

S.172 Directors Duties Statement (incl. Workforce & Stakeholder Engagement Statements) EDF Energy Customers Limited (2021)



Statement approved by the Board of Directors on 26 September 2022 as part of the Company's Annual Report & Financial Statements (2021) and signed on its behalf by Simon Todd, Director, on 28 September 2022.

The Directors are fully aware of their responsibilities to promote the success of the company in accordance with the requirements of Section 172 of the Companies Act 2006 (the **Act**). 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. 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, our intranet, "eNZO" and regular email updates from the Managing Director of the Customers Business, Philippe Commaret. We also frequently engage with Company Councils, Trade Unions and employee networks about matters affecting employees.

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

Customers

Our main vision, is to help Britain achieve Net Zero by leading the transition to a decarbonised business. We help British households, businesses and the public sector achieve Net Zero, in areas including electric mobility, low-carbon heating, flexibility services and smart meters combined with data services.

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.

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.

As a company we have outlined our commitment to be open and transparent in our business dealings.

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 2021 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.

Attendance at monthly Retail Committee Meetings with the industry trade body (Energy UK). 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 we collaborate to progress various consumer, regulatory and policy matters alongside other suppliers and industry participants.

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.

We engage directly with central Government and other agencies such the Department for Business Energy and Industrial Strategy, Ofgem, Competition and Markets Authority, Citizens Advice, etc to develop policies and extra services for customers, and continue to work collaboratively with partners on these.

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

Impact on Principal Decisions

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

During 2021, the Company has been faced with serious challenges due to the impact of the ongoing UK energy market crisis (the **Crisis**). The Board have played a key role during the Crisis 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 being presented by the Crisis.

For further information on the impact of the Crisis please see page 6 of the Strategic Report.

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

- Hedging strategy;

- Managing the operation challenges posed by increased customer volumes;
- The ongoing communications strategy; and
- Various mitigation and crisis response actions being taken in all areas of the Customers Business.

The Directors have had due regard to the concerns of both internal and external stakeholders when considering the implications of any strategic decision making so as to fulfil their responsibilities to promote the success of the Company in accordance with the Act for the financial year ending 2021 during this challenging period.

Following the launch of a new ambition for the Customers Business in 2019, 'Simply Better for Customers', which strives to provide the best service for its customers and puts customers at the heart of everything it does is in line with the Company's values, EDF was awarded the Uswitch 'Large Supplier of the Year' award in 2021, receiving a customer satisfaction score of 74% - the highest score of all the 'big six' suppliers. The Customers Business also acquired the customer accounts of Utility Point, Green Network and Zog Energy after being appointed Supplier of Last Report following the collapse of these suppliers during the ongoing Crisis, a process which the Board has had oversight of.

As set out further in the Company's Corporate Governance Statement, the Company acquired a majority shareholding in Pod Point in early 2020, one of the largest electric vehicle (**EV**) charging providers in the UK, following the launch of its low-carbon EV tariff "Go Electric". "Go Electric" gives customers the chance to lease an EV while benefitting from lower off-peak electricity rates. The acquisition of Pod Point will allow the Company to offer quality installations of charging solutions as part of even more attractive EV deals. In 2021 EDF also chose to partner with DriveElectric, one of the UK's leading electric car lease providers, to provide customers with handpicked EV leasing deals, opening up the EV market to more individuals. With the UK Government vowing to phase-out the sale of new petrol and diesel cars by 2030, taking these decisions was an important step forward for the Company and the wider EDF UK group in its support of Britain in achieving its Net Zero goals.

As a testament to the level of importance the Company puts on supporting the community, in 2020 the Company became a signatory of the Vulnerability Commitment (the **Commitment**) launched by Energy UK in December 2020. The Commitment involves a pledge to a series of commitments, aimed at improving the services the Company offers to those who need it. The Company is a founding member of the Commitment further illustrating our commitment and drive to help the vulnerable within society. The Company has also taken the opportunity to learn from its experience during the Pandemic has incorporated those learnings into its response to the Commitment, with insights including where best to provide additional support and speed of response.

In addition, 2021 also saw a continued drive by the Board to review the current capabilities of the Company including the demand of its suppliers, generators and business customers for services it already provides whilst looking at potential future profitable beyond supply strategy and opportunities. In order to maximise opportunities in this area, the Company continues to engage with various stakeholders including customers and industry and business associations in order to foster the company's business relationships with these key stakeholders.

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 regular employee surveys, 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 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 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 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 Group and impacts the principal decisions taken by the directors.

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 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; 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. m

