

Introduction

For the financial year ending 2024, EDF Energy Limited (the “Company”), has continued to work in line with the corporate governance arrangements explained in this statement, which are used across the EDF UK. To make sure corporate governance practices are maintained, the Company supports the corporate governance practices of its ultimate parent company, Électricité de France, a company incorporated in France.

The Company doesn’t need to comply with the UK Corporate Governance Code but applies best practices from the Code as appropriate and aligns with the corporate governance practices of EDF UK. The Company uses the Wates Principles for Large Private Companies as a benchmark for its corporate governance practices and this statement demonstrates how each of the Wates Principles has been applied throughout 2024.

Purpose and leadership

For over 25 years, the Company has been a steadfast investor in Britain. During this time, it's supported millions of customers, including the NHS, Network Rail, and various other public sector organisations. The Company's undergone substantial evolution, continuously monitoring the energy market to adapt to its dynamic changes and enhance the services it provides to customers. In 2024, EDF launched its 'Ambitions 35' strategy, which aims to lead the new electric revolution and build the energy system of tomorrow, while offering customers zero carbon electricity at competitive prices. EDF is the ultimate parent company based in France, which defines the ambition at a strategic level, which the Company then in turn effectively shares within the organisation so each business unit (“BU”) understands the overarching purpose and aligns strategies to achieve success.

Ambitions 35 is based on key pillars that reflect the EDF's vision for the future of energy: to help our customers save carbon, to produce more low-carbon electricity with nuclear and renewables and to expand flexibility solutions to meet the needs of the electricity system. Each of these ambitions play an important role in helping Britain achieve net zero. As one of the UK's largest energy suppliers with a presence spanning over 25 years, the Company is uniquely positioned to lead and accelerate the electric revolution. Recognising its critical role in shaping the energy market, the Company's committed to setting achievable, measurable milestones to support progress. To create a more sustainable future, the Company must continue to help lead the energy sector by innovating and inspiring others, while driving systemic change across the industry.

Board composition

The Board consists of two executive Directors: the Chief Executive Officer and Chief Financial Officer of EDF UK. Both Directors have extensive knowledge and expertise of the Company and EDF UK, help them effectively fulfill their decision-making responsibilities. As the Company is an intermediate holding company for EDF UK, having a smaller Board makes sure decisions affecting EDF UK can be made swiftly and efficiently, without unnecessary delay.

Structurally, the business of EDF UK is transacted at either an operational Board level or at a holding Group Board level. As the Company is a holding company, and therefore does not sit within a specific BU, the Board does not meet often. Instead, the Board considers matters by written resolution on an ad hoc basis, this allows for flexible and agile decision-making.

To help with its responsibilities the Board uses committees and internal governance bodies in the wider EDF UK to consider matters in detail. These committees include:

1. EDF UK Executive Team; and
2. EDF Energy Risk Management Committee.

The Board also uses the following standing sub-committees adopted by the main governance board of EDF UK, EDF Energy Holdings Limited, and which are governed by supporting Terms of Reference:

1. EDF UK Company Health and Safety Committee;

2. EDF UK Audit Committee; and
3. EDF UK Remuneration Committee.

Director responsibilities

As Executive Directors, the Board understand their fiduciary accountabilities and responsibilities to the Company in addition to those of EDF UK. EDF UK has a range of governance processes, systems, and constitutional documents to help Directors fulfill their duties as representatives of the organisation. The Company recognises the importance of making sure processes are regularly monitored, so they continue to evolve with the ever-changing demands and nature of the Company.

EDF UK Corporate Governance Policy underpins the Company policy framework which aids the Directors with their oversight of the Company and set out:

1. Requirements for governance bodies, their composition and Board member training;
2. Financial Authority Limit (“FALs”) framework;
3. The Policy Operating Framework; and
4. Processes to support Board duties, provide evidence of decision-making, and stakeholders considered as part of the decision-making.

The use of FALs and contract signatory authority mechanisms gives the Company control and oversight of the various financial commitments entered into. This allows for greater efficiency in day-to-day operations, empowering managers to act swiftly in their limits while making sure larger or more strategic financial decisions are escalated for review and approval. The use of FALs provides a critical balance between operational autonomy and governance, helping the Company mitigate financial risks and maintain accountability across all EDF UK. This system also supports transparency so financial decisions align with the Company’s objectives and the broader strategy of EDF UK.

Opportunity

In constantly monitoring key growth areas across the business, EDF UK can seize opportunities and develop them to promote a future-proof company. While the Company is an intermediary company, it supports the wider decision-making of EDF UK and helps provide financial support in long-term choices.

Long-term, resilient strategies are considered by the Company and EDF UK on a regular basis, so tangible objectives can help EDF UK achieve its purpose. For example, during 2024, the Company saw an increased growth in demand for Power Purchase Agreements (“PPAs”). PPAs are crucial in driving the UK towards a net zero future; they support in establishing smaller generators and encourage large public sector organisations in the transition to renewable energy. Given the rise in demand for PPAs, the Company’s become a market leader in supporting PPAs, using its expertise to deliver solutions for both generators and customers. By providing the infrastructure and expertise needed to manage PPAs, the Company is supporting the development of renewable energy projects and strengthening its role as a key enabler of a renewable future.

Risk management

The Company supports EDF UK’s strong risk management culture. Using policies, reporting and internal audit and assurance, Directors can make robust decisions concerning principal risks to EDF UK. EDF UK has a Risk & Resilience Policy (covering Risk Management, Internal Control, Business Continuity and Crisis Management), which defines the

Corporate Governance Statement

EDF Energy Limited
(2024)



minimum standards that BUs in EDF UK need to meet. EDF UK self-assesses against these standards and is audited against policy standards to give assurance that each EDF UK company has an appropriate risk culture.

Control testing against EDF UK policies is carried out annually through the Internal Control Self-Assessment process. Following completion of the results, where required, actions are identified to continue improvement. Results are reported back to Directors as part of the Annual Risk and Internal Controls Report (the Report), setting out the highest risks. This presents an opportunity for Directors to think about emerging risks and devise solutions to minimise risk impact.

The EDF Group Audit Charter also gives an internal audit function with authority to independently assess the effectiveness of risk management, control and governance processes of EDF UK. The findings of any such review are reported to the Audit Committee of EDF UK.

Remuneration

As the main employing entity for EDF UK, remuneration is an important topic for the Company. The wider framework stems from EDF UK policies for Senior Leaders, which operate under the governance of the EDF Energy Holdings Limited. One of the key responsibilities of this committee is to make recommendations about the overall remuneration policy of EDF UK. It must regard practices adopted by comparator UK companies, and the need to attract, retain and motivate employees of the experience and calibre required. The policy includes detailed elements of the remuneration packages, pension arrangements and service contracts. The individual performance of Senior Leaders across EDF UK, and determination of their annual pay awards, is balanced with affordability based on the Company's economic and financial position, including that of the wider EDF UK. When deciding the pay approach for Senior Leaders and annual incentive arrangements, the EDF UK Remuneration Committee makes sure principles are consistent with the approach applied to the rest of the workforce (for instance regular benchmarking against the market, through Competition Act 1998 compliant processes).

To build a sustainable workforce future, the company understands we need to create a work environment where people feel valued and appropriately rewarded for their work and contribution to the Company's success. This approach is applied to all employee remuneration, including Senior Leaders, making sure the approach to annual pay awards is consistent across the entire workforce; reinforcing the Company's dedication to equity, accountability, and recognition. This holistic approach helps drive employee satisfaction and retention and also creates a unified culture where all employees feel they're contributing to and sharing in the Company's achievements.

Stakeholder relationships and engagement

The Company's key stakeholders, including its workforce, and how it engages with each of them, are set out in the Strategic Report under the Company's s.172 - Directors' Duties Statement. Further to this, EDF UK's key stakeholders, and how the respective companies engage with them, are also set out in the Strategic Report of each set of Financial Statements.

Workforce engagement

The Company understands that employing people who have a diverse range of talents and perspectives, represent our society, and feel engaged in their roles, is key to the longevity of the Company.

One example of how the Company engages with employees is through surveys. To help inform priorities in EDF UK, there's an annual, EDF UK wide 'My EDF' survey. Participation rates in 2024 were 75%, providing a representative view of what employees feel the company should focus on. Employees are asked their opinion on a range of topics to identify areas of satisfaction and opportunities for improvement. To help create tangible change in EDF UK, the results of the surveys are openly and honestly discussed at all management levels, and between management and all employees. In 2024, scores for the engagement and diversity indices reached new high with 81 and 87% respectively,

and 90% say they would recommend EDF as a good place to work. EDF UK also has a second survey, 'MyVoice', where employees can share their work experiences and put forward their ideas on different aspects of the business; from improving office spaces, to employee wellbeing.

These surveys are vital for engaging with employees to better understand how the Company can improve ways of working and to measure the overall wellbeing of employees. These tangible measurements help the Company make sure that employees views are taken into account when long-term business decisions are considered.

More generally, EDF UK hosts regular briefings where Senior Leaders and Directors present a question-and-answer webinar session for all employees to attend. These sessions give an informative update on the latest business developments and the energy industry.

Stakeholder Engagement

Generally, the Company recognises the support needed from a range of different stakeholders. For the Company and EDF UK to be successful, it must connect with key strategic partners and stakeholders, to make our purpose a reality.

As well as providing the best customer service possible, EDF UK are conscious to support its most vulnerable customers through a wide variety of schemes. In 2024, EDF UK launched a new initiative, announcing £29 million in funding to assist customers in winter. This is in addition to the £140 million spent in 2024 on the Energy Company Obligation ("ECO") and Great British Insulation Scheme ("GBIS"), as well as £60 million on the Warm Home Discount scheme. Impressively, 75% of EDF customers who received debt matching support up to September 2023, remained debt-free after 12 months.

To make sure latest updates across the energy industry are made clear, the Company and its subsidiaries consult with external stakeholders including trade associations and industry bodies, government and regulators. With 2024 bringing a general election and a change of government, the Company has continued to talk with political stakeholders and decision makers who shape the policy which can impact our business. It's essential for EDF UK to be engaged with government, so issues affecting the energy industry are discussed in an open and transparent forum. Having direct communication with political and regulatory stakeholders helps them have a better understanding of EDF UK's business, which in turn enhances our insight into the factors shaping policymaking. We're also involved with trade associations and industry bodies.