



OUR BETTER ENERGY AMBITIONS REPORT

EXECUTIVE SUMMARY 2015

OUR BETTER ENERGY AMBITIONS



“People are at the heart of everything we do.”

2015 was a landmark year for action on climate change with the historic agreement reached by the world’s governments in Paris during the United Nations climate conference, COP21. The agreement was a vindication and an encouragement of all those who have fought the battle against climate change for many years. I am pleased to say that we have played our part over many years and EDF Group was an Official Partner of COP21.

In the run-up to COP21, EDF Energy took another crucial step in its plans to build a new nuclear power station at Hinkley Point C in Somerset, with the signing of the Strategic Investment Agreement between EDF and China General Nuclear Power Corporation. Hinkley Point C will serve as an important source of secure, affordable, low-carbon electricity. As well as powering more than 5 million homes, it will avoid 9 million tonnes of CO₂ emissions during each year of its operation, which represents 7% of all the CO₂ produced by electricity generation in the UK in 2015.

2015 was also a year in which we achieved our strongest ever safety performance, with zero reportable nuclear events and a total recordable incident rate (TRIR) of 0.68 incidents per million hours worked: a 30% year-on-year improvement.

Around 45% of our residential energy supply customers are now on competitive fixed tariffs with no exit fees – a higher proportion than that achieved by our large competitors. As for business supply, in 2015 we maintained our position as the largest electricity supplier for business and were awarded the UK’s largest annual electricity supply contract (10TWh) by the Crown Commercial Service¹.

We launched Blue Lab, an innovation platform and incubator to develop new products, business models and services for customers – and to continue to develop the ways in which our customers can take control of their energy through digital.

We finished the year with an overall output for nuclear of more than 60.6TWh, the best in 10 years. This excellent level of output is driven by our long-term commitment to continuous improvement by implementing best international practices and investment in the fleet. It has also helped to mitigate some of the impact of low and falling wholesale prices, which continue to be a challenge to our business. In February 2016, we were pleased to announce the life extension of four of our nuclear power stations. This will enable the continued supply of secure, reliable, low-carbon electricity to around a quarter of the UK’s homes.

Our renewables portfolio saw a 9% increase in output due to the strong availability of our assets in 2015. Through our joint venture with EDF Energies Nouvelles, the fleet is continuing to expand, with three wind farms under construction.

People are at the heart of everything we do and, in 2015, we opened our state-of-the-art learning and development centre, Cannington Court, in Somerset. It uses the latest digital training tools and is the heart of our connected Campus network, complementing our MyCampus digital platform – now used for learning by employees across the country.

We continued to push hard on diversity and inclusion, achieving the National Equality Standard and continuing to inspire and prepare the next generation through award-winning, inspirational programmes such as our Pretty Curious campaign.

In 2016 and beyond, we will balance the need to deliver our long-term vision while addressing the short-term opportunities and challenges. I believe the ability and commitment to do this is one of the greatest strengths of EDF Energy. Remaining true to our values of Trust, Transparency and Teamwork, I am confident we will deliver a successful 2016.

**VINCENT DE RIVAZ, CBE,
CHIEF EXECUTIVE**



This report sets out the ways in which EDF Energy is fulfilling its long-term commitments on safety, sustainability, environmental impact and supporting customers. The story is one of progress on most fronts over the past 12 months and of big challenges and opportunities in the future.

The next 12 months will provide challenges and opportunities as EDF Energy moves forward on its long-term path. The Stakeholder Panel will be taking a particular interest in the final investment decision on Hinkley Point C and the development of the first products from the company’s Blue Lab customer innovation platform. It is also looking forward to discussion on major events, including the final report from the Competition and Markets Authority (CMA) as it concludes its investigation into the nation’s energy supply, and the implications for the energy industry of the forthcoming referendum on the UK’s membership of the European Union.

Richard Lambert

**SIR RICHARD LAMBERT,
CHAIR, EDF ENERGY
STAKEHOLDER ADVISORY PANEL**

“The next 12 months will provide challenges and opportunities as EDF Energy moves forward on its long-term path.”

OUR BETTER ENERGY AMBITIONS

These are our plans for a sustainable business – and, ultimately, a better energy industry.



ZERO HARM

We believe all harm is preventable, so our number one priority is Zero Harm – to our people and the communities we serve. In other words, everybody.



CUSTOMERS

We support our most vulnerable customers and help everyone use energy efficiently – on top of doing our utmost to keep energy affordable.



ENVIRONMENT

Climate change affects everyone. We’re helping tackle it by providing nearly 40% of the UK’s low-carbon electricity. We want to set a good example for the whole energy industry to follow.



FINANCE AND ETHICS

We will be a better kind of energy company – one that works transparently and thinks long-term. After all, energy is an essential service; we must provide it in a responsible way.



NUCLEAR

We design and operate our existing and new nuclear power stations to the highest safety standards. This includes dealing responsibly with the waste they produce.



PEOPLE

Our people underpin all our other ambitions. We will inspire our people to be a force for good, both at work and in their communities.

1. Cornwall Energy Associates Business Sector – Electricity as at 31 October 2015. Data excludes Northern Ireland.

GLOBAL AGREEMENT ON CLIMATE CHANGE

Last year saw a moment of real global significance: the adoption of the Paris Agreement on climate change at COP21, the 21st United Nations climate change conference.

It is the first global agreement on climate change that requires action by all signatories. It sets a commitment to limit global temperature rise to 2°C, with further efforts to limit the rise to 1.5°C. The countries also aim to reach peak emissions as soon as possible and global net zero emissions in the second half of the century. That means fossil fuel use must be either eliminated in this century or fully balanced by natural absorption and carbon capture.

Individual commitments made by 189 countries show significant ambition. Still, the Agreement is a first step; a beginning, not an end.

The current UK Government has been very engaged in COP21 and successive Governments' ongoing commitment has been set out in carbon budgets.

EDF ENERGY'S ROLE

There is recognition that business will have to deliver much of the transition, having provided a powerful and constructive voice in support of a strong agreement. EDF Group played its part as Official Partner of COP21 and, here in the UK, we also have our part to play.

This is not a new theme for us. We have been addressing this issue for many years.

In 2007, we published Our Climate Commitments. In 2008, in our Sustainability Commitments, we further developed our vision and plan and, in 2013, we launched our Better Energy Ambitions. These ambitions combine the latest evolutions of our climate and sustainability commitments, embedding sustainability into the core of the business.

We have long been part of the solution, working with our customers to help them understand and manage their energy consumption.

We are the largest generator of low-carbon electricity in the UK and have consistently invested to improve our performance. Since acquiring our fleet of UK nuclear power stations in 2009, we have improved their output and extended their lives. Our nuclear journey continues with the next generation; our proposed new nuclear power station at Hinkley Point C will run for 60 years, if not more, and we are further planning new nuclear stations at Sizewell and Bradwell.

We have a sizeable portfolio of renewable assets, including the first off-shore windfarm in the EDF Group, and will continue to invest in renewables.

We have invested in our coal plants to make them more efficient and to ensure they operate as cleanly as possible until end of life. Our combined cycle gas turbine (CCGT) power station also contributes to the big switch away from coal, helping to safeguard UK energy supplies.

Importantly, we have also found a way to connect our low-carbon nuclear generation to our customers through Blue. Our Blue tariffs enable our customers to sign up in person to a low-carbon future through fixed-price contracts backed by nuclear electricity.

Increasingly, we need to demonstrate to all customers and stakeholders that choosing low-carbon nuclear electricity is choosing to support the fight against climate change.

The Paris Agreement starts us all on a path towards full decarbonisation by the end of this century. This long-term approach is aligned with the one we take to our business. Our new nuclear assets will run until the end of the century and therefore are a perfect match. We approach the challenge of climate change as people who will pass this planet on to our children and our grandchildren.

THE ENERGY CHALLENGE

Sustainability is at the heart of the way we do business. For us, that means running our business safely and in ways that deliver improved environmental, social, financial, ethical and operational performance.

Being a sustainable business is about taking a very long-term view. One of our great strengths is our ability to balance a long-term vision with a short-term focus. For example, we are investing in assets that will operate until the end of the century, while in other areas – such as our Customers business – we are responding to rapid developments in our industry, in particular with digital.

For us, sustainability leadership is about collaboration to drive change across the industry and beyond – not just about doing better than our competitors. We engage with our stakeholders to understand the significant issues affecting them, our business and our customers. This helps us focus our resources, stakeholder engagement and reporting activities on the most significant issues for our business and the world around us.

As outlined in our **Sustainable Business Policy**, we are committed to working with our stakeholders to review our Better Energy Ambitions every three to five years to ensure they remain relevant and address both existing and emerging sustainability challenges. This is why we are undertaking a further review in 2016, to demonstrate leadership in sustainability and drive continuous performance improvements in our business.



OUR 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.

OUR AMBITIONS

We will deliver our mission by achieving key objectives aligned to our 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 the communities and environment we are part of. They directly address how we will tackle the key challenges facing the energy sector.

Delivering against our ambitions requires determination and consistency in action.

- 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.

FURTHER READING

- For details on how we are addressing the energy challenge, visit edfenergy.com/energy
- The process we use to identify and prioritise our sustainability issues can be found at edfenergy.com/stakeholder-engagement
- We set targets for each of our Better Energy Ambitions so we can track and report our progress. Find out more at edfenergy.com

EDF ENERGY

EDF ENERGY is one of the UK's largest energy companies and its largest producer of low-carbon electricity. A wholly-owned subsidiary of the EDF Group, one of Europe's largest energy groups, we generate around one fifth of the UK's electricity and employ almost 14,000 people. We supply electricity and gas to 5.6 million residential and business customer accounts.

The company is organised into the following business units:

- Generation encompasses all of our generation activities – Nuclear, Coal, Gas and Renewables.
- Nuclear New Build is tasked with the delivery of the new generation of nuclear plants in line with EDF's global programme of producing safe, affordable, reliable, low-carbon electricity.
- Customers is responsible for supplying energy to our business and residential customers in the UK.

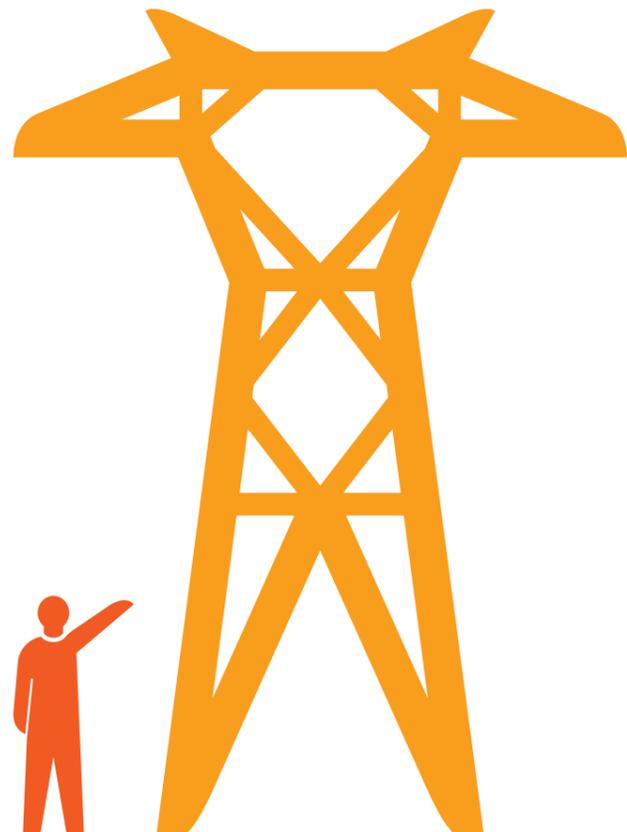
Our mission is 'Driving progress for people' – a successful and responsible long-term energy business, trusted by customers and powering a thriving society and a healthy environment.

We'll deliver our mission through our company ambitions – the Better Energy Ambitions. These form our plan for a sustainable business.

If you have any comments or suggestions about this report please contact sustainability@edfenergy.com

ASSURANCE

Corporate Citizenship has undertaken a limited verification of the data and assertions contained in this report. On the basis of the work performed, nothing came to our attention that causes us to believe that the selected performance data and assertions in the report are materially mis-stated. A full assurance statement for this report is available for download on our website at www.edfenergy.com/download-centre



USEFUL LINKS

ENGAGING WITH OUR STAKEHOLDERS

We work with various organisations in order to understand our stakeholders' views on sustainability, climate change, security of supply, energy affordability and other key issues.

GOVERNANCE

We want to be held accountable for the commitments and targets we're making. This is central to ensuring we keep our promises and why we report annually with an independent audit of progress.

HOW WE REPORT

Our Better Energy Ambitions Report 2015 outlines the progress we have made so far in delivering a low-carbon future.

OUR BETTER ENERGY AMBITIONS FULL PERFORMANCE

Our annual Better Energy Ambitions Report outlines the progress we have made so far in delivering a low-carbon future.

POLICY POSITIONS

We are committed to making a long-term difference to Britain, not just in providing power, but also in investing in education, skills and research and development.

RISK MANAGEMENT

We maintain and deploy a consistent and comprehensive approach to risk management and internal controls through centrally approved policies applied in all organisational areas.





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