

S.172 Directors Duties Statement

EDF Energy Limited

(2022)



Statement approved by the Board of Directors on 27 July 2023 as part of the Company's Consolidated Annual Report & Financial Statements (2022) and signed on its behalf by Rob Guylar, Director, on 28 July 2023.

The Directors are fully aware of their responsibilities to promote the success of the company in accordance with s.172 of the Companies Act 2006. Further details on how the Directors' duties are discharged and the oversight of these duties are included in the wider Directors Report and Corporate Governance Statement.

Stakeholder Engagement Statement

The Company's key stakeholders, and the ways in which it engages with them, are set out in the wider Strategic Report and Corporate Governance Statement. The table below provides a summary of these relationships which are fostered by the Company and, in turn, have shaped the way the Board took principal decisions over the year.

STAKEHOLDER GROUPS

ENGAGEMENT OPPORTUNITIES

Employees and Trade Unions

Having people who bring a diverse range of talents and perspectives, and who feel engaged in their roles, is fundamental to the long-term success of our business. It is crucial that we understand their values and what motivates them – and reflect this in the way we operate.

We are committed to recruiting and retaining great people - so listening to our employees is a priority. We communicate with them regularly through employee surveys, team meetings, learning sessions, briefings and our intranet, "eNZO". We also frequently engage with Company Councils and Trade Unions about matters affecting employees. For example, in 2022, we recognised that employees have faced serious challenges during 2022 due to the cost-of-living crisis and as a result have held important discussions with our Trade Unions. Through constructive negotiations with our Trade Unions, we were able to offer additional support by bringing forward part of pay deals and one-off payments, along with online resources for employees to access.

**A more detailed breakdown can be found in our Workforce Engagement Statement.*

Customers

Our vision for our customers is to be simply better - better than anyone else at solving customer's energy needs. Our ambition is to be the best and most trusted for customers.

We maintain constructive dialogue with our customers, including vulnerable customers. Providing appropriate products and services for our customers is a priority for us. We work closely with organisations such as Citizens Advice and Income Max to make sure we can identify and assist customers who need extra help. In 2021, we were recently awarded the Uswitch 'Large Supplier of the Year', receiving a customer satisfaction score of 74% - the highest score of all the previous 'big six' suppliers. Further to this, in 2022 we maintained industry leading customer service with a 'Great' rating on Trustpilot, as well as being ranked 1st out of 20 energy suppliers by Citizen's Advice.

We hold a Standards of Conduct Advisory Panel with respected third parties such as Which? and Citizens Advice to help us understand what we need to do next to best meet customer needs and deliver high standards for every customer. Digital tools have radically transformed how we engage with our customers through support via live WebChat or MyAccount App.

Communities

We want to make a positive contribution to the communities we operate in. We work in partnership with local organisations, schools and colleges to support our projects and goals.

As a company we have outlined our commitment to be open and transparent in our business dealings.

For the most vulnerable in society, the Company's aim is to develop its internal processes and develop more collaborative third party partnerships, including those in the community. The Company provides funding to projects that offer expert advice and assistance at a local level, like the Seasonal Health Interventions Network - London (SHINE London) and the Group's "Improving Energy Efficiency in Communities" project, that's delivered by National Energy Action (NEA).

Suppliers

How we conduct our business, and the impact and influence we have through our supply chain, is an important aspect of our work. We know that we need to manage and mitigate environmental and social impacts so we work closely with all our suppliers and partners to make sure they keep to our ethical business principles throughout their own operations, as well as assessing how prospective suppliers bring social value to the community and implement environmental and social policies. We also recognise the vital role suppliers play in ensuring the longevity of the business, so prioritising the wellbeing of our suppliers is essential.

We set high expectations for ethical conduct in our supply chain. Including whether our ethical principles are embedded across our supply chain and suppliers comply with the United Nations Global Compact (UNGC).

The Company complied with its various statutory reporting obligations in 2022 including Modern Slavery, Gender Pay Gap and Payment Practices and Reporting. The Company actively engages with all material suppliers and takes part in regular oversight, monitoring and feedback with them. The Company aims to ensure all suppliers are paid promptly.

Industry and Business Associations

The Company proactively engages with trade association memberships, including the Confederation of British Industry, Energy UK, Nuclear Industry Association and Renewable UK. Active participation in these forums is a useful way to enhance relationships with stakeholders and provides a useful channel for communication with

Through our affiliations we can gain the knowledge and skills necessary to operate in a highly competitive marketplace. The Company and Group have different types of memberships and affiliations relating to the different activities undertaken throughout the Group.

Government and Regulators

We engage with political and regulatory stakeholders to help them understand our business better, and so shape the policy and the environment where we operate.

We have a role to play in sustainability, enabling Britain to achieve Net Zero by championing the transition to a low-carbon future.

We engage directly with central Government, such as the Department for Business Energy and Industrial Strategy and the Department for Environment, Food and Rural Affairs and industry & environmental regulators, such as Ofgem, the Office of Nuclear Regulation, the Environment Agency and the Scottish Environment Policy Agency. Through-out 2022, there has been significant engagement with HM Treasury, with HM Treasury playing a much larger role in the energy industry, both from a generation side and customers perspective; they have become an increasingly important stakeholder.

Media

The media plays a vital role in bringing high profile issues affecting our business to the public's attention, therefore our speed and accuracy in engaging with the media is crucial to protecting our reputation.

In order to help tackle the fast-paced nature of the media, we have a press office which operates 24 hours a day, 365 days a year, and can deal with media queries at any time. We also have a social media team which has an active listening, response and monitoring strategy to gauge market perception of our delivery of the strategy and to feedback on ways to improve how the Company engages with the media and other relevant stakeholders.

Impact on Principal Decisions

Throughout the year, the Directors have been presented with timely information ahead of taking any decisions and were confident in the integrity of the information used to enable effective decision-making. Some of the information used by the Company, as part of their decision-making, includes that from stakeholder engagement, including employees, regulators, suppliers, together with community and environmental factors. In making decisions about the Company, the Board's priority is about what it considers to be in the long-term success and interests of the Company; from both a financial and safety perspective as safety remains the Company's overriding priority.

The Board did not hold active Board meetings during 2022 to allow for flexible and agile decision making, and thus the Directors opted to take decisions by way of written resolution instead. Such decisions included:

- Approval of the annual financial statements for the financial year ended 31 December 2021; and
- Various intra-group financing arrangements with its subsidiaries, including EDF Energy Renewables Limited to fund the continued growth of the Renewables business.

The main governance and oversight board of the Group is EDF Energy Holdings (EDFEH), the Company's sole shareholder, which frequently meet to discuss matters which are of strategic importance for the Group. For more information on these matters please consider the comprehensive s.172 Directors Duties Statement as detailed in the Consolidated Annual Report & Financial Statements (2022) EDFEH.

Workforce Engagement Statement

The Group engages, informs and consults with its workforce on matters affecting them. This is carried out in a number of ways which gives the workforce a voice and in which our senior leaders actively participate. Some of the key mechanisms are included in the table below:

ENGAGEMENT OPPORTUNITIES

SUMMARY

We Communicate...

With our people.

We strive to maintain a healthy employee environment in which dialogue between management and our employees is embedded in our work practices. To ensure the strategy, objective and purpose of the Company is articulated and implemented throughout the organisation, management has a communications team to support the Company with issuing tailored communications to employees through formal and informal channels. These include emails from the Chief Executive Officer, team meetings, face-to-face gatherings, breakfast briefings, interviews and via eNZO.

Management engages with employees through formal and informal channels, including emails from the Chief Executive Officer, team meetings, face-to-face gatherings, breakfast briefings, interviews and via eNZO.

eNZO is an e-platform for sharing company newsletters, announcements and accessing a wide variety of materials, i.e. company policies, company contacts and information on well-being and company benefits etc. In addition, the Intranet also hosts a number of discussion forums for employees to take part in; this is in addition to EDF Energy's Yammer page where employees can connect on a business or personal level on a variety of topics.

We encourage development of our people through Talent Development and Leadership Programmes which are discussed with employees on a regular basis to allow for further self-development and to promote other internal opportunities.

We Listen...

Strong employee engagement is especially important in maintaining strong business delivery in times of change.

'My EDF', is the Employee Engagement Survey conducted annually which gathers the views and opinions of all employees with regard to their work situation, at local level and within the EDF SA Group. It identifies areas of satisfaction and opportunities for improvement in order to help establish priorities within the Group.

The results of the 'My EDF' Survey are discussed at Board level and are used to support the setting of company strategy, realign company purposes / values (where identified as being required) and define individual team objectives. This filters down to discussion on wider strategy of the Company and wide Group and impacts the principle decisions taken by the directors.

Further to this, the Company has a second survey, 'MyVoice', which provides employees with the opportunity to share their experiences at work. This allows employees to bring forward their ideas on different aspects of the business; from improving office spaces, to employee wellbeing. Additionally, a few times a year the company hosts a question and answer session with the managing director of the EDF Customers business. This encourages transparency and openness between directors and stakeholders and gives employees the opportunity to raise any concerns they might have.

We Engage...

Having a dialogue with our employee representative bodies is also embedded in our work practices.

Continued engagement and consultations with Trade Union & Personal Contract holder structures - Company Council, European Works Council, Corporate Social Responsibility Forum, Strategy meetings, and Business Unit specific forums. Over the past two years, active discussions with Trade Unions has brought about fundamental change within the business; from pension reforms to the creation of a cost-of-living package, engagement with Trade Unions has played a significant role in order to help support our employees.

We Support...

Having a diverse workforce at all levels of our company will ensure we make better decisions - for our business and for our stakeholders. We believe that employing a diverse mix of people makes us a stronger and more sustainable business, and one that reflects the diverse society around us. Employees who possess a diverse range of talents and perspectives, that feel engaged in their roles, are fundamental to the long-term success of the Company and we therefore strive for and encourage equity, diversity and inclusion in all respects.

In 2021, the Company started monitoring the diversity of senior leadership in terms of Gender, Ethnicity, Sexual Orientation and Disability. The Company is aiming for 50% of senior leaders to have one or more of these diverse characteristics by 2030 (20% 2021). At the end of 2022, the Company was 26.7% diverse.

The Group promotes diversity through a number of diversity and inclusion networks for its workforce which are sponsored by senior management and provide environments for employee feedback and comment, including LGBTQ+ Supporters; Women's; RACE; Disability and Carers; Working Parents; Forces Support; Young Professionals; Cancer Support; and Mental Health