

In line with our commitments to be a successful, sustainable business, we make a number of key social investments. We run two pension schemes to support our employees; we invest in local communities through a wide range of corporate and employee-driven initiatives.

Pension schemes

EDF Energy sponsors two pension schemes:

1. The EDF Energy Pension Scheme (“EEPS”) which was established in March 2004 and includes a number of legacy pension schemes from London Electricity and SEEBOARD. Membership of EEPS is open to all employees.
2. The EDF Energy Group of the Electricity Supply Pension Scheme (“ESPS”) which was created in September 2005 as a result of the merger of the London Electricity and SEEBOARD groups of the ESPS. ESPS is closed to new members.

Both EEPS and ESPS are final salary pension arrangements and they both undertook formal triennial actuarial valuations as at 31 March 2007 in line with the new scheme specific UK funding requirements. This showed a total deficit of £127m. To repair this deficit, EDF Energy agreed a recovery plan in which it would make additional payments over the period 1 April 2007 to 31 March 2015 (with the deficit payments front loaded during the first three years).

In line with UK law the Trustees of each pension scheme issue members with annual funding statements.

From a Company accounting perspective the funding position for each pension scheme is as follows:

- ESPS has improved over the period 2004 to 2007 due to improvements in equity markets and deficit repair contributions of £126m) paid by EDF Energy between April 2005 and December 2007. At the end of 2007 ESPS was in deficit by £245million compared with £298million at 31 December 2006.
- EEPS has grown in terms of members, assets and liabilities. The funding position has not changed greatly over the period 2004 to 2007. At the end of 2007 EEPS was in deficit by £11million compared with £13million at 31 December 2006.



Our social actions help us to be truly sustainable

Community programmes and matched giving schemes

Mencap has been our charity partner since 2005. During the three year period to 2007, our employees raised an estimated £419,000 in support of Mencap; we donated £300,000 over three years in matched funding, producing a total donation of £719,000 to Mencap over the period 2004-2007.

Over 900 EDF Energy employees make regular charitable donations through our Payroll Giving scheme, supporting more than 156 charities. We received 420 applications for personal matched funding in 2007.

Annual Incentive Plan

EDF Energy operates a general incentive scheme for staff known as AIP (the Annual Incentive Plan). AIP is designed to incentivise staff to deliver through personal and team objectives, the Company’s five Ambitions. There are two elements, each contributing 50%: the Company’s performance in meeting the Ambition targets and performance in meeting local team objectives. Typically, some 40-50% of bonus is dependent on financial performance and the remainder is spread across the other four Ambitions.