

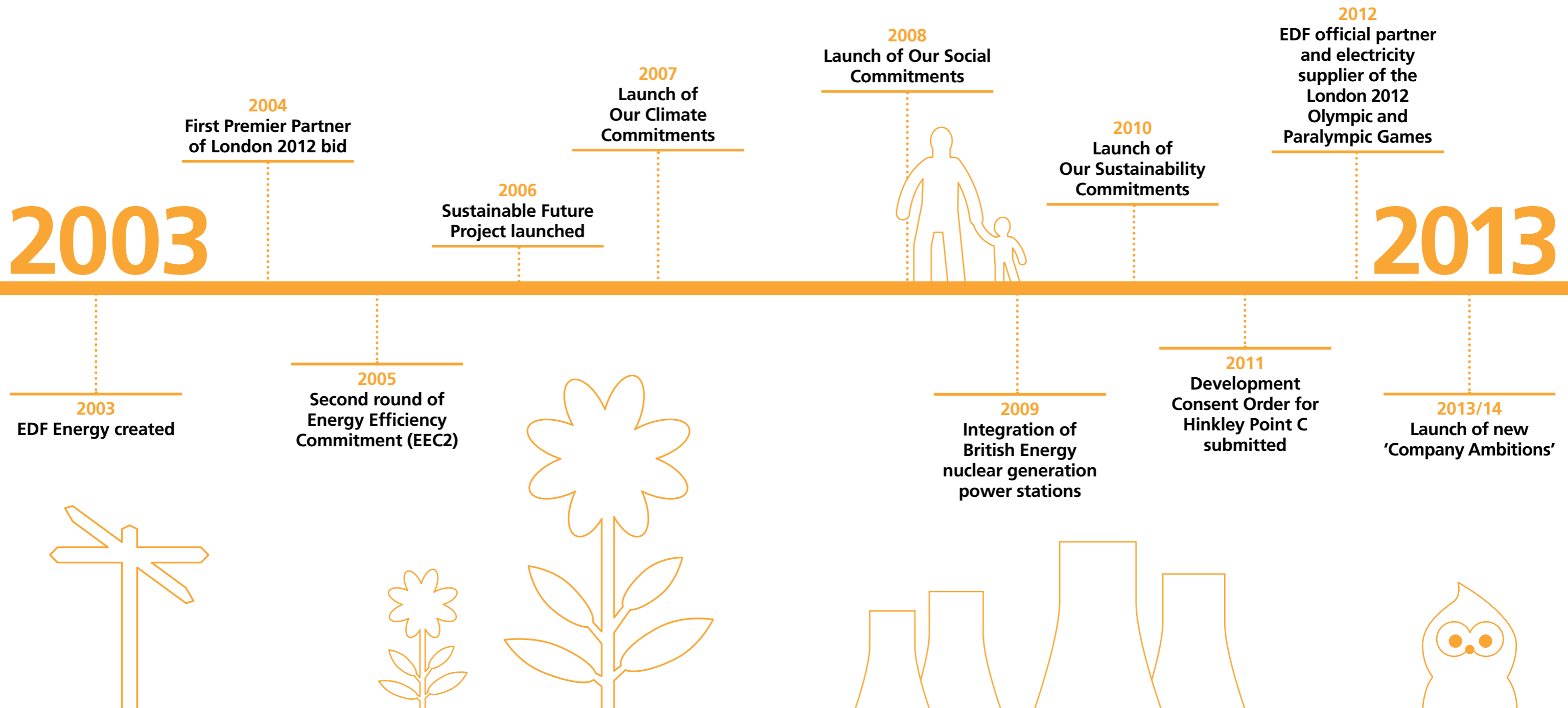
EDF Energy Annual Sustainability Report 2012

Our journey continues.

We are committed to putting sustainability at the heart of our business and we are making good progress towards this aim. This report provides a summary of just how far we have come.



Our journey so far
Here are some of our achievements
in the last 10 years.



Highlights 2012

There is a great deal that we are proud of in 2012. Even though there's more to do, when we look at the challenges we faced, much has been achieved. Here we look back on 12 of the high points.

9.3m

01 We reached a record number of household customer accounts, with more than one million accounts having switched to our low-carbon Blue product.



02 Blue for business customers is now also behind the 10-year deal to supply Network Rail with 3.2TWh of low-carbon electricity per annum.

03 The Pod, our sustainable schools programme, reached over 9.3 million young people (since its launch in September 2008) with over 40% of UK schools participating.

04 Our nuclear generation stations produced 60TWh of low-carbon electricity – our best performance in seven years and enough to power 50% of UK homes.



05 We achieved the Diversity Works for London 'Gold Standard' for our approach to diversity and inclusion, joining only three other companies to hold this standard.



06 We achieved our best ever safety performance. Continuous improvement over the past five years means we have reduced our Lost-Time Incident (LTI) rate by 85%.



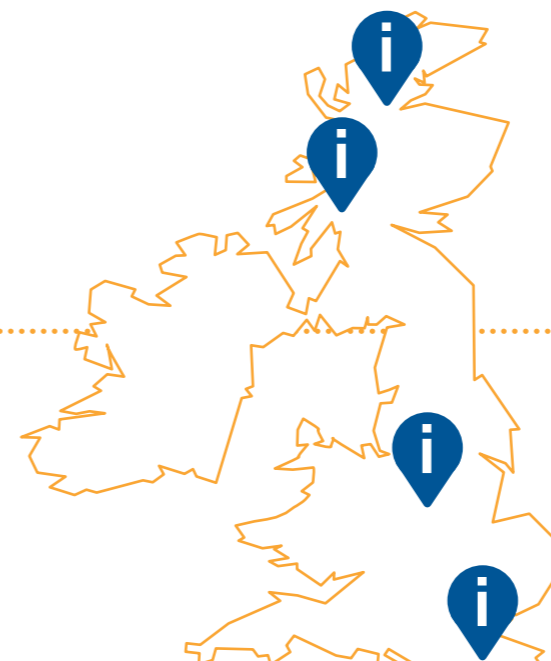
07 Our Customer Commitments were published to put fair value, better service and simplicity at the heart of our approach for customers.

08 We scored 95% in the Business in the Community (BITC) Corporate Responsibility Index. Our approach to sustainability was awarded a 'Platinum Big Tick', the highest possible standard, and it placed us best in our sector.



09 In winter 2012 we ensured that our most vulnerable elderly customers, identified by the UK government as being most in need, automatically benefitted from our cheapest tariff.

10 In line with our commitment to be open and transparent, we opened new visitor centres at four of our nuclear power stations. These centres provide visitors a chance to learn about nuclear power, electricity generation and our operations through films, interactive displays and tours.



80%

11 EDF was an official partner and the official electricity supplier to the London 2012 Olympic and Paralympic Games. We supplied electricity to the Olympic Park which was backed by low-carbon sources (80% from nuclear and 20% from renewables).



12 Regulators approved European Pressurised Reactor® (EPR) design – a key step in delivering new future nuclear energy for the UK.

Business performance at a glance

AMBITION	MEASURE	UNIT	2012	2011	2010
Zero Harm	Total Recordable Incident Rate (employees and contractors)	Incidents per 1,000,000 hours worked	1.58	1.78	n/a
	Lost Time Incidents Rate (employees and contractors)	Incidents per 1,000,000 hours worked	0.62	0.61	1.12
	Primarily work-related ill health (employees and contractors)	Incidents per 1,000,000 hours worked	5.83	5.01	4.08
	Unplanned automatic trip rate	Per 7,000 hours as defined by WANO	0.64	0.74	0.58
	Strong Financial Performance	Sales	£m	7,908	7,465
	Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	£m	1,666*	1,664	2,339
First Choice for Customers	Customer product accounts	Millions	5.8	5.8	5.5
	Electricity Priority Service Numbers	Customers	246,988	226,596	236,912
	Gas Priority Services	Customers	127,354	115,466	95,590
	Number of customers referred to Community Energy Savings Programme (CERT) and Energy Companies Obligation (ECO)	Customers	124,905	†	†
	Number of Smart Meters installed	Number	6,163	†	†
	Number of customers (all) proactively provided with information on how they can reduce their energy consumption	Letters, text message and emails sent, as well as outbound calls	46,043	†	†
	High Performing People	Employee high performance index	%	63	61
	Number of employees	Headcount	15,153	15,536	15,441
	Number of days lost to sickness	Days	140,953	124,013	119,884
	Number of leavers	Number	1,624	1,589	1,307
	Number of working hours	Hours	25,309,116	25,685,563	27,115,624
	Number of female employees	Number	4,886	4,991	4,739

AMBITION	MEASURE	UNIT	2012	2011	2010
Leader in Sustainability	CO ₂ e intensity from generation	Tonnes/GWh	251.7	208.1	219.5
	Total carbon footprint	CO ₂ e million tonnes	21.0	15.1	14.0
	Nitrogen Oxides (NOx) emissions	Tonnes	38,696	29,084	27,255
	Sulphur Dioxide (SO ₂) emissions	Tonnes	14,884	12,707	13,580
	Total net generation	TWh	83.4	72.4	63.7
	CO ₂ from commercial buildings	Kilotonnes	21.8	22.5	31.1
	CO ₂ from commercial buildings	Tonnes/FTE	1.50 (1.47 inc. weathering)	1.51	1.61
	CO ₂ from transport	Kilotonnes	10.6	11.1	23.6
	CO ₂ from transport	Tonnes/FTE	0.73	0.75	1.22
	CO ₂ arising from customers' energy consumption	CO ₂ million tonnes avoided	0.98	0.8	0.7
	Waste from energy billing	Tonnes	199	294	416.1
	Employee understanding of their part in delivering Our Sustainability Commitments	%	85	75	76
	Building waste recycled	%	88	87	87
	Eligible customers on discounted tariff	Product accounts	115,641	159,236	165,102
	Warm Home Discount Scheme	Number of eligible customers receiving rebate	117,000	†	†
	Children engaged by our sustainable schools programme, The Pod	Cumulative number since 2008	9,331,834	5,811,217	3,115,451

† New measure from 2012

* Includes a £13 million charge from our parent company



There comes a point in any long journey when you need to see how far you've come. This is one of those points. Even though there's more to do, much has been achieved. And when we look back on the challenges we faced in 2012, we can't help feeling proud of the high points.

AMBITION	MEASURE	UNIT	2012	2011	2010
Lead the way in Nuclear Power Generation	Unplanned automatic trip rate	Number of unplanned automatic trips per 7,000 hours of operation	0.64	0.74	0.58
	Number of nuclear safety events rated International Nuclear Event Scale (INES) Level 1 (lowest)	Number	15	19	13
	Number of nuclear safety events rated International Nuclear Event Scale (INES) Level 2 or above	Number	0	0	0
	Nuclear reportable events	Number	3	7	9
	3-year average collective radiation dose	man-Sv reactor	0.069	0.089	0.106
	Company maximum individual radiation dose	mSv	8.179	7.621	4.338
	Radiation dose to the most exposed member of the public	mSv	0.006	0.006	0.007
	Uranium sent off-site	Tonnes	216	211	132
	Spent fuel stored in cooling ponds on site	Tonnes (heavy metal)	481	507	512
	Amount of Intermediate Level Waste (ILW) generated	m ³	161	161	162
Disposals of radioactive waste (Low Level Waste (LLW) or waste that will be disposed of as LLW after treatment)	m ³	694	608	498	

CEO Sustainability Statement

I have always made clear that for EDF Energy, sustainability is more than a policy. It is much more than a strategy. It lies at the heart of our business.



Our commitment to sustainability was encapsulated in Our Climate Commitments and Our Social Commitments, published in 2007 and 2008 respectively. We built on those original commitments with the publication of Our Sustainability Commitments in 2010, and our Customer Commitments in 2012.

This report celebrates our strong performance against those commitments. In the coming months, we will announce our plans to advance this work in the years ahead.

Engaging communities has been at the heart of our approach to sustainability in 2012. We want to inspire a generation of responsible citizens for the future, as well as to ensure that we operate as a good corporate citizen right now.

Our sustainable schools programme, The Pod, has been a huge step towards achieving this goal. Not only did we hit our target of educating 2.5 million young people about the sustainable use of energy two years early, but we have also now far exceeded this. I am delighted to confirm that The Pod has inspired more than 9.3 million school children UK-wide, with almost half of all schools in the country registered to the programme.

And who could forget the remarkable Olympic and Paralympic summer? As the official electricity provider we powered the London 2012 Olympic and Paralympic Games with low carbon energy and encouraged people to change the

way they think about and use energy, both now and in the long term. We were delighted to work with the British Paralympic Association to achieve gold global accreditation in sustainability, and we look forward to continued work with them up to the 2016 Paralympic Games in Rio de Janeiro.

Our London 2012 work has also inspired us to create a legacy network of employees – Company Makers – which launched in February 2013. Our Company Makers work (in addition to their day to day roles at EDF Energy) to help us achieve excellence in everything we do. The programme embodies the spirit of inclusivity and enthusiasm seen so clearly during the Games, and has been a huge help in driving forward our sustainability work.

This work has not gone unrecognised. In 2012, we won a record number of awards for sustainability. These included seven Business in the Community (BITC) 'Big Ticks' for Responsible Business and a national 'Gold Standard' for our approach to Diversity and Inclusion. We were one of just four companies to receive the latter award from Diversity Works for London.

I am immensely proud of every one of these achievements, and hope they motivate other businesses to follow in our footsteps.

In our retail business, 2012 was also a year of progress. March saw the launch of our Customer Commitments to Fair Value, Good Service and Simplicity.

In 2012 the bar was set high but we rose to the test. We met the vast majority of the targets in our commitments – in some cases earlier than expected.

100%

of the electricity supplied to the Olympic Park was supplied by EDF Energy 80% from nuclear and 20% from renewables.

60TWh

of low-carbon electricity produced from our nuclear generation fleet. Enough to power half of UK homes.

9.3m

school children engaged with our sustainable schools programme, The Pod, since September 2008.

Our London 2012 work has also inspired us to create a legacy network of employees – Company Makers.



Our customers often tell us that they want reliable and environmentally responsible energy at a price that is affordable. So in 2012 we launched our Blue + Price Promise tariffs. We tell customers on these tariffs if they could save more than £1 a week with another supplier. These products have proved hugely popular, not only offering customers the confidence that their energy is backed by low carbon generation, but also providing the security of guaranteed prices with no termination fees.

We have also been helping our customers manage their energy use more effectively through the Carbon Emissions Reduction Target and the Community Energy Savings Programme. Our dedication to these programmes meant that we were one of the few major suppliers to meet these Government targets, and thereby help our consumers keep their homes warm.

And we have continued to go above and beyond our regulatory obligations to support our most vulnerable customers. The ground-breaking Trust Fund we established ten years ago has helped over 25,000 people in serious financial difficulty. We have invested more than £20 million into the scheme – the first of

its kind – which has helped vulnerable families to clear their household debts, and given them a fresh start in life.

Last year, we launched our personalised support service, which provides a 'one stop' shop for vulnerable customers seeking advice on how we can help them. We also fund a free, impartial advice service run by Plymouth Citizens Advice Bureau which helps more than 10,000 vulnerable customers a year manage their finances to enable them to enjoy a more financially sustainable future and keep on top of their household bills.

All of these advances have built responsibility and sustainability into our business whilst putting our customers first. I am pleased to say this has been reflected in our customer satisfaction rating which has improved significantly compared to this time last year.

2012 was also a key year for moving our new nuclear build plans forward.

We believe strongly that nuclear power has a vital role to play as part of a diverse energy mix, helping to meet energy demand whilst keeping us on track to achieve our carbon reduction targets.

Our project at Hinkley Point passed a number of key milestones in 2012. A Nuclear Site Licence from the independent nuclear regulator; a Design Acceptance Certificate for the European Pressurised Reactor design; and the Development Consent Order (approval of our planning application) for the site announced by the Energy Secretary, Ed Davey, in March 2013. All huge achievements for the project.

Hinkley Point C will have a capacity of 3,260 Megawatt (MW) – enough to power 5 million homes for its anticipated lifespan of 60 years. It would therefore be a significant source of low carbon, reliable, energy for the country should the project get the final go-ahead.

We also announced plans to extend the life of both Hinkley Point B and Hunterston B nuclear power stations, reflecting our ongoing work to ensure operational safety and excellence across the fleet. Life extensions to date have saved around 130 million tonnes (Mt) CO₂ that would otherwise have been emitted by fossil fuel power generation.

We continue to develop our onshore and offshore wind assets through our EDF Energy Renewables business, further reinforcing our commitment to decarbonising the UK power sector. We have over 20 operational wind farms in the UK, with a further project now consented at Royal Oak in County Durham.

The above actions all illustrate that sustainability is embedded in our outlook, our strategy, and our leadership. There is no question of being blown off course.

Our intent is to build on the successes of 2012, learn from our experiences and deliver even more together in 2013 and beyond.

Vincent de Rivaz CBE
CEO, EDF Energy
July 2013

The Hinkley Point project has the capacity to generate 3,260MW of low-carbon, reliable, energy for the UK.

We have invested £12 million in the EDF Energy Trust Fund.

We have over 20 operational wind farms in the UK.



Trust requires us to be the best at helping our customers. This is why in 2012 we introduced Customer Commitments to deliver fair value, better service and simplicity to customers.

Our business strategy

EDF Energy is an integrated energy company with 15,153 employees, that generates and supplies electricity and gas for the UK from a nuclear, coal, gas and renewable energy portfolio. We are a wholly owned subsidiary of the EDF Group.

Number one supplier of electricity to non-domestic customers in the UK.

In 2012, we retained our position as the largest generator of electricity¹ (in TWh produced) and the largest generator of low-carbon electricity in the UK.

Based on the most recent data², we also retained our position from the previous year as the number one supplier of electricity to non-domestic customers (as measured in TWh sold³) and remained the fifth largest supplier to domestic gas and electricity customers (measured in numbers of customer accounts⁴). Overall, we are the leading electricity supplier in the UK (excluding Northern Ireland).

UK's fifth largest supplier to domestic gas and electricity customers.

We plan to build four new nuclear reactors in the UK: two at Hinkley Point in Somerset and a possible further two at Sizewell in Suffolk (subject to ongoing studies and relevant permissions). We are working with the government to agree a fair, balanced deal on revenue certainty to enable a Final Investment Decision (FID) for Hinkley Point C at the earliest possible date.

We will continue to operate coal power stations until new forms of low-carbon energy are available to meet the UK's energy needs. Our new gas power station will back up intermittent forms of renewable energy now and in the future.

The publication of the Energy Bill on 29 November 2012 and the Parliamentary scrutiny currently underway demonstrates real momentum. However further work remains to be done to finalise transitional arrangements and detailed terms for Hinkley Point C.

We are examining the detail of the Energy Bill and will continue to work with the government and other stakeholders to deliver these reforms in a way that offers the best value for customers. For more detailed information on our plans please visit [Hinkley Point](#).

Our existing nuclear power stations continue to provide the UK with safe and reliable low-carbon electricity, with the highest output in seven years achieved in 2012 at 60TWh. Lifetime extensions for our plant, where safe and commercially viable, allow the UK to continue to benefit from nuclear output until new low-carbon capacity can come online at scale, in addition to providing employment opportunities and helping maintain UK nuclear skills. Subject to the necessary formal reviews and approvals, we expect to achieve life extensions of an average of seven years across the Advanced Gas-Cooled Reactor (AGR) fleet (relative to the scheduled AGR closure dates assumed in January 2009) and of 20 years for Sizewell B. As a step towards achieving this, in December 2012 we announced the decision to extend the lives of Hinkley Point B and Hunterston B stations by seven years.

Other important strategic actions include delivering the new 1,305MW West Burton B Combined Cycle Gas Turbine (CCGT) power station.

1 Source: Elexon Reporting
2 Source: Cornwall Energy Associates Business Sector – Electricity as at 31 October 2012
3 According to the available data, excluding Northern Ireland
4 Source: Cornwall Energy Associates Domestic Regional Survey as at 31 October 2012.



We have introduced Customer Commitments to deliver fair value, better service and simplicity to customers.

> OUR BUSINESS STRATEGY

OUR APPROACH TO SUSTAINABILITY REPORTING

We also aim to improve the profitability of our customer business through increased cost efficiency and transformation of key processes, supported by investment in our people and our information systems.

We have introduced Customer Commitments to deliver fair value, better service and simplicity to customers and are working with our regulator, Ofgem on their market review.

Supported by the Feel Better Energy brand strategy and the innovative, nuclear-backed Blue product, we reached a record number of household customer accounts last year at 5.8 million customer product accounts, with 1 million accounts having switched to the Blue product.

Blue energy was also behind the ten-year deal to supply Network Rail with 3.2TWh of low-carbon electricity per annum.

Building trust in our business is essential for our company, our sector and to ensure a sustainable energy future for the UK. Our approach puts the customer at the centre of our plan with openness, transparency and strong financial and ethical performance guiding our approach. It's not easy and there is always more to do but it's the right thing to do for our customers, our business and the world around us.

We are also committed to being open and transparent about our prices. Understanding what goes into a customer's energy bill can be confusing, so we have created an online guide Your Energy Bill to make the cost of energy clearer for our customers.

Our future financial success will be highly dependent on the returns achieved by our existing and new nuclear plants, which are driven largely by plant availability and output.

Developing and retaining high performing people we have continued to invest heavily in the training and development of our people across the business, including through our own Campus Project training. Campus will help further develop the skills we need today, as well as enhancing the skills we will need tomorrow. To support our substantial investment plan in the UK, we expect to recruit nearly 4,000 talented employees from 2012 to 2015, of which 1,335 were recruited in 2012.

Blue is behind the ten-year deal to supply Network Rail with 3.2TWh of low-carbon electricity per annum.



1,335

talented employees recruited in 2012, another 2,665 to be recruited by 2015.

Our approach to sustainability reporting

Our 2012 Sustainability Performance report outlines the progress we have made so far in delivering a low-carbon future.

For the seventh year, our report has been independently assured by Two Tomorrows.



It reports publicly on our vision, mission, ambitions and sustainability commitments, and serves as a summary of our performance. It also provides a high level summary of our vision for the future, following a comprehensive review of the issues facing our company and our industry.

The report is intended for all our key stakeholders: customers, employees, business partners, suppliers, public bodies, opinion formers, trade unions, and Non-Governmental Organisations.

We have now aligned non-financial reporting with the International Accounting Standards Board (IASB) International Financial Reporting Standards approach to consolidated reporting based on the level of ownership and control of a company. When reporting at the EDF Energy (UK) Limited level we have included 100% of the non-financial performance for each entity where we have control of more than 50% of the Board of Directors or Board level voting rights, and rights to more than 50% of the economic benefits (e.g. profit) flowing from it. A proportional consolidation approach is applied where we share control of an entity with a third party (e.g. EDF Energy Renewable joint ventures). Performance reported for previous years has not been altered.

This report covers the period of 1 January 2012 to 31 December 2012 unless stated otherwise. It is a summary so will sometimes refer to further information that is available elsewhere online.

How data is assured internally

While producing a comprehensive and balanced performance report is important, it is not enough on its own. We need to make sure that all data is robust. To assure our data, we have gone beyond the practice of relying solely on automatic systems as a means of control. Instead, we have established a company assurance and data control management role within our Business Performance and Internal Control team. That role reviews evidence and checks and challenges data across our business. We also employ external assurance providers to carry out additional annual checks on our systems and data.

Report assurance

For the seventh year, our report has been independently assured by Two Tomorrows. The assurance was conducted in accordance with the AccountAbility Assurance Standard (AA1000AS) (2008), Type 2 assurance. This looks at how we follow the principles of inclusivity, materiality and responsiveness in our reporting. It also considers the reliability of performance information.

In their assurance of our 2011 Sustainability Performance Report (published August 2012), Two Tomorrows made a number of high-level observations and recommendations. We have responded to these as outlined in the table opposite.

FINDING / OBSERVATION MADE	2011 RECOMMENDATION	OUR ACTION
EDF Energy conducts an annual employee engagement survey and used responses for measuring performance in its commitment to employee involvement in sustainability.	Given employees are a key stakeholder group we recommend publishing further detail on the highlights and challenges identified by the survey.	We have published more results throughout various sections of this report.
As part of its Customer Commitments, EDF Energy has committed to publishing the results of customer feedback surveys from summer 2012.	We recommend future reports should include additional information on views and expectations of customers in relation to the company's sustainability performance.	Customer feedback results are now published on our website Our Customer Commitments .
EDF Energy has increased transparency on its nuclear operations through both the report, and the 'Energy Future' website.	We recommend that EDF Energy should review the expectations and concerns of stakeholders in relation to its reporting on nuclear processes and performance. Where necessary, the context for performance should be further explained to make this information more accessible for stakeholders. We recommend that EDF Energy should consider how to begin reporting on issues relating to the sourcing of uranium for use as nuclear fuel, as part of the company's ethical supply chain programme.	We have published information to address stakeholder concerns at our Energy Futures website and also as part of the FTSE4Good Nuclear Criteria . This information also includes details on the on the quantity of our future uranium supplies. In order to ensure the continuity and security of the supply of its nuclear reactors in France and the UK, EDF retains overall control of all operations at each stage of the cycle, and manages a portfolio of long-term contracts. More detail about EDF's uranium supply is available in the EDF Group Document de Reference 2012 .
As London 2012 Olympic and Paralympic Games approach, there is increasing interest in the legacy of the games. We understand that next year's report will explain the programmes EDF Energy has put in place as sustainability partner to the games.	We recommend that next year's report should include measures of the impact and effectiveness of these programmes, and the extent to which they will contribute to the legacy of the Games.	We have published on our website information on our sponsorship and sustainability legacy online at EDFenergy.com .
The report does not state EDF Energy's stance on current legislation, only that they are working with government on policies as a risk mitigation tool.	We recommend the Lobbying Policy and statements of EDF Energy's opinion on current regulations should be included in report.	We have included content within this report on key legislative developments. See pages: 24-27.
The website includes a high level description of sustainability governance committees: Our Sustainability Governance .	It would be helpful to expand this description to cover membership of the various groups.	We have updated the Our Sustainability Governance section on our website.

Independent assurance statement

Scope and objectives

DNV Two Tomorrows Limited

(DNV Two Tomorrows) has undertaken independent assurance of the EDF Energy Sustainability Performance Report 2012.

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).
- The reliability of specified sustainability performance information.

The performance information included in scope was:

- Data in the 'Our Ambitions performance at a glance' and 'Our Sustainability Commitments Performance at a glance' tables

For data which has already been published in the audited Document de Reference, available on the EDF Group website, we checked it had been transcribed correctly, but did not check evidence to support any calculations. The Stakeholder Advisory Panel statement is also excluded from our scope.

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.

Our statement represents our independent opinion and is intended to inform all of EDF Energy's stakeholders. We adopt a balanced approach towards all stakeholders.

Our team comprised Jon Woodhead, Anne Euler, Priti Nigam and Bettina Reinboth. Further information, including individual competencies relating to the team can be found at: 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 selected evidence to support issues discussed.

- Review of EDF Energy's approach to stakeholder engagement and recent outputs including an interview with Diane Coyle, a member of the Stakeholder Advisory panel.
- Site visit to Customer Services South West in Exeter to review process and systems for preparing site level sustainability data and implementation of sustainability strategy.
- Review of information provided to us by EDF Energy on its reporting and management processes relating to the Principles.
- Review of supporting evidence for a sample of key claims in the Report.
- Review of the processes for gathering and consolidating data and evidence the Information Governance team had collected to support these calculations.

We used the AA1000 Accountability Principles Standard as criteria to evaluate the nature of adherence to the principles of Inclusivity, Materiality and Responsiveness and the Global Reporting Initiative Quality of Information Principles as criteria for evaluating the selected performance information.

Findings and Opinion

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.

In terms of data accuracy, nothing came to our attention to suggest that these data have not been properly collated from information reported at operational level, nor that the assumptions utilised were inappropriate. We are not aware of any errors that would materially affect the overall consolidated company data.

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

- EDF Energy refers the reader to detailed information on its website addressing customer feedback as part of its 'Customer Commitments' and customer complaints performance. While the level of detail provided in this area of the website is good practice, a performance summary and associated commentary in the Report itself is also necessary.
- This year's Report now provides additional employee satisfaction survey results throughout. The results that have been disclosed are largely positive, and future reports would benefit from also discussing challenges arising from these results, and how they have been addressed.
- EDF Energy has a number of mechanisms in place, including a Stakeholder Advisory Panel that enables the expectations and concerns of stakeholders to be considered within the company's decision making processes. In our statement for last year's Report we recommended a review of best practice to consider whether the Stakeholder Advisory Panel could have a more meaningful role in relation to the Sustainability Performance Report. We understand that a governance review is currently being undertaken as part of the wider Sustainability Commitments review.

Material issues are those which are necessary for stakeholders to make informed judgments concerning EDF Energy and its impacts

- The report includes an illustration of the main sustainability challenges and associated key issues. Whilst this is helpful, it does not help the reader to understand the relative priority associated with the full range of sustainability issues that are relevant to the company and its stakeholders. Future reports should provide this context, and should demonstrate clear links between this analysis and the contents of the report.
- This year, EDF Energy has integrated nuclear performance within the Report, and has also provided an increased level of detail on its policies, systems and performance for nuclear operations through a web link to disclosures aligned with the [FTSE4Good Nuclear Criteria](#).
- In addition, whilst the commitment to engage suppliers on UN Global Compact was achieved, EDF Energy should contemplate reviewing the ethical supply chain programme, in order to move beyond simply monitoring levels of compliance against the Global Compact. The company should also consider how it can extend the CO₂ emissions data reported to include a wider range of Scope 3 emissions. We understand that these considerations form part of work to develop targets and measures for the new 'Company Ambitions'.

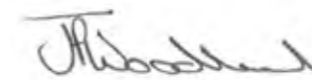
Responsiveness concerns the extent to which an organisation responds to stakeholder issues

- EDF Energy is currently undertaking a review of the Sustainability Commitments. We note that a detailed description of the process undertaken is included in the Report, which is good practice. Some additional information around issues raised by stakeholders throughout the review should be provided in next year's report. The launch of targets and key performance indicators to support the new 'Company Ambitions' will enable EDF Energy to show how stakeholder concerns have been addressed, and how these new measures relate to the existing 2020 commitments.
- For the first time the Report includes the key legislative developments and EDF Energy's position on the issues. This provides helpful context which in future reports can be used to show how these developments have impacted on EDF Energy's actions during the year.
- Evidence suggests that customer trust in all energy companies has decreased over the last year, and this continues to be a key focus area for EDF Energy. Whilst links are provided to financial data reported elsewhere on the company's website, we recommend that future reports should explain how the company understands stakeholder concerns relating to retail pricing, profits, tax and investment, and should help the reader to understand EDF Energy's position and performance in these areas during the year.

Performance Information

- As in previous years, the EDF Energy Information Governance team has collated supporting evidence from the business for data and claims presented in the Report which is a clear example of best practice in this sector. A review of additional data collation and auditing processes across the business, such as the work undertaken by the ESCS reporting team, could enable EDF Energy to streamline the process even further.
- We recommend that EDF Energy should review the reporting boundaries and coverage of business units and Joint Ventures within data reported to ensure consistency of reporting across the organisation and across KPIs.

DNV Two Tomorrows Limited London July 2013



Jon Woodhead Divisional Sustainability Manager

DNV Two Tomorrows Limited is part of DNV, a global provider of services for managing risk, helping customers to safely and responsibly improve their business performance.
www.twotomorrow.com

Our policy positions

Our policies build on our business principles, establishing a clear framework to help our employees and our stakeholders understand the standards we expect.

We have put in place a range of policies and guidance statements to ensure we operate in a way that meets or exceeds the requirements of the law and the expectations of our employees and stakeholders. You can find out more at [Our Policies](#).

In line with our commitment on openness and transparency we have included information on these policies and on key legislative developments in this report for the first time.

.....
This year, we have included key legislative developments and our policy positions on these in our report.



Carbon Pricing

Department of Energy and Climate Change (DECC) / Her Majesty's Treasury/
Department for Business, Innovations and Skills (BIS)

We believe that greater certainty in the future long-term price of carbon in the electricity market framework is needed to increase investment in low-carbon generation.

A strong carbon price will also have a positive impact on investment in existing low-carbon plants and will support investment in energy efficiency upgrades, and increased biomass co-firing. This will also be a factor in investment decisions for the life extensions of the UK's existing nuclear fleet.

However, it is commonly accepted that the current European Union Emissions Trading Scheme (EU ETS) price is not providing the long-term signal to make relevant investments in low carbon generation. EDF Energy therefore welcomed the government's introduction of a carbon price floor on 1 April 2013 as part of its reforms to drive low carbon investment. We believe that all generators should be subject to the carbon price floor and so pay a minimum price for their carbon emissions.

A more transparent and level playing field will prevent distortions to the wholesale electricity price from developing. We believe that a strong carbon price signal should sit alongside supporting policy frameworks, such as the Electricity Market Reform (EMR) package, that can help to reduce the costs of decarbonising the electricity sector.

Whilst we welcome the introduction of the carbon price floor in the UK as it helps restore the long-term price signal that the EU ETS was expected to achieve, we recognise that this is only a complement rather than a reform to the existing scheme. It does not remove the need for reform of the EU ETS at the European level but reinforces the importance of achieving a well-functioning scheme.

We support initiatives that would help remedy some of the defects of the EU ETS at the European-wide level, and would encourage the government to pursue these.

Energy Efficiency

Department of Energy and Climate Change (DECC)

We support the government's ambition to achieve a step change in the demand for energy efficiency measures through the new Green Deal and Energy Company Obligation (ECO) Framework. We have been working to replace our current energy efficiency obligations and provide free or subsidised heating and insulation measures to those who are vulnerable or live in homes which are more expensive to insulate.

We have been working closely with DECC and others to help achieve this.

As an electricity supplier we are obliged to provide the billing functionality for customers taking up Green Deal finance. This will be through recovering the costs through the electricity bills.

We continue to explore the commercial opportunities the Green Deal provides to encourage the take up of energy efficiency measures by the public. We are in a strong position to take advantage of this opportunity which will help to meet the requirements of the ECO.

Electricity Market Reform (EMR)

Department for Energy and Climate Change (DECC)

We welcomed the publication of the Energy Bill on 29 November 2012 which will implement key aspects of Electricity Market Reform (EMR) as set out in the 2011 government White Paper.

We believe that the Bill demonstrates a real commitment to create the right conditions to develop a secure, affordable and low-carbon energy supply for the future of the UK.

The EMR proposals dominate the Energy Bill and contain provisions for the government's proposals from the White Paper, namely:

- Contracts for Difference (CfD) – long-term contracts between a CfD counterparty and eligible generators, funded by contributions from licensed electricity suppliers to provide stable and predictable incentives for companies to invest in low-carbon electricity generation.
- Investment contracts – long-term contracts broadly similar to CfDs to enable early investment in advance of the CfD regime coming into force.

- Capacity Market – to ensure security of electricity supply.

- Emissions Performance Standard – to limit carbon dioxide emissions from new fossil fuel power stations.

EDF Energy believes that the Energy Bill can provide the legal certainty required for robust and durable CfDs, with a single government-owned counterparty which will offer stability and value for customers, as well as long term assurance for investors. EDF Energy also welcomes confirmation that there will be a Capacity Market which will help maintain security of energy supply.

Following the normal Parliamentary scrutiny process, the government's indicative EMR Roadmap expects Royal Assent of the Energy Bill towards the end of 2013. We will continue to work with the government and other stakeholders to ensure it becomes legislation as soon as possible.

Retail Market Review

Ofgem

On 26 October 2012, as part of its Retail Market Review (RMR), Ofgem published its updated proposals for reform of the domestic retail energy market. The consultation closed on 21 December 2012.

Under the banner of 'Simpler, Clearer, Fairer', the proposals would:

- Restrict the number and structure of tariffs.
- Require suppliers to use standardised messaging and provide personalised savings information against cheapest tariff.
- Introduce a Tariff Comparison Rate (similar to an Annual Percentage Rate for financial products).
- Introduce principle-based standards of conduct for all interactions with customers.

We have already simplified our tariffs, both in terms of number and structure. We have introduced clearer bills and improved annual statements (which include personalised savings messages).

Smart Metering

DECC / Ofgem

The government's vision is for every home in Great Britain to have a smart energy meter, with business and public sector users also having smart or advanced energy metering suited to their needs.

Energy suppliers will be responsible for replacing over 53 million gas and electricity meters, involving visits to 30 million homes and small businesses.

We continue to support initiatives to help restore consumer trust and encourage consumers to engage with the market.

We are studying Ofgem's RMR proposals, many of which reflect our own preferences in terms of providing standard formats for key messages on bills and statements and a tariff information label. We will work with Ofgem to clarify the proposals ahead of implementation which is expected in 2013.

Ofgem has also issued updated proposals for business customers. These include proposals to improve protection for small business customers, a new code of practice for Third Party Intermediaries, and enforceable standards of conduct for billing, contracting and transferring customers.

DECC also published a consultation which sought to bring many aspects of the RMR proposals into legislation, with implementation from 2014. This will be introduced by amendments to the Energy Bill. We will work with DECC to ensure that there is flexibility within the statutory arrangements.

The mass roll-out of smart meters is expected to start in 2015 and to be completed in 2020.

We are working with government on the details of the implementation programme, including issues such as setting up the data communications company who will manage communications between the meters, energy suppliers and regulators.

Materiality

Understanding the material issues affecting our business, our customers and stakeholders is important for our long-term success as a responsible and sustainable business.

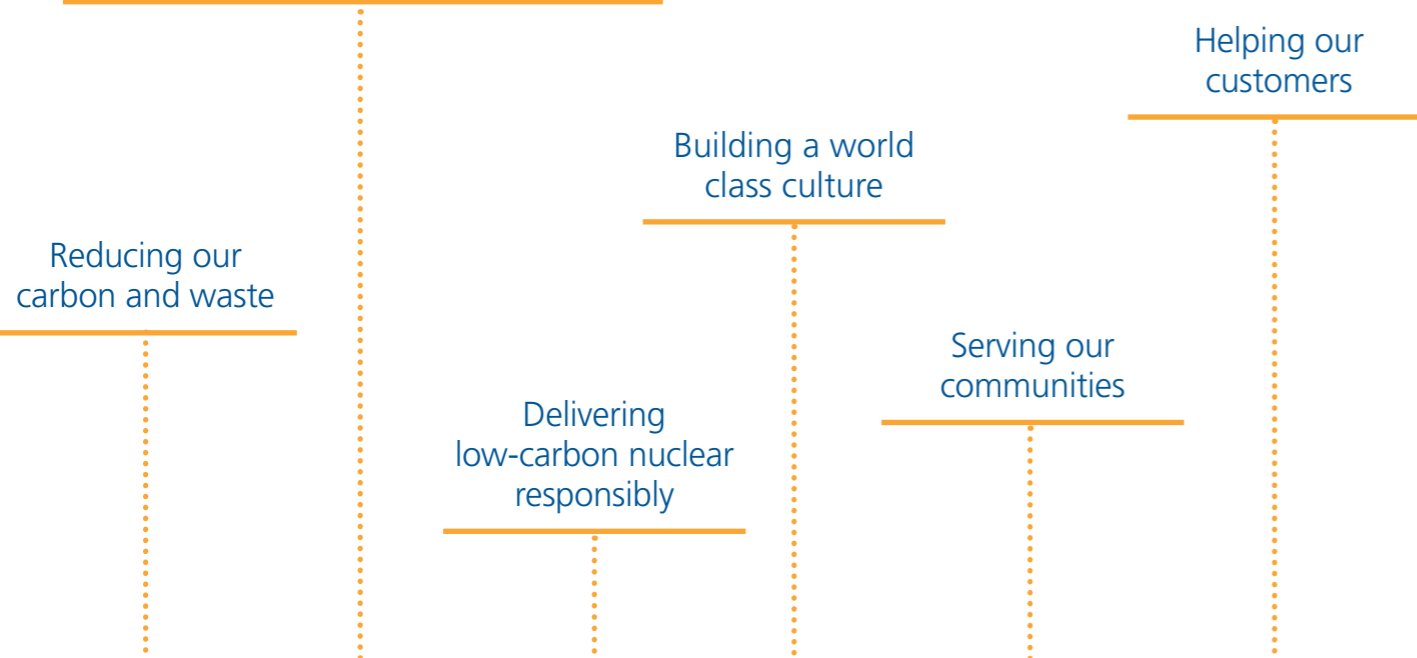
It also helps to focus our resources, stakeholder engagement and reporting activities by addressing the issues that are the most material to our business and the world around us.

Defining a material issue

We have a formal process to identify and prioritise our sustainability issues. Issues are determined through a range of inputs, including stakeholder discussions and research.

These inputs are analysed by our Corporate Sustainability Team with support from our Business Unit Sustainability teams who generate a list of issues facing our company and our industry. These are then prioritised against a set of criteria to categorise them as significant and non-significant. These criteria measure the level of stakeholder concern on an issue combined with the potential that issue has to impact us as a business and our ability to influence this impact.

Our Sustainability Commitments address five key themes that emerged from the 2010 stakeholder materiality review:



Review of Our Sustainability Commitments

As many of our Sustainability Commitments concluded at the end of 2012, we have undertaken a comprehensive review of the issues facing our company and our industry beyond 2012. This review included the following:

.....
Cross company collaboration has played a key part in this review as we develop our new company-wide plan for a more sustainable business.

Stage 1

PriceWaterHouseCooper (PwC) were commissioned to undertake external Stakeholder interviews on our behalf, to ensure impartiality in the interview process. Twenty interviews were undertaken from a mix of stakeholder groups (academia, business customers, consumer bodies, industry associations, NGOs, partners, regulators, suppliers and unions). The interviews were conducted in a two-part process – a questionnaire, followed up by face to face or telephone interviews.

We also involved our employees in the review and workshops were held across the company to get feedback on what issues they felt we should address.

Stage 2

PwC were also commissioned to undertake a benchmarking exercise against ten 'sustainability leaders' a varied selection of companies with notable sustainability programmes and aspirations. The companies benchmarked were provided by us and comprised: BT, BMW, the Co-Operative, General Electric, Iberdrola, Olympic Design Authority, Patagonia, Philips, Unilever and United Utilities. We also undertook in-house benchmarking of our direct competitors, mirroring the process that was followed by PwC ensuring data comparison was available.

Stage 3

Forum for the Future were commissioned to undertake a futures 'thought piece' and road map, to understand what the future challenges are likely to be for the energy industry through to 2030. This also involved work with teams across our business.

Development

From September 2012 onwards, we started to analyse the research findings. We involved each business unit in interpreting the results and our potential response.

Our Executive Team discussed the results of this research in January 2013 and took the decision to simplify how we operate by merging our company ambitions and the themes of a sustainable business. This has created a new mission for EDF Energy which we will achieve through six refreshed company ambitions. These put a successful, responsible and sustainable business at the heart of our strategy and how we do business.

We are now developing the targets and measures to support our new 'Company Ambitions'. We will share more in progress in 2013/14.

Summary of Sustainability Commitments review key messages
The research phase of EDF Energy's Sustainability Commitments review is now complete – with the results being used to develop our new sustainable business framework – the new 'Company Ambitions'.

SUSTAINABILITY LEADERS BENCHMARKING

Strategy
Customers found it difficult to identify 'sustainability leaders'. The strength of a marketing strategy and communication was seen as key.

Priority areas
Companies do not need to show leadership in everything, but be known for a few priority areas where they can be different. This prevents 'noise' and loss of message.

Leadership
There are aspirations (and space) for EDF Energy to be bold in its new Sustainability Commitments and a desire to see more leadership within the sector.

COMPETITOR BENCHMARKING

Innovation
Companies within the energy sector have gradually started to incorporate innovation in their commitments.

Procurement
Ethical procurement is also becoming a clearer focus.

Collaboration
Collaboration is seen as absolutely key to achieving leadership and transformational change.

INTERNAL STAKEHOLDER WORKSHOPS

Internal and external views
A skilled workforce and people engagement were seen as high priority internally, customer energy efficiency and use of natural resources was seen as being of higher importance externally.

Our commitments
Common themes raised included the need for commitments to be relevant to individuals, embedded in business as usual (not a 'bolt on'), and the importance of collaboration to achieve change.

EXTERNAL STAKEHOLDER INTERVIEWS

Our difficulties
Respondents felt EDF Energy struggles to differentiate itself from competitors on sustainability issues.

Being bold
Leadership must involve being bold – which could mean not knowing from the outset how to achieve a goal.

Leadership barriers
Low levels of trust, gaps in skills, lack of clear leadership in the sector and lack of innovation were seen as the main barriers to sustainability leadership in the sector.

Powering a more sustainable EDF Energy





We assess the social and environmental impacts of projects at their early stages, and engage with stakeholders to understand any potential impacts.

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How we manage our risks

By controlling and managing risks, we are better able to shape a low-carbon future, protect our reputation, retain our license to operate, develop new business and earn the trust of our stakeholders.

.....
We work hard to identify and manage risks so we can protect the environment and society in our work.

We work hard to ensure that our activities are carefully planned and managed to avoid adverse impacts on the environment and the safety of our people and the public.

We assess the social and environmental impacts of projects at their early stages, and engage with stakeholders to understand any potential impacts. This is undertaken through our Ambitions Impact Appraisal Tool at the first stages of a project and assesses the positive and negative impacts of the project against our six company ambitions.

Regular dialogue with local communities is essential so we can understand local opinion and plan our activities to take this in to account – for example, when we build or improve power stations or wind farms.

Through pro-active engagement we are able to address any negative impacts our operations may have and make the most of the opportunities. For further information on how we manage risks please visit: [Risk Management](#).

We evaluate our impacts through risk registers and Business Unit reviews. Where significant risks are identified, measures are implemented to make sure these are managed and monitored over time to ensure they are addressed.

Our sustainability governance
We want to be held accountable for the commitments we're making. This is central to ensuring we keep our promises and why we report annually with an independent audit of progress.

How we do business is just as important as what we do.

How we carry out our business is just as important as what we do. To keep a check on progress, and to support or challenge ourselves along the way, we review how we are doing through a strong governance framework. You can find out more at: [Our Sustainability Governance](#).

The highest level of governance is our Sustainable Development Committee (SDC), which is chaired by our CEO. Its purpose is to set the direction of our business and review our performance. Reporting in to our SDC is our Sustainability Panel, chaired by our Brand, Sustainability and External Communications Director.

This has senior representation from across all of our business units.

The Panel agrees our sustainability policy and directs delivery of key sustainability projects and programmes. It also reviews business performance on sustainability and environmental targets.

Our Sustainability Delivery Group is chaired by our Head of Sustainability and Environmental leadership. The group reviews and challenges delivery of our sustainability performance and ensures business awareness of Our Sustainability Commitments.

Material issues discussed by our key governance bodies in 2012

DISCUSSION POINT	CHALLENGE	OUR ACTION
Sustainability policy	Ensure our sustainability policy is up to date and cascaded to employees.	Policy updated, reviewed and signed-off by our Sustainability Panel. Business implementation plans also developed across each of our business units.
Sustainability governance	Ensure we manage our sustainability and environmental strategy and performance across all business units.	New terms of reference for our Corporate Responsibility and Environmental Panel (CRE) which include environmental management and employee engagement. Also renamed to Sustainability Panel from September 2012.
Environmental compliance	More robust and comprehensive data reporting and performance management needed to ensure environmental compliance is embedded in day-to-day business.	Environmental compliance now included as a standing agenda item at our Sustainable Development Committee and our Sustainability Panel. Updated environmental training for key internal stakeholders to be delivered in 2013.
Nuclear skills metrics	More transparent reporting of our skills commitment.	New formalised process for data and commentary collection being worked on throughout 2013.
Our Sustainability Commitments	Ensure that our new sustainability strategy is reviewed and feedback provided by senior internal stakeholders.	Our Sustainability Commitments Review included as a standing agenda item at our Sustainability Panel meetings.
Charity partner	Our charity partnership with the British Paralympic Association (BPA) due to conclude in March 2013.	Implementation of a charity partner employee voting process to decide our new charity partner. Marie Curie Cancer Care voted as our new Charity Partner from May 2013.
Trust	To re-build trust with customers.	Launch of new residential and business Customer Commitments and review of Our Sustainability Commitments in 2013.

Stakeholder Advisory Panel
Open and transparent dialogue with our stakeholders is important for an effective and responsible business. It is something we work hard to do across our business.

Our Stakeholder Advisory Panel has six externally appointed members from backgrounds including commercial, political and not-for-profit sectors.

In 2006, we set up a Stakeholder Advisory Panel to help our Chief Executive and Executive Team discuss key strategic issues for our business with a range of expert independent advisors. We use the panel members to:

- Challenge the development of our strategy, and business approach.
- Support the development of our position as a point of reference on key topics.
- Act as advocates on the company's behalf.

The Panel meets quarterly but we also engage members on an ad-hoc basis. The Panel does not have legal or fiduciary responsibilities and any actions proposed are subject to the normal governance process of the company.

Since 2006 the Panel has played a major role in shaping our sustainability strategy with members also actively participating in the launch of Our Sustainability Commitments. The Panel has often challenged the broad social and environmental policy framework in which we operate. In doing so, they have helped draw up a range of commitments specifically designed to improve the transparency of our operations, while setting challenging commitments to improve the sustainability of business functions across energy generation and customer services.

The Panel has six externally appointed members from backgrounds including commercial, political and not-for-profit sectors.

The Panel is chaired by Will Hutton, Principal of Hertford College (Oxford), and Chair of the Big Innovation Centre (part of the Work Foundation). Will Hutton is also a former Editor of *The Observer* and one of the UK's leading commentators on social and political affairs. Other Panel members are:

- Diane Coyle, Vice-Chair of the BBC Trust, an award-winning financial journalist and former Economics Editor of *The Independent*.
- Lord Patten of Barnes, Chair of the BBC Trust and the former Governor of Hong Kong.
- Sir Simon Robertson; Deputy Chairman, HSBC Senior Independent Non-Executive Director, Chairman of the Group Remuneration Committee and the Nomination Committee, member of the Financial System Vulnerabilities Committee.
- Sir Richard Lambert, the former Director General of the CBI.
- Tamara Ingram OBE, Executive Managing Director, Grey Group Global.

Four meetings were held with the Panel in 2012. A range of topics, all of which are priority areas for EDF Energy, were covered including:

DISCUSSION POINT	CHALLENGE	OUR ACTION
Electricity Market Reform (EMR)	How to engage with government on broad issues of key importance to the energy sector such as electricity market reform.	Dialogue with UK government and regulators of the energy market to ensure that the appropriate investment frameworks are legislated. Further development of strategy and position papers for internal and external use. Publication of our position on key legislative developments within this report.
Nuclear safety	Review and communicate more transparently with our stakeholders on nuclear safety.	Further development work on publishing our performance externally on our website.
Business ethics	Demonstrate our commitment to ethical practices.	Development of a new Ethics Policy with EDF Group. This will be rolled out to all employees in 2013.
Tariffs	To ensure customers can understand the tariffs available and the best deal for them.	Launch of residential and business Customer Commitments which are based on fair value, better service and simplicity. For further information please visit Our Customer Commitments .
Future skills capability	Address the skills required to build a low-carbon future.	Development of a skills development pipeline and further restructuring of our HR Directorate to ensure we have the most appropriate structures in place to meet our skills objectives. These objectives include having the right people, in the right place, at the right time for the construction of new nuclear sites and having the operational expertise once they go live.
Our Sustainability Commitments review	Ensure that stakeholders provide input into the material issues that we should address post 2012.	Throughout the development of our new Sustainability Strategy the panel have provided direction and challenge.



As the first ever sustainability partner of the London Olympic and Paralympic Games, EDF Energy was able to showcase and cement its sustainability credentials, powering the Games with low carbon energy and engaging thousands of people in their energy use.

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.....
The publication of Our Customer Commitments in 2012 demonstrated that the values of fairness, better service and simplicity are at the heart of the service EDF Energy offers.

Stakeholder Panel Statement

The Stakeholder Advisory Panel met with the EDF Energy Executive Team four times in 2012 to offer strategic counsel and expert guidance on their broad sustainability goals for the business.

We have been very pleased with the progress made, although we continue to push to see even greater successes in 2013.

2012 was a challenging year for EDF Energy. Not only did it represent a milestone for many of the company's Sustainability Commitments, but it was also a year of significant developments and challenge across wider business investments and operations.

Like all energy suppliers, EDF Energy has been subject to intense criticism about energy prices. There was also concern about the operation of the wholesale gas market and claims of price manipulation. In addition environmental campaigners continue to protest about both gas fired and nuclear power stations.

The Stakeholder Advisory Panel exists to broker a two-way flow of information between the company and its stakeholders. The company quickly reported to the panel about how it managed its interventions in the wholesale gas market which satisfied us that it was not party to any price manipulation. Regarding power plant protests, I am leading a Civil Society Dialogue to see what protocols might be established for both company and protestors in future. The results will be published in our next reporting period. We will continue to press for the company to be at the forefront of both price transparency and sustainability.

Here EDF Energy's record is significant. As the first sustainability partner of the London 2012 Olympic and Paralympic Games, the company was able to showcase its sustainability credentials as part of the wider

EDF Group, powering the Games with low carbon energy and engaging thousands of people in their energy use. Achievements such as the Gold Standard for Diversity and Inclusion, and the success of the company's sustainable schools programme, The Pod, are to be celebrated. Through these initiatives, the business has been able to reach out to millions of individuals across the UK to engage and educate them on energy, climate change and environmental and social sustainability issues.

The publication of the Customer Commitments in 2012 demonstrated that the values of fairness, better service and simplicity are at the heart of the service EDF Energy offers. The launch of the Blue +Price Promise tariff has demonstrated the company's credentials as one of the most competitive providers of low carbon energy for business and homes. However, many challenges remain. Improving customer service is a top priority after the problems resulting from the introduction of a new IT system. The panel is following this closely in 2013 – and there are some positive signs that performance has been turned around.

We also look forward to seeing the company's plans for delivering new nuclear build in the UK progress in 2013. Alongside that, we will be following closely their plans for their existing generation in nuclear, coal, gas and renewables – all vital to keep the lights on and bridge the energy gap.

Under the leadership of the Executive Team, we have every confidence that these goals are well within the grasp of the business. The Panel will scrutinise, advise and challenge the business in maximising every opportunity to deliver a responsible, sustainable legacy in the UK.

Will Hutton
Chair of EDF Energy Stakeholder Advisory Panel

- > OUR COMPANY AMBITIONS
- ZERO HARM SAFETY RECORD
- STRONG FINANCIAL PERFORMANCE
- FIRST CHOICE FOR CUSTOMERS
- LEADER IN SUSTAINABILITY
- HIGH PERFORMING PEOPLE
- NUCLEAR GENERATION

Our company ambitions

Sustainability lies at the core of our Vision, Mission and Ambitions. It shapes the way we do business and is our strategy for the future.

Our mission and ambitions are under review in 2013 to embed Our Sustainability Commitments in to them and put a sustainable business at the centre of our business strategy. Here we report on ambitions performance in 2012.

Our Vision

Leading the Energy Change.

Our Mission

To bring affordable low-carbon energy solutions home to everyone.

Our Ambitions

Everyone working at EDF Energy knows our focus is to lead the change in energy and each of us has a significant role to play in achieving our business goal: to bring affordable, low-carbon energy solutions home to everyone.

It means delivering a safe, socially responsible and competitive service that meets or exceeds the expectations of our customers, our people, our shareholders and the communities in which we

operate. We are among the UK's leading energy companies with involvement in activities from energy generation to customer supply. This means we are a very large and very diverse business.

To guide our people, we have developed a set of shared values, operating principles and ambitions. At the heart of these lies a belief in the importance of striking the right balance in everything we do. We are a commercial organisation but we have responsibilities that go beyond making a profit. In fact, making a fair return today allows us to invest in meeting our future responsibilities to the communities we serve and the environment we share.

In our 2012 annual Employee Engagement Survey (My EDF) 82% of our employees said they believe strongly in EDF Energy's ambitions compared to 77% in 2011.

In the same survey, 92% of employees said they understand how their team contributes to the success of EDF Energy compared to 88% in 2011.

Employees belief in EDF Energy's ambitions



Employees understanding of how their team contributes to EDF Energy's success



Our ambitions performance at a glance

AMBITION	KEY PERFORMANCE INDICATOR	STATUS
Zero Harm	Total Recordable Incident Rate	◆
Financial Performance	EBITDA	◆
	Free Cash Flow	★
Customers	Trust Index	●
Sustainability	Key Sustainability Actions	●
High Performing People	Employee Engagement	●
Nuclear Generation	Lifetime Management of Plant	★
	Achieve milestones for European Pressurised Reactor® (EPR)	◆

- ★ Well above target
- ◆ On or above target
- Below target
- Well below target





To achieve a Zero Harm safety record
 We believe that all harm is preventable, so our aim is Zero Harm. This means providing workplaces that are safe for all and taking positive action to ensure the public aren't harmed by our operations.

85%
 reduction in our
 Lost-Time Incident
 rate in five years.

Safety is our first priority. To support this we have a robust Health and Safety management system across our business and a clear governance framework in place to manage personal and process safety.

Our performance in 2012

In 2012 we achieved our best ever safety performance. We have reduced our Lost-Time Incident (LTI) rate by 85% in five years.

Our LTI rate of 0.6 incidents for every million hours worked is the best by far among all of our peers and one of the best in any company in the country⁵.

We also had around a 12% reduction in total recordable incidents compared with 2011. The combined employee and contractor incident rate stands at 1.58 incidents per million hours worked.

We use our Employee Engagement Survey results as an indicator of how we are embedding Zero Harm into our business as usual processes. In the 2012 Employee Engagement survey, 95% of employees agree their work area is a safe place to work compared to 93% in 2011 and 92% agree that we care about the Health and Safety of our employees at work compared to 91% in 2011.

How has this performance been achieved?

Our improvement has been made by adopting a fleet-wide approach to risk management. This involves the following specific actions:

- The development of our company-wide Health and Safety Action Framework for 2011 – 2014. This sets out the steps on our journey towards making Zero Harm a reality. Each Business Unit produces its own annual action plan to support the delivery of the key actions within the Framework.
- Implementation of our company-wide Health, Safety and Environment Assurance and Integrity Management System (A&IMS). This provides the management framework and sets expected standards across our business to assess and control Health and Safety risks from our activities.
- Worker involvement in the management of risk and the promotion and achievement of safe and healthy conditions through a network of joint management/worker safety committees at company, Business Unit and local levels.



- Setting stretching Health and Safety targets which are reviewed on a monthly basis by our Executive Team.
- Ensuring a Daily Safety Message is discussed at the start of every business meeting. This ensures that Occupational Health and Safety is at the forefront of everyone's mind everyday.
- Investment in both operational and management Health and Safety training (for example nuclear professionalism, safety rules, procedures, Health and Safety responsibilities).
- Feedback loop via audits and incident investigations to embed learning throughout the company.
- Monitoring and behavioural audits to assess compliance. These are carried out locally by line management and safety advisers.
- Having a strong safety culture embedded throughout the company is crucial to achieving zero harm and we have continued to invest in the training and development of our employees.
- We also launched our Simple Actions micro site which provides employees with five mandatory safety actions for everyone, along with online guidance and a related communications campaign.

Our plans for 2013

In 2013, we will also increase our efforts on wellbeing as part of our Health and Safety agenda. We are developing a programme to encourage physical fitness and healthy eating. Health, safety and wellbeing of all employees in all aspects of their lives are a vital part of our business. In 2013 our Simple Actions will take us even further towards our aim of Zero Harm.

95%
 of employees
 agree their work
 area is a safe place
 to work.

⁵ Strathclyde Business School
 Benchmarking of Safety Data within
 the Utilities Sector December 2012

We have launched our five 'Simple Actions' to help us all put our Health and Safety principles into practice on a day-to-day basis:



We always keep our workplace tidy and free from obstructions



We always look where we are going to avoid slips, trips and falls



We always attend work fit for duty



We always address unsafe behaviours



We always hold the hand rail on stairs

Our new Simple Actions complement our existing safety behaviours:

Every job will be done safely, no matter how important or urgent it is

Each near miss we learn from reduces the chance of harm next time

Each of us has a personal responsibility for our own health and safety and for those around us

Each of us will spot, report and deal with hazards to help create a harm-free workplace

Putting people to work carries a specific responsibility and accountability for safety and health, which can be visibly demonstrated



Strong financial performance

We aim to deliver consistent, strong financial results for our stakeholders and for EDF Group. You can find out more about our detailed financial performance in the Business Performance Table.

In 2012, we launched 'Blue +Price Promise' – electricity backed by low-carbon generation

For more details of how we contributed to the financial results of EDF Group in 2012 please visit: [Financial Results](#).

Our business model must be profitable in the long-term if we are to make the huge investments necessary for the low-carbon future needed in the UK. Economic viability is therefore as important to us as environmental and social viability.

Our strategy centres on providing affordable, low-carbon energy, so the metrics we use must cut across both our commercial and our sustainability success.

In 2012, we launched 'Blue +Price Promise' – electricity backed by low-carbon generation. The Price Promise – which is a first in the industry – means that we will advise customers if they can save over £1 per week with any other supplier at typical use. If customers choose to leave us, there are no fees to pay.

Supported by the Feel Better Energy brand strategy and the innovative, nuclear-backed Blue product, progress is being made towards being seen as different. We reached a record number of household customer product accounts last year at 5.5 million residential accounts, with 1 million accounts having switched to our Blue product.

Blue is also behind the ten-year deal to supply Network Rail with 3.2TWh of low-carbon electricity per annum.

We began 2012 as the first company to announce a cut in prices. It cannot mean that we never increase our prices. Last year we also increased our tariffs, largely due to increases in wholesale energy costs, but also due to increased levies on consumer bills for environment and social policies. Every year the discussion is a difficult one.

We have to balance impacts on our customers with wider environmental and social considerations, as well as looking towards the long-term financial performance of our business. Making a fair return as part of this is essential if we are to be able to keep the lights on now and invest in a low-carbon future for the UK.



First choice for customers

We are a customer-focused business that strives to provide affordable services that meet all of our customers' needs. We aim to provide a high quality service for our customers by getting things right first time, every time.

£140
average saving
on energy bills for
100,000 of our
most vulnerable
elderly customers.

A vital element of re-building trust is to continue offering industry-leading initiatives to help our customers. We expect that over 100,000 of our most vulnerable elderly customers will on average save around £140 on their energy bills in 2013 and received a rebate worth an average of £47 in winter 2012.

Our customers have also benefited from one of the cheapest standard dual fuel tariffs on the market. We have been the cheapest major dual fuel supplier for 47 out of the past 52 weeks⁶, at typical consumption.

Following an investigation by our regulator Ofgem in March 2012 we announced a £4.5 million package of measures to help vulnerable customers with their energy bills, as a conclusion of the investigation into our sales and marketing processes. Working closely with Ofgem, we acknowledged limited shortcomings in some elements of our sales processes and identified and implemented improved procedures and quality assurance measures.

Of the £4.5 million package, £1 million was donated to support the Energy Best Deal public awareness campaign run by Citizen's Advice, aimed at helping improve the confidence of domestic energy customers across England and Wales to shop around, reduce their bills and get help if they are falling behind with energy payments.

The remaining £3.5 million was used to give a further discount to customers who received the Warm Homes Discount, and was automatically credited to their bills. We recognise that improving customer service is critical to improve trust in us and the energy sector as a whole.

For more vulnerable customers, including households that have difficulty in covering the cost of fuel, we continued to develop our specialist and extra services. This includes the implementation of a Personalised Support Service, which ensures that we offer a holistic service supported by our dedicated Priority Services Team. We continue to work with the UK government in tackling the root causes of fuel poverty.

Company	Quarter 1 2012	Quarter 1 2013	Change
EDF Energy	65	71	+6
SSE	73	71	-2
Scottish Power	68	70	+2
British Gas	67	67	0
E.ON	69	67	-2
npower	68	63	-5

We do not always get things right but we respond quickly to any issues raised and are working hard to improve customer service. We have also started to publish all of our residential complaints performance on our website. For further information please visit: [Our Complaints Performance](#).

We are committed to listening and responding to customer feedback to help us improve our customer service.

One of the ways in which we measure our performance is through the National Customer Satisfaction Index (NCSI-UK). This is an independent national benchmark of residential customer satisfaction, looking at customer satisfaction across a range of industries including airlines, mobile providers and home broadband providers, as well as energy suppliers.

As outlined in the table, in the first quarter of 2013 the results show that we had improved by 6 points, to move to joint first position with Scottish and Southern Energy (SSE). This was a significant jump from our last place position in the first quarter of 2012.

Our score of 71 puts us in line with some other big brands in the UK, including British Airways and Vodafone – and it also puts us ahead of Sky and Virgin Media for their TV, broadband and fixed line phone services.

Our people are key to delivering excellent customer service. We want to equip them with the tools and knowledge they need, and empower them to identify and promote changes that will help us serve our customers better. In order for us to continually review the service we offer, we also ask our employees what they think through our Employee Engagement Survey. In our 2012 survey, 93% agreed that they understand how their job affects the service we deliver to our customers.

We also track our performance through our Trust Index. The results can be viewed on our website at: [Our Customer Commitments](#).

We announced a £4.5 million package of measures to help vulnerable customers with their energy bills.

⁶ based upon data from 26 December 2011 to 26 December 2012

.....
We froze prices in winter 2010, were the last to increase prices in autumn 2011 and we moved first to cut our prices in 2012.

Our Customer Commitments

In 2012, we launched a set of commitments for our residential and business customers. Here, we present an update on three key themes of the commitments:

Fair value

We are committed to providing fair value for our customers. We froze prices in winter 2010, were the last of the major suppliers to increase prices in autumn 2011, and moved first to cut our prices in 2012.

In time for winter 2012, we introduced a new rebate scheme for our most vulnerable elderly customers, who were identified by the government as most in need. This ensured they automatically benefitted from our cheapest tariff.

We also launched 'Blue +Price Promise' electricity backed by low-carbon generation. The Price Promise which is a first in the industry means that we will advise customers if they could save over £1 per week with any other supplier at typical use. If a customer then chooses to leave us, there will be no fees to pay.

Better service

Our UK-based advisers are available on our free phone number and seek to provide the best service to our customers. Over the past year, we have been working hard to rebuild our high standards following the implementation of new IT systems.

Our people have played a key part to getting us back amongst the best.

Customer feedback will also help us improve. We want customers to score our performance Our Customer Commitments and since summer 2012 we have published these satisfaction ratings online for everyone to see.

For customers who may find it useful, we also offered round the clock live web-chat customer services from early summer 2012. These are just the first of many initiatives to make life easier for all customers.

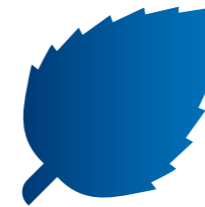
Simplicity

We have simplified our tariffs and made it easier for customers to choose the right one.

We have also launched new-look bills, designed with our customers to make them much clearer and simpler.

We want to help customers to hold us to account and we will be open and transparent. From 2012 our website has included a dashboard showing our progress against Our Customer Commitments.

For more detailed information please visit: Customer Commitments.



.....
95%
overall score in the Business in the Community Corporate Responsibility Index.

Leader in sustainability

We are clear that sustainability must be at the heart of any energy company's long-term strategy. We want to lead the way in tackling the biggest environmental and social issues facing our industry and we've clearly defined our agenda through Our Sustainability Commitments.

Our Sustainability Commitments, launched in Parliament in 2010, set our long term sustainability agenda. They set out how we'll reduce carbon and waste, deliver low-carbon nuclear responsibly, help customers, build a world class culture and serve our communities.

We were thrilled to have our efforts rewarded in the Business in the Community (BITC) Corporate Responsibility Index where we were awarded 'Platinum Big Tick' status for our approach to sustainability.

With an overall score of 95%, we were also rated best in our sector. This is a great endorsement of our long-term approach to being a responsible and sustainable business and it recognises a huge amount of hard work by our people right across our company and in the community.

We were also further awarded six 'Big Ticks' in the BITC Responsible Business Awards. Simon Round, a Training Team Manager in our ESCS business unit, won a BITC Local and Regional Impact Award in the Employee Volunteer of the Year category. For more detailed information on our achievements please visit our dedicated website pages at: Our results and performance.



Right Simon Round (left), BITC Employee Volunteer of the Year



High performing people

Our ambition to maintain a team of high performing people means we invest in training, skills, diversity and inclusion and it means we actively engage with our employees on what we do and how we do it.

Employee development and diversity in the workplace are at the heart of our high performing people ambition.

We believe that motivated, inspired employees deliver a better service for customers and more innovative solutions for our business. Their energy and achievements help us to attract the most talented people into our company.

Employee development and diversity in the workplace are at the heart of our ambition "To have high performing people". Indeed this ambition ensures that we work toward helping every employee to understand their role in achieving our business performance, helping them to function as advocates of the business, and providing them with training, development and support to achieve great things. It means ensuring that everyone feels they can be themselves at work as part of a diverse and inclusive company.

Our company has evolved and diversified considerably in the last few years. To address the needs of our workforce we have introduced a number of programmes to help our people succeed.

Our comprehensive approach to learning and development includes a wide range of work related and personal skills development opportunities (such as Learning for All' which helps employees develop skills in and outside of work). For further information on training and development opportunities please visit: [Working at EDF Energy](#).

Our flagship Campus programme is also now developing well. Campus will help further develop the skills we need today, as well as enhancing the skills we will need tomorrow. It will connect people – and bring us closer together as one company with strong shared values. Campus will bring together people from the company, helping us to understand and deliver what we need to take us forward as a company.

For example, it will ensure we get the most out of the way we bring people into the company, through a new company induction programme which has been piloted throughout 2012.

All employees are also able to, and are encouraged to, participate in our Helping Hands employee volunteering programme. This allows employees two days of company time each year to volunteer in their local community. For further information please visit: [Community Investment](#).

In 2012, we also continued to run our online interactive e-learning programme, called 'Sustainable Steps'. This takes employees, and an increasing number of contractors, through our sustainability journey. It explains what sustainability means to us and why it is key for our business, our people, our customers and the world we live in. It explores our approach to community investment and, importantly how our people can get involved.

We use our annual Employee Engagement Survey to give our people the opportunity to tell us how they feel and how we could do better. Of the 12,657 who completed the 2012 survey, 85% agreed with the statement, "I am clear on what I need to do in my job to help EDF Energy be a more sustainable business".

Our people are guided in all of this by our values:

- We care for each other, making safety our priority.
- We strive for excellent performance.
- We put social and environmental responsibility at the heart of everything we do.
- We act with integrity.
- We work as one team, one company – valuing the diversity of other people.



85%
of employees are clear on what they need to do in their job to help EDF Energy to be a more sustainable business.



Lead the way in nuclear power generation

We believe nuclear power has a vital role to play in helping to address climate change and in ensuring secure, reliable and affordable energy supplies for the future.

£2bn
committed
in contracts with
UK companies
to date.

Our role is to deliver safe, secure and responsible nuclear power. Doing so will further build public trust in nuclear-generated electricity. We must continue to ensure that our customers and communities understand the technology, and see it as a normal and beneficial part of everyday life.

In 2012, our nuclear fleet generated 60.02TWh. This is enough electricity to power half of the demand from UK households and is 50% higher than just before EDF Energy acquired the fleet. This is a 7.5% increase on 2011's output and our best performance for seven years.

In total, our nuclear fleet helped avoid emissions of 41Mt CO₂ had the electricity been generated by the prevailing fossil fuel energy mix. To get the same benefit would be equivalent to removing 60% of UK passenger cars from British roads.

The exceptional performance is a result of the £300 million annual investment in the power stations which is in addition to £350 million spent on plant operations every year.

Extending the life of our nuclear power generation stations makes good economic sense, provides low carbon energy to keep the lights on in the UK and safeguards jobs at the plants, in the UK nuclear industry and in our supply chain. Plant lifetime extensions to date have saved around 130Mt CO₂ that would otherwise have been emitted by fossil fuel power generation.

During 2012 we also announced, as planned, life extensions of seven years for Hunterston and Hinkley Point B. We will next review life extension plans for Dungeness B.

In line with our commitment to openness and transparency and in support of EDF Group's listing on the FTSE4Good Index, we publish disclosures in line with the FTSE4Good Nuclear Criteria. This provides information on our nuclear safety, security and radioactive waste policies, management systems and performance over the last three years. For further information, please visit: [Our Journey Towards Zero Harm](#).

Our parent company, EDF Group, has considerable experience in building and running nuclear power stations as the world's largest nuclear power generator with 58 plants. In the UK, we are progressing plans to grow our capacity by building up to four new nuclear reactors next to two of our existing power stations. We have unique experience and understanding of the finances of new nuclear and we are confident that new plants can be built and run safely and economically without subsidy. That includes all of the costs associated with construction, operation, decommissioning and waste disposal.

In 2012 we have continued to make strong progress on our project at Hinkley Point, while also building from the

learning of other international projects, including Flamanville in France and Taishan in China. Specifically:

- Over the past year we have signed a Section 106 agreement with three Somerset Local Authorities, which will deliver almost £100 million for the local community.
- Site preparation works have been approved and these are now well underway.
- Our Nuclear Site Licence application has now been granted by the Office for Nuclear Regulation (ONR).
- Construction of the temporary jetty at site has been approved by the Marine Management Organisation (MMO) and we have awarded the £30 million contract for its construction to Dean and Dyball Engineering in Hampshire.
- We have committed over £2 billion in contracts with UK companies to date.
- We are making progress in discussions with the Department of Energy and Climate Change to determine our Funded Decommissioning Programme arrangements for our waste management and storage.
- We are discussing a new industrial relations framework with our union partners and contractors to ensure heightened productivity and recognised career pathways to develop the skills of our workers.
- The UK European Pressurised Reactor® (EPR) design application has completed its Generic Design Assessment and been accepted for construction in the UK.

Progress on nuclear new build projects demonstrates the momentum building behind a programme of new nuclear power stations in the UK.

On 7 December 2012 the Nuclear Industry Association (NIA) Capability Report highlighted the progress made in the UK's capability to deliver a new nuclear programme. At the same time, the government's Nuclear Supply Chain Action Plan, also published, outlines actions that will help the country to take advantage of the significant opportunities presented by the planned projects.

As part of our approach, we are working to help local communities make the most of job and training opportunities.

This includes the creation of a £15 million world class training centre for our industry in Somerset, established in partnership with Bridgwater College.

As is recognised within the Nuclear Supply Chain Action Plan, sharing of knowledge is also crucial in new nuclear build. Our Hinkley Point C team shares experience from nuclear projects around the world, as well as with projects including the Olympics and Terminal 5.

Subject to a final decision to invest, the new nuclear power stations that we plan to build at Hinkley Point in Somerset and Sizewell in Suffolk would each create around 25,000 employment opportunities during the course of construction with 5,600 people on site at peak.

The Nuclear Site Licence has been granted and UK EPR® accepted. The UK Planning Inspectorate made its recommendation to the Secretary of State for Energy and Climate Change and a Development Consent order was granted in March 2013.

Discussions with UK government to agree a Contract for Difference that is in the best interests of both consumers and investors are ongoing.



The new nuclear power reactors we plan to build would create around 25,000 employment opportunities.



In 2010, we launched a high profile set of 15 Sustainability Commitments – one of the biggest programmes of environmental and social commitments in our sector. Some of our highlights are listed opposite – with more detail on our performance in the sections that follow.

- > OUR SUSTAINABILITY COMMITMENTS
- OUR SUSTAINABILITY COMMITMENTS PERFORMANCE
- REDUCING CARBON AND WASTE
- LOW-CARBON NUCLEAR ENERGY
- BUILDING A WORLD-CLASS CULTURE
- HELPING OUR CUSTOMERS
- SERVING OUR COMMUNITIES

Our Sustainability Commitments

Since launching Our Sustainability Commitments in Parliament in June 2010, we have made significant progress. Here are some highlights from 2012 – with more detail in the sections that follow.



Business in the Community (BITC) 'Best in Sector' and Platinum Big Tick winner
 We scored 95% in the BITC Annual Corporate Responsibility (CR) Index, the UK's leading voluntary benchmark for CR, won a further six Big Ticks in the Responsible Business Awards and a Local and Regional Impact Award in 'Volunteer of the Year' category.



European CSR Awards Highly Commended
 Our sustainable schools programme, The Pod, was awarded a Highly Commended Award in the first ever European CSR Awards, funded by the European Commission. We were one of only one of only three companies recognised in the UK in these awards.



Wildlife Trusts' Biodiversity Benchmark Heysham Power Station
 Our power station at Heysham received the prestigious Wildlife Trusts Biodiversity Benchmark joining Hinkley Point B, Sizewell B and our Hartlepool stations. For further information about our biodiversity work please visit our [biodiversity case study](#).



Environmental Leadership for Behavioural Change Award Winner
 In 2013 we won in the National Environment and Energy Awards recognising our approach to environmental management across our business.



Charity Partnership Marie Curie Cancer Care
 In 2013 we launched a new three year charity partnership with [Marie Curie Cancer Care](#).



Science in to Schools The Pod
 Over 1,500 schools have already signed up and are recycling unwanted textiles in exchange for free science equipment. Partners include: Eco Schools, Wastebusters and the British Science Association.

Our Sustainability Commitments Performance at a glance

AREA	COMMITMENT	UNIT	2006 BASELINE	2012 TARGET	2012 PERFORMANCE	STATUS
Reducing Carbon and Waste	We will reduce the intensity of CO ₂ emissions from our electricity production by 60% by 2020.	Tonnes/GWh	813	250	251.7	●
	We will cut CO ₂ emissions from our commercial buildings by 30% by 2012.	Kilotonnes	23.0	16.1	21.8	■
	We will cut CO ₂ emissions from our commercial buildings by 30% by 2012.	Tonnes/FTE	2.00	1.40	1.50	■
	We will reduce CO ₂ from our transport by 20% by 2012.	Kilotonnes	26.3	21.0	10.6	★
	We will reduce CO ₂ from our transport by 20% by 2012.	Tonnes/FTE	2.28	1.82	0.73	★
	We will reduce the volume of waste from energy billing by 30% by 2020.	Tonnes	413	289	199	◆
	We will send no office or depot waste to landfill by 2020.	%	61	30	12	◆
Delivering Low-Carbon Nuclear Responsibly	We will be open and transparent in our nuclear business and demonstrate we can be trusted to act to the highest professional standards in relation to nuclear security issues.	Project status	Milestones met	Progress on track	On track	◆
	We will support the development within the UK of the skills necessary to sustain our nuclear businesses by working with schools, universities and other bodies.	Project status	Milestones met	Progress on track	On track	◆
	We will work with UK government, NGOs and others to demonstrate real progress towards implementing a long-term UK radioactive waste solution.	Project status	Milestones met	Progress on track	On track	◆

AREA	COMMITMENT	UNIT	2006 BASELINE	2012 TARGET	2012 PERFORMANCE	STATUS
Building a World-Class Culture	By 2012, 100% of our employees understand how they can help achieve Our Sustainability Commitments and will be participating in sustainability activities.	%	n/a	100	85% understanding / 78% participation	■
	By 2012, we will have attained Gold Standard from independent experts for our approach to diversity and inclusion.	Project status	Project status	Achieve Gold Standard	Achieved	★
	We will build external partnerships and physical centres of excellence to develop the current and future skills we need for a sustainable economy.	Project status	Milestones met	Progress on track	On track	◆
	We will reduce the proportion of CO ₂ arising from our customers energy consumption by 15% by 2020.	Million tonnes	n/a	0.95	0.98	◆
Helping our Customers	We will commit to keeping our prices competitive and will provide enduring support for our most vulnerable supply customers.	Number of customer accounts (discounted tariffs)	n/a	†	115,641	◆
	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.	Million children	n/a	2.5	9.3	★
Serving our Communities	We will work with all our suppliers to ensure they meet the 10 principles of the Global Compact to guarantee an ethical supply chain.	%	n/a	90	90.9	★

- ★ Target met
- ◆ On track
- Behind target
- Target not met

† We closed this tariff to new customers on 25 July 2012 as the social tariff support has been superseded by statutory rebates on electricity bills as part of the Warm Home Discount scheme. As a consequence we did not set any specific targets for Energy Assist in 2012. Future measurement of our performance of this commitment will include performance against the legislative requirements of the Warm Home Discount Scheme.



Since launching
Our Sustainability
Commitments in Parliament
in June 2010, we have
made significant progress.

Reducing carbon and waste

01 We will reduce the intensity of CO₂ emissions from electricity production by 60% by 2020.

This commitment is behind target.

Carbon dioxide CO₂ intensity has increased from 208g/kWh in 2011 to 251.7g/kWh in 2012 – this is due to increased operation of our coal-fired stations and the first data being reported from our Combined Cycle Gas Turbine (CCGT). However, plans are in place to ensure we stay on track for 2020. This includes:

Nuclear New Build

Security of supply, climate change, energy affordability are the three energy challenges in the UK. We believe that nuclear power is the most affordable low-carbon option to address these challenges as part of a diverse energy mix, and that new capacity can be built in the UK without subsidy.

We plan to build four new reactors subject to the right investment framework – two at Hinkley and two at Sizewell. These will deliver low-carbon electricity safely and reliably.

We are currently behind target with our new nuclear milestones. However, if new build is not complete by 2020, our 60% reduction target of 250g/kWh can be achieved by a mix of life extension of the existing nuclear fleet, renewables, investment and other operational efficiencies.

Life extensions to our nuclear generation power stations

Extending the life of our nuclear power stations where safe to do so makes good economic sense and keeps carbon emissions down now. Plant lifetime extensions to date have saved around 130Mt CO₂ that would otherwise have been emitted by fossil

fuel power generation. This is supplemented by our ongoing focus on operational safety and excellence. This is supplemented by our ongoing focus on operational safety and excellence.

CCGT

Our new 1,300MW CCGT power station, at West Burton in Nottinghamshire, successfully achieved its Unit 1 'first fire' with steam on 5 November 2012, synchronising with National Grid on 6 November 2012. Serving 1.5 million homes over its 25 year life, it will contribute towards our 2020 commitment to reduce carbon intensity. The carbon emissions from a modern efficient gas plant are half those from a coal plant.

Renewables

Through EDF Energy Renewables (EDF ER), a joint venture between EDF Energy and EDF Énergies Nouvelles, a wholly owned subsidiary of EDF Group, we are developing our own onshore and offshore assets. We are signing power purchase agreements with renewable generators and supporting independent developers to ensure a balanced approach for compliance with its Renewables Obligations (RO) and the provision of renewable electricity to our customer base. The RO has been subject to various reforms and in April 2010 the end date was extended from the current end date of 2027 to 2037 for new projects. For more detailed information on renewable energy please visit: [Renewable energy](#).

02 We will cut CO₂ emissions from our commercial buildings by 30% by 2012. This commitment was not met.

Despite implementing a wide range of initiatives to reduce CO₂ emissions from our commercial buildings we did not meet this target by the end of 2012. Our extensive programme of work has included: energy audits, installation of voltage optimisers, gas condensing boilers, sub metering, energy efficient

cooling of data centres, fitting Solar Photovoltaic Cells at our office in Barnwood. By the end of 2012 our performance was 1.50 kilotonnes (kt)/FTE against a target of 1.40kt/FTE. The rolling year performance based on absolute emissions is 21.8kt compared to 23.0kt in 2006.

03 We will reduce CO₂ from our transport by 20% by 2012. This commitment was met ahead of target.

There has been a steady reduction in the CO₂ emissions from transport as the business focuses on questioning the need to travel and utilises more telephone conferencing and video conferencing facilities.

Due to restructuring of our company including the sale of our networks business this target was met in 2010.

At 0.73kt/FTE against a baseline of 2.28kt/FTE and rolling year performance based on absolute emissions was 10.6kt compared to 26.3kt in 2006.

CO₂ from commercial buildings



	2006	2007	2008	2009	2010	2011	2012
TCO ₂ /FTE	2.00	1.76	1.70	1.65	1.61	1.51	1.50
2012 commitment	1.40	1.40	1.40	1.40	1.40	1.40	1.40
Absolute total emissions	23.0	21.9	21.6	31.9	31.1	22.5	21.8

CO₂ from transport



	2006	2007	2008	2009	2010	2011	2012
TCO ₂ /FTE	2.28	2.16	2.00	1.34	1.22	0.75	0.73
2012 commitment	1.82	1.82	1.82	1.82	1.82	1.82	1.82
Absolute total emissions	26.3	26.8	25.5	25.9	23.6	11.1	10.6

04 We will reduce the volume of waste from energy billing by 30% by 2020. This commitment is ahead of target.

We continue to improve the way we interact with customers, both through the services we offer and the systems we use ourselves. Our new IT systems, though initially problematic, now mean we have been able to reduce paper waste from billing by 51.8% based on our 2006 baseline.

A number of things have helped us to achieve this, including:

- A simplified bill designed with our customers.

- Some 98% of dual customers now receive a single bill encompassing both fuels – rather than two separate bills for gas and electricity.
- We also improved the functions of ‘My Account’ which allows customers to manage their account online. This now allows bills to be sent electronically. By December 2012, 21.59% of bills were sent this way (an improvement of 7% from December 2011).

05 We will send no office or depot waste to landfill by 2020. This commitment is on track.

In 2012, we recycled 88% of our office waste bringing landfill waste down to 12%. This is a huge improvement on the 2006 baseline of 39% being recycled. We’ve achieved this by changing our waste service contracts to prioritise non-landfill alternatives. We have also:

- Carried out an analysis of waste produced by each of our sites and the identified local non-landfill options.
- Changed service providers.
- Segregated waste to improve the quantity of waste that can be recycled.

- Improved the quality and consistency of waste for recycling through awareness and promotion of best practice.
- Changed the type of goods used, including the type of packaging, to reduce waste quantity and enable recycling where waste can not be avoided.
- Included waste targets in contracts for all goods and service providers.

Having achieved a significant improvement in reduction of waste sent to landfill, our targets will be revised to focus on further reduction and reducing the environmental impact of non-landfill disposal.

Delivering low-carbon nuclear energy responsibly We are committed to applying the principles of sustainable development in all of our activities.

In our nuclear businesses this means:

- Giving the highest priority to safety and to protecting people and the environment, and playing a leading role in the drive for continuous improvement in these areas across the worldwide nuclear industry.
- Maintaining responsibility for managing our waste, including working with government, NGOs and others to demonstrate real progress towards implementing a long term UK radioactive waste solution for the industry.
- Ensuring there is both the funding and know-how available to future generations to deal with the decommissioning and waste management needs of our stations.
- Being open and transparent in these businesses and demonstrating we can be trusted to act to the highest professional standards in relation to nuclear security issues.
- Not allowing nuclear materials from our businesses to be used for non-peaceful purposes.
- Supporting development within the UK of the skills necessary to for safe, secure and responsible nuclear power. through our work with schools, universities and other bodies.



01 We will be open and transparent in our nuclear businesses and demonstrate we can be trusted to act to the highest professional standards in relation to nuclear security issues. **This commitment is on track.**

With safety as a top priority, we are also determined to ensure that openness and transparency are the cornerstones of our operating philosophy at each of our nuclear stations. We believe this is vital in order to build trust and develop the understanding necessary to drive responsible low-carbon investment for the future.

This is even more important after the tragic events which unfolded in Japan in 2011. As a company and as an industry, we are united through the need to react, and act, in a highly responsible way, understanding and learning from events in Japan and acting on them with humility and leadership. As part of this, we have established a stakeholder forum to provide guidance and challenge on key nuclear issues and help build trust in the industry, post Fukushima.

This is part of our wider work to openly discuss nuclear matters with our customers, stakeholders and the public.

In 2012, key stakeholders from industry, academia and public life met with our Chief Executive, Vincent de Rivaz, and some of his Executive Team to discuss the current approach and make suggestions for improving trust in the industry.

The forum met twice in 2012 and discussed a number of challenges. This included the impact of Fukushima, public and political opinion on nuclear in the UK and internationally, and the need to strengthen trust in the industry. The Forum also discussed nuclear safety, the industry's role in a balanced energy mix and the wider energy market reform agenda.

There was broad agreement at the meetings that more needed to be done to inform and engage the public on nuclear issues. The feedback has helped to inform a number of company programmes including developing and opening new visitor centres and holding open days at our nuclear power stations across the UK.

In 2012 we opened the first of our new visitor centres; by the end of the year we had four open with a further three opening in 2013. These centres act as a reception for site tours, giving visitors a chance to learn about nuclear power, electricity generation and our operations through a number of exhibits, films and interactive displays.

In addition to activities at our sites, we have increased our partnership with the Cheltenham Science Festival to include a wider outreach programme into schools to promote science as a career and to support the learning curriculum. We also continue to support Generation Science, a touring exhibition in Scotland.

We also continue to support the communities that we are a part of through local sponsorships and donations, and employee volunteering.

Our activities were again recognised by Business in the Community with the re-accreditation of our 'Big Tick' award for community engagement.

In 2012, we commissioned our second independent survey in local communities around our nuclear sites in Dungeness, Hartlepool, Heysham, Hinkley Point, Hunterston, Sizewell and Torness to measure how effectively we communicate⁷.

Across all sites, 52% of adults stated they felt favourable towards nuclear power stations compared to 49% in 2011. Local communities around Dungeness felt most positive (61% favourable) with those in Hartlepool and Torness feeling least positive (47% and 55% respectively favourable).

Some 69% of those surveyed agreed that the country needs nuclear power as part of the energy mix, while 20% disagreed. Furthermore, 58% of respondents stated they supported new nuclear power stations being built to replace the old stations being phased out and help fill the energy gap, compared to 54% in 2011 (30% opposed this).

Some 58% said they felt informed about nuclear power compared to 33% who felt uninformed. Many expressed interest in our nuclear power operations in their area (52% were interested across all sites compared to 47% in 2011 and 30% who were uninterested; interest was strong around Hinkley Point with 69% interested in operations).

Disappointingly only 34% of respondents felt that we had been open and transparent in communicating to local people about the operation of the nuclear power stations in their area although this was a 3% increase since 2011. Only 40% felt that we are interested in listening to local peoples' views and slightly fewer (36%) said that they are given the option to respond or get in touch with us.

We are working hard to address this through our regular communications, visitor centre openings, open days and specialist websites such as the innovative [Energy Futures](#) website which provides information about nuclear and all aspects of the UK's energy challenge.

This is really important given there is a clear desire for us to engage more with local communities, increase open and transparent dialogue, and encourage communities more actively to participate in the conversation. We will continue with this aim in 2013 and look for ways to work and communicate with our communities even more effectively.

⁷ Results are based on interviews carried out by ICM with 7,004 aged 18+. Interviews were carried out by telephone using random digit dialling between 27 September and 4 November 2012.

02 We will support the development within the UK of the skills necessary to sustain our nuclear businesses by working with schools, universities and other bodies. This commitment is on track.

Our ambitious plans for the development of our nuclear business in the UK will only be possible if we can successfully work together with stakeholders to build the skills base in the UK. We are fully committed to playing our part in doing so. We also have a long-term commitment to support both the sector skills council for the chemicals, nuclear and petroleum industries (COGENT) and the Nuclear National Skills Academy, as well as Energy and Utilities and the National Skills Academy for Power.

This work is undertaken with the objective of ensuring that there will be enough people with the right qualifications to accommodate the roles we will need to fill in our nuclear business in the future.

In order to provide students with excellent quality work placements, we have expanded our education and skills programmes. These, combined with our two apprentice schemes and our Graduate Programme ensure the development of strong talent pipelines for the future.

We also make a broad contribution to 'access to work' initiatives in the UK. Several programmes have been developed with the aim of growing our talent pool and creating a talent pipeline for our apprentice, graduate and direct hire opportunities. We continue to drive enthusiasm for STEM (Science, Technology, Engineering and Mathematics) related subjects, inspiring the next generation to consider career paths in the energy industry.

In addition, we sponsor and attend careers events and activities to enable young adults to understand the breadth of opportunities that we have to offer and the possible career paths open to them. As well as providing career advice and inspirational talks at schools, we also offer pupils the opportunity to complete work experience with us and paid internships.

In 2012 we welcomed 76 graduates to the company and in 2013 we are planning to recruit 55 more graduates across the company. We have also provided Industrial Placement opportunities for 'gap year' students to work with us for 12 months as part of their undergraduate degree. Some 21 students joined our Industrial Placement programmes in 2012, and we are seeking to offer 40 industrial placements in 2013.

We also provide opportunities for students to discover the work we do as interns during the summer months, with 71 summer interns joining our business in 2012. We also invested heavily in apprenticeship schemes across our company to help provide young people with a great start to their career in energy. We offer a range of apprenticeship schemes, and recruited 58 apprentices in 2012.

We have also developed a one year full time 'Access to Apprenticeships' course designed to give students engineering practical and theoretical skills in preparation for a future apprenticeship with us, supporting their future development. The course covers knowledge required for a career in the engineering/power industries.



03 We will work with UK government, NGOs and others to demonstrate real progress towards implementing a long-term UK radioactive waste solution. **This commitment is on track.**

Repository Site Selection

The government's process for the development of a deep geological repository is based on developing a partnership with local communities who volunteer to explore the implications of hosting a repository. Such a partnership has been operating with the West Cumbrian community since 2009. In January 2013, Allerdale District Council and Copeland District Council voted to continue to the next stage of the process which involves desk-based studies to identify potentially suitable sites. However Cumbria County Council voted against continuing. As the terms of reference of the partnership required the agreement of both District and County Councils to proceed, the current repository site selection process in Cumbria has been brought to a close.

The Department of Energy and Climate Change (DECC) issued a Ministerial Statement from the Secretary of State, Ed Davey, recognising that the current site selection process in Cumbria had come to a close but confirming that government policy on the development of a repository was unchanged and that the Cumbrian decision does not undermine the prospects for new nuclear power stations. Government remains optimistic that a site for the repository will be found and will be inviting other communities to come forward to explore hosting a repository. In the meantime, DECC will be reflecting on whether any details of the site selection process can be improved.

Repository Design

Good progress continues to be made with the technical planning of the repository, although development of the detailed design will depend on the selection of a specific site. The Nuclear Decommissioning Authority (NDA) published a Generic Disposal System Safety Case (gDSSC) in February 2011 which assesses the safety of the generic disposal facility designs that could be implemented in a range of UK geological settings. This has now been reviewed by the Office for Nuclear Regulation (ONR) and the Environment Agency who conclude:

"We [the regulators] have identified no specific issues, from our review of the gDSSC, that would prevent a safety case, capable of meeting transport, operational and environmental regulatory requirements, being made for a geological disposal facility in the future, providing a suitable site is available."

We are also continuing to work with Scottish government on the implementation strategy for the Scottish government Higher Activity Waste (HAW) Policy. The policy of near surface, near site storage and disposal of radioactive wastes impacts the higher activity wastes which will arise during future decommissioning of our nuclear power stations in Scotland (Torness and Hunterston B).



Left Visualisations of completed development are indicative at Hinkley Point C

Packaging of New Build wastes for disposal

We are continuing to work with the NDA on the disposability of radioactive wastes from our new build stations. We have received a Conceptual Letters of Compliance for the disposal of Intermediate Level Waste from the NDA. This is the first formal stage in a process to ensure that these wastes are ultimately packaged in such a way that they can be disposed of to the geological repository, once it is built.

In Nuclear Generation the agreement on key regulatory milestones associated with the Letter of Compliance (LoC) process for decommissioning wastes has been secured. This is a key component of NDA approval of the nuclear generation baseline decommissioning plan submissions which were made in 2013.

Funded Decommissioning Programme (FDP)

We are now in the process of finalising our FDP arrangements with government, prior to formal approval. These will provide a robust basis for the future financing of decommissioning and waste management. They will provide for prudent estimates of the expected costs, subject to regular updating, with the funds held remotely from the operator by an independent Fund Company. These arrangements will ensure that our Nuclear New Build business will be able to meet the full costs of decommissioning Hinkley Point C and our full share of the long term waste management and disposal costs.

Building a world-class culture

01 By 2012, 100% of our employees will understand how they can help achieve Our Sustainability Commitments and will be participating in sustainability activities. **This commitment was not met.**

Sustainability is an integral part of our strategy and future. As such, every employee has a role to play as a sustainability leader in their own right. No matter how big or small the contribution of each member of staff, our collective efforts will help ensure we deliver our targets.

Building a world-class sustainability culture, where all of our employees understand how they can play their part and are actively doing so, is a priority for us. We have made significant progress towards this stretching 100% target since 2009. Employee understanding and participation have steadily increased and been particularly driven through a range of activities as outlined below:

Employee participation in sustainability activities

Some 78% of our employees participated in an activity which related directly to sustainability by the end of 2012. This included participation in:

- Sustainable Steps – our e-learning sustainability training programme available to all employees and contractors.
- Helping Hands programme – our volunteering programme that allows employees to volunteer in the community for up to two days per year in company time.

- Coaching for performance – our online staff appraisal and development process which allows our people to specifically include and record sustainability actions in their performance and development plans.

Employee understanding of sustainability

This was measured specifically through the annual EDF Group Employee Engagement Survey (My EDF) which included the following question related to sustainability “I am clear on what I need to do in my job to help EDF Energy be a more sustainable business”.

Of the 12,657 employees who completed the survey, 85% agreed with the statement. In 2011, the comparable score was 75% so this was a big improvement on an already high score and reflected how well sustainability is embedded throughout our company.

Although we did not achieve 100% participation and understanding across the company the high scores are something we are proud of and a strong position from which to build upon as we launch our new company missions and ambitions in 2013.

This will put a sustainable business at the heart of our strategy as well as with employees.

02 By 2012, we will have attained gold standard from independent experts for our approach to diversity and inclusion. **This commitment was met.**

On 30 January 2012, we were awarded the first part of the Diversity Works for London Gold Standard accreditation – the Procurement Standard. Work to achieve the full Gold Standard included:

- Communicating – Executive roundtables for each business unit.
- Developing – 32 Senior female programmes complementing our women’s network mentoring programme.

- Training – Executive Teams and 250 senior staff attended Creating a Culture of Inclusion Training.
- Our Unconscious Bias E-learning package for all employees was developed and the roll out started in June 2012.

As a result of this work across our entire business achieved the Gold Standard in November 2012 joining only three other companies to hold this standard – BT, LOCOG and PwC.

03 We will build external partnerships and physical centres of excellence to develop the current and future skills we need for a sustainable economy. **This commitment is on track.**

A number of our employees in the nuclear sector are approaching retirement at the same time as a new generation of low-carbon nuclear capacity is needed for the UK. As a result, we have developed a comprehensive talent strategy to address the growing gap and ensure a skilled workforce for the future.

In 2012, we received planning permission to create a world-class training facility at Cannington Court in Bridgwater. This will be the physical centre of our new ‘Campus’ programme of learning and development and will be a location where we can deliver innovative training across all disciplines. This will be part of a wider Campus network of sites and online systems for our people – an exciting programme and a major opportunity to build local and national skills for the UK.

We have continued our work on the construction training centre at Bridgwater College. This will provide a ‘one-stop shop’ for training requirements and enable local people to gain skills required to secure a job with contractors on the project.

We have also created the Involve programme designed to challenge perceptions about careers in engineering and construction and to encourage students to explore the opportunities that Science, Technology, Engineering and Mathematics (STEM) subjects can open up. Some 265 students from West Somerset Community College have already participated in the programme, with a total of over 1,000 Year 9 students due to take part across West Somerset and Sedgemoor districts in 2013.

Helping our customers

01 We will reduce the proportion of CO₂ arising from our customers' energy consumption by 15% by 2020. This commitment is on track.

Helping our customers to reduce their carbon dioxide (CO₂) emissions is a key part of our role in creating a low-carbon future. Our work so far means around 0.98 million tonnes (Mt) of CO₂ has been avoided to date. This is about 20% of our goal of avoiding 5Mt CO₂ by 2020.

Major contributors to this commitment in 2012 continued to be the Carbon Emissions Reduction Target (CERT) and Community Energy Savings Programme for insulating and improving the energy efficiency of people's homes. We also measure specific incremental carbon saving initiatives such as smart metering and related technology. Our dedication to these programmes meant that we were one of only a few major energy suppliers to meet these government targets, and help our customers keep their homes warm.

From 2013 the major contributor will be the new Energy Companies Obligation (ECO).

ECO is a new, supplier only obligation replacing CERT and CESP. It is a larger and more complex programme than CERT or CESP, which is focussed on end-to-end refurbishment of residential

homes. Key measures include insulation and heating, with an increased focus on more expensive and complex solid wall insulation.

The ECO targets are designed to deliver energy efficiency savings to vulnerable, low income households and those that are harder to treat. Our target is to deliver an estimated £490 million of measures⁸ for the first phase which will run from January 2013 to March 2015.

ECO comprises three main targets:

- Home Heat Cost Reduction Obligation (HHCRO) – targeted at vulnerable private households on lower incomes, our obligation is to deliver £500 million lifetime fuel bill savings.
- Carbon Saving Communities Obligation (CSCO) – targeted at low income communities (with a rural sub-target), our obligation is to deliver a saving of 0.8Mt CO₂.
- Carbon Emission Reduction Obligation (CERO) – targeted at homes with harder to treat energy issues, our obligation is to deliver a saving of 2.4Mt CO₂.

02 We will commit to keeping our prices competitive and will provide enduring support for our most vulnerable supply customers. This commitment is on track.

In 2012, we continued to support our customers on our Energy Assist⁹ tariff and through the EDF Energy Trust Fund. By the end of 2012 we had 115,641 customer product accounts on Energy Assist and we paid over £2 million to the Trust Fund making 3,287 donations. Both these voluntary initiatives now form part of the delivery of our obligations under the Warm Home Discount scheme which saw us spend over £25 million on programmes of support to our customers living in or at risk of fuel poverty.

This included the payment of rebates on electricity bills in the winter of 2011/12. We paid 117,000 rebates of £120 and expect to pay 171,000 rebates in the winter of 2012/2013.

In September 2012, we also launched a new programme to support our customers who are fuel poor and/or vulnerable. Called the Personalised Support Service, this approach ensures that wherever we identify these customers, we offer our full range of products and that they are supported by our specialist Priority Services team.

Our customers have also benefited from one of the cheapest standard dual fuel tariffs on the market. We were the cheapest major dual fuel supplier for 47 out of 52 weeks, at typical consumption¹⁰.



⁹ We closed this tariff to new customers on the 25 of July 2012 as we are now moving away from the social tariff support and replacing this with rebates on electricity bills as part of the Warm Home Discount scheme.

¹⁰ Based upon data from 26 December 2011 to 26 December 2012

⁸ These targets are based on current customer supply volumes and will be flexible with increases/ decreases in customer consumption and reconciled annually.

Serving our communities

01 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. **This commitment was met two years ahead of target.**

The Pod, our programme for sustainable schools, was launched in 2008, and has become an educational resource of choice for schools across the UK, and beyond.

The Pod is a free online resource for teachers and young people aimed at both primary and secondary school levels.

It helps pupils learn about an environmental issue, take action to address it, and then inspire others to do the same by use of blogs, photos and video showing what pupils achieved. Run in partnership with Eco-Schools, one of the largest environmental education projects in the world, The Pod helps young people understand and tackle issues such as energy, biodiversity, waste and transport.

By the end of 2012, 16,677 schools were registered. This was over 40% of all UK schools. In addition, some 42 schools from 19 different countries were also registered.

To build upon the success of The Pod we have developed some ambitions plans for 2013. These include:

- Building and launching a major new climate science partnership.
- Launching Science in to Schools and The Big Energy Project.
- Sharing lessons learnt and potential opportunity with EDF Group.
- Formally evolving The Pod to link into STEM career development.

The success of The Pod and its campaigns was recognised through a 'Big Tick' in the Business in the Community Responsible Business Awards in 2012 and 2013, as well as a Highly Commended Award in the first ever European Corporate Social Responsibility (CSR) Awards in 2013.

02 We will work with all our suppliers to ensure they meet the 10 principles of the Global Compact to guarantee an ethical supply chain. **This commitment was met.**

We want to make sure we are environmentally, socially and ethically responsible in all that we do and we expect the same of our suppliers. This is not always easy so we have been using the United Nations Global Compact (UNGC) as a framework to make progress. We developed a category risk matrix that identifies supply chain risk in the areas of human rights (including labour standards), environment and anti-corruption. This is now embedded in our supplier registration process. Each supplier is assigned a risk score within each of these areas and a tailored questionnaire is compiled for completion by the supplier.

The questionnaire enables us to assess any instances of non-compliance by the supplier which we can then follow up in a variety of ways. This can include:

- providing information relating to the relevant principle area(s).
- engagement through supplier forums.
- for our critical/strategic suppliers.
- dialogue within pre-planned supplier review meeting.
- subsequent action planning with our suppliers.

Whilst the commitment to engage suppliers on UNGC was achieved, work is continuing through monitoring levels of compliance against the Compact.

This will be a key part of our new company ambitions in 2013 and central to our ongoing work to improve and ensure the environmental, social and ethical impact of supply chain.

By the end of 2012, we engaged 90.9% of our 4,742 suppliers, completed 1,313 supplier development actions and realised a compliance improvement rise from 33.5% at the end of 2011 to 88.4% in 2012.

Definitions and glossary

Carbon Emissions Reduction Commitment Target (CERT)

Definition: CERT came into effect in April 2008, obliging electricity and gas suppliers in Great Britain to help reduce carbon dioxide (CO₂) emissions from domestic homes. CERT was extended to December 2012, increasing the target by 108 million lifetime tonnes of CO₂ and setting a target of 293Mt CO₂ across all suppliers.

Community Energy Saving Programme (CESP)

Definition: CESP was created as part of the Government's Home Energy Saving Programme. It requires gas and electricity suppliers and electricity generators to deliver energy-saving measures to domestic consumers in specific low income areas of Great Britain. CESP was designed to promote a 'whole house' approach and to treat as many properties as possible in defined areas.

CO₂ avoided

Definition: Amount of CO₂ that would have been emitted if the electricity generated by Nuclear Generation (or other low/zero carbon methods) had been produced by the prevailing UK fossil fuel mix.

CO₂ emissions from business travel (absolute and emissions per FTE)

Definition:

- (1) Absolute – The annual total of CO₂ emissions from our fleet vehicles, car usage for business purposes, including taxi, rail and air travel.
- (2) Per FTE – The absolute emissions divided by the average FTE of EDF Energy employees during the year.

CO₂ emissions from commercial buildings (absolute and emissions per FTE)

Definition:

(1) Absolute – The annual total of electricity and gas consumption measured via meters for EDF Energy office buildings. For those buildings not managed by us the current landlord's billing is used. The consumption for gas and electricity is converted from kWh to CO₂ using defined conversion factors published annually by DEFRA.

(2) Per FTE – The absolute emissions divided by the average FTE of EDF Energy employees during the year.

CO₂ (Department of Energy and Climate Change)

Definition: The carbon dioxide emissions from our 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) ('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.

Company maximum individual radiation dose

Definition: We operate to strict procedures to minimise and control the radiation doses received by employees and contractors at all of our nuclear power stations. Any worker required to enter a radiological controlled area is issued with an electronic personal dosimeter which measures radiation dose and warns the wearer if pre-determined dose levels are exceeded. Radiation dose is measured in units of milliSieverts (mSv), and the legal dose limit is 20 mSv per year. The company maximum individual radiation dose is the highest dose received by an employee or contractor during 2012.

Disposals of radioactive waste (Low Level Waste (LLW))

Definition: According to UK law, LLW is waste having a radioactive content not exceeding 4 GBq (gigabecquerels) per tonne of alpha, and 12 GBq per tonne of beta/gamma activity. The data in this report is the volume of waste from all of our nuclear power stations sent off site during 2012 to be disposed of at the designated National LLW Repository near Drigg in Cumbria, incinerated at Hythe, or metal sent for recycling at Lillyhall in Cumbria. In order to reduce the overall volume of waste for disposal, there are a number of treatments that are carried out on the waste prior to disposal, for example shredding or compacting.

Earnings Before Interest and Tax (EBIT)

Definition: Earnings Before Interest and Tax.

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)

Definition: Earnings Before Interest, Tax, Depreciation and Amortisation.

Energy Companies Obligation (ECO)

Definition: ECO is a new, supplier only obligation replacing CERT and CESP. It is a larger and more complex programme than CERT or CESP, which is focussed on end-to-end refurbishment of residential dwellings. Key measures include insulation and heating, with an increased focus on more expensive and complex solid wall insulation.

Employee Engagement Survey (MyEDF)

Definition: In 2012, EDF Energy's Employee Engagement Survey was integrated into the first-ever EDF Group-wide Employee Engagement Survey with the aim to enhance knowledge of Employee Engagement within the many EDF Group entities and to share best-practice. Our Group Engagement model has three components:

- Loyalty – how loyal are your people to the organisation?
- Involvement – what is their level of involvement with their daily job?
- Alignment – how clearly aligned are your people with the organisation's strategy and leadership vision?

Over 133,000 Group employees participated in the Survey, which ran between 6 – 30 November 2012. The results were available at a Group-wide level, for each entity and their subsequent levels, and benchmarked against the Energy Norm (world-wide energy sector) and for EDF Energy, the UK Norm (all sectors).

Employee numbers

Definition: The number of EDF Energy permanent full and part-time employees by headcount, as of 31 December 2012 and includes employees on maternity leave. Employees on career break are excluded.

Employee understanding in delivering Our Sustainability Commitments

Definition: The measure is the percentage of people responding positively (i.e. 'agree' or 'tend to agree') to the question "I am clear on what I need to do in my job to help EDF Energy be a more sustainable business". This is from our annual EDF Group Employee Engagement Survey.

Energy Assist and Fuel Poverty

Definition: Our vulnerable customers assisted by means of our discounted 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 which 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 discounted 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. The figure in the report is captured as customer product accounts and not the number of customers on the Energy Assist tariff.

Full-Time equivalent (FTE)

Definition: The FTE used for this measure is the average number of FTE EDF Energy employees during the year.

High Performing People Index

Definition: The High Performing People Index is based on the percentage of favourable scores across a sub-set of questions taken from our annual Group EDF Employee Engagement Survey. The questions used relate to topics on which high performing companies are differentiated from the rest, and for which comparative norm data exists.

Intermediate Level Waste (ILW) generated (m³)

Definition: The Intermediate Level Waste Indicator provided by EDF Energy is derived from the UK's 2010 radioactive waste inventory produced by the Nuclear Decommissioning Authority. It provides an estimate of the annual arising volume of waste that will be classified as Intermediate Level Waste at the end of the site's life. The waste volume is given as a packaged waste volume based on the Nuclear Decommissioning Authority proposed waste package types. All Intermediate Level Waste is stored on power station sites pending a national decision on final disposal.

International Nuclear Event Scale (INES)

Definition: The International Nuclear Event Scale (INES) is a rapid alert system used for consistent communication of events across the nuclear industry. These are categorised between Level 1, which is an anomaly with no impact on the safety of the general public or workforce, and Level 7 which represents a major accident.

Lost Time Incident Rate

Definition: The Lost Time Incident (LTI) rate is the number of lost time incidents per 1,000,000 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.

Nitrogen Oxide (NOx) emissions

Definition: The emissions of NOx from all of our power stations including nuclear that are regulated by the Environment Agency under Environmental Permitting Regulations, and in accordance with the European Pollutant Release and Transfer Register (E-PRTR) Regulations. Data is audited periodically by Deloitte on behalf of the EDF Group.

Number of days lost to sickness

Definition: The total number of days of sick leave taken by employees in the year. Non-working days (e.g. weekends) during the period of sickness absence are excluded. For part-time employees, absence days are pro-rated.

Number of customers referred to government Scheme (CERT/ECO)

Definition: Number of customers specifically advised about, or referred to, a government scheme or to the Carbon Emissions Reduction target (CERT)/Energy Companies Obligation (ECO) in this reporting period.

Number of leavers

Definition: The total number of employees of EDF Energy leaving the company during the year for any reason. This includes resignation, retirement, employees who have a suspended contract of employment (e.g. for a sabbatical), who are expatriated or seconded outside the company, departure before the end of a fixed-term contract, departure during trial period, deceased, and dismissal.

Number of reportable nuclear events

Definition: Events that are required, by arrangements made under conditions attached to our nuclear site licences, to be reported formally in writing to the Office for Nuclear Regulation.

Number of working hours

Definition: The total number of hours worked by employees during the year. This is the annualised number of days at their contracted working hours for the week less statutory holidays, personal annual leave and sickness absence.

Office and depot waste

Definition: 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. It excludes by-products, such as ash from power generation. 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 and business performance reporting of that data is carried out in-house. Processes and procedures are periodically audited by LRQA as part of our ISO 14001 and OSHAAS 18001 certification.

Pod schools registered

Definition: The Pod provides registered teachers with lesson plans, resource packs, activities, games and a place to blog and to share ideas about sustainability issues including energy, water, waste, transport, biodiversity and climate science. It also provides materials that students can use to inspire parents and the local community. Data relating to the number of schools, teachers and students registered to www.jointhepod.org is sourced from the website's content management system. This system is also used to measure estimated engagement with the programme. Engagement calculations are based on registration information provided by users when they register with the site such as the number of pupils in the school, the level and type of interaction with different Pod resources, the target student size for particular activities and a set of assumptions such as average class size.

Primarily work-related ill-health rate

Definition: The rate is the number of musculoskeletal or mental ill-health incidents per year per 1,000,000 hours worked. We count only those incidents where work has been judged to be the primary cause, measured by an independent assessment of employees via self or management referral to Occupational Health and the Employee Support Programme. Contractors and agency staff are excluded.

Priority Services Register

Definition: Energy suppliers are obliged to offer a range of free services, known as the priority services register, to their most vulnerable customers. These services are free to join and are available from all mains gas and electricity suppliers. The scheme is available to all household gas and electricity consumers who are any of the following: pensionable age, have a disability, have long-term ill health or have a hearing and/or visual impairment.

Radiation dose to the most exposed member of the public

Definition: We are required to assess the radiation dose to the most exposed members of the public in the vicinity of our sites using the results of environmental monitoring. However, this does not distinguish between the impact of our discharges and those of neighbouring operators. Discharge modelling is used to make a conservative assessment of the impact of our discharges on the local population. Doses to the public are a very small fraction of the legal limit and the average radiation dose due to natural background in the UK.

Smart Meters

Definition: Is taken to mean an Advanced Domestic Meter, which is defined as a meter installed in a domestic premise that provides gas or electricity consumption data for multiple time periods and is able to provide the supplier with remote access to such data.

Spent fuel stored in cooling ponds on site

Definition: Amount of spent fuel stored in our on-site cooling ponds at our Advanced Gas-Cooled Reactors (AGRs) and Pressurised Water Reactors (PWR) measured in tonnes (heavy metal).

Sulphur Dioxide (SO₂) emissions

Definition: The emissions of SO₂ from all of our power stations that are regulated by the Environment Agency under Environmental Permitting Regulations, and in accordance with the European Pollutant Release and Transfer Register (E-PRTR) Regulations. Data is audited periodically by Deloitte on behalf of the EDF Group.

Three-year collective radiation dose (man Sv/reactor)

Definition: Average three-year collective radiation dose per reactor as defined by the World Association for Nuclear Operators (WANO). The measure covers all staff – employees, agency and contractors. It does not include a guided party of visitors; these parties walk a known visitors' route where exposure is negligible.

Tonnes of CO₂ avoided from customer's energy consumption

Definition: This will be delivered through the application and implementation of various initiatives across our Energy Sourcing and Customer Supply business unit. The calculation to demonstrate the emissions reduction is based on the summation of the actual tonnes of CO₂ saved through the three sub initiatives which make up this commitment which are Carbon Emissions Reduction Target, Smart Meters and Renewable, for example heat pumps. Historically contributions to this commitment have been made from Climate Balance Product and Read, Reduce, Reward. These products were withdrawn from the market during 2011.

Tonnes of uranium sent off-site

Definition: Tonnes of spent fuel sent off-site excluding cladding and packaging measured as weight of unirradiated uranium in tonnes.

Total Net Generation

Definition: The output from all our generating plants including coal, gas, nuclear and renewable generation as measured at the power station gate.

Total Recordable Incident Rate (TRIR) (employees and contractors)

Definition: TRIR annual total combined number of Lost Time Incidents, fatalities, Restricted Work Injuries and Medical Treatment Injuries (excluding FirstAid) / number of million hours worked. This covers all employees, agency and contractor staff. Excludes EDF Energy Renewables.

Vulnerable Customers

Definition: EDF Energy has two definitions of vulnerable customers: those who are vulnerable by virtue of being of pensionable age, disabled or chronically sick, and those who are living in fuel poverty by spending more than 10% of their income on energy in order to heat their home to an acceptable standard.

Unplanned automatic trip rate

Definition: Number of unplanned automatic trips per 7,000 hours of operation as defined by WANO.

Your views are important to us as they help us improve the way we do things. Let us know your thoughts and whether you found what you wanted to know about in this report by contacting us at sustainability@edfenergy.com. Your feedback will be reviewed by our Sustainability team and used to improve reporting for the future. Thank you.

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