

A photograph of a woman with long dark hair, wearing a black top, looking at a document held by a man in a white shirt. They are in a customer relations center. The background shows wooden lockers and a window with a plant.

Faced with aggressive competition at European level and engaged in a strategy of industrial and sales and marketing development, the EDF Group must consolidate and attract talent. Its human resource policy revolves around three main components: adapting employment and competencies, mobilizing employees and promoting workplace dialogue. This relies on the principle of subsidiarity and on adapting to local contexts as well as to the specific needs of various businesses, with the goal of sharing best practices throughout the Group.

ADAPTING HUMAN RESOURCE POLICY



MANAGING EMPLOYMENT and competencies



In a competitive environment with the need to revitalize new investment, EDF is broadening and renewing its scope of competency. The issue is to anticipate the large number of employees that will be retiring in the next few years from professions requiring a high level of technical skill.

14,000
employees to be
recruited by EDF
in five years

When distribution activities

were separated from sales and marketing, 5,800 people were transferred from distribution agencies to customer service centers.

FOCUS ON

In a context of worldwide nuclear relaunch while being faced with the retirement of 40% of its generation and engineering collaborators, EDF is increasing and strengthening its competencies in the area of nuclear generation and plans to hire 500 engineers annually over the next five years. In November 2007, Energy Day attracted 1,000 engineering students to meet experts in the different fields of generation. A total of 350 internships were proposed.

OUTLOOK AND HIRING

In 2006, EDF began establishing prospective programs in order to foresee its need for competencies in each of its businesses. In France, in a context characterized by a large number of recent retirements, EDF was able to optimize its resources, increasing jobs in certain fields and reducing them in others. A new policy of recruitment was launched in 2007. It aims to recruit the leaders of tomorrow, acquiring a high level of skill and talent that reflects the diversity of society and EDF customers. To attract this talent, EDF has launched external communication campaigns that put forth EDF employer branding: a press campaign on the theme of less CO₂, the creation of a dedicated website *edfrecrute.com* and specific operations aimed at engineering schools. EDF is also helping subcontractors and service providers renew their competencies. Many of these subcontractors and service providers signed agreements to recruit interns who complete EDF's internship program.

DYNAMIC MOBILITY

In 2007, in-house mobility involved 23,000 EDF employees, 25% of which actually changed from one line of profession to another. These changes advanced career paths while responding to the needs of the company which is running an "oriented mobility" program with clear objectives according to branches and divisions. When changing lines of profession, employees benefit from substantial professional training and assistance such as finding housing and employment for spouses, etc. Meet the Businesses sessions are organized in various regions to detect and motivate employees who might evolve toward technical careers. An employment mobility information system (*Système d'Information Emploi Mobilité* -

SIEM) was created in 2007 to offer employees information on employment opportunities within the company and to give EDF entities greater visibility in this respect. A similar tool, Geo for Group Employment Opportunity, exists for international mobility.

TRAINING

Training by business sector

Because training is a major asset to the employment policy, training measures were reorganized around the Group's principal business activities: Generation, Distribution, Sales and Marketing and, in France, Management and the National Expertise Structure. Goal: to respond to each area's specific challenges and to more closely involve managers and employees. Apprenticeship is also a tool used for renewing competencies and EDF is increasing its efforts in this area (*see page 58*).

A focus on security

Security is central to many of the training programs in France and internationally. In 2007, a day-long conference concerning the issue of security in Bratislava was organized for the leadership of EDF's subsidiaries and affiliates in the Central and Eastern European countries (CEEC). The conference foresaw a new era of dynamic sharing of the issue. In Germany, the EnBW Academy organized 99 technical training sessions in 2007, in which 1,743 trainees participated, with 92 training sessions focusing on security attended by over 1,300 participants. In the UK, EDF sponsored engineering students through the Power Academy, an initiative aimed at promoting the talent of the future.



WORKING conditions



Preserving the health of employees and guaranteeing their safety is an employer's duty and an EDF Group priority worldwide. Moreover, working conditions are an indispensable basis for employee motivation and adherence to Group culture. This applies not only to EDF employees, but to suppliers and subcontractors as well.

EMPLOYEE HEALTH AND SAFETY

A common priority

Efforts undertaken over the last several years to guarantee employee health and safety are part of what has enabled Group companies to maintain their high level of excellence. The low frequency of work-related injuries at EDF, under four (3.8 in 2007), testify to company commitment in this area. Indeed, EDF rates among the top companies in France and the best electricity companies in Europe. The degree of seriousness has also remained stable. Injury frequency rate at Edison (including Edipower), also below four, is improving markedly, though the degree of seriousness was slightly affected by a serious employee accident at the hydro plant in Valteline.

In 2007, Group entities drew up basic shared principles aimed at strengthening dialogue, making progress with subcontractors, drawing

inspiration from best practices, seeking to conform to the highest standards: OSHAS 18001, SM2S and OHS 2001. Progressing even further, they are continuing to deploy shared indicators and to compare their health and safety management systems.

Management has a key role in this area and is therefore involved in a large number of campaigns to raise awareness and prevent risks. In Slovakia, after its 2006 analysis, SSE organized managerial awareness sessions: role of management in prevention, safety reviews, risk assessment, work preparation, etc.

Sharing best practice

Working groups gathered in 2007 to share best practice Group-wide. The EDF Energy team presented its thinking on protective materials, procedures and equipment employed by each company against electrical risks. The Edison team examined the procedures in use by the companies

SSE:

drafted an electrical risk reference guide for distribution to all employees in early 2008.

Kogeneracja

participated in the EDF Group "Safety Challenge" in October, 2007.



? UNDERSTANDING

The Charter on Progress and Sustainable Development signed with nuclear subcontractors.

This charter, signed in 2004, strengthens the partnership between EDF and its subcontractors and provides notably for concrete measures to foster good working conditions, safety, radioprotection and training of outside help. An intercompany safety and working conditions commission (*Commission inter-entreprises sur la sécurité et les conditions de travail* - CIESCT) was created in each plant to improve conditions for subcontractors.

In 2007,

an in-depth review was conducted in the Polish, Hungarian and Slovakian entities and plans of action on improvements were implemented.

600 participants

attended a risk-prevention conference, linked to falling and electricity, at the Belleville nuclear plant in France.



MÉDIATHÈQUE EDF - LAURENT VAUTRIN

EDF works with service providers to jointly develop training programs. Here, the nuclear power plant at Gravelines.

for pre-qualification of subcontractors and drafted operating recommendations. The EDF team's work on individual protection led to the adoption of common uniforms through a purchasing pool.

Preventing health-related risk

In keeping with the CSR agreement, the principles of preparation for a pandemic crisis were approached at Group-level. Thus the individual company's plans of action will be guided by a common ethical framework, consistent sanitary precautions for employees, organizational issues, and employee awareness while taking into account the policies laid out by each country where they operate.

CONDITIONS EXTENDED TO SUPPLIERS AND SUBCONTRACTORS

A charter signed with nuclear subcontractors

In keeping with the Charter on Progress and Sustainable Development signed with nuclear subcontractors in 2004, several initiatives were launched in 2007: definition of indicators, drafting of a specific charter to be signed by each sub-contracting company, integration of social criteria in contracts, standardization of recourse to other companies or foreign employees. An intermediate review in 2007 underscored signatory satisfaction with the initiatives underway and with their progress.

Concrete progress

The three-year agreement of 2006, concerning socially responsible subcontracting, guarantees subcontractors and their employees that they

FOCUS ON

Sanitary expertise

EDF's Medical Advisory Council (*Conseil médical d'EDF*) brings together experts in toxicology, medical biophysics, immunology, public health, workplace health and bioethics. It is consulted regularly.

EDF's Medical Research Department (*Service des études médicales*) also contributes to improving Group understanding of sanitary issues. In 2007, the service notably carried out a study on the effects of formaldehyde, a frequent pollutant of indoor air, and identified practical measures for treating high risk patients.

will be able to work under the best of conditions, qualifications, health and safety, with a full understanding of any risks involved. This agreement led to a number of concrete initiatives in 2007. In terms of working conditions, the Fossil-fired Generation and Engineering Division implemented tools for surveying subcontractor perceptions. The distributor deployed a plan of action to verify working conditions.

DIVERSITY AND GENDER EQUALITY

Corporate commitment

On June 1, 2006, EDF's Chairman signed *La diversité, un atout pour EDF*, a commitment to promote diversity in all its forms. Thus the EDF Group set several priorities, particularly a more open approach to hiring high level executives, giving greater value to career paths by apprenticeship and integrating seniors, with special efforts in certain areas of business.

Achievements

A series of training and awareness workshops on living with and managing diversity, *Vivre et gérer la diversité*, began in September 2007. The workshops are intended to help strengthen employee and manager understanding of the stereotypes and preconceived notions detrimental to diversity, and to provide points of reference for everyday awareness. The objective is to train 14,000 people by December 2009.

The results of the three-year workplace equality agreement signed in July 2004 showed:

- a reduction in the wage gap, from 4.9% in 2002 to 1.7% in 2006, with women

WORK-RELATED INJURIES AND ABSENTEEISM

	EDF	Group (excluding EDF Trading and Synergie)
Injury frequency rate	3.8	6.3
Degree of seriousness	0.19	nd
Number of injuries	516	1,495
Number of fatal injuries	8	15
Hours missed/hours worked	4%	nd

advancing by more than five points on average over three years thanks to specific advancement programs for them:

- women have accounted for more than 30% of new hires every year since 2002, and made up 24% of total staff in 2006 versus 22.5% in 2002.

In December 2007, a second four-year agreement was signed concerning workplace gender equality. It also encourages a better balance between professional life and private life. Cooperation between generations is encouraged and developed through work-study programs where the mentors provide guidance to their interns.

Integrating disabled employees

EDF's seventh three-year agreement (2006-2008) on corporate integration of disabled people strengthens tools for integration at all steps of the career path: periodic job reviews, consideration of adapted targets, particular attention to training and mobility, accommodation of workstations and office space, awareness of coworkers and management and safeguarding employment. Several simulations were organized in 2007, for instance at EDF headquarters in the spring and later at EDF R&D at Chatou.

Integration of people with disabilities:

- > In Poland, EC Kraków signed its first social agreement in June 2007
- > In Slovakia, SSE deploys a plan of action

€8.9 million in purchases from the protected sector

(up 9.2% from 2006):

- > Landscape maintenance (€4.8 million)
- > Office supplies and photocopying (€1.1 million)
- > Other services (€2.3 million)
- > Meter renovation (€0.7 million)

FOCUS ON

Sustainable development risks linked to each purchasing category were mapped.

The supplier charter deployed in 2007 and systematically integrated into general purchasing clauses was completed by a reference document covering 200 socially responsible subcontracting issues (*200 questions pour une sous-traitance socialement responsable*). The document is based on the international SA 8000 standard. It was tested at the end of 2007 with three suppliers in China, Madagascar and Belgium. Deployment will begin in 2008, at the same time as supplier audits.



The EDF Group has committed to assure that the disabled account for at least 4% of new hires.

200 seniors recruited on special contracts in 2007 as part of a hiring program that gives priority to those who have been unemployed for a long time

Accessibility assessments were also made at the 180 EDF sites with the most occupants and improvements were undertaken. Job insertion in this area remains a priority at EDF, which has committed to recruiting at least 4% employees with a disability and to adapting apprenticeship correspondingly.

QUALITY HIRING

Since 2006, with help from the discrimination watch organization (*Observatoire des Discriminations*), certain human resource processes have been revised in order to prevent discrimination. EDF is focusing on recruitment related issues. In addition to revising its own modalities, the company asked recruiting agencies to pay special attention to preventing

discrimination in their selection processes. Studies and tests will be conducted to monitor the implementation of these recommendations.

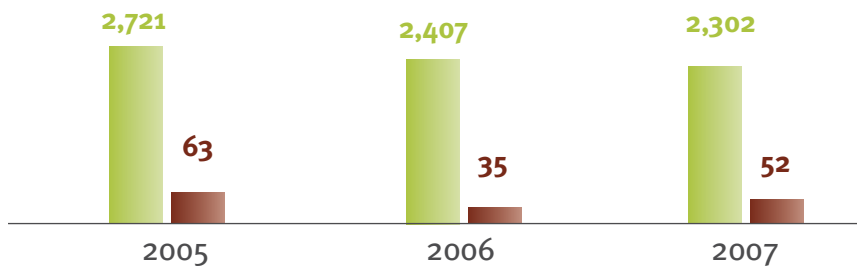
Social benefits in France

There are a number of important reforms underway to enhance employee benefit packages in the gas and electricity sectors similar to other major groups in France. In 2007, negotiations were undertaken at professional Branch level, to institute a supplementary cover improving health care coverage.

Recognition and compensation

In order to better reward both individual and team efforts, compensation increasingly integrates performance-related variables. Moreover, according to the terms of the 2007 social agreement, 2.8 million free shares were distributed in 2009 to 150,000 employees in 22 countries, conditioned by their continued presence during a period of 3% annual increase in Group EBITDA (constant figures) from 2006 to 2008.

INTEGRATION OF PEOPLE WITH DISABILITIES:



■ Number of workers with acknowledged disabilities (EDF)

■ Number of workers with disabilities recruited (EDF)

The drop in number of disabled workers partially corresponds to the lower number of company staff overall.

FOCUS ON

In France, 75% of EDF employees are also EDF shareholders. In subsidiaries and affiliates outside France (UK, Poland, Hungary) subscription reaches 50%. Group employees hold 34.6 million shares: 1.9% Group capital stock, 15% floating stock.

As part of EDF's 2.5% stock sale on December 3, 2007, employees and former employees will be invited to participate in a new employee offering in 2008 representing 15% of the total operation.

WORKPLACE dialogue



EDF is developing workplace dialogue both in France and at European and global levels. In a context of market opening and structural change, important negotiations are underway to find a new equilibrium for the “social contract” that binds EDF and its employees.

FRANCE

Eight labor agreements

The workplace dialogue agenda adopted in 2006 provides for 15 negotiations over the period from 2006 to 2008. Its implementation has been a source of intense dialogue, particularly regarding employment, employee recognition, health and safety and working conditions. Eight agreements were reached in 2007.

Reform of the special pension schemes

In France, the electricity and gas workers branch¹ has undertaken negotiations with social partners to align the sector's traditional special pension schemes with those of the public sector, based on a decision by the public authorities. For its own employees, EDF has deployed a full information program that includes individual simulation, documentation on the changes planned for the sector's special scheme, meetings, etc.

New institutions for employee representation

In accordance with corporate law, EDF replaced former structures with new committees (*Comité central d'entreprise* - CCE and *Comités d'établissement* - CE). As part of agreements with social partners, professional elections were held at the end of 2007. Following negotiations with unions, a Group Committee for France will be created once the new institutions are in place.

EUROPE AND THE REST OF THE WORLD

A central role for the European Works Council

The EDF Group European Works Council (EWC), composed of 33 regular members and a German auditor, meet semi-annually to discuss strategic Group economic, financial and social issues.

These working groups have brought the insight they gained to the drafting of the human resource policy at international level: health and security in Europe, EDF Group CSR agreement worldwide.

GLOBAL CORPORATE SOCIAL RESPONSIBILITY AGREEMENT

Monitoring the agreement

The CSR agreement is monitored by the EDF Group world committee for social responsibility dialogue which met April 24 – 26, 2007. The committee's board also met two other times. Among the 2007 main topics, dialogue and managerial initiatives were both reinforced and conducive. The agreement's signatories extended it for one year. Social dialogue began in all Group companies to identify the priority in which local initiatives should be taken.

Applying the agreement

In Mexico, the Group disposed of its gas plants, in full adherence to the principles of anticipation and measures to accompany restructuring as provided for in article 6. In the same spirit, the Group holds to the highest safety standards everywhere in the world. In Nam Theun and Laos, an ambitious action plan in this area underlies all activities linked to the worksite and extended to all subcontractors. CSR is a part of all Group company performance reviews.



MÉDIATHÈQUE EDF - PHILIPPE ÉRANIAN

1. (*Industries Électriques et Gazières* - IEG).