

EDF ENERGY'S MODERN SLAVERY STATEMENT



Introduction

EDF Energy is one of the UK's largest energy companies and the largest producer of low-carbon electricity, producing around one-fifth of the nation's electricity from its nuclear power stations, wind farms, coal and gas power stations and combined heat and power plants. The company also provides gas and electricity for more than 5 million customer product accounts and is the biggest supplier of electricity by volume in Great Britain and the largest supplier to British businesses.

[The Better Plan](#) is our framework for being a sustainable and responsible energy business and is an integral part of [EDF SA's 2030 vision](#) – to be the efficient, responsible electricity company and champion of low-carbon growth.

Doing business in an ethical way is one of our most important values. Through The Better Plan we are working to ensure sustainable, ethical practice across our supply chain, and we will not tolerate any abuse of human rights. At EDF Energy, we recognise that Modern Slavery is a growing global concern, and we are working to ensure that our own operations, and those of our supply chains, are appropriately evaluating the risks of Modern Slavery.

We are working to mitigate these risks where possible by putting plans in place to demonstrate our commitment to ethical business. We report our sustainability performance annually through our Better Energy Ambitions, and are signatories to the [United Nations Global Compact](#) (UNGC). We strive to continuously improve our standards of ethical behaviour. Our commitment to ethical business practice is outlined in our [Ethics & Business Conduct Policy](#). Our commitment to sustainable and responsible business, including steps we plan to take to further address social issues, including modern slavery, are outlined in more detail in The Better Plan.



Our People

Around 30,000 people work for EDF Energy; both directly employed and through external contractors, alongside a supply chain consisting of around 5,000 suppliers.

All of our people are expected to work to our guiding principles for ethical behaviour and our business values are communicated through a variety of channels. We have supporting documents in place to guide our employees to work in an honest and ethical manner, as well as giving them the confidence and tools to report any suspected unethical conduct in the organisation.

Our Codes of Conduct reminds our people, of the need to demonstrate that we are a company that acts honestly and ethically. Employees are reminded that they should

report any concerns of possible illegal activities, unethical conduct or anything that might prejudice the business, using EDF Energy's Confidential Reporting of Serious Concerns procedure.

EDF Energy is committed to fair employment practices and to ensuring legal and regulatory compliance. This commitment, in addition to the policies and procedures described above, collectively helps to demonstrate our on-going commitment to the elimination of any risk of modern slavery practices. Included in this commitment is our accreditation by the [Living Wage Foundation](#) as a Living Wage Employer. The terms of our accreditation include the employees of our suppliers who work on our sites; we also encourage all of our suppliers to pay the Real Living Wage.

Our Supply Chain

We contract with suppliers to ensure that we have the goods and services needed to generate and supply electricity, gas and energy services to our customers.

Our supply chain due diligence processes include elements that identify any potential risks relating to slavery and human trafficking, and we carry out thorough risk assessments to identify areas of focus in relation to Modern Slavery concerns.

Supplier Standards

At EDF Energy we have a set of [Minimum Standards](#) that suppliers are required to abide by. These include a requirement for suppliers to complete a risk-based self-assessment aligned to the 10 Principles of the UNGC. This

provides us with our first opportunity to assess and mitigate the risks associated with Modern Slavery.

We ask our key suppliers¹ (covering approximately 63% of our supply chain expenditure) to obtain [Chartered Institute of Procurement and Supply's Sustainability Index](#) accreditation. This covers economic, environmental, and social aspects of their supply chains. This includes evidence to support payment of legal wages, entitlement to work, freedom of association and protection workers' rights and compliance with regards to Modern Slavery Act statement publication.

Our most important suppliers² (covering approximately 40% of our supply chain expenditure) are subject to additional reviews which include topics designed to identify the risks of Modern Slavery. Supplier Relationship Management activities

and Supplier Compliance Reviews allow in-depth assurance and on-going checks throughout contract delivery, to ensure ethical behaviours and industry codes of practice are followed.

Risk Assessment

We adopt tender specification requirements to set expectations of how goods and services should be delivered. Tender evaluation processes are also designed to establish whether suppliers can meet these expectations. A large number of our suppliers are companies registered in the UK who match EDF Energy's levels of transparency in relation to UK employment law and the Modern Slavery Act.

Due Diligence

Throughout 2017, we have carried out further due diligence of our supply chain processes, risks and mitigation plans. Internally we undertook a review of the areas of our business most likely to be impacted by Modern Slavery. This review identified the need to further carry out end-to-end supply

chain mapping in relation to goods and services that are purchased from specific countries. We plan to do this in 2018.

Our parent company, EDF SA, also places expectations on us in relation to ethical practice and performance management. This includes achieving and maintaining advanced level compliance with the ten principles of the UNGC and the need to comply with legislation recently enacted in France regarding supply chain due diligence oversight. Compliance with this legislation means that we will be carrying out additional due diligence in relation to some high risk areas in 2018.

Through the additional due diligence work outlined above we are committed to undertake further deep dives into our high risk areas in 2018.

We have also reviewed the publication of Modern Slavery statements by our key suppliers. This concluded that whilst the majority have published a statement, there are few of our key suppliers that have not. We will further work with these suppliers to review their future plans.

Highest Areas of Risk

Power Station Maintenance and Development

Nuclear generation and nuclear new build activities are subject to oversight from the [Office for Nuclear Regulation](#) and part of this oversight requires a high level of transparency from our suppliers. This includes ensuring that only duly authorised and other suitably qualified and experienced persons take part in these activities. This requirement and the quality standards required in relation to manufactured parts provide mitigation in relation to Modern Slavery risks. Our parent company, EDF SA, also oversees our ethical performance including alignment to the UNGC.

Smart Meter Production and Installation

The known risks around sourcing and installing smart meters are understood and are addressed throughout the tendering and contract management processes, including site-visits to smart meter suppliers. Those involved with installing meters are employed through UK-registered companies and have the relevant security and recruitment checks required by English

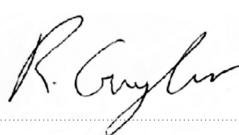
and/or Scottish law (as appropriate). In addition, we also carry out site-visits to the companies fitting the smart meters to ensure they continue to meet our high standards for the protection of the meter installers and our customer's safety.

Fuel Supply

Obligations contained within our contracts for the purchase of nuclear fuel are aligned to the [UN Declaration of Human Rights](#), the [EU Charter of Fundamental Rights](#) and the [International Labour Organisation](#) conventions. Additionally, EDF Energy engages where possible with suppliers who adhere to the [Better coal Initiative](#) and the EDF Group Biomass Procurement Policy. Whilst we recognise that the supply chain for commodity market-traded coal lacks the same transparency, we limit the use of this source of supply as much as possible.

Most of the gas we buy, both for sale to our customers and for use in our power stations, is purchased via our affiliate company. Our gas is received via the National Balancing Point (which is a gas trading facility run independently of EDF Energy) or via gas interconnectors, which connect the gas transmission systems from other countries to the UK's National Transmission System (NTS) via a UK gas terminal. As it is a fungible product, it is not possible for us to track the supply chain backwards.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes EDF Energy's slavery and human trafficking statement for the financial year ending 31 December 2017.

Signed: 
Director, EDF Energy Holdings Limited



¹ Are those companies, directly contracted to EDF Energy, that are seen as central to our business activities. As such, the inclusion of suppliers in this category is not based solely on our expenditure with them. There are approximately 200 suppliers in this category.

² Suppliers that are a sub-set of our key suppliers. It is those whose contract delivery to EDF Energy is seen as most critical to our business activities. There are approximately 30 suppliers in this sub-set.