

Corporate Policy on Environment

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Subject: **Corporate Policy on Environment**

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This document is not confidential

Revision record

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CORPORATE ENVIRONMENT POLICY

1.0 Objectives

This Corporate Policy seeks to create a clear framework within which all business entities and activities of EDF Energy plc are managed so as to ensure the on-going compliance with environmental legislation and regulation, the application of 'best industry practice' and the consideration of EDF Energy and other stakeholders requirements throughout EDF Energy Business Entities.

The prime objectives of this document are to:

- Set the general direction for environmental management within EDF Energy Business Entities;
- Demonstrate senior management commitment;
- Outline the details of the EDF Energy corporate governance framework for environmental policy-making, planning and implementation;
- State EDF Energy's commitment to consistently meet and exceed the requirements of environmental legislation and regulation; and
- To communicate the environmental duties and responsibilities of the EDF Energy Board, Chief Executive Officer (CEO), Board Directors, Chief Operating Officers (COOs), Managing Directors (MDs), Managers and staff;
- Reflect the approach to Environmental Management Systems (EMS) as detailed in ISO14001.

2.0 Scope

This policy applies to EDF Energy plc and its Business Entities.

3.0 Definitions & Abbreviations

EMS	Environmental Management System.
Environmental Aspect	Element of an EDF Energy's activities, products or services that can interact with the environment.
Environmental Impact	Any change to the environment whether adverse or beneficial, wholly or partly resulting from EDF Energy's activities, products or services.
HESEC	Health, Safety & Environmental Committee.
HSEPR	Health, Safety & Environmental Policy Review Committee.

4.0 References/Related Documents

This Environmental Policy is a constituent part of EDF Energy's Corporate Governance Policy Framework, and contributes to the Company's Management System. Related reference documentation includes:

- Current Environmental Legislation and Regulation
- Environmental Policy of EDF Group
- Environmental Policy of EDF WEMA Branch

- EDFE-HSE-CP-01-EDF Energy Corporate Policy on Health & Safety
- EDFE Energy Health, Safety & Environment Policies and Procedures
- ISO14001 Environmental Management Systems

Environmental Policy Statement

EDF Energy plc is one of the UK's major utility companies. It is responsible for generation, distribution, supply and metering services of a number of utility services, such as electricity, gas and telecommunications. The Company employs in excess of eleven thousand staff with major centres throughout the UK. EDF Energy is part of the Electricité de France (EDF) group of companies and this policy is consistent with the EDF Group's Environmental Policy.

The EDF Energy Board considers that continual environmental improvement is as important as any other business objective and so we have implemented an ISO14001 environmental management system to help achieve this. The system includes arrangements to implement and review our environmental policy. This policy will therefore be reviewed annually or more frequently where opportunity for improvement has been identified.

To discharge our legal and moral obligations, it is the Company's policy to:

- consistently meet the requirements of environmental legislation and, where practicable, exceed legislative requirements and improve on the performance standards specified
- manage our business resources to maximise sustainability, save energy, reduce waste, promote re-use and recycling, avoid damage to the environment and prevent pollution
- ensure for our stakeholders and customers needs and expectations are met and guaranteeing our stakeholders and customers satisfaction
- Operate an efficient and effective environmental management system which systematically identifies, assesses and records the environmental aspects and impacts of all our business activities, monitors environmental performance and uses this data to set annually reviewed objectives, targets and 'SMART' action plans to address critical high impact aspects;
- Promote the benefits of efficient material and energy usage that will encourage, where appropriate, the use of more efficient appliances and equipment, techniques and applications that use energy more efficiently, and technology to reduce pollution and waste
- Introduce initiatives aimed at the reduction of CO₂, SO₂, NO_x and other greenhouse gas emissions from our plant
- Consult with customers, regulators, authorities, environmental agencies, employees and other stakeholders with an interest in the environment
- Utilise our experience and knowledge to influence the UK legislative and consultative process and assist the EDF Group influence the international and global debate
- Externally report on environmental performance in an open, balanced and factual manner
- Encourage our employees to be involved in environmental matters at all levels through communication, training and reappraisal of working techniques

- Encourage the use and development of more benign, renewable and efficient sources of energy conversion and make use of these where possible
- Implement initiatives with respect to fuel poverty to provide affordable energy to affected local communities and groups
- Contribute to health related studies and research addressing links between electrical energy, the environment and health;
- Ensure that any contractors on site apply standards that are commensurate with our own high standards.

The EDF Energy Board is committed to the implementation of this policy and will give full backing to all those authorised to carry it out.

Vincent de Rivaz

Chief Executive

On behalf of EDF Energy Board

Jan 2004

5.0 Company Organisation & Arrangements for the Environment

- 5.1 The EDF Energy Board has overall responsibility for the annual review, development, approval and issue of this general statement on the environment.

The Board is committed to continual review of environmental performance and the degree of success in implementing plans to achieve Company objectives. The Board has established a Company Health, Safety & Environment Committee (CHSEC) (chaired by the Chief Executive) to advise on the discharge of environmental responsibilities and direct the implementation of the environmental process within EDF Energy. The CHSEC will review environmental performance and report to the Board on significant environmental failures, remedial actions and the effectiveness of the (environmental management system (EMS) to monitor and measure environmental performance.

- 5.2 As the appointed Chairman of the EDF Energy Health, Safety & Environment Policy Review (HSEPR) Committee the Managing Director of Generation has responsibility for co-ordinating the formulation and issue of Company-wide environmental policy and procedures and for the ongoing review of environmental performance. The Chairman of the HSEPR sits on the CHSEC and provides detailed reports of environmental performance and progress. The HSEPR is responsible for the ongoing development, maintenance and implementation of the EDF Energy Environmental Management System to ISO14001. This function is executed on their behalf by the EDF Energy HSE Working Group.

As Chairman of the EDF Energy HESEC the Managing Director of ECS has responsibility at Company level for ensuring effective consultation with staff representatives on matters of joint interest concerning environmental issues and for encouraging staff involvement in the achievement of environmental

objectives. The Chairman of the HESEC also sits on the CHSEC and reports on matters arising at the Company HESEC.

Branch and Directorate Chief Operating Officers and Directors are responsible for ensuring a HESEC framework is set up and maintained within their Business Entities to ensure that legal governance is properly conducted providing for the effective consultation with staff representatives on matters of joint interest concerning the environment and for encouraging staff involvement in the achievement of Company environmental objectives.

- 5.3 Business Entity Chief Operating Officers, Directors and Managers are encouraged (mandated in the case of subsidiaries) to adopt their own general statements of policy on the Environment for the Business Entity concerned. They will ensure that all necessary environmental licences and consents are in place and are being complied with.
- 5.4 Business Entity Chief Operating Officers, Directors and Managers are required to develop and implement detailed, annual Management Action Plans designed to ensure continuous improvement in the Business Entities they manage; report on and review their environmental performance; and to issue, periodically review and, when necessary, revise specific policy, procedures, rules and other forms of instruction relevant to their work activities.
- 5.5 Chief Operating Officers, Directors and Managers are further responsible for allocating the necessary resources; encouraging staff participation; and specifying policy and procedures for systematic monitoring of work practices.
- 5.6 Responsibility for protecting the environment from harm extends through managers and supervisors to each member of staff. Every employee is responsible for the proper implementation of Company and Business policy in the activities under his or her control.
- 5.7 As a Company, we are committed to providing all the training required to ensure that management and staff have the necessary competence, knowledge and skills to work in such a manner as to minimise the effect of Company activities on the environment and protect the environment from harm.
- 5.8 Effective means of communicating on matters regarding the environment include the EDF Energy network of joint management/staff Health, Safety & Environment Committees (HESECs); access to the EDF Energy Legislation Register (available on the internet to all HS&E Managers), Toolbox Talks; and bulletins on specific issues distributed to the staff concerned.
- 5.9 The normal channel for any member of staff on a work related environmental issue is through his or her immediate supervisor. When that supervisor is not available, another responsible and appropriate person will substitute.
- 5.10 For professional advice on work related environmental issues, EDF Energy employs specialist HS&E Managers/Advisers, with appropriate access to resources.
- 5.11 The following are among the matters for which EDF Energy makes specific provision, described in detail in EDF Energy HS&E Policies & Procedures:

- Preparation & Review of Environmental Aspects & Legislation
- Environmental Emergency Planning & management
- Environmental requirements for Plant & Equipment
- The reporting, investigation and analysis of environmental incidents and hazards - with recommendations made, communicated, implemented and monitored as appropriate
- Active monitoring, planning, audit, review and reporting
- Operational Sites Environmental Considerations
- Noise & Vibration Control
- Control of releases to water
- Control of Dust & Airborne Pollution
- Releases to Air Subject to Authorisation
- Contaminated Land
- Waste Management
- Management of Oil-filled Equipment containing PCB's
- The provision of adequate supervision and provision of competent expert advice.

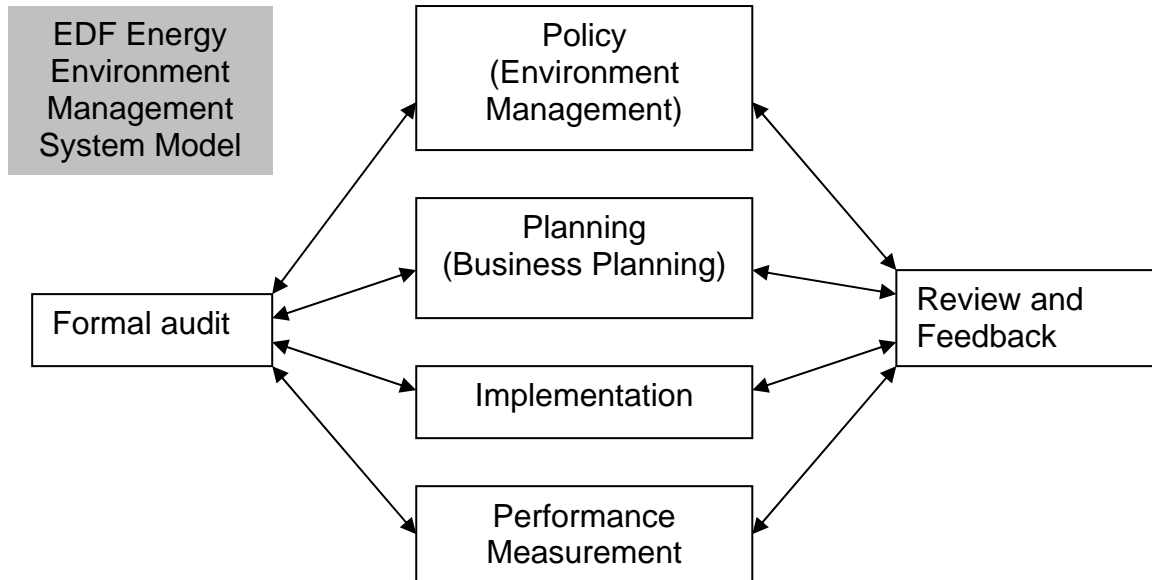
6.0 Management System

6.1 Introduction

ISO14001 describes a management system as 'the part of the overall management system that includes organisational structure, planning activities, responsibilities, practices, procedures, processes and resources for developing, implementing, achieving, reviewing and maintaining the environmental policy.'

In conjunction with other related environmental policies and procedures, this Corporate Policy on the Environment sets out the general policy, organisation and arrangements for the Company and is a component part of the Company's environmental governance and environmental management system.

The objective of the management system detailed below is to enable EDF Energy to comply with the requirements of their environmental governance and their policy statement for the environment as outlined in ISO14001.



6.2 Environment Management System Structure

The EDF Energy Health, Safety and Environment management system is structured in three levels:

- Corporate Policy – Top level policies setting out organisation and arrangements
- General Policies – High level policies setting out the H&S governance framework
- General Procedures – Codes of Practice detailing Company minimum standards

6.3 Elements of the Management System

The elements of the management system are described below:

6.3.1 Level 1 – Corporate Policy

An up-to-date statement of environmental policy outlining the Company's objectives and commitment to environmental management with detailed organisation and arrangements for the management of environmental issues throughout the Company. It describes the environmental governance structure, environmental responsibilities and provides an overview of the management system.

6.3.2 Level 2 – General Policies

A suite of high level policies that set out the governance framework and provide the general requirements for the Level 3 procedures. These framework policies cover the subject topics of policy, organisation, planning, implementation, monitoring, audit and review.

6.3.3 Level 3 – General Procedures

These procedures are developed from the Level 2 General Policies and define the minimum standards to be employed throughout the Company. Business Entities have

licence to develop their own procedures, but these must meet the requirements set out in the Company Level 3 procedures.

7.0 Management Responsibilities

7.1 Delegation of authority

The EDF Energy Board and Chief Executive have ultimate responsibility for all aspects of environmental management within EDF Energy plc and its various undertakings. Management responsibilities are delegated from the main EDF Energy Board as shown in the table at 7.2. Responsibilities are shown in relation to the elements of the management system described previously and further detailed in EDFE-HSE-GP-18 HS&E Management System Plan.

7.2 Responsibilities

Environmental responsibilities within the Company lie with the following groups, full details of their responsibilities are at Appendix A.

Policy Makers

- Policy Makers have responsibility for the formulation and development of policy and specifying the overall organisational framework, philosophy and implementation strategy.

Planners

- Planners have responsibility for the planning of environmental strategy, targets and objectives and measuring auditing and reviewing environmental performance.

Implementers

- Implementers have responsibility, within their remit, for implementing the requirements of the environmental arrangements, procedures, plans, controls, standards and work place precautions relevant to their activities.

Employees

- Employees have responsibility for complying and co-operating with the requirements of the Company Environmental Management System (EMS).

Advisers

- The Company HS&E Officer and H&S Managers/Advisers have responsibility for providing professional advice on matters of health, safety and welfare.

Committees

- The Company committee structure is at Appendix B.

	EDF Energy	Branch / Directorate	Business Entity	Committee
Policy Makers	EDF Energy Board & Company Executive	Chief Operating Officer / Corporate Director & Executive	Managing Directors & Business Entity Executive	EDF Energy Company HS&E Cttee (CHSEC)
Planners	Company Executive & Branch Executives	Branch/Directorate Executive & Business Entity Managing Directors	Senior Management Team	EDF Energy HSEPR & EDF Energy HESEC
Implementers	Branch Managing Directors & Senior Management Teams	Business Entity Managing Directors & Senior Managers	Management Team & Supervisors	EDF Energy HSEWG & Business Entity HESEC's
Advisory	Company HS&E Officer HS&E Managers & EDF Energy Occupational Physician	Branch HS&E Manager & Occupational Health Adviser	Business Entity HS&E Manager & Occupational Health Adviser	EDF Energy HSEWG & EDF Energy Occupational Physician

7.3 Board Responsibilities

BOARD:

- Nominate a Board Member as Chairman of the Company HSE Committee to report on Company environmental issues
- Receive reports and reviews from the Company HSE Committee
- Reinforce the Company message on environmental practices through their actions, attitudes and decisions to publicly uphold the spirit of the Company Environmental Policy
- Ensure Board decisions reflect the intentions of the Company Environmental Policy and do not conflict with the Company's general environmental philosophy
- Promote and support employee participation and consultation in environmental matters.

Company HSE Committee

The Company HSE Committee shall:

- Receive regular reports and reviews of environmental performance from the HSEPR and Company HESEC
- Report to the Board on environmental performance, effectiveness of the environmental management system (EMS), significant environmental failures and remedial actions
- Make provision for suitable financial, material, manpower and environmental advice and assistance
- Regularly review environmental performance, including:

- Significant environmental events and the implementation and effectiveness of remedial action taken as a result of investigations
- The effectiveness and suitability of the environmental management system for effective monitoring and reporting of environmental performance
- The implementation of suitable and sufficient risk management processes with regards to environmental aspects and impacts throughout the Company
- The Environmental Policy to ensure it reflects current Board initiatives
- Ensure the periodic audit of the environmental management system to ensure the effectiveness and suitability of the system
- Ensure Branches and Directorates implement effective monitoring and reporting of environmental performance
- Communicate implications of Board decisions to Branches and Directorates.

7.4 Specific Responsibilities

Responsibilities for Policy Makers, Planners, Implementers, Employees and Advisers and organisation charts are appended to this Policy document.

8.0 Review, Audit & Compliance

To ensure the continued effectiveness and suitability of the environmental policy and related environmental governance, the management system will be reviewed at least annually. The review will consider, as a minimum, legislative and regulatory change, industry 'best practice', 'best available techniques' (BAT), recommendations arising from incident investigations, progress against management action plan, results from audits, staff feedback and the effectiveness of training.

Compliance with the requirements of this policy and with relevant law and industry regulation will be subject to review by the EDF Energy Business Entity HS&E Managers on behalf of the EDF Energy Board or the Board's appointed agents who may include the Company Solicitor, Company Occupational Physician, Internal or External Audit.

Accredited external auditors will be appointed to audit Environmental Management Systems to ISO14001 every three years with annual surveillance audits as a minimum.

Appendices

TASKS & RESPONSIBILITIES		STRUCTURE	
A1	Policy Makers	B1	EDF Energy plc Structure
A2	Planners	B2	Company HS&E Committee Structure
A3	Implementers		
A4	Employees		
A5	HS&E Manager/Adviser		

APPENDIX A

TASKS & RESPONSIBILITIES

A.1 POLICY MAKERS

Policy Makers are responsible for:

- Devising environmental strategies to progressively enhance performance
- Establishing strategies to implement policy and integrate them into the general business activity
- Ensuring that the necessary environmental licences and consents for EDF Energy operations and activities are in place and complied with
- Specifying a structure for planning, measuring, reviewing, and auditing the company's policy and management system
- Specifying a structure for implementing policy and supporting plans
- Agreeing plans for improvement and reviewing progress to develop both the management system and associated policies
- Pursuing environmental objectives with evident sincerity and paying due regard to moral and ethical obligations to our stakeholders
- Making provision for suitable and sufficient competent environmental assistance and advice
- Including an assessment of environmental performance in the Annual Report.

Major outputs from Policy Makers will include:

- Written statements of general environmental policy and strategic objectives
- Written statements of the organisation for planning, measuring, reviewing and auditing
- Written statements of the organisation for implementation
- General plans containing the specific objectives for each year
- Provision of an EDF Energy Environmental Legislation Register accessible by all Business Entities.

A.2 PLANNERS

- Planners are responsible for: Application for and compliance with the necessary environmental licenses and consents for their sphere of operation
- Submitting mandatory environmental reports and information to the relevant Enforcing Authority
- Ensuring the appropriate Enforcing Authority is informed of any breaches and/or excursions
- Producing detailed plans to achieve corporate environmental objectives and progressively improve the environmental culture
- Establishing management arrangements, risk control systems and workplace precautions together with associated performance standards

- Co-ordinating specialist advice needed to ensure effective planning and implementation of policy, for example the input of environmental specialists, engineers, architects and consultants
- Establishing arrangements for measuring and reporting environmental metrics
- Ensuring adequate financial, material and staff resources are allocated;
- Ensuring the availability of the necessary competence, knowledge and skills training
- Ensuring the participation and involvement of employees and their representatives
- Providing for our stakeholders and customers needs and expectations;
- Ensuring our stakeholders and customers satisfaction is guaranteed
- Keeping up to date with changes to legislation, standards and good practice relevant to the organisation.

The key outputs from Planners will include:

- Local Environmental Policy Statements for their Business Entities which are aligned to the Company policy
- Environmental strategy statements to support the policy and enhance the environmental culture
- Environmental operational plans which identify specific objectives to be achieved within fixed time periods
- Environmental aspect and impact registers that reflects the likelihood and severity of environmental events
- Specifications for management arrangements, risk control systems, workplace precautions and performance standards
- Adequate arrangements for training, financial and physical resources
- Adequate arrangements for measuring and reporting environmental metrics
- Provision of up-to-date information and documentation.

A.3 IMPLEMENTERS

Implementers are responsible for:

- Implementing operational plans, management arrangements, risk control systems
- Ensuring effective systems for communication and participation operate at all levels with regard to environmental issues
- Providing the necessary financial, material and physical resources and information
- Providing systems of work, plant and equipment, and workplaces which are safe and without risk to the environment
- Providing suitable and sufficient competence, knowledge and skills training for staff

- Providing timely feedback on performance including successes and failures and any deficiencies in plans, arrangements, systems or precautions.

Key outputs from Implementers will include:

- Provision of adequate financial, material and physical resources and information
- Development, implementation and maintenance of the environmental aspect and impact registers
- Production and delivery of products and services that are safe and without risk of harm to the environment and meet the agreed specification
- Development, implementation and maintenance of systems to measure, collect and record environmental data and statistical information.

A.4 ALL EMPLOYEES:

Employees are responsible, within their competence, for:

- Complying with the requirements of the Company's Environmental Policy, Management System and procedures relevant to them
- Taking reasonable care through 'best available techniques not entailing excessive cost' (BATNEEC) and 'best practicable environmental option' (BPEO) to protect the environment from harm caused by their acts or omissions at work
- Carrying out routine on-site risk assessments and taking any necessary action to remove, minimise &/or control risk, seeking assistance from line management when the necessary means of control is not available or inadequate
- Co-operating with the Company management in their efforts to comply with the Company's environmental statutory duties and moral obligations
- Notifying management of shortcomings in the environmental arrangements, procedures, risk assessments &/or risk control measures so that appropriate remedial action can be taken
- On no account intentionally or recklessly interfering with anything that has been provided for the protection of the environment or in compliance with the requirements of environmental legislation.

A.5 Company HS&E Officer & Health, Safety & Environmental Manager/Adviser

Company HS&E Officer and Health, Safety & Environmental Managers/Advisers are responsible for providing advice to management and staff on the following:

- Formulating and developing policies, for existing activities and with respect to future acquisitions and purchases
- How the Company can promote a positive culture and secure the effective implementation of environmental policy

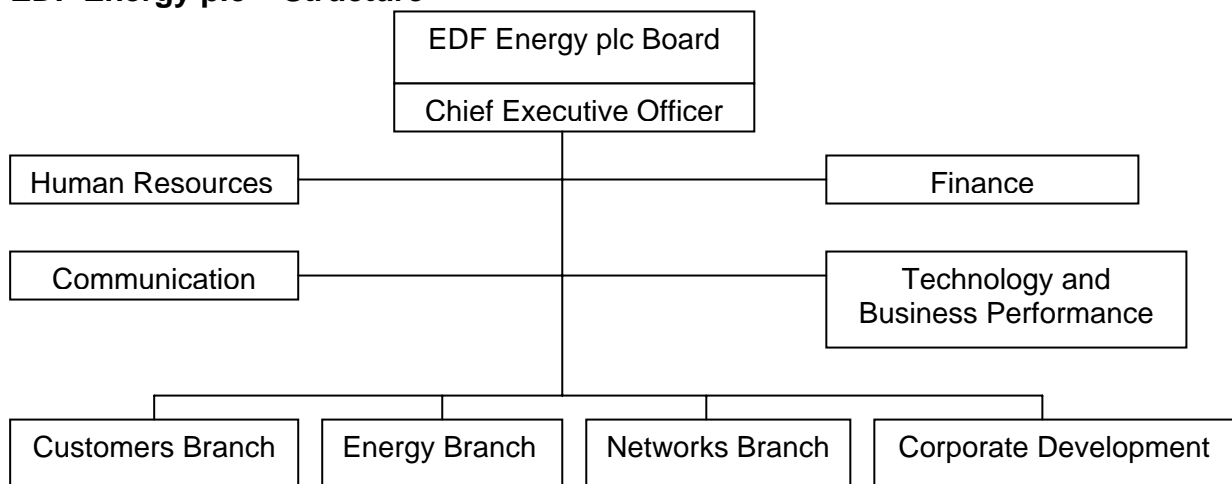
- Planning for health, safety, environmental and quality including the setting of realistic long and short term objectives, deciding priorities and establishing adequate systems and performance standards
- Day-to-day implementation and monitoring of policy and plans including environmental incident investigation reporting and analysis
- Review and performance audit of the whole management system.

They shall also:

- Be properly trained and suitably qualified
- Maintain adequate information systems on, for example, civil and criminal law, environmental management and technical advances
- Interpret the law in the context of their organisation
- Ensure that effective means of communication and consultation on environmental issues exist within their sphere of operations
- Be involved in establishing organisational arrangements, systems and risk control standards relating to hardware and human performance, by advising line management on matters such as technical standards
- Establish and maintain procedures for reporting, investigating, recording and analysing environmental incidents, near misses/hits and complaints relating to possible failures or deficiencies of the management system
- Establish and implement an environmental training programme
- Establish and maintain procedures, including monitoring and other means such as review and auditing, to ensure senior managers get a true picture of the way in which environmental issues are being managed. In this instance benchmarking may be particularly valuable
- Present advice on environmental matters independently and effectively
- Co-ordinate and collate environmental data reporting from their Business Entities
- Submit quarterly reviews of environmental performance to HSEPR.

Appendix B.1

EDF Energy plc – Structure



Appendix B.2

EDF Energy plc – HS&E Committee Structure

