

Each generation is consuming

50% more energy than its predecessor across the globe, and 80% of this growth is being driven by non-renewable, carbon-emitting energy sources. We all know that this is not sustainable, and the numerous studies on climate change published in 2006 map out the challenge that lies ahead.

Electricity is at the heart of this challenge:

its generation accounts for 40% of global carbon emissions, in large part because of coal-fired facilities. Electricity generation has increased by 50% since the Rio Summit in 1992, and coal-fired generation has risen even faster: coal is the most widely used resource for electricity generation, covering 40% of global production. At the same time, however, policies designed to support renewable energies have been bearing fruit. Wind power generation has seen a twenty-fold increase, and biomass production has almost doubled. Nonetheless, renewable energies still only account for 2.1% of total generation, with a contribution of 0.37 TWh.

These trends are not irreversible, and there are solutions.

This first relates to energy savings. All sectors of activity can do their part, first among them the housing industry, where consumption can be cut by 40% by improving insulation and promoting the use of wood and solar energy and heat pumps. The second solution involves relying on carbon-free energy. Like its counterparts in Switzerland and Sweden, EDF's fleet in France produces the bulk of its electricity with hydro and nuclear facilities, and emits 7-8 times less CO₂ per kWh than the European average. The increasing use of renewable energies will further improve this low car-

bon profile. The third solution is to power ahead with R&D efforts. At EDF, we are significantly increasing our investments in a number of areas, without neglecting any: energy savings, renewable energies, hydro, nuclear and R&D.

This ramping up of investments requires significant mobilization at economic and industrial levels and in terms of human resources.

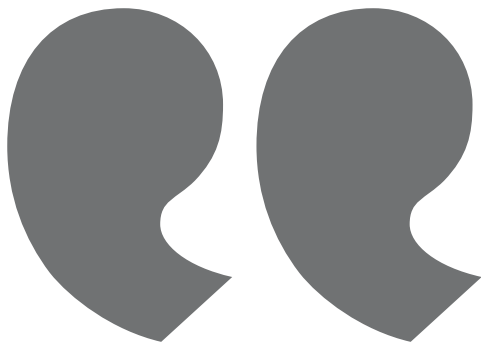
It is with this in mind that we are building an efficient Group that draws its strength from vertical integration, and is solidly focused on Europe but also attentive to the rest of the world. We are striving toward our goals bearing in mind our commitment to respect for others and ethical responsibility, in keeping with our quality public service commitments in France and the Corporate Social Responsibility charter governing our business worldwide. The environmental policy we have adopted aims to limit the footprint of our activities on the natural environment and biodiversity.

We also know that the commitments we make as an industrial group are only valid if they meet society's expectations.

If we are to effectively conserve resources and address global warming, we all must do our part: companies, NGOs and public authorities. We must learn to express ourselves and listen better, and to do away with preconceived notions. The consultations on the EPR in France this summer were an excellent illustration of what can be achieved. The Nam Theun dam project in Laos shows how strong we can be when companies, NGOs and local, national and international authorities work together to promote sustainable development in emerging countries.

EDF has a long-standing commitment to sustainable development

and the wide range of initiatives undertaken in 2006 have demonstrated our determination to become ever more efficient and dynamic in this area. As one of the world's premier energy firms, EDF is doing its share to help the world meet the energy challenges by bolstering investments, improving energy efficiency, acting on a global scale, and motivating all employees to do their part.



Pierre Gadonneix

