

EDF in the UK Sustainability and Ethics Supplier Requirements Manual

Revision 01



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Introduction

Background

EDF recognises that our society depends on energy to live, work, develop and grow. Our customers depend on us to produce enough affordable energy – and to do it in a sustainable way. And we depend on our people to help us take on new challenges and fulfil our ambitions.

EDF requires its supply chain partners to operate in a manner that demonstrates the same commitment to sustainable, responsible and ethical business that EDF requires of its own people and business activities.

This document sets out EDF's expectations in relation to sustainability and ethics, as well as ethical business. As such it does not replace the terms of business set out in any contract or purchase order. However, compliance with these expectations is a deciding factor when EDF selects the third parties that comprise its supply chain.

The sustainability and ethics requirements outlined in this document apply to all suppliers and sub-contractors in receipt of purchase orders, contracts or tender enquiries from EDF in relation to the provision of works, materials, goods and services.

The general rule is that all individuals within EDF's supply chain should behave in a way that protects the interest of EDF, the people in EDF and those in the local or regional communities and protects and enhances the environment.

Supplier Request for Deviation from Sustainability and Ethics Requirements

If a supplier is unable to comply with any of the requirements defined within this document, it must request dispensation from EDF to deviate from these expectations. If agreed by EDF, this dispensation will be granted on a case-by-case basis.

Collaboration and Oversight

EDF is committed to working together with its supply chain to deliver excellence in everything it does. This is achieved by having the right people, with the right skills in place to deliver works, materials, goods and services at the right time.

EDF will exercise a range of oversight activities over its supply chain in order to assure that its expectations are met. In addition to the provision of evidence of suitable accreditations and certifications, suppliers will also be required, with a reasonable notice, to take part in self-assessments, compliance reviews and audits in relation to the subject matter of this document.

Confidential Reporting of Serious Concerns

EDF is committed to being an open and transparent organisation and to having high standards of integrity, behaviour and business practice. Employees or individuals working with EDF are encouraged to disclose information on serious concerns they have about activities within the company. In accordance with the Public Interest Disclosure Act 1998, individuals are encouraged to raise their concerns initially with EDF.

Anyone working for or with EDF suspecting illegal activities or unethical conduct or anything that might prejudice EDF (bribery, fraud, tax evasion, a failure to comply with legal obligations, a miscarriage of justice, a health, safety, modern slavery or environmental risk, including nuclear safety, or any other improper activities), must promptly report the situation in accordance with EDF's Confidential Reporting of Serious Concerns Procedure. This procedure makes provision for the use of a confidential reporting facility provided by an independent third party.

Nuclear-Specific Requirements

Suppliers undertaking contract delivery in relation to EDF nuclear locations or EDF-controlled nuclear sites shall ensure that their employees and sub-contractors are only deployed once they have undertaken appropriate back-ground checks, induction courses and setting-to-work briefings.

Suppliers shall notify EDF of any deficiencies identified in the competency of their employees, suppliers or sub-contractors that may impact contract delivery. Suppliers shall take corrective actions to eliminate such deficiencies.



“ ... Suppliers shall ensure that their employees and sub-contractors, understand and comply with any EDF Policy applicable...”



General Compliance

Suppliers shall ensure that their employees and sub-contractors, engaged on contract delivery to EDF, understand and comply with any EDF Policy applicable to that contract and of which the supplier has been made aware.

This could include the following EDF policies (all of which are available upon request):

Corporate Policies:

- Environment
- Health and Safety
- Supply Chain
- Sustainable Business

Conduct-related Policies:

- Alcohol and Drugs
- Code of Conduct
- Email and Internet Usage
- Equal Opportunities
- Gifts and Hospitality
- Harassment and Bullying
- No Smoking
- Social Media
- Telephony Usage
- Working Time
- Confidential Reporting of Serious Concerns
- Physical and Verbal Abuse by External Parties
- Business Travel and Accommodation
- Health and Safety Practice and Guidelines
- External Parties and Security Code of Practice
- Suppliers Guide to Diversity and Inclusion



Legal Requirements

Suppliers shall comply with the legal requirements and governmental regulations of the countries in which they operate.

Suppliers shall comply with all United Kingdom, European Union, United States of America and United Nations obligations regarding sanctions in relation to their business with EDF. Suppliers shall maintain procedures, processes and controls to monitor the application of sanctions to their business and notify EDF of any such risks that arise in relation to their business with EDF (e.g. if the supplier becomes controlled by a sanctioned entity or begins trading in a sanctioned country) as soon as reasonably practicable. Suppliers shall also provide to EDF details of any licenses or exemptions that apply to them in respect of sanctions that would otherwise affect their business with EDF.

Suppliers shall act in accordance with national and international competition laws such as not to participating in price fixing, market or customer allocation, market sharing or bid rigging with competitors.

Suppliers shall respect the intellectual property rights of other parties. Suppliers shall, where appropriate, maintain procedures, processes and controls which are designed to ensure compliance with the General Data Protection Regulation (GDPR 2018) appropriate to their role as Data Controllers or Data Processors. Suppliers shall ensure that they conduct due diligence on any third parties to whom they send information relating to their business with EDF, and only share information with third parties that have robust data protection capabilities.

Suppliers shall maintain procedures, processes, internal training programmes and other controls to prevent, detect and respond to acts of fraud, bribery or corruption, including preventing the bribing of foreign officials. Protections shall be established and maintained proportionate to the risk of fraud or bribery to which the supplier is exposed.

Suppliers shall not make offers of cash, gifts, hospitality or other benefits to an EDF employee in order to influence that employee's conduct while representing EDF.

Suppliers shall maintain procedures, processes and controls to prevent both UK and non-UK tax evasion through the course of their business activities. Protections shall be established and maintained proportionate to the risk to which the supplier is exposed.

Where appropriate, suppliers shall make the necessary disclosures in relation to UK legislation such as:

- Payment Practice Regulations
- Companies (Miscellaneous Reporting) Regulations
- Gender Pay-Gap Statistics
- Streamlined Energy and Carbon Reporting Regulations

Where appropriate, suppliers shall assist EDF in its compliance with the obligations placed upon it by the Office for Nuclear Regulation and by the Network and Information Systems Directive.



Ethical Business Practices

EDF's supply of energy to its customers is subject to gas and electricity Supply Licences. Supply Licences are granted by the Office of Gas and Electricity Markets (OFGEM) as the economic regulator of the gas and electricity markets in Great Britain.

Supply Licences incorporate conditions that all energy suppliers must abide by in order to supply energy to domestic and non-domestic consumers with some licence conditions applicable to energy suppliers and their representatives (including third-party representatives). One such licence condition relates to Standards of Conducts and the fair treatment of customers.

Suppliers engaging with EDF's customers shall behave and carry out any actions in a fair, honest, transparent, appropriate and professional manner as determined by the OFGEM Standards of Conduct.

Suppliers shall maintain procedures, processes and controls designed to ensure that Conflicts of Interest are identified and that the risks of such conflicts are mitigated. Conflicts of Interest that are identified in relation to contract delivery to EDF shall be reported to appropriate personnel within EDF.

Suppliers shall maintain procedures, processes and controls designed to ensure that their employees and sub-contractors have a channel available to them for the reporting of serious concerns in a confidential manner and by a route which is independent of the normal line-management reporting structure. Where appropriate such reports must be made via the EDF procedure for the Confidential Reporting of Serious Concerns.

Suppliers shall maintain procedures, processes and controls designed to remove the use of Conflict Minerals from their supply chains and business operation in relation to contract delivery to EDF.

Each supplier is expected to demonstrate an approach to sustainability which is commensurate with its size and the scope of its business operations.



Labour and Human Rights

Respect for Fundamental Employment Rights

Suppliers shall respect the fundamental employment rights set out in:

- The 1948 United National Universal Declaration of Human Rights;
- The 1998 International Labour Organisation Declaration on Fundamental Principles and Rights at Work; and
- The Ten Principles of the United National Global Compact (UNGC).

Suppliers shall support EDF in relation to its commitment to the UNGC by:

- Completing a self-assessment during the process of supplier pre-qualification;
- Completing follow-up compliance actions if required as a result of supplier pre-qualification; and
- Maintaining compliance with the expectations of the UNGC throughout contract delivery.

Further advice regarding EDF's expectation in relation to the UNGC can be found [here](#).

Child Labour and Modern Slavery

Suppliers shall maintain procedures, processes and controls designed to remove any form of child labour or slavery (including indentured, forced, compulsory, bonded, prison or trafficked labour) from their business operations and supply chain.

Where appropriate, suppliers shall publish an annual Modern Slavery Statement in compliance with the Modern Slavery Act 2015. EDF's Modern Slavery Statement can be found [here](#).

Living Wage

Suppliers shall pay wages that comply with the minimum wage legislation in the countries in which they operate or appropriately benchmarked wages where no legal minimum exists. Suppliers shall place similar obligations upon their own supply chains.

Where appropriate, suppliers shall pay the Real Living Wage to those of their employees that are within the scope of EDF's Living Wage Foundation accreditation, as defined and published [here](#).



Health and Safety

Each supplier shall maintain a health and safety management system, endorsed by a director or member of its senior management team which is commensurate with its size and the scope of its business operations and its contract delivery to EDF. These management systems must be certified by a certifying body which has appropriate accreditation from an organisation such as the United Kingdom Accreditation Service (UKAS).

In the event that a supplier's management system is not suitability certified, then the supplier shall provide support during appropriate audit activities by EDF (or its appointed representatives) in relation to the management system.

Each supplier shall ensure that its employees and sub-contractors are aware of the requirements of its management system including any special obligations in relation to contract delivery to EDF.

Suppliers undertaking contract delivery activities on EDF locations or EDF-controlled site shall ensure that its employees and sub-contractors are aware of EDF's health and safety requirements, nuclear safety procedures and other safety-related regulations provided to them.

“ ...Each supplier shall ensure that its employees and sub-contractors are aware of the requirements of its management system...”

“ ... suppliers shall pay the Real Living Wage to those of their employees that are within the scope of EDF's Living Wage Foundation... ”



Diversity and Inclusion

What Diversity and Inclusion means to EDF is that “everyone is welcome” – a simply great place to work.

We create the right environment where people feel able to bring their whole selves to work. Whilst working together there is a mutual trust and appreciation created through the building of meaningful relationships with one another.

Everyone is able to get the most from their work and the workplace, and in return give their best. It's as simple as that.

From a Supply Chain perspective, we see how we work together, as organisations, as being no different to this. We expect our Suppliers to share our ethos, which can be demonstrated by;

- Having policies that are compliant with the Equality Act 2010
- Striving for a reputation for an organisation with diversity and inclusion as a core value
- Recruiting, developing and promoting the very best person for every job, treating everyone fairly and with respect
- Embedding diversity and inclusion within business operations and practices
- Having a working environment that respects individuals' responsibilities and their wish to balance work and personal life
- Having robust and clear data to measure diversity and inclusion progress and achievements

When considering Diversity and Inclusion, EDF want to enhance the value of our business and that our suppliers – we can only achieve this through collaboration. To achieve this within our Supply Chain we have developed seven principles outlined opposite and contained in our Suppliers Guide to Diversity and Inclusion: https://www.edfenergy.com/sites/default/files/suppliers_guide_to_diversity_inclusion_2020_v5.pdf

- EDF's Seven Diversity & Inclusion Principles:**
1. Embedding Diversity and Inclusion into business as usual.
 2. Valuing individual differences.
 3. Recruiting and developing the best person for the job.
 4. Working with our Suppliers to embed Diversity and Inclusion.
 5. Provide an inclusive working environment.
 6. Diversity and Inclusion as core values of how we operate.
 7. We measure and monitor our performance.

“ ... together there is a mutual trust and appreciation created through the building of meaningful relationships...”



Environmental Protection and Positive Contribution

Suppliers shall carry out their activities in accordance with national and international laws and regulations in the countries in which they operate relating to the protection of the environment.

Each supplier shall maintain an environmental management system, endorsed by a director or member of its senior management team which is commensurate with its size and the scope of its business operations and its contract delivery to EDF. These management systems must be certified by a certifying body which has appropriate accreditation from an organisation such as the United Kingdom Accreditation Service (UKAS).

In the event that a supplier's management system is not suitably certified, then the supplier shall provide support during appropriate audit activities by EDF (or its appointed representatives) in relation to the management system.

Each supplier shall ensure that its employees and sub-contractors are aware of the requirements of its management system including any special obligations in relation to contract delivery to EDF.

Suppliers undertaking contract delivery activities on EDF locations or EDF controlled site shall ensure that its employees and sub-contractors are aware of EDF's environmental requirements, nuclear-related environmental procedures and other environmental-related regulations provided to them.

Suppliers shall familiarise themselves with EDF's goals and objectives in relation to environmental protection and positive contribution.

Our Sustainable Supply Chain Objectives:

- Net-zero environmental impact: We will have a net zero impact on the environment throughout the full lifecycle of our activities and operations through re-use, re-deployment and other circular economy principles such as sharing and servicing models, as well as through sustainable design and the use of appropriate sustainable design standards, sustainable materials, sustainable use of natural resources, sustainable transport, etc.
- Increase energy efficiency: We will increase the direct and indirect energy efficiency of our activities and operations, supporting our suppliers to use less energy and/or switch to low carbon energy.
- Eliminate single-use plastic: We will aim to eliminate the use of all non-essential single-use items; for all plastic products and packaging from our supply chain to be 100% reusable, recyclable or compostable; and to optimise their recycled content.
- Enhance social value: We will enhance social value through upholding our ethics standards, such as D&I, Real Living Wage, Modern Slavery, Conflict Materials, Prompt Payment Code, etc. and supporting local communities and local economies around our sites (e.g. local sourcing and local employment).
- Innovate with our suppliers: We will seek innovation and sharing from our supply chain to benefit from their expertise on sustainability matters and will collectively report quantitatively and qualitatively on activities associated within the supplier's scope of work with us.



Personal, Information and Physical Security

Personal Security

If required by the needs of the contract, suppliers shall ensure that its employees and sub-contractors have been subject to the background checks specified by EDF and that changes in personal security status are reported to appropriate personnel within EDF.

Information security

All suppliers shall demonstrate an approach to the handling of proprietary or confidential information appropriate to the needs of contract delivery to EDF. As a minimum this shall include acceptance of confidentiality or non-disclosure agreements.

Where dictated by the needs of contract delivery, suppliers may be required to demonstrate the following:

- Compliance with EDF's document marking or handling protocols; or
- Compliance with specific regulations such as General Data Protection Regulation or the Payment Card Industry Data Security Standard.

Suppliers may also be required to hold an ISO 27001 certificate or a similar information security standard from a suitably accredited certifying body.

Physical Security

In the event that EDF's proprietary or confidential information is to be held, in physical form, on a supplier's or sub-contractors' own location, the supplier must be able to demonstrate that adequate safeguards exist for the physical protection of that information.

If deemed necessary by EDF, the supplier shall provide support during appropriate audit activities by EDF (or its appointed representatives) in relation to the supplier's physical information security arrangements.



Security of Supply

Supply Chain Oversight

In relation to the topics covered by the document, suppliers shall place expectations upon their supply chain partners that are no less onerous than those which EDF places upon its own suppliers.

If required to do so, suppliers shall demonstrate to EDF how they exercise assurance over their supply chain partners in relation to the subject matter of this document. If determined to be necessary by EDF, suppliers shall undertake actions to enhance this assurance.

Business Continuity

Suppliers shall maintain plans designed to mitigate the business continuity risks inherent in their contract delivery to EDF. If requested to do so, suppliers shall make these plans available to EDF and provide evidence that these plans have been tested and enhanced.

For the purpose of this document, suppliers should use the following definition of business continuity risk:

An event, which has an adverse impact on the supplier's ability to meet its contractual obligations to EDF, such as...

- Loss of a key operating location;
- Loss of key staff;
- Loss of key equipment, plant or machinery;
- Loss of IT or telecommunications infrastructure;
- Loss of computer data or paper records;
- Failure of a key link in the supply chain below the supplier;
- Regulatory or legal failure; or
- Deterioration in the supplier's financial stability or commercial viability.

...on account of factors such as:

- An act of terrorism;
- A cyber-attack or data breach;
- Industrial action;
- Severe weather;
- Changes in the commercial or political landscape;
- Disruption to electricity, gas, water or public telephony facilities;
- Disruption to public transport facilities;
- Loss of a key business partner, supplier or subcontractor;
- Contractual arrangements which fail to define the appropriate legal obligations;
- Accidental damage such as fire, flood or environmental hazard; or
- Human error.



