

S.172 Directors Duties Statement

*EDF Energy Limited
(2021)*



Statement approved by the Board of Directors on 5 September 2022 as part of the Company's Consolidated Annual Report & Financial Statements (2021) and signed on its behalf by Roby Guyler, Director, on 5 September 2022.

The Directors are fully aware of their responsibilities to promote the success of the company in accordance with s.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. The table below 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 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.

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 and our intranet, "eNZO". We also frequently engage with Company Councils and Trade Unions about matters affecting employees.

**A more detailed breakdown can be found in our Workforce Engagement Statement.*

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.

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

We hold a Standards of Conduct Advisory Panel with respected third parties such as Which? and Citizens Advice to help us understand what we need to do next to best meet customer needs and deliver high standards for every customer. Digital tools have radically transformed how we engage with our customers through support via live WebChat or MyAccount App.

Communities

We want to make a positive contribution to the communities we operate in. We work in partnership with local organisations, schools and colleges to support our projects and goals.

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 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 the 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.

We set high expectations for ethical conduct in our supply chain. Including whether 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 2020 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 Group have different types of memberships and affiliations relating to the different activities undertaken throughout the 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.

The Company and wider Group engages directly with central Government, such as the Department for Business Energy and Industrial Strategy 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.

We have a role to play in sustainability, enabling Britain to achieve Net Zero by championing the transition to a low-carbon future.

We engage with political and regulatory stakeholders to help them understand our business better, and so shape the policy and environment in which we operate.

Media

The media plays a vital role in bringing high profile issues affecting our business to the public's attention.

Engaging with the media is crucial to disseminating important messages about the Company to our customers and other stakeholders. Examples include providing updates on price changes.

The speed and accuracy of our engagement with the media are crucial to protecting our reputation.

Our press office operates 24 hours a day, 365 days a year, and so can deal with media queries at any time.

As above, the communications team supports the Company to manage its stakeholder engagement. The social media team has an active listening, response and monitoring strategy to gauge market perception of delivery of the strategy of the Company

Impact on Principal Decisions

Throughout the year, the Directors were presented with timely information ahead of taking any decisions and were confident in the integrity of the information used to enable effective decision-making. The Board's priority in making decisions is about what it considers to be in the long-term success of the Company, from both a financial and safety perspective as [safety remains the](https://www.edfenergy.com) [edfenergy.com](https://www.edfenergy.com)

Company's overriding priority. The Company uses information from stakeholder engagement, including employees, regulators, suppliers, together with community and environment factors to make these decisions.

The Board did not hold active Board meetings during 2021 but to allow for flexible and agile decision making, the Directors opted instead to take decisions by way of written resolution. Such decisions included:

- Approval of the annual financial statements for the financial year ended 31 December 2021;
- Consolidation of EDF's three pension schemes into one consolidated scheme; and
- Intra-group financing arrangements with its subsidiary, EDF Energy (Thermal Generation) Limited as part of a process which is ongoing to simplify intercompany funding.

The main governance and oversight board of the Group is EDF Energy Holdings (**EDFEH**), the Company's sole shareholder, which frequently meet to discuss matters which are of strategic importance for the 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 (2021) EDFEH.

Workforce Engagement Statement

The 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.

Management engages with employees through formal and informal channels, including emails from the 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 Yammer 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

We Listen...

'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 SA Group. It identifies areas of satisfaction and opportunities for improvement in order to help establish priorities within the Group.

The results of the 'My EDF' Survey are discussed at Board level and

Commented [FR1]: Rach – we could include something about them approving the pensions consolidation but other than that they only approved the accounts and the Thermal Gen loan waiver so wasn't sure whether it best to just keep this section short but let me know what you think.

Through various channels including conducting annual employee engagement surveys.

Strong employee engagement is especially important in maintaining strong business delivery in times of change.

We Engage...

With Company Councils and Trade Unions.

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, and Business Unit specific forums.

We Support...

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.

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