

A RESPONSIBLE approach



DR



EDF's overall sustainable development policy revolves around the Agenda 21, which the Group adopted in 2001 at the same time as it was committing to the Global Compact. Specific Group policies set out targeted priorities and objectives. The Group is continuing to roll out its Environmental Management System and to uphold its formal commitments to acting responsibly toward stakeholders. Group employees are more and more motivated by this issue.

FORMAL COMMITMENTS

EDF reworked its environmental policy in June 2005 and set Group priorities in this area: low-emissions electricity generation, development of renewable energy, energy efficiency services, controlled environmental and health impacts, protection of biodiversity, investment in research, dialogue with stakeholders and informed employees. A year later in 2006, a biodiversity policy was drawn up. In France, the national conference on the environment (*Grenelle de l'environnement*) in 2007 brought these same issues to the fore nationally, enabling the Group to reaffirm its choices. Quantitative targets with regard to climate change are currently being defined and adopted.

The corporate social responsibility policy adopted in 2007 lays down Group commitments in three main areas:

- > Facilitate access to essential energy services for the vulnerable,
- > Work closely with partners and local authorities in support of local projects that reflect Group strategy,
- > Expand education and awareness, especially with regard to energy savings, and support work-study programs.

These Group policies take the form of action plans in each branch, division, subsidiary or affiliate.

GROUP ETHICS

In 2007, the EDF Group bolstered its approach to ethics. A clear, practical new reference manual, the Handbook of Ethics, was rolled out across EDF. This handbook presents the company's principles of action and provides guidelines for each and everyone based on Group values. The Group values themselves were communicated to all units in the form of brochures and posters and thanks to ethics representatives.

Following the series of painful events at the beginning of 2007 in France affecting life at work, including the suicide of an EDF employee from the Chinon power plant, executive management created a workplace observatory on quality of life in the workplace (*Observatoire national de la qualité de vie au travail*) that brings together specialists, managers and social partners. A number of measures in favor of local management were taken and implemented. Ethics representatives were entrusted with ensuring that Group values are respected on the ground. A free, confidential, experimental hotline was created for six months and for 30,000 employees.



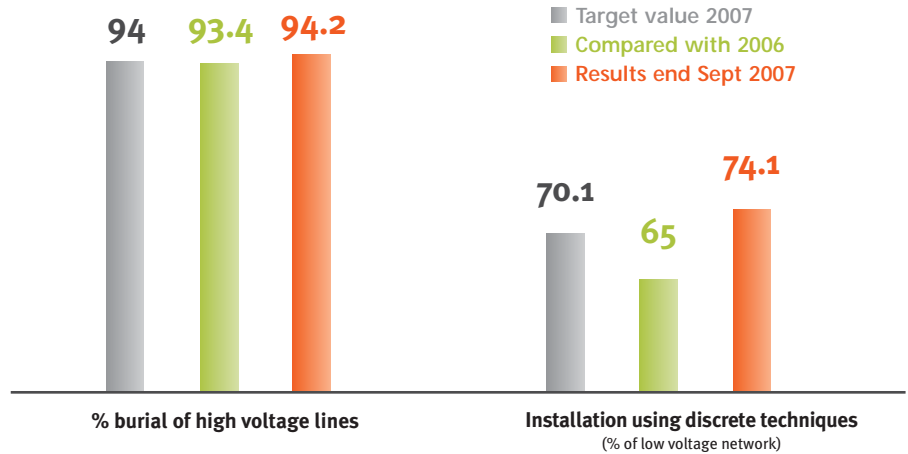
Group values

- > respect for individuals,
- > environmental responsibility,
- > striving for excellence,
- > a commitment to the community,
- > the necessity of integrity.

Publication

in 2007 of Kogeneracja's ethics principles in Poland.

 **CSP RESULTS FOR THE DISTRIBUTOR**
ERDF AS OF JANUARY 1, 2008



Eco-responsible Exhibition stands

The Communication Division uses eco-responsible exhibition stands: eco-certified wood, low-energy light bulbs, recycled paper, and organic or free-trade products. This initiative earned the Division ISO 14001 certification during the 2007 Pollutech trade fair.

EDF GROUP ENVIRONMENTAL MANAGEMENT SYSTEM

Certification

The certification process was launched in 1999 with one option: a single ISO 14001 certificate for all of EDF, a guarantee of consistency. Obtained in April 2002 and renewed for three years in April 2005, the company's ISO 14001 certification pays tribute to its commitment toward the environment. With certification of the distributor in 2007, EDF is now ISO 14001 certified in its entirety. The second renewal of Group certification is expected in April 2008.

EDF Energy, the six Polish generation subsidiaries and affiliates, the SSE companies in Slovakia, BERT and Demasz in Hungary, Figlec in China, Norte Fluminense in Brazil and the generation facilities of Fenice in Italy, Poland and Spain have all been ISO 14001 certified. In 2007, EDF Trading Logistics, Sodetrel and Mecos in Vietnam obtained or renewed certification. EnBW (46.07% EDF owned) obtained certification for its main entities, covering most of its personnel. All of Edison's generation facilities obtained environmental certification and are also security certified.

Environmental Management Program (PME)

The Group formalized entity action in an Environmental Management Program (*Programme de Management Environnemental* - PME) that reflects the ten objectives set down in its environmental policy. These actions are monitored by the environmental management system Steering Committee. A significant portion of EDF's employee profit-sharing is indexed on the achievement of the targets outlined in the Program.

CONTRACTUAL COMMITMENTS

Corporate Social Responsibility Agreement

The CSR agreement was concluded with social partners in 2005 for all activities worldwide. The global Committee for Dialogue on Corporate Social Responsibility (*Comité mondial de Dialogue sur la Responsabilité Sociale du Groupe* - CDRS) reported on the agreement's rollout. Given the substantial progress made, the partners extended the agreement for one year, until January 2009. The CDRS also retained CSR priorities for 2007, namely: fighting discrimination (§ 5), measures for vulnerable customers (§ 9) and employee profit-sharing (§ 7). Best CSR practice among Group entities was widely shared through Group intranet and the Sustainable Development Awards showing actions undertaken and results achieved in these areas.

Public Service Agreement

Signed in 2005, the Public Service Agreement (*Contrat de service public* - CSP) represents the sustainable development commitments

FOCUS ON

REGULATED ACTIVITIES

So that public transmission networks better blend into local landscapes, RTE sometimes buries new power lines. Because of changing costs and the techniques involved, this solution is more viable financially for high voltage lines. In 2006, RTE buried 36% of new high voltage lines. RTE can also bury certain sections of the existing high voltage network as part of an agreement with regional authorities to co-finance the works.





Combined-cycle gas turbine plant at Altomonte. All of EDF's generation facilities have been awarded environmental certification.

made by Group entities, EDF (of which the distributor, ERDF as of January 1, 2008) and RTE EDF Transport SA, towards the French government. The Agreement sets several priorities: security of supply, safety and security of facilities, rural and urban planning, inflation-based residential tariff increases, climate change mitigation, protection of the environment, national solidarity, tackling exclusion, and quality local service.

MANAGERIAL RESPONSIBILITIES

The Sustainable Development Division monitors EDF's commitments and ensures coordination and reporting on initiatives undertaken. It also assists other branches and divisions of EDF and Group companies with implementing these commitments. The Commitments and Shareholdings Committee assesses investment projects against an analytical grid comprised of sustainable development criteria. Similarly, reporting by Group companies includes a section on sustainable development.

EMPLOYEE AWARENESS AND MOBILIZATION

In 2007, the Group-wide Sustainable Development Awards inspired broad employee mobilization on sustainable development issues.

In France, EDF launched Action Planète, an in-house information and awareness campaign on everyday energy savings for the planet.

The program included special offers: energy efficient lamps, refrigerators and freezers, and assistance with certain renovation work. In the UK, a dedicated team has been steering the Sustainable Future initiative since June 2006, while the Corporate Responsibility and Environment Panel, comprising operating managers, provides insight from the field on sustainable development strategy and how to implement it.

TRANSPARENCY

The EDF Group publishes indicators of its impact and assessments of its environmental, social and societal performance in its yearly Sustainable Development Report. In 2005, Statutory Auditors began progressively checking the quality of environmental and social indicators. In 2007, the Sustainable Development Division hoped to achieve a higher level moderate assurance. The EDF Group Sustainable Development Report is posted on the edf.com website along with a wealth of additional information.



2007
Sustainable
Development
Awards
EDF GROUP

The 2007 Sustainable Development Awards (first edition 2004) sparked wide mobilization throughout the Group: over 600 concrete projects, of which 200 from outside France, focused on saving energy, protecting the environment, renewables, community involvement, access to energy, social insertion, integration of the disabled, etc. The branches and divisions eventually narrowed their submissions to 56 projects which were then presented to a jury composed of Group top executives and international experts. Twenty one projects won awards.

