

S.172 Directors Duties Statement (incl. Workforce & Stakeholder Engagement Statements) EDF Energy Customers Limited (2023)



Statement approved by the Board of Directors on 30 September 2024 as part of the Company's Annual Report & Financial Statements (2023) and signed on its behalf by Ceri Humphrey, Director, on 30 September 2024.

The Directors are fully aware of their responsibilities to promote the success of EDF Energy Customers Limited (the Company) in accordance with the requirements of 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 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 of the Company (the Board) took principal decisions over the year.

STAKEHOLDER GROUPS

Employees and Trade Unions

Having people who represent the breadth of the society in which we serve and operate and 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.

ENGAGEMENT OPPORTUNITIES

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, our intranet, "eNZO" and regular email updates from members of the Board. eNZO is an e-platform for sharing company newsletters, announcements and accessing wide variety of materials, i.e. company policies, company contacts and information on well-being and company benefits etc.

We also frequently engage with Company Councils, Trade Unions and employee networks about matters affecting employees.

Further to this, the Company has two company-wide surveys - 'MyEDF', administered annually and 'MyVoice', conducted quarterly, which allows employees to have 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, the Managing Director of Customers and other member of the Board and Executive Team, regularly visit the Company's offices and sites for engagement and communication events. This encourages transparency and openness between Directors and stakeholders; giving employees the opportunity to raise any concerns they might have whilst also allowing the Board to take onboard this feedback and make improvements.

The Company also engages with employees locally on ways of working and adaptation of our offices. This spans the suite of our UK offices to adapt work spaces and ways of working to best suit employees and provides a forum for face-to-face

discussion and feedback between employees and the Executive Team ensuring the Company remains attune to employee opinions which can in turn be integrated into the Company's future plans for its office spaces.

Customers

We maintain constructive dialogue with our customers, including vulnerable customers. Providing appropriate products and services for our customers is a priority for us.

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 work closely with organisations such as Citizens Advice and Income Max to make sure we can identify and assist customers who need extra help.

The Board continues to monitor the ongoing cost-of-living and energy market crisis, considering the impact such has on our customers. In considering such, the Company has established a CARE+ Framework. 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 has developed new customer solutions to help support households through the ongoing volatility in the market and allows customer service agents to apply discretionary amounts to a customer account. The concept for such was created in January 2021 and has continued, with training being provided to all customer facing teams to help advisors provide effective support and advice to customers facing financial hardship. The objective of such is to help support both employees and customers to aid business continuity and growth, whilst promoting and placing emphasis on accessible support and wellbeing. The Directors have recognised the vulnerable position customers and therefore continue to monitor and discuss the help the Company can extend to those most at risk

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. The Board is committed to social responsibility, community engagement and environmental sustainability as demonstrated in the Company's Net Zero Progress Update and policies (available online).

For the most vulnerable in society, the Company's aim is to develop its internal processes and develop 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 wider EDF UK Group's "Improving Energy Efficiency in Communities" project, that's delivered by National Energy Action (NEA).

The Company continues to support local communities through various fundraising initiatives. The Company has been in partnership with Prostate Cancer UK for almost four years, over which time, the Company raised an incredible amount of money, increasing year-on-year during the four-year partnership. Upon the completion of this partnership, the Company engaged with employees through an employee-wide survey to determine the next charity partner, allowing for a meaningful, transparent engagement process. The Company's dedication and focus on fundraising continues to be a key priority and in the long-term will continue to support the Company's positive relationships with the wider community.

Suppliers

How we conduct our business, and the impact and influence we have through our supply chain, is an important aspect of our work and an aspect the Directors duly consider. We know that we need to manage and mitigate environmental and social impacts, so we work closely with all of our suppliers and partners to make sure they keep to our ethical business principles throughout their own operations.

The Company aims to integrate sustainability into the supply chain by ensuring its supply chain policies are in line with the UN Global Compact. This means that environmental and sustainability questions are sent out to almost all of the Company's suppliers, in order to assess how prospective suppliers bring social value to the community and implement environmental and social policies.

We set high expectations for ethical conduct in our supply chain. This includes requiring that 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 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.

The Company is also a member of MSDUK and WEconnect, organisations which support and encourage the development of diverse and inclusive supply chains. The diversity and wellbeing of suppliers is a key priority for EDF UK and the Board recognises the key role partners and suppliers play in becoming more competitive and profitable and ensuring the longevity of the business.

Further to this, in 2022, the Company invested in a new accounts payable solution which improved the Company's statistics for payments made on time. Whilst this was adopted in 2022, the benefits for such have been greatly seen through-out the course of 2023 and have been incorporated into the Company's Payment Practice Regulations reporting.

In 2021, EDF UK agreed a licensing deal with Kraken for the use of its dynamic platform. The platform provides employees with access to an intuitive and adaptable system, aimed to further improve the service that the Company provides to its customers. At the end of 2023, over 60% of EDF UK customer accounts had been successfully migrated to the Kraken platform from our legacy system; with the remaining accounts due to be completed in mid 2024. Regular updates regarding the Kraken migration as well as the general performance of the platform were presented to the Board through the year and discussed in depth. This allowed for weaknesses and opportunities to be identified from the beginning, and for careful monitoring of such to be implemented. The Company's decision to utilise and implement Kraken demonstrates how our customers are at the forefront of the decision-making processes and how the Company is continually striving to do better.

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.

Attendance at a monthly Customers Committee is facilitated by the industry trade body - Energy UK (along with its subcommittees). This forum is used to discuss regulatory and policy issues arising and to provide direction to Energy UK when engaging external stakeholders. Through this and other forums the Directors strive to progress and improve various consumer, regulatory and policy matters alongside other suppliers and industry participants.

During 2023, the Company has also been an active member of a number of smaller trade associations, alongside our membership of Energy UK including the Sustainable Energy

Association (SEA), the Heat Pump Federation (HPF) and the Heat Pump Association (HPA).

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 in which we operate.

The Directors of the Company understand the important role the business plays in sustainability and encouraging Britain to achieve Net Zero by championing the transition to a low-carbon future.

We engage directly with central Government and other agencies such as the Department for Energy Security and Net Zero, Ofgem, Competition and Markets Authority, and Citizens Advice to develop policies and extra services for customers. The Board are conscious to continue to work collaboratively with partners on these, particularly in response to the ongoing affordability issues.

Impact on Principal Decisions

Engagement and maintaining strong relationships with its shareholders is of the utmost importance to the Board when considering items presented at Board meetings to ensure the long-term success of the Company.

During 2023, the Company has continued to be faced with serious challenges due to the impact of the ongoing UK energy market and cost of living crises. The Board have played a key role during this time, in setting corporate strategy so as to protect the Customers business and further secure the long-term success of the Company in light of the unprecedented scenarios presented by the energy market crisis.

The Board have steered the Company in decision making on all areas of the Customers business during 2023 including:

- Hedging strategy;
- Managing the operational challenges posed by increased customer contact volumes; and
- The ongoing communications strategy.

The Directors have had due regard to the concerns of both internal and external stakeholders when considering the implications of any strategic decision making. The Directors ensure they consider the impact their decisions have on customers and employees as well as balancing these needs against the financial success of the company, ensuring they fulfil their responsibilities and promote the success of the Company for the financial year ending 2023 and beyond.

Over the past few years, in light of the turbulence in the energy market, the Company acquired customer accounts from Utility Point, Green Network and Zog Energy after the suppliers fell into administration and it was appointed Supplier of Last Resort (SoLR). Despite the ongoing changes to the market, in 2023, the Company maintained industry leading customer service with a 'Excellent' rating on Trustpilot, as well as being ranked in the top 5 energy suppliers by Citizen's Advice. While being awarded this rating in 2023, there has been some challenges in 2024 which the Company is looking to address and will continuously provide the best support the Company can for its customers, especially during the cost of living crisis. With the Company's adoption of the Kraken platform, the Board have been particularly engaged in looking to build and improve on such ratings, aiming to improve the Company's ability to provide outstanding customer service.

Over the past few years, the Company has been investing heavily in low carbon solutions for customers, looking at the potential of beyond supply opportunities in the market. The Company acquired Pod Point, an electric car charging company, in early 2020,

further building its Electric Vehicle (EV) solutions in 2021 by partnering with DriveElectric, one of the UK's leading electric car lease providers, to provide customers with handpicked EV leasing deals. In light of the UK Government vowing to phase-out the sale of new petrol and diesel cars by 2050, taking these decisions was an important step forward for the Company and the wider EDF UK Group in helping support Britain achieve its Net Zero goals.

Further to this, in 2023, EDF UK successfully acquired CB Heating Limited, one of the UK's leading air source heat pump installers, in a step towards helping customers transition to zero-carbon heating solutions. In early 2024, the Company also acquired Contact Solar Limited, a supplier of solar panels and battery solutions to the domestic market (note 27). These investments highlight the Directors' continued commitment to providing customers with zero carbon technologies and striving to achieve the Company's net zero ambition. Through these partnerships and investments over the past few years, the Directors are actively engaged with different business units to discuss ways to broaden the Company's propositions and looking at how to integrate current products across the whole of the business for both residential and commercial customers. The Board appreciate the importance these acquisitions play in helping secure a net zero future for our customers, which in turn helps promote and ensure the long-term success of the Company. Through the Board's engagement on such topics, the Directors of the Company have direct regard to both our customers and their needs, as well as making conscious decisions regarding suppliers and the important role they play in our net zero ambition.

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.

The Board strive to maintain a healthy employee environment in which dialogue between management and our employees is embedded in our work practices.

Management engages with employees through formal and informal channels, including regular employee surveys, emails from the Chief Executive Officer and Managing Director, team meetings, face-to-face gatherings, breakfast briefings, interviews and via eNZO. In addition, the Intranet also hosts a number of discussion forums for employees to take part in; this is in addition to EDF UK's Viva Engage page where employees can connect on a business or personal level on a variety of topics.

We Listen...

Through various channels including conducting annual employee engagement surveys. 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 the EDF UK Group and impacts the principal decisions taken by the Directors. As a result of the feedback received in these surveys, such findings are discussed within each team to further feedback on the specific findings and how they can be improved.

We Engage...

With Company Councils, Trade Unions and Employee Networks.

Having a dialogue with our employee representative bodies is also embedded in our work practices. We have continued to engage and consult 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.

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The Board have been keen to encourage engagement and discussions with our Trade Unions, on the social impact of Net Zero and government policy as well as improving the lives of employees. Such conversations have been especially pertinent in light of the cost-of-living crisis, recent change of government and people transformations in the business.

In regard to improving standards and policies for employees, in 2023, following consultation with Trade Unions and various employee networks, the Company updated the Parenting Policy. The revised policy provided a general update to the Company's maternity and paternity provisions and reflected improvements which had stemmed from these successful engagements with our stakeholders.

We Support...

Equity, Diversity & Inclusion.

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. We also value and encourage diversity of thought, perspective and experience 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 30.20% diverse with this statistic being 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 aim of monitoring the diversity of our senior leadership is a key priority for the Board, with the Directors being conscious that a more diverse Board will in turn ensure better decision making and overall success for our business.

The EDF UK Group promotes equity, diversity and inclusion through a number of employee networks for its workforce which are sponsored by senior management and provide environments for employee support, feedback and comment, including LGBTQ+ Supporters; Women's; RACE; Carers and Accessibility; Working Parents; Forces Support; Young Professionals; Cancer Support; and Mental Health Supporters and Neurodiversity. They help us build cultural awareness and understanding of identity, and how different demographic groups face different challenges.