

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

Coal and gas

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

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

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

Over the last months we've assessed the fuel suppliers we deal with as part of our annual review processes, working closely with Innovest. Early in 2007 we extended our reviews to cover our largest supply business customers too.

Biomass

Our power stations have used biomass since 2004. It comes from various sources – woodchip, olive cake, sunflower husks and locally grown willow. We're currently reviewing our local and international biomass procurement processes.



Trains deliver coal from the port of Tyne in Newcastle to our power stations

C02 Emissions allowances

EDF Trading buys and sells EUAs (European Union Allowances) for us. The EDF Group has set up a Carbon Fund, managed by EDF Trading, for all European affiliates who require certified emissions reduction (CERs). The fund reduces the cost of carbon allowances and supports carbon reduction projects in emerging countries. With a buying capacity of around 300 million euros, the EDF Carbon Fund is a leader in the trading sector.

Renewables

We are a major renewable electricity supplier in the UK. We are developing our own renewable assets and working in partnership with others to deliver against our Renewable Obligations, Fuel Mix Disclosure requirements and customer demand for renewable sourced electricity. We source the renewable energy to meet our obligations and meet our customer demands in a number of different ways: from our own assets, purchase contracts with third parties, the wholesale market and Non Fossil Fuel Purchasing

Agency web-based auctions. The NFPA auctions the output from generators contracted under the England and Wales Non-Fossil Fuel Obligation (NFFO) and the equivalent Scottish contracts that were put in place prior to the introduction of the Renewable Obligation in 2002. They hold two power auctions per annum which award contracts for a six month periods that allows parties to bid for the electricity, ROC, LEC and REGOs associated with the individual generator output. In addition they hold ROC only auctions on a quarterly basis which include ROCs associated with the Northern Ireland equivalent to the England and Wales/Scottish arrangements.