

● THE SOCIAL FABRIC

● Responsible partnering

While preparing for full market opening in France, EDF is remaining faithful to its deep-rooted commitments to local populations and authorities as laid down in the Public Service Agreement, revised in 2005.



EDF Médiathèque – Philippe ERANJIAN

REORGANIZATION OF LOCAL CUSTOMER CENTER NETWORK

Just how local EDF distribution is can be measured first and foremost by its availability and reaction time: EDF can be reached 24/7 and its teams repair breakdowns anywhere on the network very quickly. In the event of extreme weather, EDF mobilizes its electricity Rapid Intervention Force. All local authorities have their specific contact at EDF. In 2006 the company signed, alongside the French government, local authorities and such partners as the French postal service, a charter to promote "joint" public services or remote access in rural areas.

SERVICES ACCESSIBLE TO ALL

EDF endeavors to adapt its services to all forms of disability. Invoices and new customer booklets written in large characters or Braille are available, for instance, as is an online service for the hard of hearing, E-Sourds in France. The Internet portals www.edf.com and www.edf.fr have been set up or revamped in the same spirit.

▲ William Meignin, Head of Pantin Habitat, and Josyne Genne, EDF's Head of Development for Paris and the Ile-de-France region, on site in Courtilières, France

RENEWED COMMITMENTS TO VULNERABLE NEIGHBORHOODS

EDF signed an agreement with the government aimed at strengthening the social fabric of cities and towns. The agreement outlined a plan of action in vulnerable neighborhoods until 2007 and provided for €8 million in financing. Any new facility in an area officially classified as an underprivileged urban zone (*Zone urbaine sensible* – ZUS) is subject to an assessment of its degree of adaptation, taking into account such factors as customer interface and partnerships with centralized public service centers or associations that are active in information and social mediation centers (*Points d'information et de médiation sociale* - PIMMS) or residential service centers (*Points Services Particuliers* - PSP).

The agreement focuses on three main areas: support for social mediation, active participation in urban renovation (networks, energy savings, etc.), hiring of young people from vulnerable neighbor-



Virtual reality at the service of accessibility

The tools and skills developed by EDF to simulate works in its power plants also serve to test accessibility to various kinds of facility. Thanks to virtual 3D modeling of people in wheelchairs, the city of Rheims was able to assess its plans for renovation of the Cathedral square in terms of accessibility.

at local levels



WILLIAM MEIGNIN
Head of Pantin Habitat

We are doing more than using different renewable energies in the Courtillières neighborhood... With support and advice from EDF, we have set up a living, upgradeable and sustainable energy system. The backbone comprises geothermal, solar thermal and photovoltaic systems and pellet boilers. No fewer than 250 simulations were conducted to select those solutions offering the lowest overall price while guaranteeing the cheapest energy based on our needs. For instance, the small pellet boiler will be used for peak consumption. The basic idea is that we can meet our own needs via energies that are not indexed to oil prices. It is a sort of regional independence, if you will! The overriding goal is to assure that our renters pay lower fees that are constant over time.

hoods (10% of hiring in the units concerned, 3% on apprenticeship or professional training contracts at EDF in 2006).

PARTNERSHIPS ON THE GROUND

The 2006 creation of a Local Development Market arm under the Customer Division aims at better responding to the expectations of local authorities and social actors. EDF assists them in their projects of sustainable development, whether on the scale of a town, a neighborhood or an apartment building.

In the Grenoble area, EDF contributed to a community climate plan aimed at raising the area's share of energy consumption from renewable sources from 8% to 21%. EDF will conduct an energy assess-

ment of the administration's buildings and track and communicate the plans for optimizing consumption. Neighborhood climate workshops will be able to use EDF R&D's Silene simulator to assess their own energy consumption and planning. EDF will promote low energy light bulbs.

In the Courtillières neighborhood of Pantin, EDF is cooperating with the town and Pantin Habitat public housing authorities to renovate three buildings with a total of 1,500 apartments. Goal: to reduce CO₂ emissions while improving tenant comfort and bringing down their bills. 36% of the tenants are currently living below the poverty line. EDF is financing a study on how to integrate renewables. Its *Montant de Charges* offer guarantees a reduction of 17%. Thermal solar panels will supply hot water for home use while photovoltaic panels will provide electricity for the common areas. Heating will be provided through heat pumps, geothermal probes, and a log heating system.

The Regional Council of the Provence, Alps and Côte d'Azur region and the city of Valbonne designed Valbonne high school as a showcase of energy efficiency. It is situated so as to best draw from the sun's rays, reducing the need for heating and lighting. Water is heated partly using solar thermal and partly using integrated photovoltaic panels (6,500 W with a potential for 24,500 W). EDF advises the delegated contracting party, and proposed a feasibility study to optimize the investment in and scope of the renewables.

CONTRIBUTION TO LOCAL DEVELOPMENT

Communities near power plants draw significant economic advantages, especially in terms of tax benefits, employment and local trade. As part of a more deliberate contribution, EDF and nuclear plant operators have participated since 2000 in development in the Meuse and Haute Marne departments of France, where it has set up the Bure radioactive waste research laboratory. These efforts now come under a law with four objectives:

- Turn these departments into models of energy savings. EDF launched a special product offer for the renovation and construction of housing (*Propriétaires occupants*);
- Make them the reference for a new renewables offer using biomass. Four wood gasification units are under study;
- Promote local industries, metal works in particular, by facilitating their access to EDF invitations to bid;
- Support the setting-up of companies. EDF contributed to creating 155 jobs and is planning to transfer archives to Bure. ●

STRUCTURES FOR SOCIAL MEDIATION IN FRANCE

	2002-2004	2005	2006 (+ those in planning phase)
Information and social mediation (Points d'Information et de Médiation Sociale – PIMMS)	11	14	21 (+ 14)
Service to residential customers (Points Services aux Particuliers – PSP)	15	11	16 (+ 10)
Other non-affiliated structures	9	11	13 (+ 5)

● THE SOCIAL FABRIC

● Access to energy

Energy, especially electricity, is an essential commodity. Lack of access can lead to exclusion: social exclusion for customers in difficulty and economic exclusion for developing countries. To promote access to electricity among the energy poor is to contribute to social cohesion in developed nations, and to sustainable development in emerging countries.



EDF's goal: accompany the development of 100 social mediation structures

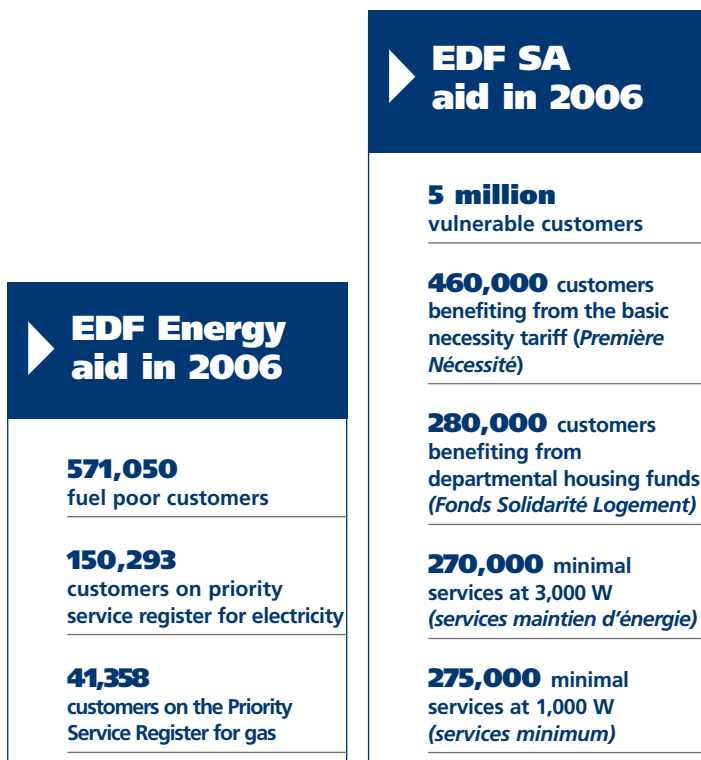
FAITHFUL TO PRINCIPLES, ADAPTATION OF STRUCTURES IN FRANCE

Already a part of the Public Service Agreement, the EDF Group's action in favor of customers in difficulty is also a priority aspect of the CSR Agreement, according to the committee for socially responsible dialogue (*Comité de Dialogue de Responsabilité sociale* - CDRS). In its 2005 CSR review, the committee emphasized the need for specific training of sales teams in terms of customer relations with this population.

FOUR MEANS OF SUPPORT IN FRANCE

- Prevention of electricity debt, notably through "solidarity correspondents", "solidarity interlocutors" and "social mediators" and a toll-free number, 0 800 65 03 09, accessible 24/7.
- A 3,000 W minimal service (*maintien d'énergie*). If no contact has been possible with the customer, another 1,000 W service (*minimum*) avoids complete cut-off in case of unpaid bills.
- Contribution to departmental public housing funds (*Fonds de Solidarité Logement*) which pay part of the electricity bill. In 2006, EDF's contribution went beyond the €20 million provided for in its original commitment.
- A special basic necessity tariff (*produit de première nécessité*) for households with incomes under €460/month.

Market opening in no way compromises this approach: EDF Energy, which has been operating in an open market for twenty years, has excellent know-how in this area. In France, since the dissociation of distribution on the one hand and sales and marketing on the other, responsibility for these issues falls to the latter. They now have a national consumer service (*Service National Consommateur* - SNC) and specially trained regional teams. The distribution teams have nevertheless maintained an indispensable role in listening to customers and alerting the company to their difficulties. EDF reinforced its involvement further in over 50 social mediation structures, enabling a total of 15,000 customers to benefit from mediation in the home. The company aims to contribute to the development of 100 such structures.



Energy Assist, Energy social tariffs

Supporting the British government's initiative to eradicate energy poverty by 2016, EDF Energy was the first supplier to exempt vulnerable customers from price increases in January 2005. In April 2006, the company launched Energy Assist, which offers fuel-poor customers a 15% price reduction for one year and 10% the following year. 57,000 customers benefit from these tariffs, of which 20,000 are equipped with pre-pay power meters.

LONDON WARM ZONE: A CORPORATE COMMITMENT

Created in 2001, EDF Energy's London Warm Zone is tackling the challenges of climate change and energy poverty. Sales teams meet individually with potentially energy-poor families. The program aims to boost energy comfort and savings at the same time. In 2006, London Warm Zone expanded to include seven new neighborhoods.

Since 2001, EDF Energy has assessed the situation of 100,000 households and helped 16,000 of them reduce their consumption, particularly with the installation of central heating systems and improved insulation. This investment in energy saving (£8 million) has led to a savings of 216,000 MWh and reduced CO₂ emissions by 93,000 t. In addition, the program's advisors were able to help these vulnerable customers claim £750,000 in aid. ...

▼ Since 2001, London Warm Zone advisors have helped 16,000 households better control their energy consumption.



NIGEL TURNER

Deputy Director of London Warm Zone

The London Warm Zone (LWZ)¹ began in Newham where a Government-backed pilot project ran from 2001 to 2004. It was established by the UK government to find more effective ways of meeting its fuel poverty² strategy target - to alleviate fuel poverty for "vulnerable homes" by 2010 and all homes by 2016.

The key part of the scheme is the multi-lingual, highly skilled and trained assessment team who visit households in designated areas to determine and access their energy-related entitlements; whether that is benefit payments or energy efficiency measures such as heating, loft or cavity wall insulation.

The most difficult part of this project is keeping everyone happy: we deal with Warm Zones Limited, our supporters, Councillors, politicians, the partnering London boroughs, scheme managers, contractors and the individual customers - but that's what we believe makes us so unique! And my best gift is somebody telling me: "It makes such a difference to have a cosy house without having to struggle up the stairs with coal!"

Our proudest achievement was winning the West London tender. It demonstrated that we could replicate the good work delivered in East London. It also shows that LWZ are increasingly seen as a credible project management team with the ability to deliver wide and varied programs to help the vulnerable and fuel poor."

¹ LWZ is part of Warm Zones limited (WZL), a not for profit company wholly owned by the charity National Energy Action (NEA).

² The official definition of fuel poverty is "where a household has to spend more than 10% of income on all fuel to maintain a satisfactory heating regime".



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THE SOCIAL FABRIC

Access to energy

... PARTNERSHIPS IN DEVELOPING COUNTRIES

In rural areas far from the grid, the Access program for access to energy promotes the creation of decentralized energy services companies that supply families and economic activities. In peri-urban areas, the program focuses on energy efficient solutions. At the end of 2006, EDF was participating in four rural programs in Mali, Morocco and South Africa:

Partnership with Care

The very first concluded at Group level, focused on access to energy policies in Mali and South Africa. Another program to combat AIDs with the KAES decentralized energy service company in Kwazulu Natal was also initiated.

Support for *Électriciens sans frontières*

Électriciens sans frontières employees support development projects through access to energy and water in rural areas of West Africa, Madagascar and Asia. In 2006, they conducted 90 operations to provide energy, train electricity and ensure emergency relief (Pakistan, South Lebanon, and African hospitals at the request of *Médecins sans frontières*). In 2006, 800 volunteers, mostly active or retired EDF employees, contributed 4,000 days to these operations. To make it easier for employees to contribute in this way, EDF allows them to take extra time (450 days in 2006) while not losing out on their salary.

30,000 customers (representing 260,000 people) were connected to the grid. Another 60,000 customers (representing 350,000 people) benefit from the peri-urban electricity program in a township in South Africa. EDF is also pursuing its work in Morocco alongside Total with their joint subsidiary Tenesol, specialized in solar photovoltaic. Tenesol supplies 60,000 households through the Moroccan electricity bureau (*Office National de l'Électricité*). A pilot program of photovoltaic pumps is being tested in these same villages.

As a member of the E8, which gathers together the major electricity companies from the G8 countries, EDF has contributed to a number of the organization's projects: a hybrid wind-power/diesel plant in the Galapagos islands, rural electrification in Kenya, desalination of seawater and wind power in Tunisia and small hydro in Nicaragua and Madagascar. With Ademe, EDF tested new forms of

North-South experience transfer and promoted South-South transfer as well, for instance among rural electrification agencies in French-speaking Africa. With the France-based world energy foundation (*Fondation Énergie pour le Monde*), EDF is heading operations in Laos, Burkina-Faso, Senegal and Madagascar... EDF and Ademe are also working with the Nicolas Hulot Foundation to create a community heritage area (*Aire du Patrimoine Communautaire*) in Senegal. Partnership with Care, the very first concluded at Group level, focused on access to energy policies in Mali and South Africa. Another program to combat AIDs with the KAES decentralized energy service company in Kwazulu Natal was also initiated.

FIRST YEAR OF WORKSITE AT NAM THEUN

EDF's 2005 annual report presented the Nam Theun dam project (1,080 MW) in Laos, a major undertaking in terms of sus-



Shedding light on education in Senegal

Électriciens sans frontières is partner to Proares, a program supporting education in Senegal that aims to improve living and working conditions for teachers in 91 remote villages in the Saint-Louis and Matam regions of northern Senegal. The three-year project is being carried out in partnership with Senegal's Ministry of Education, professional training centers and parent-teacher associations. The French Ministry of Foreign Affairs is contributing €284,000. *Électriciens sans frontières* has undertaken the photovoltaic electrification of the schools and health center in the 50 most remote villages as well as technical training on the installation and maintenance of photovoltaic systems.



tainable development in Laos but also for Thailand, which will be the main buyer of the electricity generated. With EDF as contractor and part-owner (35% of Nam Theun 2 Power Company – NTPC), the worksite began in early 2006, taking into account, as planned, the impact on local populations and supporting an exceptional environmental conservation project. Over the duration of its 25-year concession, \$160 million (13% of the project's cost) will go to socio-environmental measures. Local dialogue with international NGOs continued on social (IRN) and environmental (Wildlife Conservation Society) issues. The worksite is widely visited by NGOs, journalists, international organizations, fund providers etc.

The worksite contributes to local economic development: over 6,000 people work at the site, of which nearly 80% are Laotians. Close to \$100 million in revenue will go to the Laotian subcontractors. Thirteen villages are being built. At the end of 2006, nearly 600 households had moved to their new villages where they benefit from improved living conditions (roads, drinking water, schools, health services) and a program of agro-ecological development. Areas have been set aside for fishing, herding and agriculture. Plans for limiting impact on water and wildlife are being rolled out. Since 2006, an agency dedicated to preserving the catchment area (*Agence de préservation du bassin versant*) is present in the field. ●

▶ **30,000**
customers
connected to the
grid thanks to
the Access rural
electrification
program

▼ Nam Theun Dam construction site, where 2,500 people work, of which 80% Laotians.

