

● SOCIAL RESPONSIBILITY

● Social dialogue and div

Fostering social dialogue, continually adapting skills and jobs, and motivating employees with attractive working conditions and career possibilities: these are the main objectives of EDF Group Human Resources.

IMPORTANT AGREEMENTS IN FRANCE

Social dialogue in France led to three Branch-specific agreements (including a long-term one on salaries which is the first of its kind) and 11 company-wide agreements. These include agreements on integration of disabled employees, career-long training, socially responsible subcontracting and the Social Dialogue Agenda. The latter provides greater visibility to partners by outlining the major issues to be negotiated between now and 2008. Another agreement was reached in 2006 on individual assistance provided to employees who are affected by the reorganization involved with full market opening in 2007 (separation of electricity and gas activities and transfer of distribution activities to the Customer Division).

national HR policy. The Council's work on health and safety in the Group's European companies should make it possible to advance on the drafting of Group policy. The committee created in 2006 to track the application of the CSR Agreement (*Comité de dialogue sur la responsabilité sociale de l'entreprise - CRDS*), reinforced and extended social dialogue in the Group companies, including in less traditional areas such as diversity and environment.

A GROUP COMMITMENT TO DIVERSITY

On June 1, 2006, EDF's Chairman and CEO signed a commitment (*La diversité, un atout pour EDF*) to promote diversity of all kinds in the Group. The commitment gives new meaning to actions already undertaken in this area, particularly through various social agreements aimed at gender equality, corporate responsibility, integration of the disabled and strengthening of the social fabric of cities and towns (*Villes et cohésions sociales 2005-2007*, June 1, 2006).

It goes a step further toward diversity, which in fact constitutes a form of wealth and a performance driver for the Group, by seeking to do away with cultural stereotypes and models and by pursuing concrete targets, for example: giving women and employees with diverse backgrounds access to a wider range of positions, including executive positions; drawing on the value of senior employees; broadening career opportunities through work abroad, providing apprenticeships to young people of all horizons, including the disabled.

An awareness campaign was launched at the end of 2006 to carry the message to managers, employees and EDF SA employee representatives. Consultative processes on diversity are a part of the Social Dialogue Agenda (*Agenda Social 2006-2008*), and of the negotiations that will lead to a new agreement on job equality in 2007. Action plans specific to the various divisions have also been implemented. Hiring processes were revised with help from a discrimination



On September 22, 2006, EDF signed a diversity charter (*Charte de la Diversité*) and in December 2006 qualified for a job equality label.

RICH SOCIAL DIALOGUE AT EUROPEAN AND GLOBAL LEVELS

The European Works Council met twice in 2006. Always up-to-date with quality information, the Council is consulted on major Group policy (mainly restructuring plans, mobility, R&D, and environmental policy). It contributes to drawing up inter-



watch organization (*Observatoire des discriminations*). Actions undertaken aim to raise awareness among managers by providing them with information on common stereotypes to be dispelled, and to help curb discrimination. A general review of effective implementation of EDF's diversity commitments is programmed for early 2007.

THE COMPANY'S SEVENTH AGREEMENT ON HIRING THE DISABLED

Concluded in 2006, this agreement attests to the continuity and quality of the company's work to integrate disabled employees in the company. The agreement provides notably for equipping jobs and premises, raising managerial and employee awareness, retaining employees who have become disabled and the periodic assessment of career changes. The ambitious target of hiring 4% disabled employees was almost reached in 2006 (3.8%), particularly with the hiring of employees from EDF apprenticeship programs (27 apprentices in 2006). In 2006, 27 apprentices were hired. EDF will pursue its policy of purchasing from the protected sector, representing a yearly average of €8 million and will finance 50,000 hours of training per year for disabled people outside the company. ●



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Working with seniors

The EDF Group developed a program to hire seniors aged 50 or over, with priority given to the long-term unemployed on special contracts (180 in 2006).

Label Responsabilité sociale

As of today, all the Customer Division's call centers have obtained the new Social responsibility label. This label rewards compliance with a code of social conduct covering all aspects of professional life.

▶ **€8.2
MILLION**
purchased from
the protected sector
in 2006

● SOCIAL RESPONSIBILITY

● Health and safety for employees

For EDF, the health and safety of employees is a major priority. The pillar of the CSR Agreement, the company's policy centers around three major areas of risk: risks linked to EDF activities (electrocution, high falls), work-related risks (road accidents, lifting and equipment handling), emerging risks or delayed effects (chemical risks, psychosocial or musculoskeletal problems). The aim is to design a Group strategy to take into account the wide range of risk situations in the various companies.

THE START OF A GROUP-WIDE EFFORT

The Group focuses on four levers of progress in the area of employee health and safety: reinforcing social dialogue, improving conditions for service providers, sharing of best practice, compliance with the best management reference frameworks covered by OSHAS 18001, SM2S and OHS 2001.

The review undertaken in 2005 in Group companies was completed in 2006. It led to the creation of five indicators common to all. An assessment framework was developed to measure how operational each company's health and safety system is. Cooperation was intense. Several subsidiaries and affiliates in Poland, Hungary and Slovakia called on EDF SA experts to assess their management practices. Cross-divisional workgroups were formed. With regard to electricity-related risks, EDF Energy oversaw the assessment of protective materials, procedures and equipment in each company. Edison supervised the assessment of preliminary processes for the qualification of service providers. A team from EDF SA is in charge of verifying that all employees Group-wide are equipped with the same level of individual protection.

In 2006, the Group decided to improve management methods through: systematic reviews of branches, divisions and services, making available expertise adapted to each business line, a multi-disciplinary approach to risk. It also intends to reinforce dialogue at local levels among managers, "preventers" and doctors in particular, and to improve the quality of social dialogue, especially among health and safety committees (*Comités d'Hygiène et de Sécurité*). ●



Accidents in the workplace and sickleave (2006)

	EDF SA	EDF GROUP
Frequency rate	4.3	N.A.
Degree of seriousness	0.20	N.A.
Number of accidents/1,000 employees	5.69	7.79
Number of fatal accidents/1,000 employees	0.07	0.08
Sick leave/Number of hours worked	8.8%	N.A.

N.A. : not available.

● SOCIAL RESPONSIBILITY
● **Subcontractors**

The EDF Group works with a number of outside suppliers and subcontractors to whom it intends to extend its quality safety and security practices and its ethic of social responsibility. The CSR Agreement stipulates this course of action and rolls it out Group-wide.



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**MAJOR COMMITMENTS
IN 2006**



A three-year agreement on socially responsible subcontracting was signed in 2006 as part of the CSR Agreement. The new agreement guarantees subcontractors and their employees that their work with EDF will take place in the best conditions with regard to employment, qualifications, work and health, security, and an awareness of all risks involved with the activity. Commitments were made to take ethical and socially responsible criteria into account in purchasing and to train and raise awareness among EDF managers and buyers on these issues. Similarly, compa-

nies that hire as part of professional integration programs will be included among suppliers that are invited to bid.

**NUCLEAR SERVICE
PROVIDERS: A CHARTER
APPLIED AND TRACKED**

In keeping with the charter on progress and sustainable development (*Charte de progrès et de développement durable*) signed in 2004 with its service providers in the nuclear field, EDF has pursued its efforts to improve security and renew the skills sets of its employees, as well to ensure the foreseeability of demand by

working with companies to plan their load charges. A system by which employees can post proposals was set up in order to generalize best practice at all sites.

In all of the company's nuclear plants, the intercompany safety and working conditions commissions (*Commissions Inter-Entreprises sur la Sécurité et les Conditions de Travail*) created under the charter led to nearly 800 moves to improve risk prevention (awareness campaigns, feedback processes etc.), radioprotection (dosimetric monitoring of temporary workers, medical visits and monitoring of population most at risk) and living and working conditions. ●



**The Purchasing Division:
directly involved**

The Purchasing Division developed a sustainable development charter between EDF and its suppliers, which it proposed to about twenty of the companies under contract with EDF. This text, which is to be presented to all new suppliers or when existing contracts are renewed, is available online at www.edf.com.



**UK: coal suppliers join
the Global Compact**

EDF Trading, which supplies EDF Energy with imported coal, committed to ensuring that its suppliers adhere to the United Nation's Global Compact principles which aims at guaranteeing best practice with regard to human rights, labor conditions, environmental protection and the fight against corruption.

● SOCIAL RESPONSIBILITY

● Employment management

The opening of the electricity market and the new momentum of industrial investment requires the expansion and renewal of skills sets to replace thousands of engineers and technicians who will soon be retiring. While pursuing its efforts in the area of productivity and reorganization, EDF must more than ever look at how it will manage job creation, attract new talent and foster internal mobility.

LOOKING AHEAD

In France, EDF is pursuing future studies on sixteen key skills sets. The approach thus far has enabled the company to make a certain number of decisions with regard to future hiring, training, internal mobility and, in some cases, outsourcing. In 2006, the average rate of turnover was one employee hired for every three that retired. The rate should be about 50% in the coming years.

All Group companies are addressing the issue of hiring, such as EnBW with Topfit and Edison with Mirror, so as to best reconcile improved performance and to meet the need for new talent.

TRAINING

Training is a key way to foster professional mobility and develop desired skills in line with EDF's Industrial Project. An agreement concluded in 2006 on professional training gives employees the possibility to further their education through a number of initiatives including the right to 20 hours per year of training, which can be accumulated over a six-year period. Another objective is equal access to training, with special attention given to women, employees who have not followed any form of training for three years and disabled employees.

DISTRIBUTION, SALES AND MARKETING: THE CHALLENGE OF REORGANIZATION

In view of the market opening in 2007, no less than 10,000 employees have been affected by the dissociation of electricity and gas activities on the one hand, and the separation of distribution and sales and marketing on the other. These employees saw changes to their working conditions and environment: changes of career, of workplace, of branch and division etc. At EDF, 68 call centers were transferred from distribution to sales and marketing and 5,300 employees from distribution joined the sales and marketing teams at these centers on January 1, 2007. A team bringing together members from distribution and from sales and marketing determined the skills and training needed. Career paths were revised.

 **The online job marketplace GEO (Group Employment Opportunity) facilitates internal mobility internationally; it published 130 job offers and makes available over 1,200 CVs.**

EDF building the future: a Franco-German program for nuclear

Eleven young engineers from France and Germany, recruited to work in the nuclear sector, spent one year in training and will spend another three working in a nuclear plant in their country of origin (Cattenom, Dampierre, Flamenville and Fessenheim plants in France, Philippsburg and Neckarwestheim in Germany).

Brazil

In Brazil, when Light was disposed of in 2006, employee representatives were informed regularly of progress in the negotiations. The buyer extended the CSR Agreement and made social commitments for three years.



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GENERATION AND ENGINEERING: AN ISSUE IN ITS OWN RIGHT

Renewing the skills of generation and engineering teams, of which over 40% of existing employees will have retired by 2015, is a major issue. This is all the more true because these jobs require long training periods, from one year for maintenance technicians to four years for a nuclear plant operator. To address these retirement departures, EDF is relying on a management plan for skills and jobs that includes training, internal mobility, and hiring focused on the company's core businesses. Part of the recruitment should be met through apprenticeships. Indeed, EDF gives precedence to filling available positions at all levels with its apprentices. At the end of 2006, over 1,700 young people were on work and training contracts (mainly apprenticeships). EDF intends to raise the number to 3,000 by the end of 2008.

ASSISTANCE IN A TIME OF RESTRUCTURING

During industrial restructuring, EDF complies with the principle of employee support initiatives as defined by article 6 of the company's CSR Agreement. To compensate for the shutdown of the Creys-Malville plant, EDF participated in a local revitalization plan, backing service providers, personalized assistance to employees, contribution to a revitalization fund for the creation of jobs locally etc. A survey conducted in June 2006 showed that 1,121 jobs were created (79% of the target) and 171 maintained (57% of the target). ●

▶ Distribution and sales and marketing challenge: key figures

28 million electricity contracts	2.5 million residential changes of address/year
10 million gas contracts	120,000 hours of training provided
130 million invoices billed/year	5,900 people joined sales and marketing at EDF, of which 5,300 from distribution
26 million incoming calls/year	
8 million face-to-face contacts	
2 million letters/year	