

## S.172 Directors' Duties Statement

EDF Energy Limited  
(2024)



### Section 172 (1) Statement

The Company is an intermediate holding company of EDF UK with its immediate parent company, EDF Energy Holdings Limited, being the main governance body of EDF UK. While EDF UK's ultimate parent company, Électricité de France, a company incorporated in France, defines the overall strategy and direction for EDF UK, the directors makes sure that the activities in the Company are compatible with achieving these objectives to promote long term success.

This statement describes the actions taken by the Directors to fulfil their responsibilities to promote the success of the Company and the wider EDF UK Group, in accordance with the Section 172 of the Companies Act 2006, for the financial year ending 2024. The Directors have considered the following Section 172 factors:

- The likely consequences of any long term decisions;
- Employee interests;
- Building business relationships with suppliers, customers and others;
- The impact of operations on the community and environment;
- Maintaining a reputation for high standards of business conduct, and
- Acting fairly between members of the Company.

The Company purpose and strategy is set out in the Strategic Report and published on the EDF UK website. The purpose is summarised as Helping Britain achieve Net Zero. The purpose and strategy are guided by: i) feedback from stakeholders; ii) consideration of the long-term impact of strategic decisions on the long-term objectives of EDF UK; and iii) the environmental and social impact of those decisions.

The Company and EDF UK, is committed to sustainability and published a Change is in Our Power / Helping Britain Achieve Net Zero Progress Update in 2024 (available online). The update sets out how we're helping the transition to a secure, reliable, affordable and resilient decarbonised energy system through our business activities. These include generating zero carbon electricity, helping our customers to achieve net zero, decreasing our carbon footprint and contributing to environmental and societal improvements, all are reinforced by our commitment to health and safety. We also published our latest Carbon Reduction Plan. The Directors are committed to the EDF UK policies aimed at protecting stakeholders (e.g. Health, Safety and Wellbeing, People, Ethics and business conduct, Environment, and Supply Chain). These are available online.

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, helping them effectively fulfill their decision-making responsibilities. On appointment, Directors are provided with the EDF UK Directors Training and Induction Manual. This explains their duties and obligations, how to comply with them, and how to operate within EDF UK's corporate governance framework. Directors are offered face-to-face bespoke training and guidance should they need additional support in their new role. They're also encouraged to update their skills, knowledge and familiarity with EDF UK by meeting with senior management, visiting sites (such as the power stations and call centres) and attending external seminars and training courses. This training makes sure Directors are aware of their section 172 duties and understand the responsibility they have in representing the Company through their decision-making.

More information on the Board's structure and the Directors' responsibilities can be found in the Company's Corporate Governance Statement.

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### Employees

The Company is the main employing entity of EDF UK: recruiting and retaining great people is a core priority for the Company. EDF UK consistently engages with employees and carefully considers their perspectives when making decisions, fully recognising that the success of the Company is fundamentally driven by the contributions of our people.

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

The Company fully supports a welcoming and inclusive workplace culture using networks to encourage equity, diversity and inclusion. These include:

- LGBTQ+ Supporters;
- Women;
- RACE;
- Careers and Accessibility;
- Working Parents; Forces Support;
- Young Professionals;
- Cancer Support;
- Mental Health Supporters; and
- Neurodiversity.

The Company understands the importance in monitoring workplace employee satisfaction, paying close attention to how included our people feel. EDF UK is also able to monitor the diversity of senior leadership in terms of gender, ethnicity, sexual orientation and disability. Understanding our people is fundamental to understanding how we can improve as an organisation. For example, at the end of 2024, 36% of the Company's senior leadership had one or more diverse characteristics. All senior leadership appointments and succession plans are regularly reviewed by the Chief People Officer and Executive Team ("ET") to make certain the very best talent is appointed. The talent pipeline is diverse, and performance to date is because of sustained career development and progression over the last few years. The company benchmarks to standards such as Disability Confident, the Gender Equality & Diversity European & International Standard, and BiTC Race at Work Charter. EDF UK's ambition is for 50% of senior leaders to have one or more of these diverse characteristics by 2030.

All employees are annually invited to give their views on the company strategy, future, management, processes, tools, diversity, reward and more, through the MyEDF survey. Participation rates in 2024 were 75%, this gave a representative view of how employees feel, and an insight on what the company should focus on and improve. In 2024, scores for engagement and diversity reached new highs, with 90% of participants saying they'd recommend EDF as a good place to work.

In 2024 the Company concluded its research into our 'Employee Value Proposition'. Data was captured from around 7,500 people through EDF's annual 'My EDF' survey, which is completed by employees across EDF UK, regular 'Officevibe' surveys, a shorter survey whereby employees share their experiences at work and also through deep listening focus groups, and interviews. This research showed that one of the main drivers for employee satisfaction at EDF UK, and why new talent would be keen to join EDF UK, is that 'Progress is Personal'. Progress could mean promotion, specialising, gaining experience across EDF UK, or having a work life balance, and EDF UK can offer all these opportunities. The improvement plan from this research includes a refocus of our 'Everyone's Welcome' inclusivity strategy, a new employer brand, improved candidate onboarding, pay transparency, review of performance management and improved employee policies.

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Specific examples of EDF UK's improvement plan for employees include:

1. **New employer brand - 'Success is Personal'** - The Company is launching a new attraction strategy for 2025. The new recruitment system will encourage more interaction with potential talent and provide a leading candidate experience.
2. **Parenting Policy improvement** - Following consultation with trade union partners, the Working Parents Network and the Women's Network, an updated Parenting Policy was published in 2024. This included improved maternity and paternity pay and time off for neo-natal care and fertility.
3. **Pay review** - There's been a continued response to the cost-of-living crisis, recognising its exceptional impact in 2022 and challenging labour market conditions from the UK post-pandemic. The Company's introduced an annually recurring flexible cash fund and improved pension plan payments for new starters.
4. **Everyone's Welcome** - Following an independent review, our three key leadership courses are being revised to make sure 'Inclusive Leadership' is paramount throughout. Training and socialising of Cultural Intelligence and Psychological Safety will also be carried out across EDF UK.
5. **Net zero commitments** - To support the Company's Net Zero commitment and make it easier for our employees to lead low-carbon lifestyles the Company is continuing its electric vehicle car scheme - available to employees as a salary sacrifice benefit, with approximately 1,000 vehicles through the scheme. In addition, e-bikes are included in the Company's cycle-to-work program.

### Suppliers

EDF UK is an active supporter of the United Nations Global Compact ("UNGC"). The UNGC's ten core principles form part of the supplier onboarding process for all BUs across EDF UK. The UNGC covers a range of topics including: Human Rights, Labour, Environment and Anti-corruption.

Additionally, EDF UK works with a broad range of organisations to promote safe, secure, and responsible energy generation, while delivering fair value, better service, and simplicity to customers. As a member of MSDUK and WEconnect, the Company actively encourages the development of diverse and inclusive supply chains. The diversity and wellbeing of suppliers are key priorities for EDF UK and acknowledges the critical role partners and suppliers play in sustaining EDF UK's competitiveness and profitability, ensuring the long-term success of the business.

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.

The Company, in addition to other companies within EDF UK that meet the applicable threshold, publishes its Modern Slavery Act Statement, Gender Pay Gap Report and Payment Practices Report in accordance with UK law and regulation. Each of these is published externally and gives consideration to EDF UK's relationships with its suppliers, particularly the Modern Slavery and Payment Practice and Reporting Statements. The Board welcomes this transparency and uses these reports to help EDF UK continue to improve its performance in these areas.

To closely monitor its supply chain, EDF UK conducted a comprehensive review in 2023, gathering feedback and input from each BU. This created an updated policy, establishing a framework of minimum standards for supply chain activities across EDF UK. By conducting such reviews, EDF UK seeks to maintain high ethical standards throughout the supply chain and reinforces employee engagement with this crucial aspect of the business.

### Customers

The Company mainly functions as an intermediary holding company within EDF UK. It doesn't engage directly with customers, instead playing a supportive role, contributing to the broader framework and operations that

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serve EDF UK's customer base.

EDF UK develops strong relationships with customers by striving to understand their evolving needs. We deliver tailored, relevant services with excellent customer service, this helps us retain our loyal customer base and attract new customers.

To best support our customers, EDF UK has invested in the Kraken technology platform. EDF's entire customer base has migrated to this cutting-edge technology, to provide better, more efficient customer service. This platform improves billing, reduces debt, and cuts call wait times, to help support our customers.

In light of the ongoing cost-of-living crisis, information including performance indicators and strategic business initiatives in relation to our customers, and looking at how to continually improve their experience, have been avidly discussed by EDF UK over the past year. EDF UK are committed to supporting its most vulnerable customers through a wide variety of schemes offered across the Company. EDF UK have a dedicated customer support fund, this has helped more than 55,000 customers since its launch in 2003. Through this, eligible vulnerable customers, experiencing financial hardships, are offered a 'fresh start' to help lower their debt. More information about how we support our customers can be read in the Company's Corporate Governance Statement.

The Company understands the importance of these measures and remains committed to closely monitoring their effectiveness, so EDF UK can adapt as needed. After a customer has got in touch, they're given a link to leave a review. The link is tracked so we can monitor feedback and address negative responses by implementing improvements, and relaying feedback to the relevant teams. In 2024, EDF UK's Trustpilot score increased to 4.7, demonstrating the Company's commitment to providing excellent customer service.

### **Other Stakeholders**

Throughout 2024, the Directors have remained mindful of the diverse range of stakeholders we collaborate with, recognising the important roles each can play in helping Britain achieve net zero. Building solid partnerships with all our stakeholders is crucial to the long-term success and sustainability of the business.

The Company has well established relationships with Trade Unions, with formal recognition of UNITE the Union, GMB, Prospect and Unison. EDF UK engages with Trade Unions through various forums, such as the Company Council to promote the provision and exchange of information and ideas, including discussions on various strategic issues. Additionally, the Company uses formal committees for consultation and negotiations, on topics such as working arrangements and health and safety, working through relevant BUs in alignment with existing Industrial Relations Agreements.

With 2024 bringing a general election and a change of government, the Company continued to engage with political stakeholders and decision makers who shape the policy which can impact our business. It's essential for EDF UK to work with government, so issues affecting the energy industry are discussed in an open and transparent manner. Having direct communication with political and regulatory stakeholders helps them better understand EDF UK Group's business and enhances our insight into the factors shaping policymaking. This is supplemented by our participation in trade associations and industry bodies.

### **Communities and the environment**

The Company supports EDF UK in its commitment to leading the UK's transition to a secure, low-carbon electricity system. As the UK's biggest zero carbon generator, the Company is helping support the reduction in carbon emissions enacted by the Climate Change Act 2008 (as amended) to set a net zero target by 2050, and the Paris Agreement on

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Climate Change. More information on EDF UK's sustainability commitments can be found in Helping Britain achieve net zero - progress update 2024, accessible on EDF UK's website. The EDF UK Net Zero Steering Group - comprising senior stakeholders from different BUs and functions, serves as a forum to discuss and share knowledge on climate-related topics.

Beyond being an energy supplier, EDF UK further supports the UK's transition to a decarbonised future through its range of business activities, from investing in low-carbon heating, to facilitating renewable energy power purchase agreements. EDF UK recognises that the future of energy is zero carbon, and to get there will require substantial investment in renewable technologies to support and accelerate this transition.

In addition to investing in local projects, the Company has a partnership with Alzheimer's Society, supporting pioneering research and life changing dementia services across the UK. Demonstrating the commitment to this incredible charity, in 2024, the Company raised £211,277 through a series of company-wide fundraising events, and efforts from our people including skydives, marathons, endurance challenges and international expeditions.

### Decision making

Throughout the year, the Directors were presented with information ahead of taking decisions and were confident in the integrity of the information used to make effective decision-making. The Board didn't hold Board meetings during 2024, instead following a more adaptive approach where matters were resolved by written resolution as needed.

Such decisions included:

- Various intra-group financing arrangements with its subsidiaries, including EDF Energy Renewables Limited to fund the continued growth of the Renewables business; and
- Approval and entry into an agreement for corporate support services.

More information on EDF UK's governance arrangements can be found in the EDF Energy Holdings Limited s.172 Statement.