

S.172 Directors Duties Statement

EDF Energy Limited

(2023)



Statement approved by the Board of Directors on 16 October 2024 as part of the Company's Consolidated Annual Report & Financial Statements (2023) and signed on its behalf by Rob Guyler, Director, on 16 October 2024.

The Directors are fully aware of their responsibilities to promote the success of EDF Energy Limited (the Company) in accordance with Section 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. This statement 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 represent the breadth of the society in which we serve and operate, and 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.

The Directors 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, Trade Unions and Employee networks about matters affecting employees. For example, the Company recognises that employees have faced serious financial challenges due to the cost-of-living crisis and as a result of important discussions 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. As part of such discussions with Trade Unions, it was agreed from 2023, an annual recurring cash fund would be rolled out to all personal contract employees as an ongoing response to the cost-of-living crisis.

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.

The Company specifically, acts as an intermediate holding company of the wider EDF UK Group (EDF Energy (UK) Limited and its subsidiaries), meaning at a basic level, it does not directly interact with customers but rather, helps to support the wider EDF UK framework of customers.

In general, over the past few years, in light of the turbulence in the energy market, EDF UK has acquired customer accounts from Utility Point, Green Network and Zag Energy after the suppliers fell into administration and

EDF were thus appointed Supplier of Last Resort (SoLR). Despite the ongoing changes to the market, in 2023, the EDF UK maintained industry leading customer service with a 'Excellent' rating on Trustpilot, as well as ranking in the top 5 energy suppliers by Citizen's Advice. While being awarded this rating in 2023, there have been some challenges in 2024 which the Company has addressed and will continuously provide the best support the Company can for its customers, especially during the cost of living crisis. With the Company's licensing deal with Kraken, the Company aims to use this technology to build and improve on such ratings and provide outstanding customer service.

In addition, EDF UK have established a CARE Framework, in light of the ongoing cost of living crisis. This stands for: Cost, Affordability, Resolution, Extra Help. This framework ensures that the Company reviews customer energy usage and any potential savings they can make, find out what they can afford and as a result of this, put a plan in place for them, along with any extra support packages they may be entitled to. This aims to develop new customer solutions to help support households through the ongoing energy and cost of living crisis.

Communities

We want to make a positive contribution to the communities and environment we operate in. 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 EDF UK 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.

The Company sets high expectations for ethical conduct in our supply chain, paying close attention to who the Company works and engages with. As such, the Company ensures that its supply chain policies are in line with the UN Global Compact, meaning environmental and sustainability questions are sent to almost all suppliers to respond to, depending on their company size. This ensures the Company and wider EDF UK Group work with climate conscious and responsible suppliers.

Further to this, the Company publishes a Sustainability and Ethics Supplier Requirement Manual, that outlines what is expected of suppliers in relation to health and safety, diversity and inclusion and the environment. The Directors recognise the key role that suppliers play in ensuring the longevity of the business and the wellbeing of our suppliers is a key priority for EDF.

The Company complied with its various statutory reporting obligations in 2023 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

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

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 government and regulators on matters of common interest.

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.

The Company and wider EDF UK Group are engaged with central Government, such as the Department for Energy Security and Net Zero 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

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 2023 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 2022; 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 EDF UK Group is EDF Energy Holdings Limited (EDFEH), the Company's sole shareholder, which frequently meet to discuss matters which are of strategic importance for the EDF UK 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 (2023) EDFEH.

Workforce Engagement Statement

The EDF UK 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.

The Directors engages with employees through formal and informal channels, including emails from the EDF UK 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 Viva Engage 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 Group. It identifies areas of satisfaction and opportunities for improvement in order to help establish priorities within the EDF UK 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 wider EDF UK 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 members of the Board. This encourages transparency and openness between the 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, Business Unit specific forums and Employee Networks. 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, that represents the breadth of the society in which we serve and operate, 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. At the end of 2023, the Company Senior Leadership was 30.2% diverse with this statistic continually being monitored and set to be reviewed again at the end of 2024. Further to this in 2023, to ensure the Company is always striving to be better, a review was carried out to revise the Company's ethnicity ambitions, with the aim being to have 12% of our people from Black, Asian & Minority Ethnic backgrounds by 2030.

The EDF UK Group promotes equity, diversity and inclusion, ensuring that all voices are included in the conversation, everyone feels heard, valued and respected as an individual and our people feel able to bring their whole selves to work. The Company has a number of employee networks for its [edfenergy.com](https://www.edfenergy.com)

workforce which are sponsored by senior management and provide environments for employee feedback and comment, including LGBTQ+ Supporters; Women's; RACE; Carers and Accessibility; Working Parents; Forces Support; Young Professionals; Cancer Support; Mental Health Supporters and Neurodiversity. They help us build cultural awareness and understanding of identity, and how different demographic groups face different challenges. The Company benchmarks to recognized standards such as Disability Confident, the Gender Equality & Diversity European & International Standard and BiTC Race at Work Charter.