

Our Company »

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



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

Robert Sansom Director of Strategy & Sustainable Development

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

Generation

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

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

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

Distribution

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

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

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

Private networks, Private Finance Initiatives and Public Private Partnerships

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

Supply

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

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

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

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

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

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

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

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

Case study »»

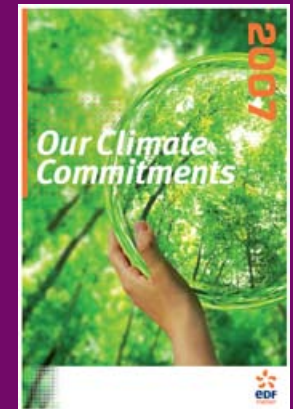
Winning recognition for our commitment to sustainability from Business in the Community

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

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

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

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



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

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

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

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

How corporate governance works in EDF Energy

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

Our Board

Our Board of Directors is responsible for ensuring that EDF Energy meets all its financial and legal obligations while sustaining – and enhancing – the value we create for our shareholders. Through our directors, the Board meets quarterly to decide our strategy, budget and financial requirements. The Board's remit also covers the policies that we develop to support our strategy, such as our corporate governance policy. As a wholly owned subsidiary of EDF SA our board are appointed by EDF and all members are either employees of EDF or EDF Energy, all qualifications and memberships of individual members are approved by EDF SA as defined in our corporate governance policy CG_POL_001.

Directors and their interests

Directors who held office during 2008 were as follows:

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

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

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

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

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

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

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

Our Executive Team

The role of our Executive Team is explained in our corporate governance and decision making policies. All members are appointed in accordance with our corporate governance policy CG_POL_001 in that all appointments, removals and any special terms and conditions attached to an appointment are agreed by our board. Our Chief Executive is responsible for ensuring that the level and quality of the executive team is adequate to meet our strategic requirements.

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

Vincent de Rivaz (Chair)

Chief Executive

Eva Eisenschimmel

Chief Operating Officer, Customers

Humphrey Cadoux-Hudson

Chief Financial Officer

Martin Lawrence

Chief Operating Officer, Energy

Peter Hofman

Director Sustainable Future

Laurent Ferrari

Chief Operating Officer, Networks

How we manage risk

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

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

Our internal control systems

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

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

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

Our Internal Control Policy

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

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

Governing Sustainability Performance

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

+ Zero harm

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

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

+ British Energy

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

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

+ EDF Energy Renewables

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

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

+ Brand awareness

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

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

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

+ Employee engagement

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

+ Environmental Impacts

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

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

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

- Economic situation

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

- Health and safety performance

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

- Compliance investigations involving EDF Energy

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

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

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



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

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

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



Reporting Standards and Audit

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



Reporting Scope and Boundary

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

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

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

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

Reporting Period

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

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

Reporting measurement approaches

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

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

edfenergy.com/sustainability/our-commitments/index.shtml

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

Contact Us

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

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