

Independent Assurance Statement

EDF Energy PLC (“EDF Energy”) commissioned DNV GL Business Assurance Services UK Limited (“DNV GL”, “we”, or “us”) to undertake independent assurance of The Better Plan Report 2017 (the “Report”) for the year ended 31 December 2017.



Our Opinion: On the basis of the work undertaken, nothing came to our attention to suggest that the Report does not properly describe EDF Energy’s adherence to the Principles described below.

In terms of reliability of the performance data in scope, nothing came to our attention to suggest that these data have not been properly collated from information reported at operational level, nor that the assumptions used were inappropriate.

Without affecting our assurance opinion, we also provide the following observations:

Sustainability context

The presentation of the organisation’s performance in the wider context of sustainability.

The Better Plan was developed to align with Électricité de France’s (“EDF” or “EDF Group”) 2030 strategic vision, “CAP 2030”, which in turn was developed with reference to the UN Sustainable Development Goals (“SDGs”). During our work, we found The Better Plan to be a comprehensive summary of EDF Energy’s sustainability framework and its launch in 2017 represents a significant step forward in the articulation of the company’s ambition to be a sustainable and responsible energy business.

To remain relevant, EDF Energy should continue to review and evolve The Better Plan and future iterations should consider including:

- Relevant metrics that are already used within the business and those that contribute to Executive/management performance reviews and remuneration, to help ensure that The Better Plan KPIs are those that drive performance within the company.
- Review of how annual and 2020 targets align and how EDF Energy contributes towards all relevant CAP 2030 targets. In future, for clarity, we recommend publishing The Better Plan targets for the following year, 2020 and any 2030 targets alongside the year end performance in the Report.

Stakeholder inclusiveness

The participation of stakeholders in developing and achieving an accountable and strategic response to sustainability.

The Better Plan was developed using a process that included stakeholder feedback. However, EDF Energy did not have a formalised stakeholder engagement strategy and, as such, the company had an informal and devolved approach where stakeholders were managed by business functions depending on the material topics. The planned review of stakeholders in 2018 should enable greater central oversight of stakeholder engagement processes and give a greater understanding of evolving stakeholder expectations. We recommend reporting on the outcome of this review in 2018 and expanding the content on stakeholder engagement in the Report.

EDF Energy should consider improving awareness of The Better Plan amongst employees and how the consistency of language and alignment of initiatives is communicated (e.g. CAP 2030, 2020 vision, The Better Plan, Better Energy Ambitions). Greater recognition of how employees are contributing to The Better Plan will help its success and increase awareness of how EDF Energy is contributing to sustainability.

Materiality

The process for determining the issues that are most relevant to an organisation and its stakeholders.

We found that the management approach for issues covered by The Better Plan was well embedded within the business.

EDF Energy undertook a materiality review in 2017 which was used to develop The Better Plan. We understand the company plans to undertake another materiality review in 2018 and we recommend that this considers outputs of the planned stakeholder review and recommendations from our assurance.

Completeness

How much of all the information that has been identified as material to the organisation and its stakeholders is reported.

Overall, the Report was comprehensive, offering stakeholders confidence that the issues in scope were managed appropriately.

Progress against The Better Plan 2017 targets were clearly described in the Report and the narrative provided commentary on both the successes and challenges faced in areas of less favourable performance.

We noted that work was underway to develop a baseline for the ‘net zero environmental impact’ target. When the baseline and indicators are developed, or at a suitable interim reporting stage, we suggest updating The Better Plan website accordingly.

Reliability and quality

The accuracy and comparability of information presented in the Report, as well as the quality of underlying data management systems.

This was the first year of reporting on The Better Plan, and, for the data that was in scope, we had confidence in the processes and systems to help ensure the information presented in the report was reliable.

It was positive to note the reporting process review of Customer Operations data undertaken in 2017 which improved the level of automation and led to more consistent reporting. We welcome EDF Energy’s intention to continue to progress towards increasing automation of Customer Operations data.

Data collection processes were documented in most areas and we recommend that this approach is extended to all of The Better Plan KPIs to facilitate continuity and to help ensure data is collected consistently for each reporting period. In line with good practice, the procedures for The Better Plan KPIs should be made publicly available to increase transparency and improve readers’ understanding of The Better Plan targets and performance.

Scope and approach

We performed our work using DNV GL's assurance methodology VeriSustain™, which is based on our professional experience, international assurance best practice including the International Standard on Assurance Engagements 3000 ("ISAE 3000"), and the Global Reporting Initiative's Sustainability Reporting Guidelines. We evaluated the Report for adherence to the VeriSustain™ Principles (the "Principles") of sustainability context, stakeholder inclusiveness, materiality, completeness, and reliability. We evaluated the performance data using the reliability principle together with EDF Energy's data protocols for how the data are measured, recorded and reported.

We understand that the reported financial data and information are based on data from EDF Energy's Financial Statements and EDF's 2017 Group Annual Results, which are subject to a separate independent audit process. The review of: financial data taken from Financial Statements or other financial reports; other KPIs from The Better Plan subject to EDF Group audit; or regulatory audit / assurance are not within the scope of our work.

Data in scope

The scope of our assurance was designed to cover The Better Plan KPIs that were not assured by other parties for EDF Group or regulatory reporting:

Customers

- Customer trust index score (position)
- Average speed of answering calls from customers (minutes and seconds):
 - Residential
 - Industrial and Commercial
 - Small Medium Enterprise
- Advisor recommendation score (score number)
- Citizens Advice Complaint rank (position in league table):
 - Residential
 - Small Medium Enterprise
- Customers on self-serve (%)

Environment

- Operational nuclear sites holding the Wildlife Trusts' Biodiversity Benchmark (%)

Finance and ethics

- Suppliers demonstrating compliance with the Ten Principles of the UN Global Compact (%)
- Suppliers signed up to the Chartered Institute of Procurement and Supply Sustainability Index (number)

People

- Women in senior leadership positions (%)
- Ethnic minorities in senior leadership positions (%)
- Inclusion index (%)
- Money raised for Breast Cancer Now (£); EDF Energy matched funding (£)

Basis of our opinion

A multi-disciplinary team of sustainability and assurance specialists performed work at head office and site level. We undertook the following activities:

- Review of the current sustainability issues that could affect EDF Energy and that were of interest to stakeholders;
- Review of EDF Energy's approach to stakeholder engagement;
- Review of information provided to us by EDF Energy on its reporting and management processes relating to the Principles;
- Interviews with five selected Directors and senior managers responsible for management of sustainability issues and review of selected evidence to support issues discussed. We were free to choose interviewees and functions covered;
- Observation of the February 2018 Sustainable Business Oversight Group meeting to review how it provides governance over The Better Plan;
- Site visit to the customer contact centre in Exeter to review process and systems for preparing site level sustainability data and implementation of sustainability strategy. We chose the location in consultation with EDF Energy and it was selected as a key site for the data in scope;
- Review of supporting evidence for key claims in the Report. Our checking processes were prioritised according to materiality and we based our prioritisation on the materiality of issues at a consolidated head office level; and
- Review of the processes for gathering and consolidating the specified performance data and, for a sample, checking the data consolidation.

For and on behalf of DNV GL Business Assurance Services UK Limited, London, UK
23 April 2018



Kate Brintjes

Principal Consultant and Lead Assuror
UK Sustainability, DNV GL – Business Assurance



Gareth Manning

Principal Consultant and Reviewer
UK Sustainability, DNV GL – Business Assurance

Responsibilities of the Directors of EDF Energy and of the assurance providers

The Directors of EDF Energy have sole responsibility for the preparation of the Report. In performing our assurance work, our responsibility is to the management of EDF Energy; however, our statement represents our independent opinion and is intended to inform all stakeholders. DNV GL was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement. DNV GL provides a range of other services to EDF Energy, none of which constitute a conflict of interest with this assurance work. DNV GL's assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith. DNV GL expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Statement.

Level of Assurance

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance opinion. We are providing a 'limited level' of assurance. A 'reasonable level' of assurance would have required additional work at Group and site level to gain further evidence to support the basis of our assurance opinion.

Independence

DNV GL's established policies and procedures are designed to ensure that DNV GL, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV GL) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals.

DNV GL Business Assurance

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