

We are proud
of what we have
achieved already,
but we know that
we need to do
more.

Our Sustainability Commitments
Performance Update 2011



sustainability partner

Our Sustainability Commitments

Some of our sustainability commitments have already been met and we are working hard to hit our remaining 2012 and 2020 targets.

We realise that we need to start addressing a revised set of targets from 2013. This is why in the latter part of 2011 we started a full review with our stakeholders on the material issues facing EDF Energy and our industry in the medium to long term. Our plans for the next stage of our sustainability journey will be launched early in 2013.

The following section provides a summary of our performance against each of our current sustainability commitments.

Our Sustainability Commitments Performance at a glance

| AREA | COMMITMENT | UNIT | 2006 BASELINE* | 2011 ACTUAL | STATUS |
|---------------------------|--|----------------------------|----------------|-------------|--------|
| Reducing Carbon and Waste | We will reduce the intensity of CO ₂ emissions from electricity production by 60% by 2020.* | tonnes/GWh, project status | 813 | 208 | ● |
| | We will cut CO ₂ emissions from our commercial buildings by 30% by 2012.** | Kilotonnes | 24.1 | 22.7 | ● |
| | We will cut CO ₂ emissions from our commercial buildings by 30% by 2012.** | tonnes/FTE | 2.02 | 1.53 | ● |
| | We will reduce CO ₂ from our transport by 20% by 2012.** | Kilotonnes | 26.2 | 11.5 | ★ |
| | We will reduce CO ₂ from our transport by 20% by 2012.** | tonnes/FTE** | 2.27 | 0.77 | ★ |
| | We will reduce the volume of waste from energy billing by 30% by 2020. | tonnes | 413 | 294 | ★ |
| | We will send no office or depot waste to landfill by 2020. | % | 61 | 13 | ◆ |

| AREA | COMMITMENT | UNIT | 2006 BASELINE* | 2011 ACTUAL | STATUS |
|---|--|---|----------------|-----------------------|--------|
| Developing 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 safety issues. | project status | milestones met | project 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 | project on track | ◆ |
| | We will work with government, NGOs and others to demonstrate real progress towards implementing a long-term radioactive waste solution. | project status | milestones met | project on track | ◆ |
| 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 Team Green Britain. | % | n/a | 75% / 66% | ● |
| | By 2012, we will have attained gold standard from independent experts for our approach to diversity and inclusion.*** | project status | project status | project behind target | ● |
| | 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 | project on track | ◆ |
| Helping our Customers | We will reduce the proportion of CO ₂ arising from our customers energy consumption by 15% by 2020. | million tonnes | n/a | 0.8 | ● |
| | We will commit to keeping our prices competitive and will provide enduring support for our most vulnerable supply customers until 2012. | number customer accounts (discounted tariffs) | n/a | 159,236 | ◆ |
| Serving our Communities | 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 | 5.8 | ★ |
| | We will work with all our suppliers to ensure they meet the 10 principles of the Global Compact to guarantee an ethical supply chain. | project status | n/a | project on track | ◆ |

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

- * Original baseline did not include our portfolio of Nuclear Generation (acquired in 2009)
- ** Unit of measure amended to be t/FTE. Absolute CO₂ also still tracked
- *** On track to achieve the Gold Standard in 2012. Internal project behind target

Reducing our own carbon and waste

1. In 2007 we pledged to reduce the intensity of CO₂ emissions from electricity production by 60% by 2020.

This was based on our 2006 baseline of 813g CO₂ per kilowatt hour (kWh).

Behind target

We will now go beyond our original commitment by reducing our carbon intensity to no more than 250g/kWh by 2020. This is more than a 60% reduction on the 2006 baseline. Since our acquisition of British Energy and the integration of their nuclear fleet we have reduced the carbon intensity of our electricity to 208g/kWh¹ in 2011.

Although our carbon intensity is on target, we are behind on our new nuclear milestones. However, if nuclear new build is delayed beyond 2019, meeting our 60% reduction target of 250g/kWh can be achieved by a mix of life extension of the existing nuclear fleets, renewable and some restructuring made in the hours of operation for our coal stations.

Nuclear

We now own and operate eight of the nine nuclear power stations in the UK. This represents 8.7 Gigawatts (GW) of nuclear capacity. Last year, our stations generated over 55.8 TWh of electricity, which helped avoid 33.6 million tonnes of CO₂ emissions had the electricity been generated by the prevailing fossil fuel energy mix. This would be the equivalent of removing nearly half of the passenger cars from UK roads.

Extending the life of our nuclear power stations makes good economic sense and keeps carbon emissions down now. Plant lifetime extensions to date have saved around 100Mt CO₂ that would otherwise have been emitted by fossil fuel power generation.

Coal

Our main carbon impact is the CO₂ emissions from our two 2,000 Megawatt (MW) coal plants at Cottam and West Burton. These will need to stay open until there is enough low-carbon energy capacity to replace them. In 2010 we completed a modification programme to these plants to minimise their impacts on the environment

Gas

We are constructing a 1,305MW Combined Cycle Gas Turbine (CCGT) plant at West Burton which will come online in 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

During 2011, our operational renewables portfolio increased by 6.5 MW, with Fairfield wind farm beginning to operate in the first quarter of 2011. At the end of 2011, EDF Energy Renewables operated 20 wind farms with a total capacity of 268 MW. These are primarily located in the north of England and Scotland.

We continue to be involved in working towards the development in excess of 1,000 MW of renewable energy production. In the UK, our renewables portfolio includes wind farms both on and offshore.

2. We will cut CO₂ emissions from commercial buildings by 30% by 2012.

Behind target

We have implemented a wide range of initiatives to reduce CO₂ emissions from our commercial buildings. These include energy audits and installation of voltage optimisers, gas condensing boilers, sub metering, and energy efficient cooling of data centres.

We have replaced lighting and air conditioning units and are introducing "nightwatch" technology. This enables us to power down our IT kit remotely to ensure desktop computers are switched off at night. By the end of 2011 our activity adjusted performance of 1.53 kilotonnes (kt)/FTE was behind target. However, we are still on track to meet our 2012 target of 1.42kt/FTE. The current rolling year performance based on absolute emissions is 22.7kt compared to 24.1kt in 2006.

3. We will cut CO₂ emissions from our transport by 20% by 2012.

Target met

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. We have already achieved our commitment to cut CO₂ emissions from its transport by 20%. At 0.77kt/FTE we have met our target for 2012 which was 1.82kt/FTE. The current rolling year performance based on absolute emissions is 11.5kt compared to 26.2kt in 2006.

¹ CO₂ equivalent

4. We will reduce the volume of waste from energy billing by 30% by 2020.

On target

Our programme of introducing a more flexible and effective customer service billing interface has already produced a reduction of 29% in the volume of waste from energy billing. This has largely been achieved as a result of combining dual fuel bills and by electronic billing. The volume of paper from bills (excluding amended bills) sent to residential customers is now 119t below the baseline of 413.4t. It is expected that further savings will be made as more of our existing residential customers opt to use this service and given that a high proportion of all newly acquired customers choose electronic billing.

5. We will send no office or depot waste to landfill by 2020.

On target

We are on track to meet this target by 2020, having substantially reduced waste to landfill from our commercial buildings. Just 12.6% of our commercial building waste was sent to landfill in 2011 compared to 61.3% in 2006. This is on schedule to be reduced to less than 10% during 2012.

All of our employees have a special role to play in helping meet this commitment. Our Sustainability Ambassadors have continued to act as champions at their respective sites to ensure that messages on how to dispose of waste correctly are proactively promoted; ensuring our waste bins are clearly labelled and running campaigns at their local site.

A new contract has also been signed with our waste service provider which specifically requires them to help us deliver this commitment. A waste management plan is being developed for each site that describes each waste type, the quantity and its method of disposal. For sites where some waste is still sent to landfill alternative options will be evaluated and detailed plans put in place to meet our target.

Delivering low-carbon nuclear responsibly

We are committed to applying the principles of sustainable development to 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 toward 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; and

- Supporting development within the UK of the skills necessary to sustain these nuclear businesses through our work with schools, universities and other bodies.

It is time to think differently about nuclear

Our stakeholders need to feel they can trust us in the key areas of safety and security and want to know more about our long-term plans for waste. Do we have a clear plan? And can we afford to pay for it? What will be the impact on local communities?

We understand this need for transparency and reassurance and the very positive role communication can play. This is what underlies our three specific nuclear commitments, set out below.

6. We will work with the government, NGOs and others to demonstrate real progress towards implementing a long-term UK radioactive waste solution.

On target

The government has started the process of site selection for a deep geological repository to provide a permanent waste solution for both intermediate and high level waste.

Repositories like this are already being developed in several countries around the world including in France, Sweden and Finland.

We have now started to work with the Nuclear Decommissioning Authority, which is responsible for designing the repository, to confirm in more detail the future disposability of radioactive waste from our new build stations.

We will continue to be responsible for the management and decommissioning of our current nuclear power stations as well as the waste arising from any new nuclear plants we build. We will set funds aside over the life of the plant to do this.

These funding arrangements will be contained in a legally binding Funded Decommissioning Programme, a draft of which has been submitted to government. A final version will need to be approved by the government before we can start any nuclear safety-related construction at Hinkley Point, where we aim to build two new nuclear reactors.

7. 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.

On target

We are determined to ensure that openness and transparency is one of 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 that is necessary to drive responsible low-carbon investment for the future.

This is even more important after the tragic events which unfolded in Japan last year. We are united through the need to react, and act, in a highly responsible way, understanding and learning from the facts and acting on them with humility and leadership.

We have established a new stakeholder forum to provide guidance and challenge on key nuclear issues and help build trust in the industry, post Fukushima. Two meetings have been held at our Head Office on 13 September 2011 and then on 15 March 2012. This is part of a wider initiative by EDF Energy to increase our contact with key stakeholders and the public on nuclear issues and an integral part of our commitment to greater openness and transparency on nuclear matters.

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 discussed a number of issues at their meetings including the impact of Fukushima, public and political opinion on nuclear both 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 with the public on nuclear issues. The feedback has helped to inform a number of company initiatives including the development of our Energy Futures website, our proposed new visitor centres at our nuclear stations and our new website providing regular plant status information.

We plan to hold similar forums in future and will be seeking to continue to involve a wide range of stakeholders in these discussions. The company intends to report regularly on its plans for increased engagement with the public and stakeholders.

In 2011, we launched an innovative Energy Future website as part of our continued commitment to openness and transparency. This provides information about the UK's energy challenge. Employees from across the company were involved in developing the site, which examines a key issue we face as a nation: how to generate secure, sustainable and affordable electricity whilst also meeting carbon reduction commitments. We also started to publish monthly station reports online for all of our nuclear power stations. These outline station performance for everyone to see.

During 2011 we hosted 150 visits from local schools and colleges, special interest groups and local and national politicians across our operational sites. Our network of local ambassadors continued to visit local schools, speaking on a variety of subjects from nuclear power and electricity production through to sustainability and the local environment.

We have developed community newsletters for each of our existing and proposed nuclear sites and provided continued support to our Community Liaison Officers. Both ensure that people in our communities are continually kept up to date with developments in our work programmes which may impact the local community.

During 2011, we completed three years of public consultation – two main stages of formal consultation and two further focused stages – where we engaged with the community and other stakeholders in relation to our application for a new nuclear power station at Hinkley Point C. We directly engaged with almost 6,500 people, held 34 exhibitions and attracted 109,000 unique visitors to the project website. For details of the consultation, stakeholder feedback and how we responded please see **Public Consultation**.

In August 2011, we commissioned an independent survey in local communities around our nuclear sites in Dungeness, Hartlepool, Heysham, Hinkley Point, Hunterston, Sizewell and Torness² to measure how effectively we communicate.

Across all sites, 49% of adults stated they felt favourable towards nuclear power stations compared to 33% feeling unfavourable. Local communities around Dungeness felt most positive (67% favourable) with those in Hartlepool and Torness feeling least positive (43% favourable).

Some 67% of those surveyed agreed that the country needs nuclear power as part of the energy balance, while 17% disagreed. Furthermore, 54% 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, while 33% 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 (47% were interested across all sites compared to 33% who were uninterested; interest was strong around Hinkley Point with 68% interested in operations).

The survey highlighted a perceived lack of information and opportunities for more communication with local communities, as only 35% felt sufficiently informed about our nuclear power operations in their area against 43% who did not feel sufficiently informed. Half of the people surveyed felt that we had provided too little information, while just 31% felt the amount of information was about right.

There was 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.

Around 31% 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, while 22% were neutral on this issue and 38% disagreed. We are committed to improve on this measure considerably in the future. There is also a need to more actively encourage local people to participate in the conversation as only 39% feel that we are interested in listening to local peoples' views and slightly fewer (36%) feel that they are given the option to respond or get in touch with us. However, fewer people disagree with these statements (26% and 31% respectively).

We have already started to implement a wide ranging programme of actions in response to these findings and we will report on these publicly as our plans progress.

As part of our commitment to open and transparent business, to keeping local communities informed and to educating the next generation, we will also be opening new visitor centres at each of our nuclear sites in 2012.

8. 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.

On target

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.

In 2011, we continued our successful apprentice training programme and developed an Industrial Placement programme. We also increased the number of our Science, Technology, Engineering and Maths (STEM) Ambassadors. These Ambassadors are trained to go out into local schools and colleges to promote STEM subjects with the aim of getting students to take up these subjects. 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.

² Results are based on interviews with 7,001 adults, 18 years +, in communities around 7 nuclear sites. Interviews were carried out by ICM research via telephone, using random digit dialling in areas around each of the 7 nuclear sites. Fieldwork was carried out between 10th and 31st August 2011.

Helping our customers

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

Behind target

We are using our energy sector expertise and the relationships we have with our residential and business customers to help them make the transition to the "new" low-carbon world.

Major contributors to this commitment continue to be the Carbon Emissions Reduction Target (CERT) and Community Energy Savings Programme (CESP) for insulating and improving the energy efficiency of people's homes. Contributions to this measure have also come from products and services providing specific incremental carbon-saving initiatives SMART metering and related technology³ and innovations (heat pumps and Solar PV). We will also help our business customers comply with the mandatory Carbon Reduction Commitment.

Our initiatives to help customers reduce their energy use has enabled around 0.8Mt of CO₂ to be avoided to date.

Whilst this is behind the original target it does reflect the substantial savings accruing from major energy efficiency programmes. Over the coming years there are further significant initiatives aimed at reducing CO₂ arising from customer energy consumption such as Eco and the SMART metering roll-out. In addition we are bringing to market nuclear backed low-carbon products such as 'blue + price promise'. The current review of the Sustainability Commitments beyond 2012 will consider in detail further contributing measures to this commitment.

³ Measurement representing improved reporting through continuous review

10. We will commit to keeping our prices competitive and will provide enduring support for our most vulnerable supply customers.

On target

The main way we measure progress is by the number of customer accounts benefiting from our Energy Assist discounted tariff which provides customers with a 6% discount on their energy. With 159,236 customer accounts, we remain on target.

As the first supplier to introduce such a tariff and a range of other forms of support for customers living in or at risk of fuel poverty, we have advocated for a number of years that government places such support on a mandatory footing to ensure all suppliers are offering equal products and services.

We therefore welcomed the fact that from April 2011, the government's Warm Home Discount Regulations brought in a new four-year obligation for suppliers to support customers living in or at risk of fuel poverty. This now supersedes our original, industry-leading Energy Assist discounted tariff and the EDF Energy Trust Fund.

Our Customer Commitments, which were launched in March 2012, outline how we will go even further for the most vulnerable in society, above and beyond what is required by law.

We are extremely proud of our work in this area. Our award-winning partnership with Citizens Advice Bureau has also recently been awarded a big tick from Business in the Community and also won a National Example of Excellence. For details of this partnership and other awards we won, please see:

Our Sustainability Results

Building a world-class culture

11. By 2012, 100% of employees will understand how they can help achieve our sustainability commitments and will be participating in Team Green Britain.

Behind target

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. Staff understanding and participation has been particularly driven through activities including:

- Over the last three years running internal campaigns on Team Green Britain our nationwide community which brings people together to share ideas for sustainable living
- Sustainability programmes such as Helping Hands which provides all employees two days of company time to volunteer in the community

- Sustainable Steps, our interactive e-learning sustainability training
- Senior leadership sustainability training which was developed with Cambridge University

Despite this progress, we are behind target on this commitment. Our key challenge has been around measurement of participation as this has relied on employees self-reporting their participation in our annual Employee Engagement Survey. In 2011, staff survey results suggested lower participation than results recorded independently so activity was being under-reported across our business.

To address this mismatch between records of participation and annual survey results, we will be updating our methodology in 2012 to measure participation independently. We still believe that employee participation will be under-reported at the end of 2012 though as some staff engagement activities carried out in early 2012 did not record employee participation in a way that can be collated and measured independently.

In the longer term, we are developing new systems to track employee engagement in sustainability activities. We hope to report more on this next year.

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

Behind target

We are using Diversity Works for London to assess our progress on diversity and inclusion. This measures our progress in 34 areas under five categories:

- Diversity Monitoring and Outcomes;
- Demonstrating Commitment to Equality and Diversity;
- Employee Recruitment, Retention and Progression;
- Organisational Culture and Inclusion; and
- Promoting Equality and Diversity Externally.

The 'Gold Standard' that we aim to achieve by the end of 2012 represents a comprehensive set of good practice statements addressing all aspects of business performance on diversity and inclusion, including the workforce, marketplace and suppliers.

The standard is stretching but flexible enough to recognise that companies have different equality and diversity objectives that are appropriate for them and relevant to their industry and sector.

As part of this commitment we have created several diversity networks that bring employees together through communications, news and events. These are the Women's Network; Lesbian, Gay and Bisexual Network; Disabilities and Carer's Network, and BAME (Black, Asian and Minority Ethnic) Network.

In addition, we have been working with these groups on targeted recruitment and targeted development for underrepresented groups within the company. We are also focusing on monitoring data, top level commitment and employee engagement as part of the strategy. Accurate data through both monitoring and the employee engagement survey will enable us to shape future strategies. Top level commitment demonstrates leadership whilst allowing the business units to deliver the strategy, which will result in more meaningful impacts and help to embed diversity and inclusion into business as usual activity.

Although by the end of 2011 this commitment is behind target we have developed and implemented a robust plan to achieve the target and are on track to achieve Gold Standard by the end of 2012.

13. We will build collaborative external partnerships and physical centres of excellence to develop the current and future skills we need for a sustainable economy.

On target

A large 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 particular, we have:

- Opened a new £3m energy skills centre at Bridgwater College. Our aim is to equip current and future generations in Somerset with the skills they need to make this vision a reality.
- Created a training centre and apprenticeship hub at West Somerset Community College. This will support training in specific skills that will help people into employment on Hinkley Point C.

- Launched a construction training centre at Bridgwater College, enabling people with no prior construction experience to gain the skills required to secure jobs on our new build construction programmes. 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 extended our partnership with Bridgwater College in Somerset and together will establish a world-class Training Centre in the South West of England, close to the proposed site of the new Hinkley Point C nuclear plant. Building on existing work, this agreement will see us invest more than £15m to address potential skills shortages in the energy sector by delivering professional training, building networks within the nuclear industry and providing a legacy of growth for employees and the local community.

Our campus project has continued to develop throughout 2011. The campus will enable people from all parts of our company and all disciplines to mix and learn from each other, pass on invaluable expertise, while integrating new knowledge, fostering a spirit of innovation and promoting professional and personal development.

Serving our communities

14. We will work with all our suppliers to ensure they meet the 10 principles of the Global Compact to guarantee an ethical supply chain.

On target

Initiatives to date include: Assessing the existing practices of our first tier suppliers: Suppliers are categorised at the point of request which assigns a risk score across human rights, environmental and anti-corruption risk areas. Suppliers are sent a UNGC Compliance questionnaire relevant to their level of risk and any non-compliances are then followed up (for tactical & leverage suppliers they are issued with a Practical Guide which condenses available literature about the Compact and educates them as to practical steps they can take to demonstrate compliance; for strategic and critical suppliers supplier development activities are jointly agreed in normal supplier management meetings and improvement actions are tracked.

Online publication: To aid transparency of our processes and to educate potential suppliers about our UNGC Commitment, we have started developing a supply chain section on our external website. This will outline our commitment and provide access to practical guidance on achieving UNGC compliance such as the management arrangements that can be put in place to achieve and demonstrate compliance.

15. 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.

Target met

In September 2008 we launched www.jointhepod.org to help educate children about the sustainable use of energy. The Pod is an online education programme that provides teachers with lesson plans, information sheets, assembly presentations, activities, games and a place for their students to showcase and share their environmental work.

Since its launch more than 15,800 schools and over 20,500 teachers have registered to the programme which due to popular demand has expanded to cover the topics of water, waste, transport, biodiversity and climate science in addition to its core topic of energy.

We have partnered with Eco-Schools, the Eden Project and recently the Met office to help develop a really trusted and highly regarded suite of educational materials and activities.

As well as materials that are available to download from the site, the Pod runs two very successful national environmentally themed campaigns each year. In March 2012, 3,700 schools signed up to Waste Week and we are expecting 5,000 schools to participate in the Pod's next campaign, Switch Off Fortnight, which is now in its fourth year and runs between 19 November and 2 December 2012. Feedback has shown that campaigns are a fantastic way for schools to get everyone involved and working together on a subject or project, they are also a very good opportunity for them to tell parents and the local community what they are doing. Many schools have managed to save more than 10% off their energy bills as a result of taking part in Switch Off Fortnight and some have saved more than 20%

The Pod, our environmental education programme has surpassed all of its initial targets. This year it received a Big Tick award from Business in the Community; the programme is now used by teachers in 17 countries and has engaged with more than 5.5 million children.

Definition

CO₂ avoided

Definition: Amount of CO₂ that would have been emitted if the energy generated by Nuclear Generation had been produced by fossil fuel sources.

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 calculated based on the summation of the actual Tonnes of CO₂ savings of the three sub-initiatives which make up this commitment which are Carbon Emissions Reduction Target Smart Meters and Renewable, for example heat pumps.

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.

CO₂ (DECC)

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.

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 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.

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.

Sulphur Dioxide (SO₂) emissions

Definition: The emissions of SO₂ 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.

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 DNV 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 green 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 to be greener. 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 etc.

EBITDA

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

EBIT

Definition: Earnings Before Interest and Tax.

FTE

Definition: The Full-time equivalent used for this measure is the average number of Full-time Equivalent EDF Energy employees during the year.

Employee numbers

Definition: The number of EDF Energy permanent full and part-time employees by headcount, as of Dec 31, 2011 and includes employees on maternity leave. Comparable figure from 2010 was 15,682. Employees on career break were excluded this year.

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.

LTI 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.

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 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 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.

Employee understanding in delivering 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 achieve Our Sustainability Commitments". This is from our annual Employee Engagement Survey.

Employee engagement survey

Definition: To help us improve the way we engage with employees, we appointed Towers Watson during 2009. As a leading global provider of employee and organisational surveys, Towers Watson has already provided survey design expertise and invaluable support in analysing results and helping us to set priorities for action. The Towers Watson UK National Norm is comprised of a weighted average of employee survey results from a cross-section of industry sectors for operations located in the United Kingdom. The data is derived from recent client studies conducted by Towers Watson and is updated annually. The norm includes data from approx. 178 organisations, representing almost 158,000 employees.

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 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.

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.

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. The web link below highlights what our offers to vulnerable customers on our website are and the document attached details the type and cost of interventions.

Our services for vulnerable customers

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: of pensionable age, have a disability, have long-term ill health or have a hearing and/or visual impairment.

CERT

Definition: The Carbon Emissions Reduction Commitment (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 has been extended to December 2012, increasing the target by 108 million lifetime tonnes of CO₂ and setting a new ambitious target of 293 MtCO₂ across all suppliers.

CESP

Definition: The Community Energy Saving Programme (CESP) has been 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 has been designed to promote a 'whole house' approach and to treat as many properties as possible in defined areas.

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