

# S.172 Directors Duties Statement (incl. Workforce & Stakeholder Engagement Statements) EDF ENERGY (THERMAL GENERATION) LIMITED (2024)



Statement approved by the Board of Directors on 18 September 2025 as part of the Company's Annual Report & Financial Statements (2024) and signed on its behalf by Mark Hartley, Director, on 17 December 2025.

## Introduction

This statement describes the actions taken by the Directors to fulfil their responsibilities to promote the success of the Company in accordance with Section 172(1) of the Companies Act 2006 (the Act) for the financial year ending 31 December 2024. The Directors have considered the following Section 172 factors:

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

EDF in the UK and the Company's purpose and strategy is set out in the Strategic Report and published on the EDF UK website. The purpose is UK articulation of the EDF S.A. Raison d'être. This underpins the Board's strategy setting and decision making to ensure activity within the Company works to promote its long term success.

The Company is committed to sustainability and EDF UK published a Helping Britain achieve net zero progress update in 2024 (available online). It sets out how EDF UK is 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 supported by our commitment to health and safety. EDF UK also published its latest Carbon Reduction Plan (available online). The Directors are committed to the EDF UK policies aimed at protecting stakeholders (for example, Health, Safety and wellbeing, People, Ethics and business conduct, Environment, and Supply Chain). These are also available online.

Whilst the Company is not required to give a Corporate Governance Statement, in accordance with the Companies (Miscellaneous Report) Regulations 2018 (the "Regulations"), this statement includes a description of the Company's corporate governance arrangements and engagement with stakeholders. The Directors seek to apply best practices from the Regulations and voluntarily adhere to the Wates Principles for Large Private Companies to do so.

## 1. OUR STAKEHOLDERS -WHO ARE THEY AND HOW DO WE ENGAGE WITH THEM?

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In 2024, the Company engaged with a large variety of stakeholders, either directly or indirectly through its two subsidiary companies. The Company's key stakeholders are summarised below:

- Conscious Inclusion approach mobilised through training 100 Conscious Inclusion Champions to act as champions of change, role model conscious inclusion and further develop cultural intelligence across our BU and devising conscious inclusion behaviours we can all adopt to further build a culture of inclusion.
- Employees and Trade Unions
- Communities
- Suppliers
- Customers / Developers
- Industry and Business Associations
- Government and Regulators

The Company is clear that good governance and effective communication are essential on a day-to-day basis to deliver the EDF UK company purpose, and to protect the Company's reputation and relationships with our stakeholder community including shareholders, customers, employees, suppliers, regulators and the local communities in which we work. The Board is committed to

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social responsibility, community engagement and environmental sustainability (discussed in further detail at "Setting Strategy") and our engagement with internal and external stakeholders. By maintaining a dialogue with our stakeholders, the Board ensures that it takes decisions which are aligned with the purpose and supports its achievement.

### Employees and Trade Unions

The EDF UK Group engages with employees and carefully considers their perspectives when making decisions, fully recognising that the success of EDF UK is fundamentally driven by the contributions of our people.

EDF UK fully supports a welcoming and consciously inclusive workplace culture, working together with our networks to further enable 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.

EDF UK understands the importance of monitoring workplace employee satisfaction and using people led insights to inform action and pay close attention to how included our people feel. We recognise that understanding the lived experience of our people is fundamental to understanding how we can improve as an organisation.

EDF UK is also able to monitor the diversity of senior leadership in terms of gender, ethnicity, sexual orientation and disability. All senior leadership appointments and succession plans are regularly reviewed by the Chief People Officer and ET to make certain the very best talent is appointed. The talent pipeline is very 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 European & International Standard (GEEIS), and BiTC Race at Work Charter. UK's ambition is for 50% of senior leaders to have one or more of these diverse characteristics by 2030.

In addition to education workshops, and creating psychologically safe spaces to share lived experiences through our Conscious Inclusion Champion and Mental Health First Aider communities, employees can share feedback through surveys at BU or team level. 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 gave 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 EDF UK concluded its research into our 'Employee Value Proposition'. Data was captured from around 7,500 people through EDF's annual 'My EDF' survey, 'My Voice' surveys, 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.

1. **New employer brand** – ‘Success is Personal’ - The Company has launched a new attraction strategy for 2025, which includes a new recruitment system that will encourage more interaction with potential talent, provides robust reporting insights throughout the recruitment pipeline and will 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 has 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 has introduced an annually recurring flexible cash fund and improved pension plan payments for new starters.
4. **Everyone’s Welcome** - Following an independent review, our EDF UK ED&I strategic pillars have been defined as:
  - a. **Cultural Intelligence:** with teams that value cultural differences;
  - b. **Inclusive leadership behaviours:** supporting leaders to empower and include; and
  - c. **Health and Psychological Safety:** enabling an environment where people feel safe to ‘speak up’.

To ensure we build a consciously inclusive workplace culture in a meaningful way, each business unit has a dedicated ED&I strategy and plan. Due to the nature of the Company’s business, there are not many members of staff supporting this part of the business nor is there much recruitment/talent attraction. Nevertheless, the Company, when recruiting, seeks to attract, engage and retain diverse talent and build inclusion for everyone, enabling our colleagues to truly thrive and positively impact business outcomes including productivity, advocacy for the business and engagement. The ED&I strategy is aligned to our organisational strategic people priorities, Everyone’s Welcome 3 pillars and ‘we do right by each other’ ethos.

The ED&I strategy and plan are defined and delivered through the Nuclear Operations Inclusion Action Group (IAG) comprising of representatives from all sites, with robust governance and oversight through Exec and Senior Lead sponsorship. This IAG would cover the thermal business too. Diverse IAG representation enables an embedded approach across the organisation, with ownership and delivery across all sites which is further mobilised through local people plans.

The IAG gain insights through diversity and inclusion data and learn about lived experience and emerging themes via its members (e.g. our Conscious Inclusion Champions and network reps). As well as delivering strategically, we are therefore able to also take targeted action to make the biggest impact, in line with site need and build a culture of inclusion for its people.

The IAG includes members from our contract partner organisations, bringing valuable external insight and benchmarking opportunities. We also recognise that contractors are an integral part of our workforce culture and it is therefore critical that they are represented.

The IAG is also represented at the EDF UK ED&I forum, enabling opportunity for cross EDF UK collaboration and learning from each other. Collectively, we work together to deliver against EDF UK strategic action. Involvement in developing our ‘employee value proposition’ (EVP) is a recent example of collaborative working that’s helped to cement our ethos of ‘we do right by each other’ as part of our cultural practice and offering.

Involvement with external organisations as champions for change also provides learning and collaboration opportunities to help us on our ED&I journey and make a positive impact for our sector e.g. Women in Nuclear, Energy Leaders Coalition, Inclusive Employers.

Collectively, we take positive action to further develop an inclusive workplace culture, including:

- Conscious Inclusion approach mobilised through training 100 Conscious Inclusion Champions to act as champions of change, role model conscious inclusion and further develop cultural intelligence across our BU and devising conscious inclusion behaviours we can all adopt to further build a culture of inclusion.
  - IAG Project workstreams designed to further build inclusive practices such as ‘getting the basics right’ and ‘engaging the majority demographic’ to empower everyone to build inclusion and value the diversity we each bring. With diversity of thought we can mitigate ‘group think’ and enable true innovation, which is key to achieving our organisational goal of helping Britain achieve net zero.
  - Positive action to improve diverse representation through a reverse mentoring programme, with colleagues with an ethnic minority background mentoring our leaders to educate and inform positive action, piloting a new attraction pipeline for under-represented talent through collaboration with 10K Black Interns programme and WiN mentoring programme for identified female talent; connecting women across the nuclear sector and developing their mentoring skills.
  - Mobilising a centralised STEM / Outreach programme to attract diverse talent and invite under-represented groups to ‘count themselves in’ to our organisation.
5. **Net zero commitments** - To support EDF UK’s net zero commitments 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 ordered across EDF UK through the scheme. In addition, e-bikes are included in the Company’s cycle-to-work program.

## Communities & Environment

EDF UK is committed 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 Climate Change. More information on EDF UK’s sustainability commitments can be found in the ‘*Helping Britain achieve net zero - progress update 2024*’, accessible on EDF UK’s website.

The Company benefits from teams across the whole business managing sustainability risks and opportunities in relation to their working activities. These teams are supported by specialists with a shared passion to maximise the sustainability of our business who create engaging discussions and opportunities to share knowledge through groups such as our Environmental Professionals Network and senior stakeholder Net Zero Steering Group. We’re all proud to play our part in helping Britain achieve Net Zero.

EDF UK is committed to social responsibility, community engagement and environmental sustainability, which are underpinned by various corporate policies (available online). EDF UK aims to protect the natural environment and biodiversity through stewardship of land around its power stations and the commitments made through its renewables and new nuclear projects. Extensive consultation with local communities is undertaken to enable better decision-making.

In addition to investing in local projects, EDF UK 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, EDF UK raised £211,277 through a series of company-wide fundraising events, and efforts from our people including skydives, marathons, endurance challenges and international expeditions.

## External 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 and the wider Group proactively engage, as required, with relevant external stakeholders including trade associations and industry bodies, government and regulators. These external discussions support decision making and facilitate transparency.

### Other Reporting

The Company, when it meets the threshold, in addition to other companies within the Group, publishes its Modern Slavery Act Statement (in conjunction with other Group companies) and, when it meets the threshold, the Payment Practices and Report in accordance with UK law and regulation. Each of these is published externally and gives a view as to the business relationships the Company has with its suppliers, particularly the Modern Slavery and Payment Practice and Reporting Statements. The Board welcomes the transparency and uses these reports to help the Company continue to improve its performance in these areas.

## 2. HOW DOES THE BOARD SET STRATEGY AND TAKE DECISIONS?

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### Setting Strategy

#### *Purpose and Objective*

In early 2024, a deal was reached to sell EDF Energy (Gas Storage) Limited, a subsidiary of the Company which was responsible for operating the gas storage facilities. This deal signalled EDF UK's exit from thermal operations in the UK, a decision that has been driven by the EDF UK purpose 'Helping Britain achieve net zero', led by investment in Nuclear and Renewables generation. The sale agreement of EDF Energy (Gas Storage) Limited was completed and finalised on 15 April 2024.

Following the sale of its gas storage business, the Company is now a solely decommissioning organisation which has required an adjustment in the way the Company operates, makes decisions and deals with its stakeholders. During 2024, the Board continued to oversee and guide the Company's operations during this transformative period. The Board now receives updates on the decommissioning of the Cottam and West Burton A Stations to ensure the decommissioning programmes are progressing as expected and staff and other stakeholders are being supported. The thermal decommissioning programme also reports into the Nuclear Decommissioning Director to ensure updates and learnings are shared across the thermal and nuclear business.

### Taking Decisions

#### *Meet the Board*

The Directors of the Company have given careful consideration to the size and structure of the Board, in order to meet the strategic needs and challenges of the organisation and ensure there is a suitable level of knowledge and expertise of the Company and Group in order to discharge any decision-making responsibilities appropriately and satisfy the needs of this particular Board. In doing so, the composition of the Board is most likely to factor into promoting the success of the Company.

As at 31 December 2024, the composition included the Nuclear Operations Finance Director as Chair and a mix of Directors and Special Advisors bringing experience from a broad range of energy backgrounds, with standing invitations to attendees including Legal, HR, Finance and Operations. The balance of skills and experience of the Board composition facilitates constructive challenge and effective decision-making.

In 2024, the Board met twice and considered a number of strategic, financial and statutory agenda items agreed by the Chair in conjunction with other constituents of the Board.

### *Scope of the Board & Delegations of Authority*

Key financial information is collated from SAP, the Company's accounting system. The Company's finance function is appropriately qualified to ensure the integrity of this information is provided with the necessary training to keep up to date with regulatory changes.

The Company uses Financial Authority Limits (FALs) (as detailed in the Group Corporate Governance Policy) and contract signatory authority mechanisms to control and provide oversight over the various financial commitments it enters into.

### *Stakeholder concerns identified*

Each business unit and the respective teams therein, are responsible for engagement with relevant stakeholders, evaluating any feedback and escalating information (where relevant) to the Board for consideration in order to aid its principle decision making.

As highlighted above, an example of this would be the annual My EDF survey, the results of which are disseminated by each team within the business before being presented to the Board to support the setting of company strategy etc. Another example could be the ongoing engagement with the Group's various Pensions Trustees and Advisors to ensure the schemes in place are run properly and that members' benefits are secure. This information is used to inform and support the Board taking decisions impacting the schemes, considering triennial valuations every three years and setting future pensions strategy.

## 3. DIRECTORS TRAINING & INDUCTION

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### Board Composition and Training

All changes to the Board composition, particularly appointments, are approved in accordance with the 'Politique Gouvernance des filiales' policy mandated by EDF S.A. across the EDF Group, before being approved by the Company.

On appointment, Directors are provided with the EDF UK Directors Training and Induction Manual. This explains their obligations as a Director, how to comply with these duties and how to operate within the EDF UK Group's corporate governance framework. Directors are offered face-to-face bespoke training and guidance should they need additional support in their new role. They are 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 by attending external seminars and training courses. This training makes sure Directors are aware of their section 172 and regulatory duties and understand the responsibility they have in representing the Company through their decision-making.

## 4. POLICIES & PROCESSES

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### Ensuring Best Practice

EDF UK has a stringent risk management culture through policies, reporting and internal audit and assurance helping Directors make decisions concerning principal risks to EDF UK. EDF UK has developed a Risk & Resilience Policy covering Risk Management, Internal Control, Business Continuity and Crisis Management, which defines standards that companies within EDF UK need to

achieve. The Company self-assesses against these standards, and EDF UK is audited against them to give assurance that EDF UK companies have an appropriate risk culture.

The Company has processes in place to ensure that all significant risks are effectively managed, at an appropriate level in the business (feeding into the Nuclear Operations' risk report), ensuring risks are 'communicated and escalated' and 'trends and interfaces are monitored' providing visibility of risks from a local level (power station or BU) right through to company level. As the significance of the risk increases so does the level of communication and escalation in order to ensure significant risks are appropriately reviewed and stress tested, supporting effective decision making by key stakeholders at the appropriate level in the business. Risk reviews on progress against delivering mitigation plans and controls are conducted on a regular basis. On a quarterly basis, the business-level risk committees conduct a holistic review of the significant risks as well as the linkages to other risks challenging the effectiveness of the deployed risk strategies. Membership includes senior management from across the organisation providing diverse, independent and intrusive challenge of risks.

For more information on how risk is managed across the EDF UK, please see the EDF Energy Holdings Limited section 172 statement (available here: <https://www.edfenergy.com/about/governance>).