Our 2013 highlights

In 2013 we continued to make progress on our journey to be a successful and responsible long-term energy business as part of the EDF family.

We reached a record number of household customer accounts, with more than two million accounts actively switching to our low-carbon, nuclear-backed product, Blue.

We achieved very strong safety performance with a 47% reduction in the total recordable incident rate compared to 2012.

Our nuclear power stations produced 60.5 TWh of low-carbon electricity, our best performance in eight years - enough to power around 50% of UK homes.

We completed the commercial operation of our West Burton B Combined Cycle Gas Turbine plant in Nottinghamshire – this will produce enough power to keep the lights on for 1.5 million homes while we expand our low-carbon and renewable energy production for the future.

We achieved a milestone in our nuclear new build programme, agreeing the commercial terms of our investment contract with the UK Government.

We scored 95% in the Business in the Community Corporate Responsibility Index. Our approach to sustainability was awarded a ‘Platinum Big Tick’, the highest possible standard, and it placed us best in our sector.

We were named as Energy Provider of the Year at the Consumer Moneyfacts Awards 2014. These used feedback from 90,000 consumer surveys to review our customer service and products in 2013.

We launched a new version of ‘Our Compelling Story’, a highly innovative way to bring our story and strategy as a sustainable and responsible energy company to life for all of our people.

We created the EDF Energy Better Energy Ambitions – these are our plan for a sustainable business. They put sustainable and responsible business at the heart of our approach so we benefit our customers, our people, our business and the world around us. That’s something that we think everyone can feel better about.

We launched a three-year partnership with Marie Curie Cancer Care and our employees raised over £100,000 six months ahead of schedule – with match funding from EDF Energy that’s enough to fund over 1,100 full nine-hour nursing shifts.

We completed construction of our offshore wind farm at Teesside – this is EDF Energy Renewables’ first UK offshore wind farm.

We signed an innovative 10-year framework agreement with Network Rail to provide low-carbon electricity to power the UK rail network.

The Pod, our award-winning sustainable schools programme, reached over 50% of UK schools with free resources to educate and engage on energy, science and sustainability.

We launched a record number of household customer accounts, with more than two million accounts actively switching to our low-carbon, nuclear-backed product, Blue.

In line with our commitment to be open and transparent across our nuclear business we opened the remainder of our visitor centres at all of our nuclear power stations. These allow visitors to learn about nuclear power, electricity generation and our operations through films, interactive displays and tours. Our Torness and Hunterston visitor centres even received five star ratings from Visit Scotland.

Cheapest major dual fuel supplier in 2013 for 49 out of 52 weeks, at typical consumption.

We were named as Energy Provider of the Year at the Consumer Moneyfacts Awards 2014. These used feedback from 90,000 consumer surveys to review our customer service and products in 2013.

We launched a new version of ‘Our Compelling Story’, a highly innovative way to bring our story and strategy as a sustainable and responsible energy company to life for all of our people.
Some of our 2013 challenges

At EDF Energy, we are working hard to be a better kind of energy company. That means we need to be honest about our challenges and about where we can improve what we do or how we operate.

Trust in business, and in energy companies in particular, has fallen. For the energy sector, there is deeper scrutiny because of mistrust of our actions and our motives. For us, that means openness, honesty and transparency are even more important to how we run our business. It also means we need to make promises clearly and make sure we deliver on these. Our Better Energy Ambitions make this a key theme for us and our report shares what we are doing in more detail - find out more in the Finance and Ethics section of this report.

Our regulator, Ofgem, recently announced a proposal to refer the energy industry to the new Competition and Markets Authority. Although not welcomed by everyone, EDF Energy CEO Vincent de Rivaz first called for an independent competition inquiry in to the energy market in September 2011. We should expect that the assessment will have some critical comments to make about the energy market. We also know that an inquiry won’t restore trust. We will report news on our assessment will have some critical comments to make about the energy market. We also know that an inquiry won’t restore trust. We will report news on our website as the inquiry progresses.

Rising costs affect everyone – so we have a responsibility to do everything we can to keep our costs down and ensure fair value across our services. The energy bill for a typical family has doubled to around £1,300 over the last ten years. EDF Energy has consistently championed the consumer – we were the cheapest major dual fuel supplier for 49 out of 52 weeks in 2013 at typical consumption, and offer industry-leading tariffs that freeze prices with no exit fees. We tell our customers when and where they could save more than £1 per week at typical consumption, even if it’s with a competitor. However, there is no room for complacency on cost. Reducing our own costs and challenging those of the sector must remain a priority for us and we must continue to ensure we deliver fair value for our customers. Find out more in the Customer section of this report.

We need to do more to improve customer service and reduce complaints. The Customers section of this report highlights some of the achievements we have made on improving the services we offer and reducing complaints. We have made good progress and are top in our sector in some customer satisfaction measures. However, satisfaction scores for the sector as a whole are very low so we need to maintain our focus on better service and simplicity as well as ensuring fair value for all of our customers.

The safety and security of our power generation sites is our top priority but not everyone agrees with how we need to generate the energy that society needs. This issue came to the fore in October 2012 when climate change protesters from the ‘No Dash For Gas’ environmental group entered our new Combined Cycle Gas Turbine power station at West Burton. Our decision to launch a civil claim for damages of £5 million caused considerable outcry from environmental campaigners, the public, customers and some of our key stakeholders. We know that we need to be better and more consistent at responding to events like this, and in engaging our wider stakeholders on what we do and how we operate. Find out more in the Civil Society Dialogue section of this report.

The evidence for the human impact on climate change is overwhelming but tackling this is not a simple journey. As it always has, the carbon intensity of our energy generation will fluctuate each year as a result of annual energy demand and the availability and affordability of different types of generation in the short term. This will continue until new low-carbon and renewable generation comes online and at scale. It is why investment in low-carbon and renewable technology and infrastructure must be a priority for the UK. As the largest producer of low-carbon power in the UK, and with ambitious goals to cut emissions even further, we are uniquely placed to play a key role in this challenge but a strong investment framework and long-term vision for the UK is needed. Find out more in this report.

We achieved a milestone in our nuclear new build programme when we agreed the commercial terms of our investment contract with the UK Government, but there is still more to do. We must now complete the process of securing State Aid approval from the European Commission for our proposed Hinkley Point C station. We also need to finalise funding for the project – that includes finalising the agreements with our partners announced in October 2013 and with further equity partners. We will report more on progress throughout 2014.
Our performance in 2013

At a glance

To achieve Zero Harm to people

<table>
<thead>
<tr>
<th>Measure</th>
<th>Unit</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Recordable Incident Rate (TRIR)</td>
<td>Incidents per 1,000,000 hours worked</td>
<td>0.84</td>
<td>1.58</td>
<td>1.78</td>
<td>n/a</td>
</tr>
<tr>
<td>Lost Time Incident Rate (LTIs)</td>
<td>Incidents per 1,000,000 hours worked</td>
<td>0.47</td>
<td>0.62</td>
<td>0.61</td>
<td>1.12</td>
</tr>
<tr>
<td>Primarily work-related ill health (employees)</td>
<td>Incidents per 1,000,000 hours worked</td>
<td>4.86</td>
<td>5.83</td>
<td>5.01</td>
<td>4.08</td>
</tr>
<tr>
<td>Number of days lost to sickness (employees)</td>
<td>Days</td>
<td>135,634</td>
<td>140,953</td>
<td>124,013</td>
<td>119,884</td>
</tr>
</tbody>
</table>

To be the best and most trusted for customers

<table>
<thead>
<tr>
<th>Measure</th>
<th>Unit</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer product accounts</td>
<td>Millions of accounts</td>
<td>6.0</td>
<td>5.8</td>
<td>5.8</td>
<td>5.5</td>
</tr>
<tr>
<td>Electricity priority service customers</td>
<td>Numbers of customers</td>
<td>264,550</td>
<td>246,988</td>
<td>226,596</td>
<td>236,912</td>
</tr>
<tr>
<td>Gas priority service customers</td>
<td>Numbers of customers</td>
<td>140,891</td>
<td>127,354</td>
<td>115,466</td>
<td>95,590</td>
</tr>
<tr>
<td>Number of customers referred to Energy</td>
<td>Numbers of customers</td>
<td>109,908</td>
<td>124,905</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Companies Obligation (ECO)</td>
<td>Numbers of customers</td>
<td>109,908</td>
<td>124,905</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Number of smart meters installed</td>
<td>Number of meters</td>
<td>16,934</td>
<td>5,911</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>2,054 gas electricity</td>
<td>5,911</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Number of customers proactively provided</td>
<td>Number of proactive contacts (including letters, text messages, emails, outbound calls)</td>
<td>1,056,768</td>
<td>46,043</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>with information on how they can reduce their energy consumption</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warm Home Discount scheme</td>
<td>Number of eligible customers</td>
<td>200,000*</td>
<td>117,000</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

* Warm Home Discount Scheme relates to the year ending 31st March 2014.

To power society without costing the Earth

<table>
<thead>
<tr>
<th>Measure</th>
<th>Units</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carbon dioxide (CO₂) intensity from generation</td>
<td>Tonnes per gigawatt hour (GWh)</td>
<td>256.0</td>
<td>251.7</td>
<td>208.1</td>
<td>219.5</td>
</tr>
<tr>
<td>Total carbon footprint¹</td>
<td>CO₂e in million tonnes</td>
<td>22</td>
<td>21</td>
<td>15</td>
<td>14</td>
</tr>
<tr>
<td>Nitrogen oxides (NOₓ) emissions</td>
<td>Tonnes</td>
<td>38,905</td>
<td>38,696</td>
<td>29,084</td>
<td>27,255</td>
</tr>
<tr>
<td>Sulphur dioxide (SO₂) emissions</td>
<td>Tonnes</td>
<td>15,831</td>
<td>14,884</td>
<td>12,707</td>
<td>13,580</td>
</tr>
<tr>
<td>Total net generation</td>
<td>Terawatt hours (TWh)</td>
<td>85.4</td>
<td>83.1</td>
<td>72.4</td>
<td>63.7</td>
</tr>
<tr>
<td>CO₂ from commercial buildings</td>
<td>Kilotonnes</td>
<td>19.8</td>
<td>21.8</td>
<td>22.5</td>
<td>31.1</td>
</tr>
<tr>
<td>CO₂ from commercial building</td>
<td>Tonnes/FTE</td>
<td>1.37</td>
<td>1.50</td>
<td>1.51</td>
<td>1.61</td>
</tr>
<tr>
<td>CO₂ from transport</td>
<td>Kilotonnes</td>
<td>10.6</td>
<td>10.6</td>
<td>11.1</td>
<td>23.6</td>
</tr>
<tr>
<td>CO₂ from transport</td>
<td>Kilotonnes/FTE</td>
<td>0.73</td>
<td>0.73</td>
<td>0.75</td>
<td>1.22</td>
</tr>
<tr>
<td>CO₂ tonnes abated from customer energy</td>
<td>CO₂ million tonnes avoided</td>
<td>1.88</td>
<td>0.98</td>
<td>0.80</td>
<td>0.70</td>
</tr>
<tr>
<td>consumption</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paper waste from energy billing</td>
<td>Tonnes of paper</td>
<td>206²</td>
<td>199</td>
<td>294</td>
<td>416</td>
</tr>
<tr>
<td>Building waste recycled</td>
<td>% of waste recycled</td>
<td>94%</td>
<td>88</td>
<td>87</td>
<td>82</td>
</tr>
<tr>
<td>Children engaged by our sustainable schools programme, The Pod</td>
<td>Cumulative number of children engaged since programme launched in September 2008</td>
<td>10,000,000</td>
<td>9,331,834</td>
<td>5,811,217</td>
<td>3,115,451</td>
</tr>
</tbody>
</table>

¹ This calculation includes CO₂, NOₓ, CH₄, SF₆, on site fleet/mobile plant, Generators, CO₂ in AGA blow down. The increase in our total carbon footprint is due to increased output across all types of generation.
² Paper waste has increased due to higher numbers of customer accounts and a new requirement to add a Giro Slip on bills.
Our performance in 2013
At a glance continued

To deliver safe, secure and responsible nuclear electricity

<table>
<thead>
<tr>
<th>Measure</th>
<th>Units</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unplanned automatic trip rate</td>
<td>Number of unplanned automatic trips per 7,000 hours of operation</td>
<td>0.45</td>
<td>0.64</td>
<td>0.74</td>
<td>0.58</td>
</tr>
<tr>
<td>Number of nuclear safety events rated Level 1 (lowest) on the International Nuclear Event Scale (INES)</td>
<td>Number of events</td>
<td>10</td>
<td>15</td>
<td>19</td>
<td>13</td>
</tr>
<tr>
<td>Number of nuclear safety events rated Level 2 or above on the International Nuclear Event Scale (INES)</td>
<td>Number of events</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Nuclear reportable events</td>
<td></td>
<td>0</td>
<td>3</td>
<td>7</td>
<td>9</td>
</tr>
<tr>
<td>Three-year average collective radiation dose</td>
<td>man-Sieverts (man-Sv) reactor</td>
<td>0.076</td>
<td>0.069</td>
<td>0.089</td>
<td>0.109</td>
</tr>
<tr>
<td>Company maximum individual radiation dose</td>
<td>milliSv (mSv)</td>
<td>4.622</td>
<td>8.179</td>
<td>7.621</td>
<td>4.338</td>
</tr>
<tr>
<td>Radiation dose to the most exposed member of the public</td>
<td>mSv</td>
<td>0.006</td>
<td>0.006</td>
<td>0.006</td>
<td>0.007</td>
</tr>
<tr>
<td>Uranium sent off-site</td>
<td>Tonnes</td>
<td>177</td>
<td>215</td>
<td>211</td>
<td>132</td>
</tr>
<tr>
<td>Spent fuel stored in cooling ponds on site</td>
<td>Tonnes (of heavy metals)</td>
<td>540</td>
<td>481</td>
<td>507</td>
<td>512</td>
</tr>
<tr>
<td>Amount of Intermediate Level Waste (ILW) generated</td>
<td>Cubic metres</td>
<td>178</td>
<td>161</td>
<td>161</td>
<td>162</td>
</tr>
<tr>
<td>Disposal of Low Level Waste (LLW) or waste that will be disposed of as LLW after treatment</td>
<td>Cubic metres</td>
<td>655</td>
<td>694</td>
<td>608</td>
<td>498</td>
</tr>
</tbody>
</table>

To achieve strong financial and ethical performance

<table>
<thead>
<tr>
<th>Measure</th>
<th>Unit</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>£m</td>
<td>8,311</td>
<td>7,908</td>
<td>7,465</td>
<td>9,145</td>
</tr>
<tr>
<td>Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)</td>
<td>£m</td>
<td>1,689</td>
<td>1,666</td>
<td>1,664</td>
<td>2,339</td>
</tr>
</tbody>
</table>

To empower our people to be a force for good

<table>
<thead>
<tr>
<th>Measure</th>
<th>Unit</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee High Performance Index</td>
<td>% positive score</td>
<td>68</td>
<td>63</td>
<td>61</td>
<td>68</td>
</tr>
<tr>
<td>Number of employees</td>
<td>Number of people</td>
<td>15,162</td>
<td>15,153</td>
<td>15,536</td>
<td>15,441</td>
</tr>
<tr>
<td>Number of leavers</td>
<td>Number of people</td>
<td>1,321</td>
<td>1,624</td>
<td>1,589</td>
<td>1,307</td>
</tr>
<tr>
<td>Number of working hours</td>
<td>Hours</td>
<td>25,492,346</td>
<td>25,309,116</td>
<td>25,685,663</td>
<td>27,115,624</td>
</tr>
<tr>
<td>Number of female employees</td>
<td>Number</td>
<td>4,927</td>
<td>4,886</td>
<td>4,991</td>
<td>4,739</td>
</tr>
</tbody>
</table>
Delivering sustainable energy to customers at an affordable price is a priority at the heart of our business.

Our commitment to sustainability is stronger than ever and it reached new levels in 2013. We refreshed our Mission and Ambitions to make clear that sustainability is at the heart of our business. This report demonstrates our progress during 2013 and our plans for 2014 and beyond.

OUR NEW MISSION AND AMBITIONS

During 2013 we developed our new Mission: Driving progress for people – a successful and responsible long-term energy business, trusted by customers and powering a thriving society and a healthy environment. This mission is summed up by our new Ambitions:

- to achieve Zero Harm to people
- to be the best and most trusted for customers
- to deliver safe, secure and responsible nuclear electricity
- to achieve strong financial and ethical performance
- to power society without costing the Earth
- to empower our people to be a ‘force for good’

Our new Mission and Ambitions have sustainability at their heart. They are at the forefront of our minds throughout the year.

Our first priority is to deliver Zero Harm, and we have seen a 47% improvement in the Total Recordable Incident Rate, which at 0.84 for the whole year is very strong. The Lost Time Incident rate of 0.47 is sector leading. Safety is an area in which we must constantly strive for improvement towards Zero Harm. We did experience a very serious incident at Cottam last year, which is a reminder that we have to relentlessly manage the hazards we face. We all need to continually challenge ourselves, and each other, to put Zero Harm at the heart of everything we do.

In our retail business, our objective for 2013 was to be the best and most trusted at helping customers, to enable us to grow. During 2013, we added 255,000 customer accounts and reached a record high of 5.71 million residential customer accounts. At the heart of our growth are our nuclear-backed Blue products and we now have over two million Blue customer accounts.

“... powering a thriving society and a healthy environment.”

REBUILDING TRUST AND BEARING DOWN ON COSTS

The importance of rebuilding trust with customers became even more important last year. After maintaining our standard variable prices throughout the year, we took the difficult decision to increase them from 3rd January 2014. However we knew that rising costs were hurting customers, and we knew that doing nothing was not an option. So we held back the full impact of rising costs: our increase was less than half the size of those that had been announced by some of our competitors.

We were the first company to take action. We did so because we were confident that, working with the industry, the Government would find ways to bear down on costs. We chose to pass on the benefit of that in anticipation of the decision we were expecting from the Government. After our move, the Government announced changes to the roll-out of various schemes to reduce their cost for customers. As a result our main competitors have followed our lead.

We have embarked on our programme to deliver smart meters. The benefits to customers of smart meters are clear: real-time energy use will be recorded allowing customers to see exactly how much energy they are using, ending the need for estimated bills. It is another way we are working to rebuild trust with customers. We are building our smart metering team in preparation for the full rollout. This includes a new smart meter apprenticeship scheme to train up the people we will need to deliver this ambitious programme. We are committed to making this beneficial programme as cost-effective as possible, and this will always be a priority.

Into 2014, the new structure of our company demonstrates our commitment to stand on the side of customers. We have simplified our business around the fundamental role that we play: generating electricity, supplying electricity and gas to customers, and delivering nuclear new build for the future.
Chief Executive’s 2013 summary

NUCLEAR NEW BUILD - LOW-CARBON GENERATION FOR THE FUTURE

Delivering a new generation of nuclear power stations will be vital if the UK is to meet its legally binding climate targets. New nuclear is the most affordable of all the low carbon options, and we are leading the UK’s nuclear renaissance through our project at Hinkley Point C.

2013 was a milestone year for this project. We saw planning permission granted in March, confirmation that the project would be eligible for the UK Infrastructure Guarantee scheme, agreements made with the four main contractors, and partnership agreements with trade unions.

On 21st October, we had the landmark announcement of our agreement with the UK Government on the commercial terms of the investment contract for the project. This momentous day was marked by a visit to our Hinkley Point site by Prime Minister David Cameron, Energy Secretary Ed Davey, and EDF Group Chairman and CEO Henri Proglio.

The end of 2013 saw Royal Assent of the Energy Bill. This legislation is key to delivering Electricity Market Reform, including the Contract for Difference that underpins the investment contract for Hinkley Point C.

It will also help drive investment across all forms of low-carbon technology, so is therefore an important tool in our efforts to decarbonise the UK’s power sector.

OUR EXISTING POWER GENERATION

For our existing power generation business, the first objective of 2013 was to achieve an output consistent with 2012 for our nuclear plants, even in spite of additional planned work, and greater output than in 2012 from our coal plants.

This was an extremely stretching target. Since EDF Energy’s acquisition of British Energy (Nuclear Generation) in 2009, we have invested significantly and steadily improved the output from our fleet of nuclear power stations from 40.2 TWh in 2008, just prior to acquisition, to 60 TWh in 2012. That year saw the highest output since 2005. To achieve that again in 2013 in spite of a major outage programme was a real test. So it is with great pleasure that I can say we delivered 60.5 TWh in 2013.

The ongoing improvement in generation performance is matched by ongoing improvement in safety. The magnitude of the change since 2009 is impressive. One key measure is nuclear reportable events, which have seen a fall of over 75% over that time. There have been no events at all across the fleet for more than a year. A targeted effort on improving industrial safety in the same period has seen dramatic improvements in worker safety; with the average number of lost time incidents down by 65%.

As we look ahead to 2014, we continue our work on nuclear plant life extensions. The next station being considered for further life extension is Dungeness B.

We have been working hard on this and expect to make a final decision on life extension for Dungeness by the end of 2014. Our life extension programme will ensure the existing nuclear plants continue to generate the low carbon electricity the UK needs for as long as practical. It used to be the case that most of the existing nuclear stations were expected to close by 2023. In fact, through the investments made in the life extension programme most will now operate beyond that date.

We have continued to deliver on the commitments we made following the events at Fukushima in 2011. In December 2013 I opened our new Emergency Response Centre at Szewczew which is designed to provide further, robust back-up for our safety systems. It is another key milestone of our £180 million safety and resilience programme, which was completed in March this year.

During 2013 we opened our final three visitor centres: Dungeness in February, Heysham in June, and our final centre at Hartlepool in November. The visitor centres are about the transparency and openness of our nuclear operations. They promote two-way dialogue, connecting EDF Energy with the public. They have been a huge success to date, with over 26,000 visitors so far and recognition for Hunterston and Torness with both being awarded ‘Five Stars’ by Visit Scotland.

Our wider generation portfolio continued to expand during 2013. We addressed some significant engineering challenges to complete construction of our new 1300MW Combined Cycle Gas Turbine power station at West Burton B, and transferred it from commissioning into full commercial operation.

INSPIRING OUR PEOPLE AND EDUCATING THE NEXT GENERATION

There is a critical need for more STEM skills to help support the transition to a low-carbon economy. 2013 saw more progress in our attempts to inspire and train the next generation of engineers. The total number of schools registered to the Pod, EDF Energy’s sustainable schools programme, is now over 18,000, with almost 27,000 individual users (typically teachers) signed up and nearly 52,000 resources downloaded since August 2013. More than 10 million children have been engaged through the programme, and over 50 per cent of UK schools are registered.

This effort to engage young people is supported by more than 260 of our trained STEM ambassadors. They go into schools and mentor teams of children in exciting projects, with the aim of stimulating interest and highlighting the opportunities for young people in science, technology and engineering.

We have also opened up a new way to inspire people to learn about climate change through our collaboration with the Met Office and the University of Exeter. We launched a new website to educate and engage called ‘Climate and Us’. The site aims to encourage people to think about what climate change means to us now and what it will mean in the future - to the way we live, work, and go about our everyday lives. In the initial phase, the site will act as a hub for climate change information (largely with a UK focus), from a wide range of respected organisations and individuals. The Met Office brings its world-leading authority on weather and climate to the site, whilst the University of Exeter provides world-class interdisciplinary research to address the challenges of climate change.

This year, we have seen further progress of EDF Energy’s Campus Project. Campus is an integrated network of learning, development and knowledge sharing that reaches every corner of EDF Energy. Its mission is to improve business performance by connecting staff across business units, across different generations, with EDF Group, and our external partners—local communities and customers.

During 2013, our Campus Network of training and meeting facilities around the UK continued to develop, and we are now set to launch the MyCampus virtual hub in July 2014. This will enable individuals to reach out and make connections across, and outside the business to other people and organisations with shared aims. The physical hub for Campus, Cannington Court in Somerset, is also progressing, and this will open later this year. This will be a unique training, meeting and collaboration centre; not only for EDF Energy but also for our supply chain, schools, universities, academics, and the wider community.

Our team of Company Makers—inspired by the success of the Games Makers during the London Olympic Games—continued to make an important contribution during 2013. The team of over 300 were involved in a wide range of exciting activities, which had our new mission and ambitions at their heart. The programme is a unique opportunity for employees to gain knowledge, develop new skills and increase their profile across the company.

The work we have done already was recognised in the Business in the Community Corporate Responsibility Index, when we were awarded ‘Platinum Big Tick’ status for our approach to sustainability. With an overall score of 95%, we were best in our sector.

This is an endorsement of our long-term approach to being a responsible and sustainable business. It recognises a huge amount of hard work by people right across our company and in the community. We were also further awarded six ‘Big Ticks’ in the BITC Responsible Business Awards.

These actions show that sustainability is at the heart of our outlook, our strategy, and our leadership. Our intent is to build on the progress made in 2013, learn from our experiences and deliver even more together in 2014 and beyond.

"... sustainability is at the heart of our outlook, our strategy, and our leadership.”
STAKEHOLDER PANEL STATEMENT

Throughout 2013 the Stakeholder Advisory Panel has played an important role in offering strategic advice and direction to EDF Energy during this eventful year for the industry. We have seen considerable focus on the industry from the public and politicians, particularly over the issues of costs for consumers. Meanwhile, the Government’s programme of Electricity Market Reform continued its progress, with the Energy Act receiving Royal Assent in the final days of 2013.

I am delighted to have taken on the role as the Panel’s Chair, and look forward to the challenges of the coming year. The Panel has provided its recommendations on how to improve consumer trust, and ensure that this is a guiding principal for EDF Energy. This was particularly important when the political spotlight focused on the costs of energy in the final months of 2013.

Ed Miliband’s announcement of a proposed two-year freeze on energy bills ignited political debate on energy costs. It was followed soon after by significant price rises from other major suppliers, which only added to the debate about the future of the industry.

EDF Energy’s decision to anticipate Government action on reducing energy bills and pass these savings on directly to customers was an important step towards rebuilding trust. It also put pressure on other major suppliers to alter their price changes to reflect the changes in policy costs that were implemented by the Government. The company was able to set itself apart from the rest of the industry in a move that the panel supported. This decision demonstrated that the company is committed to addressing the short-term affordability of energy.

Of course, there is more to be done and the recently announced market investigation by the Competition and Markets Authority will be another opportunity to help improve transparency, which is a vital step towards improving trust.

EDF Energy has also continued to address the issue of long-term affordability of energy by pressing forward with plans for nuclear new build in the UK. Last year, a number of significant milestones were reached. This included an agreement with the Government on the investment contract for Hinkley Point C, which is a major achievement. Further challenges remain, including securing approval from the European Commission that the investment contract is compliant with State Aid rules. This is a key decision, not just for EDF Energy, but the whole of the UK Government’s programme of Electricity Market Reform. The company will need to work closely with the Government as it presents this case to the European Commission.

During 2013 the panel gave feedback on the new EDF Energy company ambitions and mission. These have been updated and now centre on ‘driving progress for people’. I was pleased to see the way that sustainability has been woven into all these ambitions. This will help EDF Energy maintain its industry-leading position in this area.

The panel has also led on the Civil Society Dialogue programme in response to protests at the West Burton B CCGT. This is an important piece of work that will inform how EDF Energy responds to any protests in the future. It will also help improve trust as the company strives to improve the way it responds to its critics.

I know that the EDF Energy leadership team will continue to tackle the priorities facing the business, such as reducing costs for customers, continuing the record high output levels from generation, and continuing to progress towards nuclear new build. The Panel will continue to scrutinise this work and support the company as it builds a more sustainable business.

Sir Richard Lambert
Chair, EDF Energy Stakeholder Advisory Panel
EDF Energy is an integrated energy company with over 15,000 employees. We generate and supply electricity and gas for the UK from a nuclear, coal, gas and renewable energy portfolio. In 2013, we maintained our position as the largest generator of electricity (in terawatt hours, TWh, produced) and as the largest producer of low-carbon electricity in the UK.

We are a wholly owned subsidiary of the EDF Group.

**SHAPE TO DELIVER**

As we started 2014, we simplified the structure of our business to focus our functions on Customers, Generation, and Nuclear New Build. These businesses are supported by our Corporate and Steering Functions. Our simpler structure means we are better placed to more efficiently deliver our role as the largest producer of low-carbon electricity in the country and as a better kind of energy company – one that stands on the side of the customer.

**CUSTOMERS**

In 2013, we retained our position as the number one supplier of electricity to non-domestic customers (as measured in TWh sold). As of October 2013, we were the sixth largest residential supplier to domestic gas and electricity customers (measured by the number of accounts).

However, EDF Energy gained over 300,000 accounts over the two last months of 2013, reaching a record 5.7m B2C customer accounts at year end. Considering this, and customer divestment announced by RWE npower, EDF Energy expects to be the fourth largest residential supplier overall.

In 2013, we supplied 52.7 TWh (versus 51.6 TWh in 2012) of electricity and 31.5 TWh (versus 31.1 TWh in 2012) of gas to residential and business customers. At the end of 2013, we had 6 million customer accounts (up from 5.8 million in 2012). These were mainly residential customers (5.7 million customer accounts) with around 323,000 customers from small and medium-sized enterprises and major businesses.

**NUCLEAR NEW BUILD**

We plan to build four new nuclear reactors in the UK – two at Hinkley Point in Somerset and a further two at Sizewell in Suffolk subject to ongoing studies and relevant permissions. Hinkley Point C, once at full capacity, will generate around 7% of the UK’s electricity when complete. Construction of the two new reactors at the site will create around 25,000 jobs. Once finished, the station will provide 900 jobs during its 60 years of operation.

For more information about our nuclear new build programme, see our media centre.

**GENERATION**

Our existing nuclear power stations continue to provide the UK with safe, secure and reliable low-carbon electricity, with the highest output in eight years achieved in 2013 at 60.5TWh.

In February 2014, we also confirmed that we expect to achieve a ten-year life extension for our Dungeness B nuclear power station to 2028, again subject to receiving the necessary approvals. Based on expected life extensions, all seven of our Advanced Gas Reactor (AGR) stations and the Sizewell B Pressurised Water Reactor (PWR) station will be operating in 2023, when Hinkley Point C is due to be commissioned, subject to the final investment decision being taken in 2014.

During 2013, the renewables operational portfolio increased by 225 MW. This included three new onshore wind farms: Fallago Rig, Boundary Lane and Glass Moor II, as well as EDF Energy Renewables’ first offshore wind farm, Teesside which has an installed capacity of 62 MW and began commercial operation in July 2013. At the end of 2013, EDF Energy Renewables operated 25 wind farms with a total capacity of 529 MW. These are primarily located in the north of England and in Scotland.

Bringing our Generation business together, and ensuring a long-term strategy that puts a low-carbon and renewable energy mix central to our approach, means we are better able to play a key role in delivering a sustainable energy future for the UK.

For more detailed information on our business please visit About Us.
At EDF Energy, we want to be a different kind of energy company – one that everyone can feel better about. That means thinking long-term to keep energy affordable, make sure we have a secure supply of energy for the future, and tackle climate change.

To focus on this, and to put sustainable and responsible business at the heart of our approach, we developed a new mission for EDF Energy in 2013:

“To drive progress for people – a successful and responsible long-term energy business, trusted by customers and powering a thriving society and a healthy environment.”

This builds on our longstanding commitment to, and strong track record in, sustainability.

We will deliver our mission through our company ambitions – the Better Energy Ambitions. These are our plan for a sustainable business. They focus on the most important issues for our customers, our people, our business, and for the communities and environment that we are part of. They directly address how we will tackle the key challenges facing the energy sector.

➔ To achieve Zero Harm to people
➔ To be the best and most trusted for customers
➔ To power society without costing the Earth
➔ To deliver safe, secure and responsible nuclear electricity
➔ To achieve strong financial and ethical performance
➔ To empower our people to be a force for good

We have set targets for each of our Better Energy Ambitions so we can track our progress and report how we are doing. Our performance will continue to be published on our website and in our Annual Sustainability Report.

The following sections of this report introduce our Better Energy Ambitions in more detail and provide an overview of how we are doing so far.
Our business
Our mission and ambitions

With our Better Energy Ambitions, we’ve put sustainable and responsible business at the heart of our approach.

We think that’s something that everyone can feel better about.

To achieve Zero Harm to people
✓ Lowest ever, and sector-leading, Lost Time Incident rate
✓ 94% of our employees agree that safety is a priority for everyone in the company

To power society without costing the Earth
✓ The largest producer of low-carbon electricity in the UK, producing around 50% of the UK’s low-carbon power
✓ Opened one of the UK’s largest onshore windfarms
✓ All of our nuclear power stations in England have received the Wildlife Trusts Biodiversity Benchmark
✓ Met our target to cut CO₂ emissions from our commercial buildings by 30%
✓ Won the Environmental Leadership for Behaviour Change Award in the National 2013 Environment and Energy Awards
✓ And 90% of our people say we are an environmentally responsible business

To deliver safe, secure and responsible nuclear electricity
✓ Safe nuclear operations for over 50 years in the UK and best ever performance by our nuclear power stations in 2013 – over 60 TWh of low-carbon electricity produced
✓ Creating 25,000 jobs in the construction of Hinkley Point C and 900 jobs for the 80 years of its operation
✓ Opened visitor centres at all of our nuclear power stations with both our Scottish centres receiving five star ratings from Visit Scotland

To achieve strong financial and ethical performance
✓ Invested over £3.5 billion in the UK over the last three years
✓ Reinvested all of our operational profit, and more, back in to our business to help deliver the UK’s low-carbon energy needs
✓ Paid £114m in corporation tax in 2013

To be the best and most trusted for customers
✓ Cheapest major dual fuel supplier for 49 out of 52 weeks in 2013, at typical consumption
✓ Three simple tariffs for domestic customers, no exit fees, and a tariff increase of just 3.9% in November 2013 – giving the lowest variable rate prices of the major suppliers
✓ First supplier in Britain to offer fixed prices with no exit fees to small business customers
✓ Met all of our targets under the Carbon Emissions Reduction Target (CERT) and the Community Energy Saving Programme
✓ ‘Energy Provider of the Year’ at the Consumer Moneyfacts Awards 2014

To empower our people to be a force for good
✓ £15 million investment in Campus, our Skills Management and Training Centre in Somerset
✓ Engaged over 10m young people on energy, science and sustainability since 2008 and helping 50% of all UK schools through our schools programme, The Pod
✓ Raised over £650,000 for the British Paralympic Association and set a world-first in sustainability and sport with ParalympicsGB
✓ Raised over £282,000 in ten months for Marie Curie Cancer Care – enough to fund 14 Marie Curie nurses for a year
✓ 82% recommend EDF Energy as a good place to work
✓ 84% of our people believe strongly in our ambitions and 83% say they are clear about what they need to do to make EDF Energy a more sustainable business

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Ensuring safety is top priority for our metering teams

“I follow up the work of our metering teams, ensuring safety remains a top priority, and that our customers are happy. We are using the National Skills Academy for Power approved assessments to make sure our people reach the highest levels of understanding and competence for smart metering installation and maintenance. I’m really proud to be involved in our ongoing success as smart metering providers.”

Phil Sobey, Quality Inspector
Delivering our plan for a sustainable business

How are we doing?

Our aim is Zero Harm to our people and the communities we serve.

Our commitment to safety remains our top priority, with our ambition strengthened by targets for wellbeing and public safety. This builds on our long-standing commitment to Zero Harm and our strong safety record.

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<tr>
<th>Focus</th>
<th>Goal</th>
<th>Targets</th>
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<tbody>
<tr>
<td>Our safety</td>
<td>Zero harm to our people</td>
<td>50% reduction in Total Recordable Incident Rate (TRiR) by 2020 (against a 2012 baseline)</td>
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<td>Long-term aspiration remains Zero Harm to our people by 2030</td>
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<td>Our wellbeing</td>
<td>Mentally fit, physically, engaged employees</td>
<td>25% reduction in work-related ill health by 2018 (against a 2012 baseline)</td>
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<td>Public safety</td>
<td>Zero Harm to the public from our operations</td>
<td>Maintaining our public safety performance and developing a specific performance metric in 2014 with the aspiration as Zero Harm to the public from our operations</td>
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OUR APPROACH

Health, safety and wellbeing are our top priority. Our approach to Zero Harm, and our related improvements in performance, have been achieved through a company-wide approach to risk management. This is supported by robust Health and Safety and wellbeing management systems, and a clear governance framework to manage personal and process safety as well as wellbeing.

In particular, our approach involves:

- Supporting our leaders at all levels to be role models for health, safety and wellbeing.
- Involving our people in the management of risk and promotion and achievement of safe and healthy conditions through a network of joint management/worker safety committees at company, Business Unit and local levels.
- Setting stretching Health and Safety targets – these are reviewed on a monthly basis by our Executive Team.
- Ensuring a Daily Safety Message is discussed at the start of every business meeting. This ensures that Occupational Health and Safety is at the forefront of our minds everyday.

“We believe that all harm is preventable so our aim is Zero Harm. That means providing healthy workplaces that are safe for all, a strong focus on wellbeing, and taking positive action to ensure the public is not harmed by our operations.”

Vincent de Rivaz, CBE, Chief Executive
Delivering our plan for a sustainable business
How are we doing?

OUR SAFETY

In 2013, we continued to build on our strong safety performance. Our 2012 Lost Time Incident (LTI) rate of 0.6 incidents for every one million hours worked was our best ever. In 2013, we achieved an even better result – a sector-leading LTI rate of 0.47 per million hours worked.

We also improved our Total Recordable Incident Rate (TRIR) in 2013. In 2012, our TRIR was 1.58 incidents per one million hours worked. In 2013, we made a 47% improvement in this, achieving a TRIR of just 0.84 incidents per million hours worked.

As part of our continual improvement plans, we have set out a five-year strategy to help us to achieve our ambition. For example, last year, we provided flu vaccinations for our people and 3,500 employees took part in this. We also launched our stress management e-learning programme which has been completed by more than 40% of our employees in 2013 alone.

We use our Employee Engagement Survey results as an indicator of how we are embedding Zero Harm into our processes and culture. In our 2013 Employee Engagement Survey, 94% of our employees agreed that safety is a priority for everyone in the company – a further increase from 92% in 2012.

In 2014, we will maintain our focus on wellbeing. This includes our Employee Assistance Programme which offers support on a range of work and home issues, including relationships, finance, parenting, health and wellbeing, careers, retirement and more.

We will also be taking a more systematic approach to stress risk assessment and management for all employees, and applying more consistent measurement of our performance and the impact of the actions we are taking to improve mental wellbeing.

In our annual Employee Engagement Survey 76% of our employees agreed that management are interested in the wellbeing of employees compared to 72% in 2012.

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We will also be taking a more systematic approach to stress risk assessment and management for all employees, and applying more consistent measurement of our performance and the impact of the actions we are taking to improve mental wellbeing.

OUR WELLBEING

In 2013, we increased our efforts on wellbeing as part of our commitment to Zero Harm. This meant we were able to reduce the number of work-related ill health incidents across our business. In 2012, we had 5.83 incidents of primarily work-related ill health per million hours worked. Our ongoing focus on employee wellbeing in 2013 saw this rate drop to 4.86 incidents per million hours worked – around 17% improvement.

In 2014, we will develop a specific metric to formally track and report our performance on this. In the interim, further details on our performance can be seen in the ‘Performance at a glance’ table on page 6 of this report.

PUBLIC SAFETY

In 2013 we broadened the scope of our Zero Harm ambition to specifically reference ‘the communities we serve’. With safety as our highest priority, Zero Harm to our people and the communities we are part of has always been central to how we operate. However, our updated Zero Harm ambition makes this more explicit and also complements our ambition to provide safe, secure and responsible nuclear electricity.

In 2014, we will develop a specific metric to formally track and report our performance on this. In the interim, further details on our performance can be seen in the ‘Performance at a glance’ table on page 6 of this report.
Delivering our plan for a sustainable business
How are we doing?

Making a difference through our support for vulnerable customers

“We want EDF Energy to stand out for the support we provide customers. I work on the warm home discount project and on redeveloping our Personalised Support Service. It’s all about providing personal and sustainable help and advice, not just offering a quick fix. Our support can make a real difference to customers.”

Sarah Thacker, Vulnerable Customer Innovation Executive
We will be the best and most trusted energy company, known for helping customers.

Being best and most trusted for customers goes beyond being just picked as a supplier - it’s about how we help customers use and save energy, and how we support vulnerable customers.

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<td><strong>Customer service and trust</strong></td>
<td>Earn the position of being the ‘best and most trusted’ energy company by continually improving our customer service and performance</td>
<td>Put customers at the heart of our approach by publishing progress on our Customer Commitments of Fair value, Better service, and Simplicity</td>
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<td></td>
<td></td>
<td>Show continual improvement in a ‘Best for Customer Index’</td>
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<tr>
<td><strong>Energy efficiency</strong></td>
<td>Be the best energy company in the delivery of our energy efficiency obligations, minimising the costs to all our customers</td>
<td>Be the most cost effective energy company in delivering the Energy Company Obligation (ECO) programme as reported by DECC by March 2017</td>
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<tr>
<td><strong>Vulnerable customers</strong></td>
<td>Provide ongoing support to our most vulnerable customers, ensuring they get the right help at the right time</td>
<td>Report annually on how we are helping our most vulnerable customers by:</td>
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<td>- Reducing the amount of energy they use</td>
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<td>- Reducing their household costs</td>
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<td>- Helping them manage household debt</td>
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<td></td>
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<td>- Ensuring they know what help is available and how to access it</td>
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<td>- Providing inclusive services that cater for their needs</td>
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Helping our customers use energy efficiently to keep bills low is important and we need to play our part too. By keeping the costs of our energy efficiency programmes low, we are better able to keep energy affordable for the benefit of all of our customers. We will also continue to provide strong support for customers who need additional help.

We will need to earn the position of being the ‘best and most trusted’ energy company by continually improving our customer service and performance, and delivering on our promises. Our Customer Commitments and ‘Customer Index’ (a selection of performance measures that give us an overview of how we are doing) will help keep us on track. We have also appointed a Customer Compliance Officer to make sure that we, and those who represent us, live up to the expectations of our customers, our regulators and our own people.

“Our focus is on fair value, better service and simplicity, with energy efficiency and support for vulnerable customers at the heart of our approach.”

Beatrice Bigois, Managing Director, Customers
Delivering our plan for a sustainable business
How are we doing?

CUSTOMER SERVICE AND TRUST: OUR CUSTOMER COMMITMENTS

We publish progress on our Customer Commitments on the EDF Energy website. This provides details on how we are delivering fair value, better service and simplicity for our residential and business customers, as well as regular performance updates.

BETTER SERVICE

We took action to improve service for business customers in 2013. In August, EDF Energy became the first supplier in Britain to offer fixed prices with no exit fees to small business customers whose contracts are automatically renewed. The move ended automatic rollover ‘lock-ins’ for small business customers, giving them the freedom to better review the service they received and use that to inform their choice of supplier. We also launched two new innovative tariffs for Small and Medium Enterprises (SMEs) in 2013. ‘New Start’ for business is a new product designed to help entrepreneurs and start-ups progress through those critical first phases of development. ‘Freedom for Business’ complements this, offering SMEs a simple variable price product with 30 days notice of any price change.

For our residential customers we continued to provide a range of self-service channels. MyAccount continued to be very successful with thousands of transactions every week and record numbers of visitors to the MyAccount website.

Customers have also benefitted from developments such as our moving out service which allows customers to move out of their property without having to call us. We have also developed a product renewals service, allowing customers to go online; choose a new tariff and automatically switch to it when they switch to the new tariff.

FAIR VALUE

We are committed to providing affordable energy for all customers. We launched our innovative Blue products, including the Blue Price Promise tariff in 2012, providing electricity backed by low-carbon nuclear generation. Our Blue fixed products have allowed customers to freeze their energy prices without having to fear a price increase for up to four winters, without exit fees. At the end of 2013, we had 2.1 million Blue product accounts. Our customers have also benefited from one of the cheapest standard dual fuel tariffs on the market. EDF Energy has been the cheapest major dual fuel supplier for 49 out of 52 weeks in 2013, at typical consumption.

SIMPPLICITY

We know that life is already complicated enough so we have reduced the number of tariffs we offer to just three – a standard variable tariff, a short term fixed tariff, and a longer term fixed tariff. We apply the same standing charge across all our tariffs to make it easier for customers to compare and choose the right product.

We are also backing proposals for energy suppliers to offer a single unit price for gas and electricity. In this way, the introduction of ‘petrol forecourt-style’ pricing would mean customers would only need one price (the unit price) to compare between different suppliers.

In August 2013, Ofgem’s standards of conduct came into force to make sure energy suppliers treat customers fairly. This is one of many positive changes that will make the market simpler, clearer and fairer for customers and help them to choose the best deal.

For residential customers, the standards cover all interactions with customers and for small businesses, the standards cover everything relating to bills, contracts and changing supplier. The standards mean that whenever we deal with a customer, we make sure it is in a fair, professional, appropriate, transparent and honest way. All our tariffs and services must be tailored around our customers’ needs, just as information given to customers should be clear, easy to understand, and jargon-free. We need to make it easy for customers to get in touch, and leave no stone unturned in putting things right if we make a mistake.

We need to make sure everyone at EDF Energy understands the standards expected of them so we welcomed the new standards from Ofgem and have complemented them with our own EDF Energy ‘Trust Test’. We have launched these across our business to make sure we put customers at the heart of all our decision making today and in our planning for the future.

We have stuck closely to, and built on our Customer Commitments since 2012. We have developed a Trust Test to make sure we meet Ofgem’s standards of conduct. It means that when we create new processes, policies or communications, we ask ourselves ‘is this the right thing to do for our customers?’ Then we ask five more questions:

- Is this a fair thing to do?
- Are we being professional?
- Are we offering products, services and advice that are appropriate for each customer’s needs?
- Are we being transparent and communicating clearly?
- Are we being honest, including admitting mistakes and acting quickly to put them right?

We need to make sure everyone at EDF Energy understands the standards expected of them so we welcomed the new standards from Ofgem and have complemented them with our own EDF Energy ‘Trust Test’. We have launched these across our business to make sure we put customers at the heart of all our decision making today and in our planning for the future.
CUSTOMER SERVICE AND TRUST: OUR ‘BEST FOR CUSTOMERS’ INDEX

Our ‘Best for Customers’ Index looks at a range of customer service and employee measures to keep track of how we are doing in meeting our ambition to be the best and most trusted for customers. In particular, it looks at our Net Promoter Score, reduction in customer complaints, call handling performance, a customer trust survey score, and the percentage of EDF Energy employees who are also customers.

BUILDING CUSTOMER SATISFACTION

In 2013, we were ranked joint first in the uSwitch Customer Satisfaction Report and we were also placed first in the same awards for “Value for Money”, “Best Deal” and “Transfer Process”.

Our efforts in 2013 were also rewarded early in 2014 when we were named as ‘Energy Provider of the Year’ at the Consumer Moneyfacts Awards 2014 from a shortlist of nine large and small energy providers. The awards use feedback from more than 90,000 consumer surveys to select their winners and showcase companies that provide not only good customer service, but the best products on the market. The shortlist for Energy Provider of the Year was selected by an independent research team who looked a wide range of our products and services including price, tariff length, exit penalties, customer contact options and available payment methods.

So, thank you to all of our customers and everyone who took part in these surveys. Feedback from our customers, our regulators and consumer bodies is always welcome and we will continue to use this to make sure EDF Energy is a better kind of energy company.

GAINING CUSTOMERS TRUST

We measure customer trust through our monthly ‘Trust Survey’. Trust is based on the experiences our customers have with us, so in our Trust Survey we measure five key behaviours, identified through qualitative research, that we need to display to build and maintain the trust customers have in us. We ask:

- Is your energy supplier a consistent and reliable company to deal with?
- Does your energy supplier recognise its customers’ loyalty?
- Does your energy supplier make things simple and easy to understand?
- Does your energy supplier take responsibility for its actions and proactively sort out mistakes?
- Does your energy supplier treat you as an individual, not as a number?

In 2013 we were in joint first position on our Trust Survey amongst the other major suppliers.

As well as a fair deal, customers want to be able to get in touch with us easily and to have issues dealt with efficiently. This is why we publish performance on both of these measures on a weekly basis.

For further information please visit Our Service Performance.

<table>
<thead>
<tr>
<th>Company</th>
<th>NCSI score</th>
<th>Quarter 1 2012</th>
<th>Quarter 1 2013</th>
<th>Change from 2012 to 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>EDF Energy</td>
<td>65</td>
<td>71</td>
<td>+6</td>
<td></td>
</tr>
<tr>
<td>SSE</td>
<td>73</td>
<td>71</td>
<td>-2</td>
<td></td>
</tr>
<tr>
<td>Scottish Power</td>
<td>68</td>
<td>70</td>
<td>+2</td>
<td></td>
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<tr>
<td>British Gas</td>
<td>67</td>
<td>67</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>E.On</td>
<td>69</td>
<td>67</td>
<td>-2</td>
<td></td>
</tr>
<tr>
<td>npower</td>
<td>68</td>
<td>63</td>
<td>-5</td>
<td></td>
</tr>
</tbody>
</table>

Note: At time of publishing this report, 2014 Q1 data was not available.
Source: National Customer Satisfaction Index – United Kingdom
Delivering our plan for a sustainable business

How are we doing?

REDUCING CUSTOMER COMPLAINTS

We achieved a consistent reduction in the level of customer complaints throughout 2013 and are working hard to have one of the lowest levels of complaints of all major energy suppliers. Our aim is to achieve the lowest level of customer complaints of the major energy suppliers by 2015, as reported by Consumer Futures. Consumer Futures ranks suppliers on the number of complaints received by the Citizens Advice Consumer Service, Consumer Futures and the Energy Ombudsman, adjusted to reflect market share.

For further information on our complaints performance please visit Complaints Performance.

SUPPORT FROM OUR PEOPLE

Our people are potentially some of the most powerful advocates of our business. If we are getting things right, then we would hope that employees who have control over their energy bill at home would choose us as their energy provider. So, as part of our customer index, we want 100% of our people who can select their energy provider to select EDF Energy as their supplier. From 2014 we will start to report the percentage of employees who are EDF Energy customers.

Even in the best organisations, people make mistakes and IT systems go wrong. When mistakes happen, we will act promptly and courteously to put things right. We aim to resolve complaints by the end of the next working day. At peak times and for more complex complaints, this may take longer.

We publish our complaints data online, making it easy for our customers to see.

ENERGY EFFICIENCY

In 2013, we met all of our obligations under the Carbon Emissions Reduction Target (CERT) and the Community Energy Saving Programme (CESP).

For CERT we achieved 108.3% of our Priority Group obligations1, 116.1% of our Super Priority Group obligations2 and 109.6% of our Insulation obligations. We achieved three quarters of our overall carbon savings by promoting insulation measures and roughly 20% by promoting lighting measures.

For CESP we achieved 133% of our total obligation. This was by far the highest of any energy company (E.ON, who came in second place, achieved 116%).

Our focus now moves to the government’s Energy Company Obligation (ECO). ECO is an energy efficiency programme that was introduced into Great Britain at the beginning of 2013. It places legal obligations on the larger energy suppliers to deliver energy efficiency measures to domestic energy users and has a particular focus on vulnerable consumer groups and hard-to-treat homes.

There are three main ECO targets:

- Home Heat Cost Reduction Obligation (HHCRo) - aimed at vulnerable private households on lower incomes;
- Carbon Saving Communities Obligation (CSCo) - targeted at low-income communities (with a rural sub-target);
- Carbon Emission Reduction Obligation (CERO) – with a focus on homes with harder to treat energy issues.

Through HHCRo, we have already installed 30,198 measures which have resulted in £284m of energy savings for our customers. These measures are primarily loft insulation, cavity insulation and gas boiler replacement. We are achieving this through cost-effective contracts with installers, as well as offering these measures directly to our customers.

Our customers can apply through our website or by calling our specialist Green Hub Customer Services team. As part of our approach, we are also proactively targeting those who could benefit from improvements to their home. In particular, this focused on those most in need, such as those in low income areas.

We have proposed action to reduce ECO costs too whilst ensuring energy efficiency measures can still be delivered. We took a different approach to other suppliers when we announced our tariff increases announced and implemented increases of just 3.9% in November 2013. This was less than half the size of the increases announced and implemented by other major suppliers at that time.

We focused the benefit of the ECO changes on our variable rate customers rather than our fixed rate customers, as our fixed rate customers already benefit from highly competitive products with price security and no termination fees.

1 The Priority Group includes those aged 70 and over and those on a wider set of qualifying benefits.

2 The Super Priority Group represents a subset of the Priority Group. It includes those on certain qualifying benefits as defined in the Order, including households in receipt of child tax credits and under an income threshold.

3 A supplier achieves an obligation by promoting qualifying actions to a domestic energy user for CERO and CSCo or to a ‘householder’ for HHCRo. A qualifying action is an installation (or in the case of boilers, replacement or repair) of a measure that satisfies conditions laid out in the Order. The act of promoting is therefore linked to the act of installing a measure.
Delivering our plan for a sustainable business
How are we doing?

VULNERABLE CUSTOMERS

In 2011*, the number of fuel poor households in the UK was estimated at around 4.5 million, representing around 17% of all UK households. The UK government is now legislating to change the definition of fuel poverty and will publish a new Fuel Poverty Strategy in 2014. This will set the future strategy to tackle fuel poverty in the UK over at least the next five years.

The Department of Energy and Climate Change (DECC) recently published a Fuel Poverty Framework consultation in which they proposed a new model of ‘Low Income High Fuel Cost’ as an improved method to identify customers who are in fuel poverty. We support this model and will now await the outcome of the consultation in 2014.

As a responsible energy company, support to our vulnerable customers remains at the heart of our approach. The following pages highlight some of the key developments in 2013.

CITIZENS ADVICE BUREAU PARTNERSHIP

We work in partnership with the Citizens Advice Bureau, the largest providers of independent debt advice in the UK. We originally funded the Energy Debt Advice service, which offered customers free access to independent advice on how to deal with household debts through Citizens Advice. In June 2011, we progressed our partnership with Citizens Advice to create an EDF Energy Debt Helpline to support customers who would benefit from independent, free and confidential debt advice.

In June 2013, we reviewed our partnership with Citizens Advice to enable us to expand the service of our EDF Energy Debt Helpline and reach even more customers. We set new objectives to reflect the national reach of the programme. Our renewed partnership will continue to be funded until May 2015.

During 2013, our partnership with the EDF Energy Debt Helpline, delivered by Plymouth Citizens Advice Bureau, had provided direct support to 4,976 of our customers.

LONDON WARM ZONE (LWZ)

We are working with London Warm Zone, a not-for-profit organisation that helps people on low incomes improve the energy efficiency of their homes and increase their income. Our partnership is running a pilot scheme for 600 homes in London, focusing on vulnerable households and hard-to-treat homes.

To date, LWZ have delivered new or replacement boilers and improved heating systems in over 160 homes. This has achieved around £2.4m of savings in home heating costs. Another 100+ homes have also been surveyed and appointments made for installation. LWZ is on target to deliver a total of £6m savings to date.

EDF ENERGY TRUST FUND

The EDF Energy Trust, established in 2003, is an independent Charitable Trust that helps tackle fuel poverty in society. It has a particular focus on fuel poverty and helping families or individuals who are struggling to pay their gas and electricity bills. For example, it awards grants to individuals and families to clear domestic gas and electricity debts and other priority household debts, and to purchase essential energy-efficient household items (such as washing machines and cookers).

In 2013, the EDF Energy Trust made over 2,000 awards to households. This amounts to a total value of £1,645,752 in awards. We donated a total amount of £1,993,000 through the Warm Home Discount* by the end of the year. In October 2013, we also donated an additional £1,007,000 voluntary funding to support customers coming off our price reassurance scheme. This brought our total donation for 2013 to £3m.

PERSONALISED SUPPORT SERVICE

Recognising that all of our customers are different and some need extra help, we offer a range of personalised support services. This can include information on free benefit entitlement checks and energy efficiency measures for our vulnerable customers, as well as advice on whether they are on the best tariff and payment method, and help with debt or paying bills.

For more information about the range of additional services we provide and how this helps our customers, see our website.

*The Warm Home Discount (WHD) Scheme is a 5 year programme introduced by the Government in April 2011 and administered by energy suppliers to provide rebates on the electricity bills of households that need it most in England, Scotland, and Wales.
Delivering our plan for a sustainable business
How are we doing?

Generating low-carbon energy and protecting biodiversity at our sites

“Through my work, I’ve gained a better understanding of the environment around our sites – biodiversity, archaeology, agriculture and public access. We’re working collaboratively to manage these. It means we can protect and enhance the land around our sites as well as continue to generate low carbon power in to the future.”

Ian Ord, Plant Lifetime Extension Manager
Delivering our plan for a sustainable business
How are we doing?

We will lead the decarbonisation of the UK electricity sector whilst achieving an increasingly positive environmental impact across our operations.

We have introduced a new ambition to EDF Energy - ‘To power society without costing the Earth’. This captures our plans to reduce the carbon intensity of electricity generation and to have an increasingly positive environmental impact along the way.

<table>
<thead>
<tr>
<th>Focus</th>
<th>Goal</th>
<th>Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carbon intensity of our electricity generation</td>
<td>To lead the UK in reducing the carbon intensity of electricity generation</td>
<td>To reduce the intensity of carbon dioxide (CO₂) emissions from our electricity production to less than 100g CO₂ per kWh by 2030</td>
</tr>
<tr>
<td>Our wider environmental impact</td>
<td>To achieve an increasingly positive environmental impact from our operations across land, air and water</td>
<td>Land: Protect and enhance biodiversity by 2030; no net loss of biodiversity by 2030</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Air: Reduce total greenhouse gas emissions across our buildings, transport and supply chain in 2015, set new reduction targets (absolute and relative) across this new scope of reporting</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Water: Establish and report our water footprint by 2015</td>
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</table>

The scientific evidence on climate change is clear. The recently released Fifth Assessment Report from the Intergovernmental Panel on Climate Change (IPCC) revealed the strongest consensus yet amongst scientists that human activities are the main cause of warming since the 1950s.

The latest science points to multiple changes in the Earth’s climate including longer and more frequent heat waves, increased extreme rainfall events and flooding, and rising sea levels. This will have real and significant impacts on economies and societies.

Governments have agreed that in order to minimise the risks of the worst impacts of climate change, global average warming should be stabilised below 2°C. The IPCC reports that this goal equates to a cumulative amount of around one trillion tonnes of carbon from manmade CO₂ emissions. Already over half of this has been emitted globally, with the annual rate of emissions putting the world on a trajectory to pass the trillion tonne mark in less than 30 years. Only a rapid and focused response can avoid this happening.

As the largest producer of low-carbon electricity in the UK, EDF Energy is uniquely positioned to play a key ongoing role in tackling climate change. We already produce around 50% of the UK’s low-carbon energy and continue to invest to safely and securely meet the UK’s energy demands whilst bringing emissions down. We continue to work with organisations like the Corporate Leaders Group on Climate Change, part of the Cambridge Institute for Sustainability Leadership, to make a low-carbon economy a reality.

Whilst taking the carbon out of electricity production is one part of the equation, we need to do this in a way that is environmentally responsible too. This is why we have introduced a new ambition to our plan for a sustainable business: ‘To power society without costing the Earth’.

“Climate change and environmental protection remain among the most pressing global challenges – today and for the future. We will lead the way in cutting emissions from electricity generation and achieve an increasingly positive environmental impact across our activities today and through our planning for the future.”

Paul Spence, Director of Strategy and Corporate Affairs
Delivering our plan for a sustainable business

How are we doing?

REducing the carbon intensity of electricity generation

Affordability of energy, security of energy supply for the future, and climate change are three of our biggest challenges in energy sector. We believe that nuclear power is the most affordable low-carbon option to address these challenges as part of a diverse energy mix for now and in to the future.

We already operate eight nuclear power stations around the UK. These supply around 19% of the UK’s energy. Subject to the right investment framework and relevant permissions, we plan to build four new reactors over the coming years – two at Hinkley Point in Somerset and two at Sizewell in Suffolk. These will play a vital role in securing safe and reliable low-carbon electricity for the UK.

We know that the path towards a low-carbon economy is not a simple journey. As it always has, the carbon intensity of generation will fluctuate each year as a result of energy demand and the availability and affordability of generation in the short term. This will continue until new low-carbon and renewable generation comes online and at scale. It is why investment in low-carbon and renewable technology and infrastructure must be a priority for the UK.

In 2013 the CO₂ intensity of our electricity generation was 256g/kWh. The intensity was largely driven by increased operation of our coal-fired stations – coal remains more cost effective than gas or lower carbon alternatives in the short term. This brought us closer to our original goal of reducing our carbon intensity to no more than 250g/kWh by 2020, set as part of Our Sustainability Commitments in 2010. However, it is not as low as the intensity of 208g/kWh that we achieved in 2011 – again because of short-term energy demand and reliance on coal in the absence of more abundant and immediate low-carbon and renewable generation.

With the evidence for the human impact on climate change being so overwhelming, we have a duty to do our utmost to cut emissions and minimise the risks of future climate change. As part of our Better Energy Ambitions, we have therefore set ourselves an interim target of reducing our carbon intensity to less than 100g CO₂ per kWh by 2020. We are currently reviewing our strategy however, as, in line with the Committee on Climate Change, we aspire to reduce this intensity even further.

We will report more on this in 2014.

In the meantime, updates from 2013 on our generation business are set out here.

Nuclear generation

Our nuclear fleet already plays a crucial role in powering a low-carbon UK. In 2013, our nuclear power stations generated 60.5 TWh of electricity. This was our best ever performance, exceeding our previous best of 60 TWh output in 2012, and the first time that consecutive output has been over 60TWh since 2002/03. In total, our nuclear fleet helped avoid 43 million tonnes of carbon emissions compared to if the electricity had been generated by the prevailing fossil fuel energy mix. This is the equivalent of taking 67% of UK passenger cars off UK roads.

Extending the life of our nuclear power generation stations makes good economic sense, provides low-carbon electricity to keep the lights on in the UK and safeguards jobs in our local communities and in our wider supply chain. Plant lifetime extensions to date have saved around 150 million tonnes CO₂ that would otherwise have been emitted by fossil fuel power generation.

Before the end of 2014 we expect to be able to confirm a 10-year life extension for our Dungeness B nuclear power station to 2028, subject to receiving the necessary approvals.

Achieving this would mean that all eight of our existing nuclear power stations would be operational until at least 2023. Three of the seven Advanced Gas Reactors (AGRs) would be operating until 2030 and Sizewell B, our Pressurised Water Reactor (PWR) would remain open until 2055.

Renewables

During 2013, the renewables operational portfolio increased by 225 MW. This included the development of three new onshore wind farms: Fallago Rig in the Scottish Borders, Boundary Lane in Northumberland, and Glass Moor II in Cambridgeshire. It also included the first EDF Energy Renewables offshore wind farm at Teesside. At the end of 2013, EDF Energy Renewables operated 25 wind farms with a total capacity of 529 MW.

Teesside has an installed capacity of 62 MW and began commercial operation in July 2013. The 27 wind turbines, located off the coast at Redcar, will generate enough low-carbon electricity to power up to 40,000 households. The site was officially opened in April 2014.

Fallago Rig was officially opened in July 2013. The site, which started generating in March 2013, is one of the largest onshore wind farms to be built in the UK. Its 48 turbines have an installed capacity of 144MW - the windfarm’s annual output will be equivalent to the electricity consumption of around 90,000 homes.

In December 2013, the sale of 80% of Fallago Rig was completed which enabled us to release equity to reinvest in other renewables projects, whilst maintaining our involvement through site management, operations and maintenance.

Finally, our proposed Navitus Bay Wind Park is a 50-50 Joint Venture between Eneco Wind UK Ltd (Eneco) and EDF Energy Renewables. The final phase of consultations for this development took place in September 2013 with Design Consent Order submission expected to be submitted in April 2014. The development of Navitus Bay has been scaled back to address stakeholder concerns about the size of the project. If the project receives consent, the development will cover an area of 155 km² with a maximum of 194 wind turbines, each generating up to 5MW. The site will have a maximum installed capacity of 970MW, generating enough low-carbon energy to power approximately 710,000 homes.

Thermal generation (coal and gas)

In 2013, our thermal plants produced 23.1 TWh of electricity which was consistent their output in with 2012. These plants, and the teams that operate them, continue to play a vital role in keeping the lights on until new low-carbon and renewable generation sources are operational.

All three units of the new 1300 MW CCGT power station are now in commercial operation and the site was officially opened in April 2014. The station will serve 1.5 million homes over its 25 year life and has carbon emissions that are half those from a coal plant.

In addition, the new plant can be operated more flexibly and cost effectively in periods of high demand.
Delivering our plan for a sustainable business
How are we doing?

ACHIEVING AN INCREASINGLY POSITIVE ENVIRONMENTAL IMPACT

ENVIRONMENTAL IMPACT: LAND
EDF Energy’s power stations include large landholdings which can often support a wide range of wildlife, including many protected species. We work with the Wildlife Trusts and other organisations to protect and enhance this biodiversity. Our work has been formally recognised by the Wildlife Trusts through the Biodiversity Benchmark and featured on the BBC’s Countryfile in November 2013.

The Biodiversity Benchmark is the only award for business that recognises and rewards continual improvement in biodiversity management. It provides a framework to help businesses make sure their impact on biodiversity is as positive as it can be. It does this using robust, independent verification of planning and implementation of land management practices. This looks at how a business restores its land (through proactive management of existing wildlife and sites of conservation importance), recreates wildlife habitat on land previously used for other purposes, and reconnects sites to build a network of habitats for wildlife.

We set a target for all of our operational sites to receive the Biodiversity Benchmark by 2018. As of 2013, all of our nuclear power stations in England have achieved this. Our focus in 2014 will be on our two Scottish nuclear power stations at Torness and Hunterston.

ENVIRONMENTAL IMPACT: AIR
Our former Sustainability Commitments included two key targets on CO₂ emissions from our business – to reduce CO₂ emissions from our commercial buildings by 30% by 2012 and to reduce CO₂ emissions from our transport by 20% by 2012 (both against a 2006 baseline).

As we reported last year, we met our transport target in 2012 through a combination of proactive travel management and changes to our business. In 2013, we also met our target for commercial buildings as the carbon savings from our programme of improvement works were realised.

By December 2013, we had reduced emissions from our commercial buildings to 1.37 tonnes per FTE (1.02 tonnes excluding data centres) against a 2012 target of 1.4 tonnes per FTE.

Having met our original targets, we are now developing a new and more comprehensive greenhouse gas baseline for our business in 2014. Operational emissions from the use of gasses in air conditioning, refrigeration and fire suppression will be included in our environmental footprint from 2014 onwards. Initial data for 2013 indicate that these emissions were the equivalent of 6% of the total energy emissions from our buildings.

Having established our updated baseline in 2014, we will set targets to optimise our use of energy and to minimise losses of gas from refrigeration systems.

This will include setting new standards and targets to minimise greenhouse gas emissions when we upgrade or move locations or equipment. In addition, we will work with our strategic suppliers to develop a robust baseline for our Scope 3 supply chain emissions. This will include a new focus on evaluating and minimising the emissions embodied in the products and services we use.

ENVIRONMENTAL IMPACT: WATER
We have always taken positive steps to manage the use of water within our business. This has included ensuring that we use water efficiently and maintain full compliance with abstraction and discharge consents. With the impacts of climate change becoming more of a reality and water resources coming under increasing pressure from population growth and environmental change, we are formalising our focus on this through a specific water target.

In line with the water-related Corporate Responsibility Commitment developed by our parent company, EDF, we have set a target to establish and report our water footprint by the end of 2015. This will include both our operational and non-operational footprints. In addition, we will continue to maintain our environmental compliance on water management to ensure we have a minimal impact on local and regional water resources. We will report more on this over the next year.
Delivering our plan for a sustainable business

How are we doing?

Dedicated to improving safety and efficiency in our nuclear stations

“Since finishing my apprenticeship, I’ve worked as a mechanical technician at Hartlepool power station. I work to maintain our systems in the reactor controlled areas. We take a collaborative approach so we’re constantly sharing information across our sites to make sure all our power stations are running efficiently and safely.”

Sam Jones, Mechanical Technician
Delivering our plan for a sustainable business

How are we doing?

→ We will continue to deliver the highest standards of nuclear safety in our existing and new build activity, and help shape long-term solutions to radioactive waste.

We've clarified our ambition to talk more about safe, secure and responsible nuclear electricity — that includes an ongoing focus on nuclear safety and helping achieve long-term solutions to radioactive waste.

<table>
<thead>
<tr>
<th>Our key targets</th>
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<tr>
<td><strong>Focus</strong></td>
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</table>
| Nuclear safety | To achieve a Zero Harm nuclear safety record | We will report annually against a range of established safety measures:  
  – Nuclear reportable events  
  – Collective radiation exposure  
  – Delivery of new plant design to meet the safety case and project milestones  
  – Promoting an open reporting culture  
  – Maintaining nuclear competency status |
| Long-term solutions to radioactive waste | To demonstrate real progress towards implementing a long-term UK radioactive waste solution | Work with government, NGOs and others to demonstrate real progress towards implementing a long-term UK radioactive waste solution |

“Our nuclear safety remains our overriding priority, with security of low-carbon electricity supply, and our sites, at our core. Our commitment to responsible business means we will work with government, Non-Governmental Organisations and others to demonstrate real progress towards finding long-term UK radioactive waste solutions.”

Stuart Crooks, Managing Director, Generation  
Humphrey Cadoux-Hudson, Managing Director, Nuclear New Build
Delivering our plan for a sustainable business
How are we doing?

NUCLEAR SAFETY

As a responsible nuclear operator we have a Nuclear Safety Policy. This clearly defines the practices we deploy to sustain a healthy nuclear safety culture across our business and to ensure that nuclear safety remains at the heart of all our activities.

We have operated safely (EDF Energy and predecessor companies) for over 50 years in the UK and work to some of the highest safety standards of any global industry.

The safety of nuclear installations in the UK is regulated by the Office for Nuclear Regulation (ONR) under the Nuclear Installations Act (NIA). This has a standard set of 36 conditions which are attached to all nuclear site licences. The NIA places the responsibility for the safety of a nuclear installation on the licensee. Many of the licence conditions require the licensee to ‘make and implement adequate arrangements’ to control some aspect of risk.

TRUST AND TRANSPARENCY

In line with our commitment to trust and transparency, and in support of EDF Group’s listing on the FTSE4Good Index, we also publish disclosures in line with the FTSE4Good nuclear Criteria. This provides information on our nuclear safety, security and radioactive waste policies, management systems and performance over the last three years.

For further information, please visit Our Journey Towards Zero Harm.

NUCLEAR REPORTABLE EVENTS (NRE)

Our nuclear site licence requires comprehensive arrangements for reporting and investigating any incidents at our power stations to the ONR. The most significant of these are known as ‘Nuclear Reportable Events’. These present only minor failures in very reliable plant and management systems to protect safety and maintain legal compliance. Fluctuations from year to year in the number of such events are expected, and efforts to improve our arrangements and reduce the incidence of these events further are continuing. In 2013, we had no such events.

COLLECTIVE RADIATION EXPOSURE

We operate strict procedures to minimise and control the radiation doses received by employees and contractors at all of our nuclear power stations. Any worker required to enter a radiologically controlled area is issued with an electronic personal dosimeter. This measures radiation dose and warns the wearer if pre-determined dose levels are exceeded.

Simulator training facilities, procurement and use of improved equipment, coupled with a highly trained and experienced workforce resulted in better than anticipated improvements in 2013.

DEVELOPING NEW PLANT DESIGN WHICH MEETS THE SAFETY CASE AND PROJECT MILESTONES

Building a new European Pressurised Reactor (EPR) at Hinkley Point C (HPC) in Somerset is a complex project – one in which it is imperative for nuclear safety to be central to our processes and organisational arrangements. Our project organisation and processes have therefore been developed around strong project management including design, engineering, procurement and construction.

Developing a secure design that meets all of our safety requirements is fundamental to the success of the project. In order to support this, safety objectives for the design have been established in the safety case and these are being built into the design process.

The EPR design process has evolved specifically for the HPC Project. It incorporates outcomes of the Generic Design Assessment process to reduce any future design risks. Our processes have been set up to ensure safety leads the design of HPC, and that it includes specific milestones for safety case production and agreement to enable major construction activities. To date, the first version of the safety case has been issued and the early milestones have been met.

You can find out more about our progress at EDFEnergy.com.

OPEN REPORTING CULTURE

A fundamental part of our nuclear safety culture is the development of an open reporting culture – one that supports continuous learning and improvement.

We have established processes to support this and continue to monitor the level of open reporting, as well as the timely and effective resolution of issues, across our nuclear business. This has seen reporting levels maintained in line with project activity and an improvement in resolution of any issues raised.

MAINTAINING NUCLEAR COMPETENCY STATUS

In order to safely deliver a high quality nuclear construction project, we will ensure that we have a skilled, capable, resilient organisation with the ability to provide an enduring oversight of nuclear and construction safety. We will maintain and develop a knowledgeable workforce with the capacity and capability to control decisions that could impact on safety for the whole lifecycle of activities. That means through design, construction, commissioning, operations and decommissioning.

Our ‘Nuclear Baseline’ provides a statement of what competencies and capabilities our organisation needs, both now and in the future. We use this statement to check, report and test our resilience as an organisation. As part of our approach, individuals undertaking work that has the potential to impact nuclear safety must be demonstrably competent to undertake the work they are assigned. We also work closely with our supply chain to ensure that suitably qualified and experienced persons are available and ready to undertake work safely on our behalf.

We have continued to manage our organisational capability resilience through 2013 in line with our project workload. We regularly share information on this across our business and with our regulators.

Nuclear safety is our overriding priority.
How are we doing?

LONG-TERM SOLUTIONS TO RADIOACTIVE WASTE

REPOSITORY SITE SELECTION

The government's process for the development of a deep geological repository to store nuclear waste is based on developing a partnership with local communities who volunteer to explore the implications of hosting a repository. Such a partnership has been operating with the West Cumbrian community since 2009.

In January 2013, after a Cumbria County Council vote against continuing, the current repository site selection process in Cumbria was brought to a close. On 31 January 2013, the Department of Energy and Climate Change (DECC) issued a Ministerial Statement from the Secretary of State, Ed Davey, recognising this situation. The statement also confirmed that government policy on the development of a repository was unchanged and that the Cumbrian decision does not undermine the prospects for new nuclear power stations.

A ‘Call for Evidence’ ran in May and June 2013, followed by a consultation from September to December 2013. This sought views on proposals about how aspects of the site selection process for a Geological Disposal Facility (GDF) could be improved. This should then help communities and local authorities engage in the process with more confidence and ultimately help deliver a GDF.

DECC published all responses and a short report on this in February 2014. A revised siting policy is expected to be published later in 2014.

Radioactive waste policy is a “reserved issue” for the Scottish Government. In 2011 the Scottish Government set out their position on Higher Activity Wastes (HAW) stating that they do not support deep geological disposal.

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The Scottish policy for HAW is long term storage or disposal in near-surface facilities. Facilities should be located as near to the site where the waste is produced as practicable. Developers will need to demonstrate how the facilities will be monitored and how waste packages, or waste, could be retrieved.

The Scottish Government policy impacts HAW which will arise during the decommissioning of the Torness and Hunterston B power station sites of the EDF Energy Generation power station fleet.

The Scottish Government is now developing a strategy to enable the HAW Policy to be implemented. A Project Board, chaired by the Scottish Government and comprising representatives of the Scottish Government, regulators, Local Authorities and the main waste producers of HAW in Scotland - including EDF Energy - has been formed.

REPOSITORY DESIGN

Progress continues to be made with the technical planning of the repository, although development of the detailed design will depend on the selection of a specific site. In parallel, the Radioactive Waste Management Directorate, part of the Nuclear Decommissioning Authority (NDA), continues to work on a robust technical programme to address knowledge gaps arising from their design and safety assessment work.

We are a member of the Geological Disposal Facility Users’ Group. This was set up by the NDA’s Radioactive Waste Management Directorate to keep organisations that may need to use a geological disposal facility for their future waste informed on progress. We participate in this group to make sure any future GDF meets the needs of our industry safely and securely.

PACKAGING OF RADIOACTIVE WASTES FOR DISPOSAL

In our Nuclear New Build business, we continue to work with the NDA to demonstrate how radioactive wastes from our new build sites will be safely and securely disposed of. We obtained a Conceptual Letter of Compliance for the disposal of Intermediate Level Waste from the NDA in 2012. We are now working to progress the assessment from a conceptual stage through to a final stage assessment to support active operations.

FUNDED DECOMMISSIONING PROGRAMME (FDP)

Our proposed FDP arrangements for Hinkley Point C are now close to being finalised with the government. We hope to formally submit them for approval in 2014. The FDP will be a legally binding document setting out the legal, financial and technical arrangements associated with Hinkley Point C. It will ensure that sufficient money is set aside over the operating lifetime of Hinkley Point C to meet the full costs of decommissioning and our full share of the costs of waste management and disposal.
Doing the right thing by everyone

“EDF Energy has been using the United Nations Global Compact (UNGC) to be more environmentally and socially responsible in all that we do and buy. We have also been working proactively with suppliers to improve our supply chain. For example, we got an independent report on the workplaces and pay from our supplier’s factories for the Zingy Christmas Baubles we sent to customers last year. It’s about more than reputational risk – it’s about doing the right thing by everyone in the supply chain.”

Lucy Dagg, Marketing Operations Communications Executive
Delivering our plan for a sustainable business

How are we doing?

→ We will make strong and trusted financial and ethical performance central to how we do business – providing an essential service in a responsible way.

We’ve strengthened our ambition by adding a clear commitment to strong ethical performance – how we manage our business and our supply chain. This ambition also has a focus on transparency and honesty across our financial activities. It’s all about a responsible long-term approach to our whole business.

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<tr>
<th>Focus</th>
<th>Goal</th>
<th>Targets</th>
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<tr>
<td>Value long-term performance over short-term opportunity to build a sustainable and responsible business</td>
<td>Strong financial performance: We will ensure a transparent and honest approach to our financial performance</td>
<td>We will challenge costs across our operations and achieve a long-term return on capital which is at least in line with our cost of capital</td>
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<td>We will invest our profits to benefit our customers, our people and our business, while striving to have a positive free cash flow</td>
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<td></td>
<td>Strong ethical performance: We will ensure sustainable, ethical practice across our supply chain and our business, and refuse to tolerate any fraud, corruption or abuse of human rights</td>
<td>We will maintain a UNGC compliant supply chain and show continuous improvement aligned to the principles of the DEFRA Sustainable Procurement Framework</td>
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We provide an essential service to society and need to do this in a responsible way. This is why we have an ambition to achieve strong financial and ethical performance. We have deliberately made this central to how we do business. It means we can be a better kind of energy company – one that thinks long-term and does business fairly, openly and ethically.

For our financial performance, this means making sure that we are transparent and honest in our approach and in how we communicate what we do. Specifically, it means bearing down on costs across our operations, investing our profits wisely, and continuing to demonstrate a responsible and honest approach to our tax management. This puts the customer first, ensuring fair value and making an important contribution to the UK as a whole through tax, employment, and investment in the country’s low-carbon energy supply and infrastructure.

How we conduct our business, and our impact and influence through our wider supply chain, is equally important. We are using standards like the United Nations Global Compact (UNGC) and DEFRA Sustainable Procurement Framework to help focus and improve our performance.

In line with our parent company’s Corporate Responsibility Commitments, we also refuse to tolerate any fraud, corruption or abuse of human rights. This is reinforced through our Code of Conduct and Corporate Social Responsibility Agreement.

“Openness, honesty and ethical behaviour, with a focus on long-term performance, will guide our approach to doing business. Our performance will inspire confidence, build credibility, ensure commercial success and establish trust.”

Simone Rossi, Chief Financial Officer, Finance
Delivering our plan for a sustainable business
How are we doing?

**STRONG FINANCIAL PERFORMANCE**

Headlines from our financial performance in 2013 are given in our ‘Performance at a glance’ table on page 9 of this report. In addition, you can read more about our results on the EDF Energy website and see more about the performance of EDF Group as a whole on the EDF website.

In 2013, EDF Energy’s operating profit (‘EBIT’) was £863m. In 2012, we reported 12.9% lower in 2013. This included the impact of a one-off charge of £190m relating to the value of EDF Energy’s gas generating assets. This means our underlying profitability was 12.9% lower in 2013.

We reinvested all of our operational profit, and more, back into our business. As part of this, we invested over £1.1bn on existing nuclear and coal stations, our new nuclear project, new generation capacity, gas storage facilities and our customer supply business. Over the last three years, we have reinvested around £3.5bn back into the UK.

As well as the significant investment, in 2013 we also paid £300m in interest payments on loans, £114m in corporation tax, and £170m to repair the deficit in our employee pension scheme.

Our financial performance means we can make the big investments the country needs to give it the reliable low-carbon energy it needs now and in the future. It also means we can invest in jobs and skills for the long-term.

Our investment in our existing nuclear power stations resulted in their best performance for eight years and we believe that their operating lives can be safely extended – for example, we expect to be able to confirm a 10-year life extension for our Dungeness B station before the end of 2014. This means existing nuclear can hand over directly to the next generation of nuclear power stations without the need for more fossil fuel generation.

Our customer numbers also continued to grow in 2013. We took early action to limit price rises and will continue to work closely with policy-makers to bear down on rising costs for consumers. You can find out more in the Customers section of this report.

Making a fair return on the investments we have made is essential if we are to be able to keep the lights on now and invest in a low-carbon future for the UK. As part of this and to live up to our commitment to being transparent and honest about our financial performance, we’ve made three key commitments on finance as part of our Better Energy Ambitions. We will report more on these each year in this report and on our website.

**STRONG ETHICAL PERFORMANCE**

A sustainable and responsible business does things the right way, not at any cost to society or the environment. Encouraging a culture of openness, integrity and accountability as part of this promotes good business practice and positive behaviour. This is reflected in our focus on ethical business through our Better Energy Ambitions.

At EDF Energy, our Ethics and Business Conduct Policy sets out our standards for upholding ethical business practice and demonstrates our commitment to working with integrity. By that, we mean being honest and transparent about our operations and performance. The policy also establishes how appropriate and expected standards of behaviour will be set and communicated to our people.

To supplement the policy, we provide guidance to our people on a range of issues, including confidential reporting of serious concerns, equal opportunities, gifts and hospitality and more. Our Code of Conduct sets expectations for those directly employed by us and for temporary or agency workers. We also run a confidential helpline that staff can use to report any concerns.

We have used our Better Energy Ambitions to make an explicit commitment on refusing to tolerate fraud, corruption or abuse of human rights. This applies across our business and our supply chain. It also supports a goal shared by our parent company as part of the EDF Group Corporate Responsibility Commitments.

This is not just about how we behave though – it is also about our supply chain and our impact on society and the environment through the goods and services we procure. Through our former Sustainability Commitments, we began our journey on engaging our supply chain on the 10 principles of the United Nations Global Compact (UNGC) – a strategic initiative for businesses that specifically focuses on human rights, labour, environmental issues and anti-corruption.

During 2013, we continued our work in this area, engaging new suppliers to our business and making further progress in assessing and developing our existing supplier base. Our process involves sending our suppliers a questionnaire linked to the risk associated with their categories of supply across the four areas covered by the UNGC categories. We look at the supplier’s response and, depending on the category of supplier, we then follow up any identified non-compliances.

For suppliers classed as low risk, we issue them with a practical guide providing further information about the UNGC and our assessment process. This also identifies practical steps they can take to demonstrate compliance. For our more strategic or critical suppliers we assign a UNGC Development Action to the category buyer responsible for managing the relationship with the supplier. The category buyer then becomes responsible for discussing any areas of non-compliance with the supplier. They work together to identify any additional controls that the supplier may already have in place or to agree mutually accepted actions to achieve compliance.

In 2013, we engaged an additional 608 suppliers in this way, completing an additional 283 supplier development actions. This resulted in a compliance improvement of 91.5% (up from 88.4% at end of 2012).

In 2014, our work will continue and we will be exploring how we can comply with the UNGC Advanced Level by 2017. Having a practical and strategic approach to ethical performance means we are better placed to be an energy company that everyone can genuinely feel better about.

**OUR UNDERLYING PROFITABILITY WAS 12.9% LOWER IN 2013.**
Employee networks: Promoting inclusion and refining skills

“EDF Energy’s Black, Asian and Minority Ethnic (BAME) Network is all about developing a better understanding of race and ethnicity issues among employees, customers and local communities – and then finding positive, inspiring ways to promote inclusion and help people refine existing skills or develop new ones. It’s always really satisfying to see people getting together and realising their potential.”

Donna Fraser, Smile Specialist (Health and Leisure) and Chair, EDF Energy BAME Network
Delivering our plan for a sustainable business
How are we doing?

We will inspire and enable our people to perform as a ‘force for good’, driving progress at work and across the communities we serve.

We want to empower our people to be a force for good. This means creating a truly inclusive EDF Energy where everyone can be themselves and achieve their best, providing the skills and opportunities for our people to achieve great things at work and in the community, and inspiring and preparing the next generation to join our journey.

Our key targets

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<tr>
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<tbody>
<tr>
<td>Inclusion</td>
<td>Create a truly inclusive EDF Energy where everyone can be themselves and perform their best</td>
<td>Achieve the National Equality Standard by 2015 and year on year improvement in Employee Engagement Survey scores for inclusion</td>
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<tr>
<td>Skills</td>
<td>Give our people the skills they need to achieve great performance across our business, and inspire the next generation to join our journey</td>
<td>By 2018, all of our people will have experienced our Campus network and used this experience to improve their performance and productivity at work by 2018, 50% of our new apprentices and graduates will have been inspired to join our business as a result of taking part in our Future Capabilities and Science, Technology, Engineering and Mathematics (STEM) programmes</td>
</tr>
<tr>
<td>Communities</td>
<td>Enable our people to achieve great things in the communities we serve, and prepare the next generation for the sustainability challenges they face</td>
<td>By 2020, we will have achieved industry-leading levels of employee participation in our Company Makers and volunteering programmes (2016: 15%, 2020: 20%) We will continue to work with over 50% of all schools in the UK on energy, science and sustainability, increasing their engagement with our sustainable schools programme by 20% by 2020</td>
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OUR APPROACH

At EDF Energy, our people are the ones who make our business great. Their passion, commitment and enthusiasm underpin everything we do – at work and in the communities that we are part of. So, we are doing everything we can to help our people succeed in their roles at EDF Energy and make an active contribution to the places they live and work in. That means creating the right working environment, the right opportunities and the right skills for success.

We invest in training, skills, diversity and inclusion and actively engage with our employees on what we do and how we do it. We believe that motivated, inspired employees deliver a better service for customers and more innovative solutions for our business. Their energy and achievements then also help us to attract the most talented people into our company.

As a sustainable and responsible business we are also mindful that our duty is not just about the kind of planet we leave our children, but also about the kind of children we leave the planet. So, we are also helping the next generation develop the skills they will need for the future in science, technology, engineering and mathematics. We are preparing them for some of the sustainability challenges they will face along the way too by educating and engaging them on energy, science and sustainability through initiatives like our award-winning schools programme, The Pod.

All of this is central to our plan for a sustainable business. We call it empowering our people to be a force for good.

“We will build a world-class training network and culture of inclusion to help our people achieve their full potential and work as a force for good in the community. We will lead on building skills and inspiring the next generation.”

Janet Hogben, Chief People Officer
Delivering our plan for a sustainable business
How are we doing?

CREATING A TRULY INCLUSIVE EDF ENERGY

We believe that a culture of inclusion forms the basis of a truly sustainable business and is vital to shaping a strong and fresh-thinking organisation. We recognise that people perform better when they can be themselves – they can better focus on their role, developing their potential, and important issues like the safety and wellbeing of themselves and their colleagues. So a working environment where people know and feel that they ‘fit in’ and are accepted for who they are is crucial.

We recruit from the widest possible pool of talent and assess every potential employee against our four key behaviours: Integrity, Inclusion, Inspiration and Impact. Their unique perspectives not only give us a better understanding of customers from all walks of life, but bring fresh ideas to our business on all aspects of how we work.

Our approach towards diversity and inclusion is reinforced by our employee networks – our Black, Asian and Minority Ethnic (BAME) Network; Disabilities and Carers Network; Lesbian, Gay, Bisexual and Transgender (LGBT) Supporters Network, and Women’s Network. These provide a platform for our people to connect as a community, share ideas, support one another and help us improve as a company where opinions and difference are valued. In 2014, we plan to launch a fifth employee network – a Working Parents and Families Network.

To help us build on our success so far, we work in partnership with a range of organisations. For example, our work with the Business Disability Forum, sponsoring the great with Disability and our active employee network supports all of our people on LGBT issues, whatever their background.

In 2012, we were proud to be one of only four companies to achieve the Diversity and Inclusion Award from the Employers’ Network for Equality and inclusion (EnEi). As part of the Campus programme, we will work with skills bodies to develop new qualifications to deliver skills need for a low-carbon UK.

We also work closely with Business in the Community as members of their Race for Opportunity and Opportunity Now campaigns, helping to improve opportunities for ethnic minorities and drive gender balance in the workplace respectively.

We are committed to building on our position as a Diversity Champion with Stonewall, the UK’s leading Lesbian, Gay and Bisexual charity, too. Our aim is to be the first major energy company in the Top 100 of Stonewall’s Workplace Equality Index. We are also proud supporters of Brighton Pride and our active employee network for Equality and inclusion (EnEi). Campus is an investment in the future of our business – an integrated network of learning, development and knowledge sharing that will reach every corner of EDF Energy. At the heart of Campus is a £15 million project redeveloping the historic Cannington Court in Somerset. This will become our Campus Management and Skills Training Centre. Cannington Court will connect people, bringing us closer together as one company with strong shared values, and be a base from which to develop the skills we need for now and for the future.

Campus is more than a physical training centre though. As part of the Campus programme, we will work with skills bodies to develop new qualifications to deliver skills need for a low-carbon UK.

In 2014, Campus will also launch on our website.

A sustainable business relies on developing and retaining high-performing people. So we have continued to invest heavily in training and development across our business, including through our own Campus Project which we have made a focus in our Better Energy Ambitions.

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August 2013 - Brighton Pride.

Feel better energy.

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August 2013 - EDF Energy’s Chief People Officer, Janet Hogben, opens Bexleyheath Training Centre - part of our Campus network.
Delivering our plan for a sustainable business
How are we doing?

SKILLS: INVESTING IN FUTURE CAPABILITIES

To support our substantial investment plan in the UK, we expect to recruit nearly 4,000 talented employees from 2013 to 2016. This ambitious plan will only be possible if we can successfully work with our stakeholders to build the science, technology, engineering, mathematics and wider skills base in the UK.

In 2013, we continued our successful programmes on apprentice training, industrial placements, and graduate recruitment.

Our latest group of 55 nuclear apprentices began their new careers at EDF Energy with a team-building week in the Lake District in September 2013. The week was the culmination of a testing recruitment process for the Engineering Maintenance Apprenticeships Scheme.

We are now in process of recruiting apprentices for the year ahead. Our 2014 scheme will see 50 apprentices join our four-year scheme which, for the first two years, takes place at HMS Sultan – a world-class training centre in Portsmouth. The apprentices will return for on-site training for the final two years.

We were thrilled in April 2013 when two of our apprentices won awards at the COGENT UK Nuclear Skills Awards. Five years in to their careers at EDF Energy, Hunterston’s Paul Donohoe and Heysham 1’s Damien Murphy were crowned Scottish Apprentice of the Year and North West Apprentice of the Year respectively.

Both were among the first EDF Energy apprentices to join the scheme at HMS Sultan.

Our graduate scheme has remained an excellent source of new recruits – in 2013 we recruited 58 graduates across the company. We also ran 58 industrial placements and 68 intern positions in 2013.

Working in conjunction with Bridgwater College in Somerset, we funded the development of a new construction skills centre, which was opened by Ed Davey, the UK Secretary of State for Energy and Climate Change, in March 2013.

We have also invested £1.6 million in West Somerset Community College, with a significant proportion to be focused on apprenticeships.

In addition, we have created an employment brokerage scheme with Job Centre Plus to help match people to the significant number and range of job opportunities which will be generated by our project to build two new nuclear reactors at our site in Hinkley Point, Somerset. Construction will potentially provide 25,000 jobs, whilst operation of the new station will create 900 future jobs.

We continue to work outside our formal work placement programmes to build interest and skills in science, technology, engineering and mathematics (STEM) too. For example:

– Over 400 school children from across Kent were treated to a science and maths ‘festival extravaganza’ in December 2013 when we helped the annual Lablive Lecture come to Romney Marsh. The event gave students the opportunity to experience ‘spectacular science’ and understand the benefits of studying STEM subjects at GCSE. The free Lablive shows have amazed around 1,000 Key Stage 3 pupils with two hours of ‘entertaining, inspiring and mind-expanding science’ since it started in 2011.

– Along with the Institute of Physics, we arranged a ‘Lab in a Lorry’ visit to Bridgwater College Academy for 150 Year 9 students in September 2013. Students swapped their classroom for a lesson delivered from the mobile laboratory and had the opportunity to explore science though specially created interactive experiments. The visit followed a three month sponsorship by EDF Energy earlier in 2013 where the mobile lab hosted 2,700 students from 14 Somerset schools.

– We are also the principle sponsor of the Cheltenham Science Festival and the Generation Science programme in Scotland. We have supported The Times Cheltenham Science Festival for 11 years and are principal sponsors of its Science for School’s programme, which offers 16 educational lectures and 37 interactive science workshops for student visitors.

“The investment in West Somerset Community College and the support given by EDF Energy have been a catalyst for transformational change in the college provision and in its ability to change the lives of the young people and adults of West Somerset.

Young people can choose from a wider variety of skills training and academic STEM-related provision. In addition, the facilities and capabilities have resulted in a significant number of unemployed candidates engaging with skills interventions that have led directly to work or further engagement in training. We are particularly pleased that three of our candidates have been employed by Laing O’Rourke.

Business engagement through upskilling the workforce, as well as apprenticeships and traineeships, has gained positive momentum. The developments so far have been inspirational and hugely motivational to the team of staff involved with supporting the range of activity on offer.

The college feels privileged to be able to play its part in this unique project.”

Marguerite Bowden, Vice Principle Head of Further Education and Enterprise, West Somerset Community College
Enabling our people to achieve great things at work and in the communities we serve means giving them the opportunities to step out of the day job and make a positive difference to the world around them. This develops skills, builds pride and engagement, and benefits customers and communities.

In 2013, we reviewed our approach to volunteering and set some specific targets to help us achieve industry-leading levels of volunteering over the next few years. We will report formally on our progress in 2014/15. In the meantime, we have continued to build on our practice to date in a number of ways:

– Our Helping Hands programme allows all of our employees to spend up to two days of work time volunteering in the community each year. Volunteering can be done individually or as team and can support charities, schools or community organisations on social, environmental and educational projects.

– Following a company-wide vote in which 7,000 employees took part in December 2012 / January 2013 to select our new charity partner, we launched our new three-year partnership with Marie Curie Cancer Care in May 2013. We are working together to raise vital funds for the charity which provides free practical care and support to people suffering from terminal illness, either at home or in one of the charity’s nine hospices. Working with the charity, we are also using our expertise to help improve the energy efficiency of their hospices, and raise awareness of the work and services it offers. Our goal at the start of the partnership was for employees to raise £100,000 each year of the partnership which EDF Energy would match fund to a total of £300,000 over the three years. The partnership has surpassed all expectations with employees raising over £182,000 to date. With £100,000 of match funding, this is enough to fund 14 Marie Curie nurses for a year.

“We are delighted to be working in partnership with EDF Energy. Since the partnership launched on May 1st 2013, an astonishing £282,000 has been raised during the first 10 months of the partnership. This is enough to fund 14 Marie Curie Nurses for a year, and we are very excited to see how the partnership progresses in 2014. With the Three Peaks Challenge, and an energy efficiency project at our hospices, it promises to be a very good year.”

Lucy Caslon, Marie Curie Cancer Care, Senior Corporate Account Manager
The partnership with Marie Curie Cancer Care follows on from our previous highly successful three-year charity partnership with the British Paralympic Association (BPA) between 2010 and 2013. The BPA is the charity responsible for selecting, preparing, funding and managing Great Britain’s teams at the Paralympic Games and also supports disability sports at grass roots level.

During the partnership, EDF Energy and its employees raised more than £650,000 for the BPA, exceeding the initial fundraising target. We also worked with the organisation to reduce its environmental impact through its ‘Greening the Team’ initiative. As a result, the BPA achieved a world-first, with the ParalympicsGB 2012 preparation camp in Bath becoming the first event of its kind to receive a global gold accreditation for sustainability from the Council for Responsible Sport. This was announced in January 2013. In March 2013, we announced that we will continue to work with the British Paralympic Association as part of a four-year sponsorship deal with the organisation and ParalympicsGB. This will see us support ParalympicsGB through to Rio 2016.

“Having worked together so successfully with EDF Energy through the London Games, including to support our world-first sustainable training camp in Bath, we are delighted to have renewed the partnership for another four years through to Rio 2016. We have a proud record of success in both the Summer and Winter Paralympic Games, having recently returned from Sochi 2014 with a record medal haul. The achievements of our athletes, and the world class back-up services provided by the wider ParalympicsGB team, are only possible because of the support we receive from partners like EDF Energy who share our values and our ambition not only to win on the field of play but through that inspiration have a wider impact on society and attitudes to disability.”

Tim Hollingsworth, CEO, British Paralympic Association (BPA)
Delivering our plan for a sustainable business
How are we doing?

COMMUNITIES: SCHOOLS AND EDUCATION

The Pod is our award-winning sustainable schools programme – it now reaches 50% of all schools (over 18,000 schools) in the UK.

Established in September 2008, the Pod was founded on a concept of ‘learn, act, inspire’ to engage young people in energy, science and sustainability. It provides free curriculum-linked resources and runs campaigns to teach young people (aged 4 – 14) about these issues, empower them to act on their learning, and enable them inspire others with their achievements.

Our programme provides a wide range of resources for schools including lesson and assembly plans for different age groups, practical activity guides, films, games and resources linked to campaigns such as the Pod’s Waste Week and Switch Off Fortnight. Pod campaigns are designed to help get the whole school, parents and the local community engaged in living more sustainable lifestyles.

Since September 2008, the Pod is estimated to have engaged over 10 million young people on energy, science and sustainability. It also now reaches 138 schools in 30 different countries.

We work closely with a number of partners on the Pod, including:

– The British Science Association who champion access, engagement and ownership on science to people from all walks of life.
– Eco-Schools, an international programme that guides schools on their sustainability journey by providing a framework to embed this into the heart of school life.
– The Meteorological Office who are world leaders in climate science.
– Wastebuster, an environmental education programme that supports teachers to creatively explore waste in the curriculum, and helps children work towards creating sustainable schools, homes and communities.

In addition to its annual Waste Week and Switch Off Fortnight campaigns in 2013, the Pod, Wastebuster and the British Science Association joined forces to launch a new campaign, ‘Science in Schools’. The campaign combines environmental education about waste and climate science with a textile recycling programme. Schools and community groups can exchange unwanted clothing and textiles for free resources and equipment to get children excited about science and engineering.

Schools book a collection and encourage everyone to donate unwanted textiles for recycling. These are collected, weighed and the school then receives points for the recycled textiles that can be exchanged for science equipment. In 2014, we plan to expand the programme to EDF Energy offices and other Pod partners.

Building on our success so far, we launched a ground-breaking initiative in January 2014 through the Pod to inspire over 100,000 children, their parents and teachers to participate in a series of mass participation experiments that tackle real scientific questions. The ‘Great EDF Energy Experiment’ is a five-year programme run in partnership with the British Science Association. The first experiment is called the Big Bumblebee Discovery and will run throughout summer 2014. We will report more on this through the year ahead.

In 2013, we were thrilled when the Pod was awarded a Highly Commended award in the first ever European CSR Awards, funded by the European Commission. This made EDF Energy one of only three UK companies recognised in the awards. The Pod’s Waste Week recycling film, produced in partnership with Wastebuster, was also Highly Commended in the Environment Award of the 2013 TVE Global Sustainability Film Awards at a ceremony held at the BAFTA headquarters in London. Our programme also received a Big Tick award from Business in the Community and was shortlisted for a BITC Responsible Business Award in 2013. This reflects considerable commitment and passion from the EDF Energy team behind the Pod and from all of our partners, friends of the Pod and everyone taking part in the programme for which we are very grateful.
FOCUS ON A KEY 2013

CHALLENGE: CIVIL SOCIETY

DIALOGUE – REPORT BACK

The safety and security of our sites is central to EDF Energy being able to successfully deliver secure energy to our customers, whilst ensuring Zero Harm to people.

This issue came to the fore in October 2012 when a number of climate change protesters from the ‘No Dash For Gas’ environmental protest group breached the perimeter of our new Combined Cycle Gas Turbine power station at West Burton. Considerable disruption was caused and the plant was temporarily shut down for safety reasons. Following the arrest of the protesters, we pursued legal action, including a civil claim for damages of £5 million. The decision caused considerable outcry – not just from environmental campaigners, but also some of our key stakeholders.

In light of this, we sought to identify how we might better address the issue of protest at our sites in the future. We therefore asked Will Hutton – then Chair of our Stakeholder Advisory Panel to lead a dialogue, the aim of which was to establish what protocols should guide EDF Energy’s response to such situations in the future. Will Hutton was supported by fellow Stakeholder Advisory Panel member Tamara Ingram, with legal counsel provided by Ingrid Simler QC.

Over the summer of 2013, consideration was given to practical steps that could be taken to minimise the risk of disruptive or dangerous protest, including how we can better develop an open and constructive dialogue with objectors. Following discussion with a number of stakeholders across industry, media and politics, as well as environmental campaign groups, a report was presented to EDF Energy’s Stakeholder Advisory Panel, which included several recommendations for us to respond to.

The report and its recommendations were reviewed and approved unanimously – both by the Panel, and by EDF Energy. Since then we have implemented a number of the recommendations, whilst others are in progress. The table opposite sets out what we have done so far and the actions that we are taking over the coming months.

To review a full copy of this report please visit Civil Dialogue.

Panel Recommendation

Whilst EDF Energy can reasonably claim to be the most committed of the large energy producers to low-carbon energy production and sustainability, this does not preclude it from being a target for protest. Therefore more should be done to ensure that protesters know about the character of EDF Energy, and a clear vision of its role in a sustainable future should be articulated more consistently.

EDF Energy Action

We believe that EDF Energy has a very powerful story to tell about what we are doing to address the important issues of emissions, decarbonisation and climate change. We are the UK’s leading supplier of low-carbon energy, and have always put sustainability at the very heart of our business.

The fact that we have made great efforts to respond to sustainability challenges is recognised by many commentators and other stakeholders. Nonetheless, we accept that being clear about what we are doing in this area should be a priority. Will Hutton’s report is a timely reminder that we must communicate what we are seeking to achieve to all relevant groups.

In order to do this, we will:

– Review how we report our annual performance against our ambitions, in order to better engage our stakeholders and encourage two-way dialogue.

– Work with external partners to ensure that our story as a business is told in a simpler, more accessible way. We recognise that we cannot expect all stakeholders to understand our business in our terms.

– Maintain our existing strong relationship with Business in the Community in order to better engage business stakeholders in a conversation about our energy future.

– Invite third parties into EDF Energy in order to see first-hand how our business works, and to communicate this back to the public in a meaningful, understandable way, as part of our strong commitment to transparency.

EDF Energy should take steps not only to engage with environmental campaigners, but actively to facilitate discussion. Serious consideration should be given to the establishment of a forum for discussion between EDF Energy and the environmental movement. EDF Energy should take the lead in establishing this, and should facilitate it on an ongoing basis. Senior representatives of EDF Energy should be involved to demonstrate that the company is serious about meaningful, open dialogue.

EDF Energy strongly supports the principle of open dialogue. Therefore we have committed to establishing an annual dialogue with representatives of the environmental and social movement (including sustainability organisations, NGO’s and protest groups) based around our sustainability report.

We will invite feedback on our report and use this to help identify key issues that our environmental and wider stakeholders would like to talk to us more about. Working with our stakeholders, we will then review how best to engage further on those specific issues and identify where any further collaborative working may help. The process will be overseen by our Sustainable Business Panel – which will now include representation from external sustainability partners as well as our own senior management.

We also want to ensure that sustainability is at the heart of our Stakeholder Advisory Panel who provide our senior leadership team with independent advice and challenge. Therefore as we review the membership of our Stakeholder Advisory Panel, we are ensuring that specific environmental expertise and sustainability knowledge are key considerations in the selection of Panel members.
### Civil Society Dialogue Continued

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<tr>
<th>Panel Recommendation</th>
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<td>The twin objectives of sustaining electricity supply whilst respecting the right to lawful protest need to be reconciled. The best practical response the company can offer is to ensure that its sites are secure and, in the event of unlawful protest, take and support whatever steps are required to regain control of its property. As well as discouraging unlawful protest, it should actively encourage lawful protest.</td>
<td>Following the protest at West Burton, we reviewed our site security arrangements and strengthened them. Whilst unlawful activity is a matter for the police, we recognise the legitimacy of lawful protest. Therefore we are looking to transfer learning from successful practice at our Hinkley Point site to our other sites. At Hinkley Point, we established a Protest Liaison Team to act as an intermediary and conduit of information between protest organisers and EDF Energy. We also demonstrated our willingness to facilitate lawful protest by providing amenities to protest groups. We will now establish how to use this experience at our other sites around the country so that what we do is more consistent across our operations.</td>
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| EDF Energy should consider a new set of guidelines and protocols on the use of social media in protest situations. The company's position – whatever that may be – must be articulated to reach a wide audience, and more must be done to engage with the public online. | EDF Energy commissioned an external review of our use of social media during the West Burton protest, which set out a number of recommendations that are aligned with those in Will Hutton's report. We are now acting on these recommendations, and much of the work is already underway.  
  - We are working to create a set of crisis communications key principles, which will underpin the way we utilise social media during a crisis.  
  - We will brief social media teams with crisis classification details, to enable those working on the channels to understand what is expected of them and who to liaise with, including escalation paths in the event of a crisis.  
  - We will establish process maps for teams working across social media, to enable a quick response to crises.  
  - We will develop a process to enable teams to measure and monitor social media activity through use of new, robust monitoring tools. |

### Panel Recommendation | EDF Energy Action

| Steps need to be taken to review how the company responds internally and externally in the event of a site protest. This should include scenario planning, clearer sign-off processes, improved negotiation work with protestors, and/or the establishment of a dedicated ‘protest response’ team. Furthermore, protocols should be established to ensure that all relevant parts of the business are kept fully appraised in situations such as that at West Burton. | Protest situations present a number of complex challenges, and we recognise the need for a clear and coherent response. Above all, we accept the report's comments about the need for seamless communication between different departments within EDF Energy at times of protest. To address this, we have established, for the purposes of any potential disruption at our sites, a dedicated protest response team. The team is project managed by one individual, includes representatives from all key departments – including operations, legal and communications – and has clear reporting lines in place. We have also reviewed and tightened internal communication procedures, for example sign-off processes. The result will be better joined-up thinking, so that we stand ready to respond – coherently – to any potential protest. We recognise that during protest situations it is vital that all EDF Energy staff are kept informed. We will therefore build on and better utilise our strong, existing internal communication structures to share information quickly and efficiently, such as our senior leader updates, intranet, all-employee emails and internal social media. EDF Energy does not work in isolation: we have a number of partnerships and joint ventures, so will also take steps to ensure that our partner companies are kept fully informed of our position during protests.|

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INDEPENDENT ASSURANCE – INTERIM OBSERVATIONS

DNV GL was commissioned to undertake independent assurance of the EDF Energy Sustainability Performance Report 2013, which is scheduled to be published in mid-2014.

Our assurance work is designed to gather evidence with the overall objective of providing moderate assurance as defined in AA1000AS (2008), which covers:

- Evaluation of adherence to the AA1000APS (2008) principles of inclusivity, materiality and responsiveness (the Principles); and
- The reliability of specified sustainability performance information.

EDF Energy are currently developing a new performance website which will host their Better Energy Ambitions and related performance data. This website is scheduled to go live in June 2014. In line with their commitment to publish performance data in a timely manner it was agreed that the assurance would be undertaken in two parts this year.

This statement represents the interim observations based on the work completed so far, which has focused upon data and claims checking.

Here we summarise our observations and we will provide a full assurance statement for the Sustainability Performance Report once the remainder of the work is completed. This will include (but is not limited to):

- Review of the current sustainability issues that could affect EDF Energy and are of interest to stakeholders;
- Interviews with selected directors and senior managers responsible for management of sustainability issues and review of selected evidence to support issues discussed;
- Review of selected areas within the ‘Better Energy Ambitions’, to understand the process undertaken to develop the headline and supporting measures, as well as associated targets, including sample testing of related performance information;
- Review of information provided to us by EDF Energy on its reporting and management processes.

The work undertaken so far includes:

- Review of supporting evidence for a sample of the highest materiality claims in the Report;
- Review of EDF Energy’s processes for gathering and consolidating data, and review of the evidence collected by EDF Energy’s Information Governance team to support these calculations.

On the basis of the work undertaken so far, nothing has come to our attention to suggest that the data published are materially misstated and that EDF Energy has not properly collated and consolidated data and other information. To date, we are not aware of any errors that would materially affect the overall consolidated company data.

Key observations from the process so far:

- The EDF Energy Information Governance team continues to conduct a thorough internal review process which results in the collection and presentation of strong supporting evidence for data and claims in the Report. This remains an example of best practice in the sector.
- EDF Energy continues to recognise that customer trust remains a challenge for the industry as a whole. The “Our challenges” section addresses this topic and other issues EDF Energy faced in 2013. We recommend EDF Energy should take a more balanced approach to reporting on its material issues throughout the Report.
- EDF Energy has now launched the ‘Better Energy Ambitions’, which are supported by a range of quantitative and qualitative targets. These will enable EDF Energy to show how it is meeting its ambition to be a sustainable and responsible business and how stakeholder concerns have been addressed. As part of our review we will consider the extent to which the ‘Better Energy Ambitions’ represent an appropriate medium/long term challenge, and how well these are supported by the planned data consolidation methodology, review, validation and sign-off processes.

Anne Euler
Principal, DNV GL – Business Assurance
April 2014
Definitions and Glossary

**Carbon dioxide (CO₂)**
Definition: Carbon dioxide is a colourless, odourless gas. It is produced both naturally and through human activities, such as burning gas, coal, oil, and wood.

**CO₂ avoided**
Definition: Amount of CO₂ that would have been emitted if the electricity generated by Nuclear Generation (by low or zero carbon methods) had been produced by the prevailing UK fossil fuel mix.

**CO₂ emissions from business travel (absolute and emissions per Full Time Equivalent - FTE)**
Definition:
1. **Absolute** – The annual total of CO₂ emissions from our company vehicles, car use for business purposes, and taxi rail and air travel.
2. **Per Full Time Equivalent (FTE)** – The absolute emissions divided by the average FTE of EDF Energy employees during the year.

**CO₂ emissions from 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 figures provided in our sustainability report will differ from those published by the Environment Agency as part of the Carbon Reduction Commitment Energy Efficiency Scheme (the CRCEES). The CRCEES data has been produced for the purposes of meeting the CRCEES scheme requirements only. As a consequence the scope and reporting metrics are not the aligned with our Sustainability or Financial Reporting of EDF Energy or any of the EDF Group of companies. The consumption for gas and electricity is converted from Kilowatt Hours (kWh) to CO₂ using conversion factors published annually by Department for Environment, Food and Rural Affairs (DEFRA). The emissions are then divided by the average Full-Time Employee of EDF Energy employees during the year to provide a normalised emission rate.
2. **Per FTE** – The absolute emissions divided by the average FTE of EDF Energy employees during the year.

**CO₂ Department of Energy and Climate Change (DECC)**
Definition: The carbon dioxide emissions from our generating plants are independently verified in accordance with the requirements of the EU Emission Trading. The emissions are divided by the total net generation from our stations and renewable assets.

**Company maximum individual radiation dose**
Definition: We operate to strict procedures to minimise and control the radiation doses received by employees and contractors at all of our nuclear power stations. Any worker required to enter a radiological controlled area is issued with an electronic personal dosemeter which measures radiation dose and warns the wearer if pre-determined dose levels are exceeded. Radiation dose is measured in units of millisieverts (mSv), and the legal dose limit is 20 mSv per year. The company maximum individual radiation dose is the highest dose received by an employee or contractor during 2013.

**Disposals of radioactive waste Low Level Waste (LLW)**
Definition: According to UK law, LLW is waste having a radiotoxic content not exceeding 4 GBq (gigabecquerels) per tonne of alpha, and 12 GBq per tonne of beta/gamma activity. The data in this report is the volume of waste from all of our nuclear power stations sent off site during 2013 to be disposed of at the designated National LLW Repository near Drigg in Cumbria, incinerated at Hythe, or metal sent for recycling at Lilloh in Cumbria. In order to reduce the overall volume of waste for disposal, there are a number of treatments that are carried out on the waste prior to disposal, for example shredding or compacting.

**EBIT**
Definition: Earnings Before Interest and Tax.

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

**Energy Companies Obligation (ECO)**
Definition: ECO is a new, supplier only obligation replacing Carbon Emissions Reduction Target (CERT) and Community Energy Saving Programme (CESP). It is a larger and more complex programme than CERT or CESP, which is focussed on end-to-end refurbishment of residential dwellings.

**Full-Time equivalent (FTE)**
Definition: The FTE used for this measure is the average number of FTE EDF Energy employees during the year.

**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 Group EDF 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.

**Intermediate Level Waste (ILW) generated (m³)**
Definition: The Intermediate Level Waste Indicator provided by EDF Energy is derived from the UK’s 2013 radioactive waste inventory produced by the Nuclear Decommissioning Authority. It provides an estimate of the annual arising volume of waste that will be classified as Intermediate Level Waste at the end of the site’s life. The waste volume is given as a packaged waste volume based on the Nuclear Decommissioning Authority proposed waste package types. All Intermediate Level Waste is stored on power station sites pending a national decision on final disposal.

**International Nuclear Event Scale (INES)**
Definition: The International Nuclear Event Scale (INES) is a rapid alert system used for consistent communication of events across the nuclear industry. These are categorised between Level 1, which is an anomaly with no impact on the safety of the general public, or workforce, and Level 7 which represents a major accident.

**Lost Time Incident 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.

**Nitrogen Oxide (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.
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 recorded on a pro-rata basis.

Number of customers referred to government scheme (CERT/CESP/ECo)
Definition: Number of customers specifically advised about, or referred to, a government scheme or to the Carbon Reduction Target, or Renewable Energy Companies Obligation (ECo) in this reporting period.

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 reportable nuclear events
Definition: Events that are required, by arrangements made under conditions attached to our nuclear site licences, to be reported formally in writing to the office for Nuclear Regulation.

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 disposal, it includes any time for which employees have been paid on sick leave, any time for which employees have been paid for any other reason, and any time for which employees have been paid for holidays.

Office and depot waste
Definition: Any waste that arises from EDF Energy business activities undertaken at an office or depot. It includes waste streams such as paper, cardboard, IT equipment, furniture and promotional materials. 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 LRQA 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 sustainability 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. 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.

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.

Priority Services Register
Definition: Energy suppliers are obliged to offer a range of free services, known as the priority services register, to their customers who are any of the following: pensionable age, have a disability, have a long-term ill health or have a hearing and/or visual impairment.

Radiation dose to the most exposed member of the public
Definition: We are required to assess the radiation dose to the most exposed members of the public in the vicinity of our sites using the results of environmental monitoring. However, this does not distinguish between the impact of our discharges and those of neighbouring operators. Discharge modelling is used to make a conservative assessment of the impact of our discharges on the local population. Doses to the public are a very small fraction of the legal limit and the average radiation dose due to natural background in the UK.

Smart Meters
Definition: Is taken to mean an Advanced Domestic Meter, which is defined as a meter installed in a domestic premise that provides gas or electricity consumption data for multiple time periods and is able to provide the supplier with remote access to such data.

Spent fuel stored in cooling ponds on site
Definition: Amount of spent fuel stored in our on-site cooling ponds at our Advanced Gas-Cooled Reactors (AGR) and Pressurised Water Reactors (PWR) measured in tonnes (heavy metal).

Sulphur Dioxide (SO2) emissions
Definition: The emissions of SO2 from all of our power stations 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.

Three-year collective radiation dose (man Sv/reactor)
Definition: Average three-year collective radiation dose per reactor as defined by the World Association for Nuclear Operators (WANO). The measure covers all staff – employees, agency and contractor staff. Excludes EDF Energy Renewables.

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.

Unplanned automatic trip rate
Definition: Number of unplanned automatic trips per 7,000 hours of operation as defined by WANO.

Tons of CO2 avoided from customer’s energy consumption
Definition: We help our customers cut their carbon footprint in a number of ways. The calculation to demonstrate the emissions reduction is based on the summation of the actual tonnes of CO2 saved through the three sub initiatives which make up this commitment which are Carbon Emissions Reduction Target, Smart Meters and Renewable, for example heat pumps. Historically contributions to this commitment have been made from Climate Balance Product and Read, Reduce, Reward. These products were withdrawn from the market during 2011.
Registered Company Details:
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