

Employees

International Power operates in an increasingly complex business environment. We place a high priority on the recruitment, retention and training of staff at all levels, whether employed by us directly or by any of our subsidiaries, joint ventures or associates.

- We value our reputation as a caring employer and seek to attract and retain high calibre employees.
- We endeavour to ensure that all of our staff conduct themselves in a manner of the highest integrity.
- We have a number of share-based long-term incentive remuneration plans that are an integral part of our strategy to reward and retain employees.

We operate an incentive weighted compensation scheme which we believe rewards and develops staff on the following basis:

- **Achievement of tangible personal objectives** Annual targets are set for all personnel, calibrated at levels designed to ensure that individuals are able to contribute to the attainment of these objectives.
- **Professional and educational advancement** We promote and facilitate mid-career training, internal and external seminars, personal development plans and other educational programmes. In addition, we encourage our employees to participate actively in their own personal development and in relevant professional organisations.
- **Leadership** We expect our employees to exercise leadership in their dealings with colleagues, partners, customers and suppliers.

This all relies on a foundation of personal integrity and respect.

Clear communication links are critical to enhance business and commercial awareness throughout our Company. Corporate publications, the International Power website, employee awareness briefings from executive management and team briefings are all used to promote communications and an understanding of the development and application of policies and strategy. We use the latest technology to aid rapid communication with all staff around the world.

Learning and development

During 2006 particular attention was devoted to the Group's learning and development strategy. A worldwide leadership programme for high-potential managers was developed in conjunction with Ashridge Business School in the UK. Two programmes were run in 2006 with 48 managers from around the Group attending. An additional two programmes will be run in 2007.

Following a major review of all our health, safety and environmental policies and procedures, a behavioural-based safety initiative was launched in 2006 as a way to improve power station health and safety management. This programme, **Fresh Eyes**, focuses on people rather than plant or procedures. It involves a colleague or workmate observing their peers and giving feedback on safe behaviour and unsafe behaviour.

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- We seek to attract and retain high calibre employees
- We operate an incentive weighted compensation scheme which we believe rewards and develops our staff
- We promote and facilitate career training and personal development programmes

Equal opportunities

The Group is committed to equal opportunities, both from a sense of social responsibility and also because it makes sound business sense to benefit from the wide ranging knowledge and experience of individuals in all sectors of society. This commitment to equal opportunities means that decisions to appoint, reward, train, develop and promote are taken purely on the basis of skills and abilities, as matched against the requirements of the job.

The Group values its reputation as a caring employer and seeks to attract and retain high calibre employees. Opportunities for training are given a high priority to ensure that all individuals can contribute to their own career development. This approach extends itself to the fair treatment of people with disabilities in relation to their recruitment, training and development.

Diversity in the workplace

Cultural awareness and diversity training is provided to all relevant managers within the business and specific cultural awareness training is provided to our employees prior to overseas assignments.

At a regional level a number of our assets are members of diversity organisations. Our UK assets are registered as 'Investors in People'. Rugeley is also accredited to the 'Positive about Disability' standard. Our UK assets also have established a set of policies and procedures to ensure diversity in the workplace. This ensures equal opportunities are integrated into their recruitment and selection processes and subsequent employment.

The Company uses a variety of techniques for assessing applications as part of its selection process. Where external selection techniques are implemented, the Company is at pains to ensure that the providers are able to demonstrate their methodologies are free of bias. Internal selection processes revolve around objective assessment of the candidates insofar as they are able to meet the specification of the job.

Involvement in the community

The Group attaches particular importance to its programme of community support which includes the active participation of staff. The Group actively supports Business in the Community and takes part in their 'Companies that Count' initiative in the UK, whilst in Indonesia, staff at Paiton are involved in supporting local communities with their medical and nutritional requirements for babies. In Pakistan, at Uch power station, support has been provided for educational, health and infrastructure projects. Staff at Deeside in the UK, and Hub in Pakistan worked together to raise money for the relief effort following the Pakistan earthquake.

Employee share plans

International Power has in place a number of share-based remuneration plans under which employees of the Group and its subsidiary companies may acquire shares in International Power plc.

These plans form an integral part of the Group's strategy to provide appropriate reward and retention strategies for employees and, to align employee and shareholder interests through incentive targets based on clear financial criteria. Executive share options have been granted to employees in seven countries outside the UK and the Global Sharesave Plan is now in operation in four countries outside the UK. As the Group continues to grow and employee numbers continue to increase, we anticipate that the extension of share plans to overseas jurisdictions will continue apace.



Blackstone, Massachusetts