

S.172 Directors Duties Statement (incl. Workforce & Stakeholder Engagement Statements) EDF Energy Nuclear Generation Limited (2020)



Statement approved by the Board of Directors on 22 June 2021 as part of the Company's Annual Report & Financial Statements (2020) and signed on its behalf by David Tomblin, Director, on 22 June 2021.

The Directors are fully aware of their responsibilities to promote the success of the company in accordance with Section 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 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.*

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. This includes 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.

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 have been proactive in working with the Office for Nuclear Regulation, Government and other agencies such as the Department for Business, Energy and Industrial Strategy, Ofgem, etc. to continue to generate electricity safely and securely.

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

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.

We aim to be the best neighbour possible with the communities we operate in around the coastline of Scotland and England. Many of our employees and contract partners live locally, their children go to local schools and colleges and we recruit young people as apprentices and graduates at all our sites. Many local businesses and services engage with us professionally every day and local politicians, media and community organisations are interested in the work we do.

Impact on Principal Decisions

Matt Sykes as Managing Director of the Company, together with the Company's leadership team, have developed and are now implementing the Company's strategy which is detailed in the Directors' Report on page 12 of these accounts, whilst maintaining its commitment to zero harm. This continues to be supported through dialogue with employees to ensure that the Company is transformed to maximise the existing and future value of the Company's unique capability. In order to maximise opportunities in this area, the Company continues to engage with various stakeholders including industry and regulators. This refocusing of the Company's strategy promotes the success of the Company for the benefit of its shareholders.

Further, the Company makes all decisions in respect of the fleet considering the impact of the Company's operations on the community and environment and the need to maintain high standards of business conduct. In taking decisions in respect of the fleet, the Board also considers the impact on its supply chain, which is key to the continued successful generation and decommissioning of the fleet.

At Board meetings throughout the year, the Directors are presented with papers and discuss updates in relation to the Company's strategic priorities. The Board's priority in making strategic 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 Company's overriding priority. The Company uses information from stakeholder engagement, including employees, regulators, suppliers, together with community and environment factors to make these strategic decisions.

The performance of the Company's nuclear power stations is a key factor considered by the Board during Board meetings, from both a safety perspective and a financial perspective. The feedback from stakeholders, particularly regulators and employees, is paramount to the Board when making decisions in relation to the future of the stations. The Board also regularly reviews the Company's safety performance to ensure that the Company's zero harm ambition is met. This commitment means making sure that our workplaces are safe and healthy for everyone, including our employees and anyone working on our behalf.

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, lunch and learns, open forums, interviews and via eNZO. m

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.

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 Group. It identifies areas of satisfaction and opportunities for improvement in order to help establish priorities within the EDF 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 the wider Group and impacts the principal decisions taken by the directors.

The Board considered the areas of focus presented by 'My EDF' when setting the Company's new strategy at the end of 2019 and agreed to concentrate on simplification and efficiency, confidence in the future and feeling part of the change during 2020 which were all areas raised by employees in responses to 'My EDF'.

The nuclear safety culture survey is conducted every two years. The survey has been developed with WANO and checks that the nuclear safety culture is embedded throughout the Company. The results compare performance against ten nuclear safety traits and are reported within the industry.

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 LGBT Supporters; Women's; Black, Asian and Minority Ethnic; Disability and Carers; Working Parents; Forces Support; Young Professionals; Cancer Support; and Mental Health Supporters.