI rate multiply by 2.
School children	We have a team of Education Advisors who communicate our safety message via school visits and safety events. Data relating these school visits and safety events is sourced from an online reporting system called CCS. The number of children reached through the competition of an online Quiz on our Powerup! Website are captured by an automatically generated report from the website.

Key Measure	Definition
CERT	CERT Performance against target is reported externally every quarter to Ofgem who use the information from all suppliers to create a combined quarterly report. At the end of each 3 year programme all the CERT Measure information is submitted to Ofgem through the 'banking and closedown' procedure to verify that the target has been met. The banking procedure is done using templates that Ofgem provide which contains the details for each measure type in terms of CO2 savings. We use these templates to monitor our own progress internally throughout the duration of the programme. The programme is split into Priority Group and Non-Priority Group customers of which 40% of the CO2 savings must be delivered to the Priority Group. Priority Group customers are defined by Ofgem as in receipt of certain benefits or over the age of 70.
Energy Assist	EDF Energy's vulnerable customers assisted by means of our social tariff are defined as those customers living in or at risk of fuel poverty. The UK Government definition of a household in fuel poverty is one who spends more than 10% of their net income on gas, electricity or other fuels in order to keep warm – this in turn is defined using the World Health Organisation definition that in order to keep warm, a home should be heated to 21 degrees in the lounge and 18 degrees in all other rooms. It is our assumption that households living on income support or pension credit benefits are very likely to be spending more than 10% of their income on energy bills. The social tariff, Energy Assist, therefore benefits vulnerable customers who are in receipt of income support or pension credit, or who can otherwise prove that they are fuel poor.
London Warm Zone	Based on the government warmfront assessment criteria.
Customer satisfaction	National research performed by GfK (UK) who are a global research company. It encompasses supply companies from across the country.
Major Business Customer satisfaction	The result is solely based on an independent research survey of Major Electricity Users in Britain. These businesses were interviewed by Datamonitor in the 1st and 3rd quarters of 2008. A combined total of 221 EDF energy customers were surveyed.
Customer minutes lost and customer interruptions	Data is governed by and compliant with the Quality of Service regulations defined by Ofgem. It covers calendar year rather than regulatory year reported to Ofgem.
Work causal ill health rate	The Work Causal Ill-Health Rate is the number of musculoskeletal or mental ill-health incidents per 1,000 employees. Incidents are classified by our health service providers and only those where work is considered to be the most significant causal factor are included. Contractors and agency staff are excluded.
Helping Hands	Based on headcount of employees at 31 December 2008.
Responsible Procurement	On time is the % of invoices paid within contractual terms agreed with each supplier.



# Assurance »

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To ensure transparency and maintain stakeholders' trust, our 2008 report has been subject to independent assurance by Two Tomorrows previously known as Csrnetwork using the AA1000 Assurance Standard.

“The connected reporting framework introduced by the Prince of Wales's Accounting for Sustainability Project is fully aligned with our thinking. The reporting of sustainability is not always embedded in many other businesses, but we use it as a dynamic management reporting tool and now we can see if we delivering on all of our Sustainable Future commitments.

Mark Bromley Head of Business Performance

## Independent Assurance Statement

### Scope and objectives

**Two Tomorrows (Europe) Limited** has undertaken independent assurance of the EDF Energy Sustainability Performance Report 2008 (the Report).

The assurance process was conducted in accordance with AA1000AS (2008). We were engaged to provide Type 2 assurance, which covers

- evaluation of adherence to the AA1000APS (2008) principles of inclusivity, materiality and responsiveness (the Principles) and
- the reliability of specified sustainability performance information.

The performance information included in scope was all data and key claims in the report. We agreed with management the priority areas for checking claims as:

- Progress against Our Climate Commitments
- Safety
- Pricing and vulnerable customers

We did not review the GRI table or GRI application level in the report. Any financial information contained within the Report is excluded from the scope of this assurance process, as are any links leading beyond the 2008 Sustainability Performance Report section of the EDF Energy website.

We used the Global Reporting Initiative (GRI) Quality of Information Principles as Criteria for evaluating performance information.

### Responsibilities of the directors of EDF Energy and of the assurance providers

The directors of EDF Energy have sole responsibility for the preparation of the Report. In performing our assurance work, our responsibility is to the management of EDF Energy, however our statement represents our independent opinion and is intended to inform all of EDF Energy's stakeholders. We adopt a balanced approach towards all EDF Energy's stakeholders.

We were not involved in the preparation of any part of the Report and this is the third year that we have provided assurance. During the year we have had one other contract with EDF Energy to provide advice on their application for BITC Platinum Plus.

Our team comprised Jon Woodhead, Judith Murphy and Anne Euler. Further information, including individual competencies relating to the team can be found at: [www.twotomorrows.com](http://www.twotomorrows.com)

### Basis of our opinion

Our work was designed to gather evidence with the objective of providing moderate assurance as defined in AA1000AS (2008). We undertook the following activities:

- Review of the current sustainability issues that could affect EDF Energy and are of interest to stakeholders
- Interviews with selected directors and senior managers responsible for management of sustainability issues and review of evidence to support issues discussed. Interviewees were selected through discussion with the sustainability team.

- Review of EDF Energy's approach to stakeholder engagement
- Attended the March stakeholder panel and discussed the panel's perspective of EDF Energy's most material issues and performance in these areas
- Each year we choose a different business area for our site visit through discussion with the sustainability team. This year we went to the Exeter Customer Services Centre to review process and systems for collecting and reporting sustainability data. We choose customers services as it was linked to one of our priority areas of pricing and vulnerable customers
- Review of information provided to us by EDF Energy on its reporting and management processes relating to the Principles
- Review of supporting evidence for key claims in the report
- Review of the processes for gathering, checking and consolidating data and, for a sample, checking the data consolidation.

### Findings

We reviewed and provided feedback on drafts of the Report and where necessary changes were made. On the basis of the work undertaken, nothing came to our attention to suggest that the Report does not properly describe EDF Energy's adherence to the Principles or its performance.

### Observations

Without affecting our assurance opinion we also provide the following observations.

Inclusivity concerns the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability.

A variety of engagement efforts underpin the company's understanding of stakeholder concerns, and its ability to integrate them into its decision making processes. The stakeholder advisory panel, established in 2006, is particularly significant. It has built a strong working relationship with management and provides direct input that has shaped EDF Energy's sustainability strategy. We understand that the company continues to respond well to the panel's concerns and requests for information. Moreover, senior management is said to be willing to be open and candid about the sustainability challenges as the business strategy evolves.

Given the changes in the business, and following the acquisition of British Energy, we recommend that membership of the panel be reviewed to ensure it maintains the necessary expertise to challenge and support EDF Energy and its sustainability strategy.

Future reports should describe EDF Energy's process for agreeing Stakeholder Panel priorities and demonstrate how these have influenced the company's engagement with other key stakeholders.

**Material issues are those which are necessary for stakeholders to make informed judgments concerning EDF Energy and its impacts.**

The Report currently describes its performance on a wide range of areas across the business. In our opinion, the Report covers all material issues. Future reports could become even more focussed if EDF Energy were to prioritise the range of material issues they address. The process for determining material issues and prioritising them should also be outlined in the report.

EDF Energy's medium and long term targets - "Our Climate Commitments" and "Our Social Commitments" address the company's material issues and form a clear vision for the future. During 2008, EDF Energy has developed systematic internal reporting processes for measuring progress on initiatives to support each commitment. The current status of each commitment is summarised in the report and these provide a fair representation of progress and challenges in achieving them.

EDF Energy has responded to our previous comments and the performance indicators included "At a glance" have been expanded and now provide a more complete overview of sustainability performance.

Responsiveness concerns the extent to which an organisation responds to stakeholder issues

EDF Energy engages with a broad range of stakeholders on a variety of sustainability issues. The report identifies issues raised by various stakeholder groups, together with actions taken during 2008 in response to issues identified. In future the company should consider expanding this discussion, to focus on feedback on specific issues, including observations and quotes from representatives of stakeholder groups or independent experts. This would more clearly describe the outputs of dialogue between the company and its stakeholders during the year.

We noted that EDF Energy has been proactive in increasing the number of customers benefitting from its social tariff. We recommend that in future EDF Energy should provide relevant information on price changes during the year, for example the reduced tariff for electricity only customers following the OFGEM price probe. Other customer issues regarding billing, including estimates, measures to prevent incorrect bills being issued and pre payment meters should also be explained. It would be helpful to expand reporting on the achievements of the energy efficiency work with business customers.

In 2008, the lost time accident rate improved and the business implemented a variety of safety programmes. Despite this the business reported two fatalities. EDF Energy should continue its priority focus on safety and consider reporting the findings from the new Health & Safety Assurance and Integrity Management System (AIMS).

**Performance Information**

EDF Energy has a well established internal validation process for all data and claims made in the Report, providing a central

data quality and reliability control point. This year, again, the amount and quality of evidence available to support the accuracy of data and claims reported was high, and this strengthened the assurance process. We recommend that data validation procedures should be further documented and responsibility for their use given to additional team members.

This year EDF Energy has sought to provide greater clarity over a number of material data sets reported by identifying the data protocols it has used or providing definitions for the data. This enhances the accuracy and comparability of the report and we recommend that EDF Energy applies this approach to the remaining material data sets in the future.

This year data on oil leaks has not been provided as data systems have been upgraded. We understand this will be reinstated for 2009 reporting.

**Two Tomorrows (Europe) Limited**

London

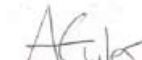
May 2009



Jon Woodhead  
Director



Judith Murphy  
Senior Consultant



Anne Euler  
Consultant



Two Tomorrows (Europe) Limited trading as Two Tomorrows was formed from the merger of Csmnetwork and Sd3 in January 2009. Two Tomorrows is an international consultancy that helps companies to perform better and create value by doing business in a sustainable way. [www.twotomorrow.com](http://www.twotomorrow.com)

The Global Reporting Initiative (GRI) has pioneered the development of sustainability reporting framework. This framework sets out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. The following index is designed for helping you find some elements associated with GRI Performance indicators in this website.



G3 Report Structure		Scope of coverage	Reference sections
<b>1</b>	<b>Strategy &amp; Analysis</b>		
1.1	Senior Management statement	✓✓	Chief Executive Message
1.2	Risks, Impacts & Opportunities	✓✓✓	Review of 2008 Introduction - CE Message - Health and Safety Our Sustainability Vision and Approach The Energy Challenge
<b>2</b>	<b>Organisational Profile</b>		
2.1	Name of Organisation	✓✓✓	Our Business
2.2	Primary brands, products, services	✓✓	Our Business Energy Supply Brand Awareness Our Marketplace
2.3	Operational Structure	✓✓✓	Our Business
2.4	Location of Headquarters	✓✓✓	Our Business
2.5	No. of Countries of operation	✓✓✓	Our Business
2.6	Nature of ownership and legal form	✓✓✓	Our Business
2.7	Markets served	✓✓	Our Marketplace Key Figures
2.8	Scale of reporting organisation	✓✓	Key Figures
2.9	Significant organisational changes during the reporting period	✓✓	Reporting measurement approach



G3 Report Structure		Scope of coverage	Reference sections
2.10	Awards received in the reporting period	✓✓✓	Case Study: Sustainability in EDF Energy - Platinum rank Case Study: Award winning employee support programme Investors in People Media Case Study: Operations Gold Travel Plan Case Study: Generation Electric Cars Case Study: Utility Week Awards Case Study: Community Support NE Contact Centre Case Study: Public Safety - Ofgem Award
EU1	Installed capacity (MW) by energy source and by country/regulatory regime	✓✓	Key Figures (Economic)
EU2	Number of residential, industrial and commercial customers	×	
EU3	Length of transmission and distribution line by voltage (km, aggregated by voltage)	✓	Public Networks
EU4	Allocation of CO2 emission permits, by country/regulatory regime.	×	
<b>3</b>	<b>Report Parameters</b>		
<b>Report Profile</b>			
3.1	Reporting period	✓✓✓	Reporting Period
3.2	Date of most recent previous report	✓✓✓	Reporting Period
3.3	Reporting Cycle	✓✓✓	About the Report
3.4	Contact Persons	✓✓	Contact Us

G3 Report Structure		Scope of coverage	Reference sections
<b>Report Scope &amp; Boundary</b>			
3.5	Process for defining report Content	✓✓	About the Report Reporting Scope and Boundary
3.6	Boundary of the Report	✓✓	Reporting Scope and Boundary
3.7	Specific limitations on scope/boundary	✓✓	Reporting Scope and Boundary
3.8	Basis for reporting on joint ventures/subsidiaries	✓✓	Reporting Scope and Boundary
3.9	Data measurement techniques and basis of calculations	✓✓✓	Reporting Scope and Boundary Glossary
3.10	Explanation of re-statements of information provided in earlier reports	✓✓	Reporting measurement approaches
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods	✓✓	About this report Reporting measurement approaches
<b>GRI content index</b>			
3.12	Table identifying location of Standard Disclosures	✓✓✓	Reporting Standards and Audits + GRI Index Tables
3.13	Policy & practice for external assurance	✓✓✓	Reporting Standards and Audits + GRI Assurance Statement
<b>4.</b>	<b>Governance, Commitment &amp; Engagement</b>		
<b>Governance</b>			
4.1	Governance structure of organisation.	✓✓✓	Our Board

G3 Report Structure		Scope of coverage	Reference sections
4.2	Indicate whether Chair is also Executive officer	✓✓✓	Our Board
4.3	For Unitary Board, no. of independent members (& non-exec composition)	✓✓✓	Our Board Our Executive Committee
4.4	Mechanisms for shareholders & employees to provide recommendations	✓✓	Employee Engagement
4.5	Linkage between compensation and organisations performance	✓✓	Economic/Social /Company Incentive Plan
4.6	Processes for governance body to resolve conflict of interest	✓✓	Our Board
4.7	Processes for determining the qualifications of highest governing body	✓✓	Our Board
4.8	Internally developed statements, missions, goals and codes of conduct	✓✓	Governance-How we manage risks Our Internal Control Policy
4.9	Procedures of governance body for overseeing the identification and management of EE&S performance	✓✓	Governing Sustainability Performance Governance-How we manage risks
<b>Commitments to External Initiatives</b>			
4.10	Processes for evaluating highest governing body's own performance	✓✓	Company Incentive Plan
4.11	Explanation of the use of the Precautionary Approach	✓✓	Our Approach to Sustainability

G3 Report Structure		Scope of coverage	Reference sections
4.12	Externally developed Economic, Environmental & Social (EE&S) charters which the organisation subscribes/endorse	✓✓✓	Politics, Donations and Lobbying Activities International Standards Sales Support Materials Responsible Procurement Human Rights and Our Contractors The Energy Challenge Reporting measurement approaches Community Support <a href="http://www.edfenergy.com/about-us/energy-generation/environmental-performance/landscape-recovery.shtml">http://www.edfenergy.com/about-us/energy-generation/environmental-performance/landscape-recovery.shtml</a>
4.13	Membership in associations or advocacy organisations	✓✓	Associations, Affiliations & External Memberships
<b>Stakeholder Engagement</b>			
4.14	Lists of stakeholders engaged	✓✓✓	Our Stakeholders
4.15	Basis for identification and selection	✓✓	Our Stakeholders
4.16	Approaches to stakeholder engagement	✓✓	Our Stakeholders
4.17	Key topics and concerns raised by stakeholders and responses within report	✓✓✓	Customer Feedback STAKEHOLDER ADVISORY PANEL PERSPECTIVE Case Study: Stakeholders_DCPR5 Public Safety Connecting with Vulnerable customers Affordability Customer Satisfaction Employee Engagement
✓✓✓ comprehensively addressed    ✓✓ sufficiently described    ✓ part-addressed    × not addressed /deferred			

GRI Code	Description	Scope of coverage	Reference sections
<b>Economic - Management Disclosure</b>			
Disclosure on management approach	Provide a concise disclosure on the Management Approach items outlined with reference to the following Economic Aspects: Economic Performance, Market Presence, and Indirect Economic Impacts	✓✓	Decarbonising Energy Energy Affordability 2008 Highlights Strategic Supply Planning Support Programmes Economic Situation
Goals and performance	Organisation-wide goals regarding performance relevant to Economic Aspects. Use organisation-specific indicators (as needed) in addition to the GRI Performance Indicators to demonstrate the results of performance against goals.	✓✓	AT A GLANCE Our Sustainability Vision and Approach Business Performance Energy Affordability Company Incentive Plan
Policy	Brief, organisation-wide policy (or policies) that defines the organisation's overall commitment relating to the Economic Aspects listed above, or state where this can be found in the public domain.	✓✓	Chief Executive's Message Distribution for the Future Competitive Procurement <a href="http://www.edfenergy.com/careers/rewards-benefits/pensions.shtml">http://www.edfenergy.com/careers/rewards-benefits/pensions.shtml</a> <a href="http://www.edfenergy.com/careers/rewards-benefits/supporting-your-lifestyle.shtml">http://www.edfenergy.com/careers/rewards-benefits/supporting-your-lifestyle.shtml</a>
Additional contextual information	Additional relevant information required to understand organisational performance such as key successes and shortcomings, major organisational risks and opportunities, major changes in the reporting period to systems or structures to improve performance, and key strategies for implementing policies or improving performance.	✓✓	Review of 2008 Health and Safety Case Study: Affordability-CERT Case Study: Ethical Procurement SSEP
EU5	Planning to ensure short and long-term electricity availability and reliability	✓✓✓	Strategic Supply Planning Distribution Overview Distribution for the future



GRI Code	Description	Scope of coverage	Reference sections
EU6	Demand-side management programmes including residential, commercial and industrial programs	✓	2008 Highlights Energy Supply
EU7	Research and development activity aimed at improving reliable and affordable electricity and promoting sustainable development	✓✓	Product Development
EU8	Provisions for decommissioning nuclear power sites	✓✓	Long-Term Capacity Planning
<b>Environment - Management Disclosure</b>			
Disclosure on management approach	Provide a concise disclosure on the Management Approach items outlined below with reference to the following Environmental Aspects: materials, energy, water, biodiversity, emissions, effluent and waste, products and services, compliance, transport, and any overall	✓✓✓	Our environmental challenges REACH Responsible Procurement Investing in low carbon generation technologies Biomass Building standards Building management systems Waste Management Customers Generation Excavation Recycling Biodiversity Fluid-filled cables Noise Water Product development <a href="http://www.edfenergy.com/about-us/energy-generation/environmental-performance/landscape-recovery.shtml">http://www.edfenergy.com/about-us/energy-generation/environmental-performance/landscape-recovery.shtml</a> <a href="http://www.edfenergy.com/about-us/energy-generation/environmental-performance/nature-reserves.shtml">http://www.edfenergy.com/about-us/energy-generation/environmental-performance/nature-reserves.shtml</a>

GRI Code	Description	Scope of coverage	Reference sections
Disclosure on management approach +	Specific disclosure on: 1. Materials [PCBs - L-Term strategy managing/ phasing out High/Low level PCBs], 2. Water [L-term planning for securing water resources & max/min water flow determination & maintenance + watershed management & collaborations] , 3. Biodiversity [use of integrated Pest & Vegetation Management] ,4. Emissions, Effluent & Waste [strategy & storage methods, safety impact and security measures for high/ low/ intermediate/ mixed radioactive waste]	✓✓✓	In-use PCBs Material Use Biodiversity & Habitat Management Hazardous Wastes
Goals and performance	Organisation-wide goals regarding performance relevant to Environmental Aspects. Use organisation-specific indicators (as needed) in addition to the GRI Performance Indicators to demonstrate the results of performance against goals.	✓✓✓	<a href="http://ourvision.edfenergy.com/climatechange.html">http://ourvision.edfenergy.com/climatechange.html</a> <a href="http://www.edfenergy.com/sustainability/index.shtml">http://www.edfenergy.com/sustainability/index.shtml</a> <a href="http://www.edfenergy.com/sustainability/our-vision/sustainability-in-action.shtml">http://www.edfenergy.com/sustainability/our-vision/sustainability-in-action.shtml</a> REACH Environmental Additions
Policy	Brief, organisation-wide policy (or policies) that defines the organisation's overall commitment relating to the Environmental Aspects listed above, or state where this can be found in the public domain.	✓✓✓	Our environmental challenges Investing in low carbon generation technologies Building management systems Responsible Procurement REACH <a href="http://www.edfenergy.com/about-us/energy-generation/environmental-policy/index.shtml">http://www.edfenergy.com/about-us/energy-generation/environmental-policy/index.shtml</a> <a href="http://www.edfenergy.com/about-us/energy-generation/renewable-generation/index.shtml">http://www.edfenergy.com/about-us/energy-generation/renewable-generation/index.shtml</a> <a href="http://www.edfenergy.com/about-us/sponsorship/regional-sponsorships/sustainability.shtml">http://www.edfenergy.com/about-us/sponsorship/regional-sponsorships/sustainability.shtml</a>
Organisational responsibility	The most senior person with operational responsibility for Environmental Aspects or explain how operational responsibility is divided at the senior level for these aspects.	✓✓	Our Environmental Management Systems Biodiversity & Habitat Management Ozone Depleting substances – Hazardous Wastes
Training and awareness	Procedures relating to training and raising awareness in relation to the Environmental Aspects	✓✓	Environmental Training & Awareness Engagement of Employees Habitat Management CO2 Ratios

GRI Code	Description	Scope of coverage	Reference sections
Monitoring and follow up	Procedures related to monitoring and corrective and preventive actions, including those related to the supply chain. Lists of certifications for environment-related performance or certification systems, or other approaches to auditing/verification for the reporting organisation or its supply chain.	✓✓	Employee Engagement Our environmental challenges Environmental incidents in 2008 REACH Operations
Additional contextual information	Additional relevant information required to understand organisational performance, such as Key successes and shortcomings, major organisational environmental risks and opportunities related to issues, Major changes in the reporting period to systems or structures to improve performance and Key strategies and procedures for implementing policies or achieving goals	✓✓	<a href="http://www.edfenergy.com/products-services/for-your-home/energy-saving-advice/index.shtml">http://www.edfenergy.com/products-services/for-your-home/energy-saving-advice/index.shtml</a> Case Studies Case Study: Generation - Electric Cars Case Study: Operations - Green Transformer Case Study: Generation - Hove Fleet Car Case Study: Environment - Solar Panels Case Study: Customers - Café Energy
<b>Social - Labour Practices - Management Disclosure</b>			
Disclosure on management approach	Provide a concise disclosure on the Management Approach items outlined below with reference to the following Labour Aspects. The ILO Tripartite Declaration Concerning Multinational Enterprises and Social Policy (in particular the eight core conventions of the ILO) and the Organisation for Economic Co-operation and Development Guidelines should be the primary reference points: employment, labour/management relations, occupational health and safety, training and education, and diversity and equal opportunities.	✓✓	Zero Harm Employee Health and Safety Responsible Procurement <a href="http://www.edfenergycfs.com/AboutUs/IMSP.htm">http://www.edfenergycfs.com/AboutUs/IMSP.htm</a> Occupational Health Recruitment <a href="http://www.edfenergy.com/careers/diversity-inclusion.shtml">http://www.edfenergy.com/careers/diversity-inclusion.shtml</a>
Goals and performance	Organisation-wide goals regarding performance relevant to Labour Aspects. Use organisation-specific indicators (as needed) in addition to the GRI Performance Indicators to demonstrate the results of performance against goals.	✓✓	Health and Safety Policy Health & Safety Performance in 2008 Workforce Profile Diversity

GRI Code	Description	Scope of coverage	Reference sections
Policy	Brief, organisation-wide policy (or policies) that defines the organisation's overall commitment relating to the Labour Aspects, indicating their linkage to internationally recognised standards. Use organisation-specific indicators (as needed) as well as GRI Performance Indicators	✓✓✓	Zero Harm 'big conversation' Employee Health and Safety in 2009 Collective Bargaining Freedom of Association <a href="http://www.edfenergy.com/AboutUs/OurCommitments.htm">http://www.edfenergy.com/AboutUs/OurCommitments.htm</a> <a href="http://www.edfenergy.com/careers/diversity-inclusion.shtml">http://www.edfenergy.com/careers/diversity-inclusion.shtml</a> <a href="http://www.edfenergy.com/careers/your-development/index.shtml">http://www.edfenergy.com/careers/your-development/index.shtml</a> <a href="http://www.edfenergy.com/careers/rewards-benefits/staying-healthy-at-work.shtml">http://www.edfenergy.com/careers/rewards-benefits/staying-healthy-at-work.shtml</a>
Organisational responsibility	The most senior person with operational responsibility for Labour Aspects or explain how operational responsibility is divided at the senior level for these aspects	✓✓	Diversity <a href="http://www.edfenergy.com/AboutUs/IMSP.htm">http://www.edfenergy.com/AboutUs/IMSP.htm</a> Collective Bargaining
Training and awareness	Procedures relating to training and raising awareness in relation to Labour Aspects	✓✓	Zero Harm 'big conversation' Living Our Values
Monitoring and follow up	Procedures related to monitoring and corrective and preventive actions, including those related to the supply chain. Lists of certifications for labour-related performance or certification systems, or other approaches to auditing/verification for the reporting organisation or its supply chain.	✓✓	Responsible Procurement Collective Bargaining Health and Safety Engagement <a href="http://www.edfenergy.com/AboutUs/OurCommitments.htm">http://www.edfenergy.com/AboutUs/OurCommitments.htm</a>
Additional contextual information	Additional relevant information required to understand organisational performance such as: key successes and shortcomings, major organisational risks and opportunities, major changes in the reporting period to systems or structures to improve performance, and key strategies for implementing policies or improving performance.	✓✓	Health and Safety Health and Safety management Employee Health and Safety in 2009 Health and Safety Performance Case Study Award Winning 'Employee Support Programme' Case Study: Supporting diversity and inclusion across our business
EU15	Processes to ensure retention and renewal of skilled workforce, including apprenticeships for new workers, specialist skilling of existing workers, higher education of technical workers, and strategies for sourcing new skilled staff	✓✓	Recruitment Diversity <a href="http://www.edfenergy.com/careers/your-development/index.shtml">http://www.edfenergy.com/careers/your-development/index.shtml</a> <a href="http://www.edfenergy.com/careers/career-opportunities/index.shtml">http://www.edfenergy.com/careers/career-opportunities/index.shtml</a>

GRI Code	Description	Scope of coverage	Reference sections
<b>Social - Human Rights - Management Disclosure</b>			
Disclosure on management approach	Provide a concise disclosure on the Management Approach items outlined below with reference to the following Human Rights Aspects. The ILO Tripartite Declaration Concerning Multinational Enterprises and Social Policy (in particular the eight core conventions of the ILO) and the Organisation for Economic Co-operation and Development Guidelines should be the primary reference points: investment and procurement practices, non-discrimination, freedom of association and collective bargaining, abolition of child labour, prevention of forced and compulsory labour, complaints and grievance procedures, security practices, and indigenous rights.	✓✓	Our approach to Human Rights and Anti-Discrimination Responsible Procurement Collective Bargaining Privacy Labour Practices Workforce Profiles
Goals and performance	Organisation-wide goals regarding performance relevant to Human Rights Aspects. Use organisation-specific indicators (as needed) in addition to the GRI Performance Indicators to demonstrate the results of performance against goals.	✓✓	Human Rights and our Contractors Collective Bargaining Labour Practices
Policy	Brief, organisation-wide policy (or policies) that defines the organisation's overall commitment relating to the Human Rights Aspects, indicating their linkage to internationally recognised standards. Use organisation-specific indicators (as needed) as well as GRI Performance Indicators	✓✓✓	Creating Integrity and Values Our approach to Human Rights and Anti-Discrimination International Standards Responsible procurement Ethics Anti-Corruption
Organisational responsibility	The most senior person with operational responsibility for Human Rights Aspects or explain how operational responsibility is divided at the senior level for these aspects.	✓✓	Collective Bargaining Human Rights and our Contractors
Training and awareness	Procedures relating to training and raising awareness in relation to Human Rights Aspects	✓✓	Creating Integrity and Values



GRI Code	Description	Scope of coverage	Reference sections
Monitoring and follow up	Procedures related to monitoring and corrective and preventive actions, including those related to the supply chain. Lists of certifications for human rights-related performance or certification systems, or other approaches to auditing/verification for the reporting organisation or its supply chain.	✓✓	Responsible procurement Collective Bargaining Human Rights and our Contractors
Additional contextual information	Additional relevant information required to understand organisational performance such as: key successes and shortcomings, major organisational risks and opportunities, major changes in the reporting period to systems or structures to improve performance, and key strategies for implementing policies or improving performance.	✓✓	Case Study: Ethical procurement SSEP Competitive Procurement
<b>Social - Society - Management Disclosure</b>			
Disclosure on management approach	Provide a concise disclosure on the Management Approach items outlined with reference to the following Society Aspects: community, corruption, public policy, anti-competitive behaviour, and compliance	✓✓✓	<a href="http://group.edf.com/the-edf-group/presentation-of-the-group/commitments/code-of-ethics/ethics-alert-95148.html">http://group.edf.com/the-edf-group/presentation-of-the-group/commitments/code-of-ethics/ethics-alert-95148.html</a> <a href="http://group.edf.com/the-edf-group/presentation-of-the-group/commitments/mediation-95151.html">http://group.edf.com/the-edf-group/presentation-of-the-group/commitments/mediation-95151.html</a> Minimising Operational Impact Anti-Corruption Business Planning Our Stakeholders Our Ambassador programme London Benchmarking group
Goals and performance	Organisation-wide goals regarding performance relevant to Society Aspects. Use organisation-specific indicators (as needed) in addition to the GRI Performance Indicators to demonstrate the results of performance against goals.	✓✓	Minimising Operational Impacts Anti-Corruption Politics, Donations and Lobbying Activities
Policy	Brief, organisation-wide policy (or policies) that defines the organisation's overall commitment relating to the Society Aspects, indicating their linkage to internationally recognised standards. Use organisation-specific indicators (as needed) as well as GRI Performance Indicators	✓✓	Anti-Corruption Minimising Operational Impacts Politics, Donations and Lobbying Activities <a href="http://group.edf.com/the-edf-group/presentation-of-the-group/commitments/code-of-ethics-95147.html">http://group.edf.com/the-edf-group/presentation-of-the-group/commitments/code-of-ethics-95147.html</a>

GRI Code	Description	Scope of coverage	Reference sections
Organisational responsibility	The most senior person with operational responsibility for Society Aspects or explain how operational responsibility is divided at the senior level for these aspects.	✓✓✓	Anti-Corruption Politics, Donations and Lobbying Activities Human Rights and our Contractors
Training and awareness	Procedures relating to training and raising awareness in relation to Society Aspects	✓✓	Living Our Values Minimising Our Impacts
Monitoring and follow up	Procedures related to monitoring and corrective and preventive actions, including those related to the supply chain. Lists of certifications for systems, or other approaches to auditing/verifying the reporting organisation or its supply chain.	✓✓	London Benchmarking group Responsible Procurement <a href="http://group.edf.com/the-edf-group/presentation-of-the-group/commitments/code-of-ethics/ethics-alert-95148.html">http://group.edf.com/the-edf-group/presentation-of-the-group/commitments/code-of-ethics/ethics-alert-95148.html</a> <a href="http://group.edf.com/the-edf-group/presentation-of-the-group/commitments/mediation-95151.html">http://group.edf.com/the-edf-group/presentation-of-the-group/commitments/mediation-95151.html</a> Reference to AA1000 auditing / GRI verification process
Additional contextual information	Additional relevant information required to understand organisational performance such as: key successes and shortcomings, major organisational risks and opportunities, major changes in the reporting period to systems or structures to improve performance, and key strategies for implementing policies or improving performance.	✓✓	Case Study: Ethical Procurement SSEP Case Study: Community Support NE Contact Centre Case Study: Utility Weeks Awards
EU 18	Participatory decision-making processes with stakeholders and outcomes of engagement (re: asset/line sitting and ref: timing and degree of engagement and vulnerable customer engagement assurance)	✓✓	Financial Assistance and Support Programmed Political institutions and the regulator The Media Case Study: Stakeholders DCPR5
EU19	Managing involuntary displacements (especially no. affected, consultation types, resettlement plans, compensation & grievance mechanisms, and cultural preservation plans for indigenous people)	×	
EU20	Contingency planning measures and disaster/emergency management plans and training programs and recover/restoration plans (include particular emphasis to nuclear and large-scale hydro plants)	✓✓	Business Planning

GRI Code	Description	Scope of coverage	Reference sections
<b>Social - Product Responsibility - Management Disclosure</b>			
Disclosure on management approach	Provide a concise disclosure on the Management Approach items outlined with reference to the following Product Responsibility Aspects: customer health and safety, product and service labelling, marketing communications, customer privacy, and compliance	✓✓✓	Public Safety Connecting with Vulnerable Customers Safety in Education Team Security and Signage Sales Customer satisfaction Privacy <a href="http://www.edfenergy.com/safety-emergencies/safety-around-electricity-gas/index.shtml">http://www.edfenergy.com/safety-emergencies/safety-around-electricity-gas/index.shtml</a> <a href="http://www.edfenergy.com/safety-emergencies/index.shtml">http://www.edfenergy.com/safety-emergencies/index.shtml</a>
Goals and performance	Organisation-wide goals regarding performance relevant to Product Responsibility Aspects. Use organisation-specific indicators (as needed) in addition to the GRI Performance Indicators to demonstrate the results of performance against goals.	✓✓	Safety in Educational Team Case Study: Affordability Case Study: Energy Assist
Policy	Brief, organisation-wide policy (or policies) that defines the organisation's overall commitment to the Product Responsibility Aspects, or state where it can be found in the public domain	✓✓	Public safety Sales
Organisational responsibility	The most senior person with operational responsibility for Product Responsibility Aspects or explain how operational responsibility is divided at the senior level for these aspects.	✓✓	Privacy Marketing
Training and awareness	Procedures relating to training and raising awareness in relation to the Product Responsibility Aspects	✓✓	Extra Services for Vulnerable Customers Sales
Monitoring and follow up	Procedures related to monitoring and corrective and preventive actions, including those related to the supply chain. Lists of certifications for product responsibility performance or certification systems, or other approaches to auditing/verification for the reporting organisation or its supply chain.	✓✓	Affordability Sub-station Watch Customer satisfaction

GRI Code	Description	Scope of coverage	Reference sections
Additional contextual information	Additional relevant information required to understand organisational performance such as: key successes and shortcomings, major organisational risks and opportunities, major changes in the reporting period to systems or structures to improve performance, and key strategies for implementing policies or improving performance.	✓✓	Community Support Case Study: OFGEM Award Case Study: Warm Zone Case Study: Safe, Warm, Well
EU22	Programs, including those in partnership with government, to improve or maintain access to electricity services	✓✓	Connecting with Vulnerable Customers Our Stakeholders Case Study: Stakeholders DCPR5
EU23	Practices to address language, cultural, low literacy and disability related barriers to accessing and safely using electricity services (including billing information, safety information, energy efficiency, complaints and customer surveys)	✓✓	Extra Services for Vulnerable Customers Signage and Security
✓✓✓ comprehensively addressed    ✓✓ sufficiently described    ✓ part-addressed    × not addressed /deferred			

GRI Code	Description	Scope of coverage	Reference sections
<b>Economic</b>			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	✓✓✓	Business Performance Key Figures AT A GLANCE Product Development Public Networks Distribution for the Future Energy Supply Improving Efficiency Pensions Support Programmes Learning for All Match Funding Environmental Incidents in 2008 Fluid-filled cables Case Study: Energy Related Products Case Study: Generation_ETI Case Study: Affordability Energy Assist Case Study: Warm Zone Case Study: Notts Wildlife Trust
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	✓✓	Decarbonising Energy-Chief Executive Message Low Carbon Future -Chief Executive Message
EC3	Coverage of the organisation's defined benefit plan obligations	✓✓	Company Incentive Plan Pensions
EC4	Significant financial assistance received from government	✓✓✓	Support Programmes Connecting with Vulnerable Customers Case Study: Warm Zone
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation	×	



GRI Code	Description	Scope of coverage	Reference sections
EC6	Policy, practices and proportion of spending on locally-based suppliers at significant locations of operation	✓✓	Competitive Procurement
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	✓✓	Recruitment
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	✓✓	Case Study: Energy Assist Case Study: Employees MAC cycling Community support Case Study: Communities - Notts. Wildlife Trust
EC9	Understanding and describing significant indirect economic impacts including the extent of impacts	✓	Chief Executive Message
EU9	Planned capacity (MW) against projected electricity demand over the long term, broken down by energy source and country or regulatory regime	✓✓✓	The Energy Challenge Product Development Strategic Supply Planning EDF Energy Renewables
EU10	Estimated capacity (MW) saved through demand-side management programs	✓	Case study – Playing our part in meeting the UK’s Carbon Emissions Reduction Target Case Study: Energy Efficiency Toolkit
EU11	Estimated energy (MWh) saved through demand-side management programs, broken down by residential, commercial and industrial customers	×	
EU12	Average generation efficiency by energy source and by country or regulatory regime	✓✓	Energy Efficiency & CO2 Savings Case Study: Affordability_CERT
EU13	Transmission and distribution efficiency	×	

GRI Code	Description	Scope of coverage	Reference sections
<b>Environment</b>			
EN1	Materials used by weight & volume	✓✓	Material Use by our company
EN1 +	In-use inventory of solid & liquid high level/low level PCB's (Kg or L)	✓✓	In-Use PCB's
EN2	% materials used as recycled input materials	✓✓✓	Material Use – Recycled Input Environmental Impacts of Products & Services Excavation Waste management
EN3	Direct energy consumption by primary energy source	✓✓✓	Material Use - Fuel Material Use - Energy Use by Buildings
EN4	In-direct energy consumption by primary energy source	✓✓✓	Material Use - Energy Use by Buildings Material Use - Electricity Used by Generation Plants
EN5	Energy saved due to conservation & efficiency improvements	✓✓✓	Energy Efficiency & CO2 Savings – Summary Case Study: Energy Assist Case Study: Warm Zone
EN6	Initiatives to provide energy-efficient or renewable energy-based products & services, and reductions in energy requirements as a result of these initiatives	✓✓	<a href="http://www.edfenergy.com/products-services/for-your-home/our-green-products/index.shtml">http://www.edfenergy.com/products-services/for-your-home/our-green-products/index.shtml</a> Climate Change-Electricity Generation Product Development
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	✓	Energy Efficiency & CO2 Savings – Summary Case Study: Energy Assist Case Study: Warm Zone
EN8	Total water withdrawal by source	✓✓	Water Use in our Buildings Water use in Generation
EN8+	Water used for processing, cooling & consumption in thermal and nuclear plants (including use of water in ash handling)	✓✓✓	Water Use in Generation

GRI Code	Description	Scope of coverage	Reference sections
EN9	Water sources significantly affected by withdrawal of water	×	
EN10	% and total volume of water recycled and re-used	✓✓	Water Use in Generation
EN11	Location & size of land owned, leased, managed in, or adjacent to, protected areas and areas of high bio-diversity value outside protected areas.	✓✓	Biodiversity
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	✓✓	Biodiversity & Habitat Management Biodiversity
EN13	Habitats protected or restored	✓	Biodiversity
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	✓	Biodiversity & Habitat Management Minimising our Impacts
EN14+	Report the impacts and mitigation measures of new/existing sites re: forested areas, landscape, water/wetland ecosystems	✓	Biodiversity & Habitat Management
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	×	
EN16	Total direct & indirect greenhouse gases emissions by weight	✓✓	CO2 Ratio – Summary
EN16+	Report CO2 equivalent per MWh re: Net generation (all capacity), fossil fuel generation & net delivery estimates (own generation, purchased power & power losses)	✓✓✓	CO2 Ratio – Summary
EN17	other relevant indirect greenhouse gas emissions by weight	✓✓	CO2 Ratio – Summary

GRI Code	Description	Scope of coverage	Reference sections
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	✓✓	Climate Change-Electricity Generation Improving efficiency Energy Efficiency & CO2 Savings Environmental Impacts CO2 Ratio – Summary Case Study: Electric Cars Case Study: Solar Panels
EN19	Emissions of ozone-depleting substances by weight	✓✓	Ozone Depleting substances – Summary
EN20	NOx, SOx and other significant air emissions by weight	✓✓	Emissions from our power stations Emissions to Air Table under Hazardous Wastes
EN20+	Report emission per MWh net generation & other emissions (mercury, coal pile, ash lagoons/ponds, precipitator dust and reservoir drawdown dust)	✓✓	Emissions from our power stations Mercury and Precipitation Dust Table/Test Hazardous Wastes
EN21	Total water discharge by quality and destination	✓✓	Water Recycled Input Water Use in Generation Water Use in our Buildings
EN21+	add thermal discharges	✓✓	Water Discharge Quality Water Use in Generation
EN22	Total weight of waste by type and disposal method	✓✓	Hazardous Wastes Environmental Impacts of Products & Services Waste management At a glance Environmental Impacts Generation Material Use – Recycled Input
EN22+	include PCM waste, nuclear waste & volume of spent nuclear fuel sent for processing and reprocessing each year (+ per MWh of nuclear generation)	✓✓	Hazardous Waste

GRI Code	Description	Scope of coverage	Reference sections
EN23	Total number & volume of significant spills	✓✓	Environmental incidents
EN24	Weight of transported, imported, exported or treated waste deemed hazardous (Basel Convention Annex I,II,III & VII) and % of transported waste shipped internationally	×	
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and run-off	×	
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	✓✓	Environmental Impacts of Products & Services Case Study Generation_ETI Case Study: Green Transformer Case Study: Gold Travel Plan
EN27	% of products sold and their packaging materials that are reclaimed by category	✓✓	Environmental Impacts of Products & Services
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	✓✓✓	Environmental incidents
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce	✓	Minimising our Impacts



GRI Code	Description	Scope of coverage	Reference sections
EN30	Total environmental protection expenditures and investments by type	✓✓	Improving Efficiency Distribution for the future Energy supply Fluid-filled cables Support Programmes Green Fund Case Study: Generation_ETI Case Study: Energy Related Products Case Study: Affordability Energy Assist Case Study: Warm Zone
EU14	Biodiversity of replacement habitats compared to the biodiversity of the areas that are being replaced	×	
<b>Social - Labour Practices</b>			
LA1	Total workforce by employment type, employment contract and region	✓✓	Workforce profiles
LA1+	Total contractor workforce by employment type, employment contract & region	✓✓	Workforce Profiles
LA2	Total no. and rate of employee turnover, by age, gender and region	✓✓	Workforce Profiles
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	×	
LA4	% of employees covered by collective bargaining agreements	✓✓✓	Collective Bargaining
LA4+	% of contractors covered by collective bargaining agreements	✓✓	Collective Bargaining
LA5	Minimum notice period(s) regarding significant changes, including whether it is specified in collective agreements	✓✓	Collective Bargaining

GRI Code	Description	Scope of coverage	Reference sections
LA6	% of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	x	
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities by region	✓✓	Health and Safety Performance 2008 Occupational health and social well-being
LA7+	Report on health & safety performance of contractors and sub-contractors (on site or on behalf of org.)	✓✓	Health and Safety and our Contractors Zero harm Responsible procurement
LA8	Education, training, counselling, prevention, and risk control programs in place to assist workforce members, their families, or community members regarding serious diseases	✓✓	Occupational health and social well-being Health and Safety Engagement
LA9	Health & safety topics covered in formal agreements with trade unions.	x	
LA10	Average hours of training per year per employee by employee category	✓✓	Health and Safety Engagement
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing their careers	✓✓	Recruitment
LA12	% of employees receiving regular performance and career development reviews	x	
LA13	Composition of governance bodies and breakdown employees per category according to gender, age group, minority group membership, and other indicators of diversity	✓✓	Diversity
LA14	Ratio of basic salary of men to women by employee category	✓✓	Recruitment
EU16	Total subcontracted workforce	✓	Collective Bargaining

GRI Code	Description	Scope of coverage	Reference sections
EU17	Percentage of contractors and sub-contractors that have undergone relevant health and safety training	✓	Health and Safety and our Contractors
<b>Social - Human Rights</b>			
HR1	% & total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	✓✓	Human Rights and Our Contractors
HR2	% of significant suppliers and contractors that have undergone screening on human rights and actions taken	✓✓	Responsible procurement Human Rights and Our Contractors
HR3	Total hours of employee training and policies and procedures concerning aspects of human rights that are relevant to operations, including the % of employees trained.	×	
HR4	Total no. of incidents of discrimination and actions taken	✓✓✓	Anti-Discrimination Practices
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk and actions taken to support these risks	✓✓	Freedom of Association and Collective Bargaining
HR5+	Management mechanisms to address the right to strike or lock-out instances. Discuss remedial measures re: binding arbitration	✓✓	Freedom of Association and Collective Bargaining
HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.	✓✓	Labour Practices
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures taken to contribute to the elimination of forced or compulsory labour	✓✓	Child Labour and Forced Labour
HR8	% of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to the organisation	×	

GRI Code	Description	Scope of coverage	Reference sections
HR9	Total no. of incidents of violations involving rights of indigenous people and actions taken	x	
<b>Social - Society</b>			
S01	Nature, scope and effectiveness of any programs and practices that assesses and manage impact of operations on communities, including entering, operating, and exiting	✓✓✓	Minimising our Impacts
S01+	Discuss programs related to: worker influx/impacts on communities, changes to land use (e.g. global commons), impacts on infrastructure & access to services, and changing landscape aesthetics/quality	✓	Minimising our Impacts
S02	% and total no. of business units analysed for risks related to corruption	✓✓	Responsible Business Practice
S03	% of employees trained in the organisation's anti-corruption policies and procedures	✓✓	Responsible Business Practice
S04	Actions taken in response to incidents of corruption	✓✓	Responsible Business Practice
S05	Public policy positions and participation in public policy development and lobbying	✓✓✓	Politics, Donations and Lobbying Activities
S06	Total contribution of financial and in-kind contributions to political parties, politicians, and related institutions by country	✓✓	Politics, Donations and Lobbying Activities
S07	Total no. of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	✓✓	Politics, Donations and Lobbying Activities
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	✓✓	Politics, Donations and Lobbying Activities

GRI Code	Description	Scope of coverage	Reference sections
EU21	Number of people displaced by new or expansion projects related to generation facilities and transmission lines, broken down by physical and economic displacement	x	
<b>Social - Product Responsibility</b>			
PR1	Lifecycle stages in which health and safety impacts of products and services are assessed for improvements, and % of significant products and services categories subject to such procedures.	✓✓	Substation Watch
PR1+	Process for assessing community health risks (incl. monitoring, prevention & if necessary long-term health risks). Identify assessed health risks.	x	
PR2	Total no. of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by types of outcomes	x	
PR3	Type of product and service information required by procedures and % of significant products and services subject to such information requirements	✓✓	Public safety Security and Signage Processing of complaints
PR4	Total no. of incidents of non-compliance with regulations and voluntary codes concerning product and service information labelling, by types of outcomes	x	
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	✓✓	Customer satisfaction
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	✓✓	Sales



GRI Code	Description	Scope of coverage	Reference sections
PR7	Total no. of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.	✓✓	Marketing
PR8	Total no. substantiated complaints regarding breaches of customer privacy and losses of customer data	✓✓✓	Privacy
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	✓✓	Substation Watch
EU24	Number of injuries and fatalities to the public involving company assets, including legal judgement, settlements and pending legal cases of diseases	×	
EU25	Percentage of population unserved in licensed distribution areas, broken down by population in rural areas and urban areas	×	
EU26	Number of residential disconnections for non-payment	×	
EU27	Power outage frequency	×	
EU28	Average power outage duration	×	
EU29	Average plant availability factor	×	
✓✓✓ comprehensively addressed    ✓✓ sufficiently described    ✓ part-addressed    × not addressed /deferred			