

**PROSPECTUS SUPPLEMENT DATED 9 SEPTEMBER 2020
TO THE BASE PROSPECTUS DATED 21 NOVEMBER 2019**



ELECTRICITÉ DE FRANCE

€45,000,000,000 EURO MEDIUM TERM NOTE PROGRAMME

This second supplement (the "**Second Supplement**") is supplemental to, and should be read in conjunction with, the Base Prospectus dated 21 November 2019 (the "**Base Prospectus**") as supplemented by the first supplement dated 14 January 2020 (the "**First Supplement**") prepared in relation to the €45,000,000,000 Euro Medium Term Note Programme (the "**Programme**") of Electricité de France ("**EDF**" or the "**Issuer**"). The Base Prospectus as supplemented (including by the First Supplement and the Second Supplement) constitutes a base prospectus for the purpose of Article 8 of Regulation (EU) 2017/1129, as amended (the "**Prospectus Regulation**"). The *Autorité des marchés financiers* (the "**AMF**") has granted approval number n°19-540 on 21 November 2019 to the Base Prospectus and approval number n°20-009 on 14 January 2020 to the First Supplement.

This Second Supplement has been approved by the AMF in France in its capacity as competent authority pursuant to the Prospectus Regulation. The AMF only approves this Second Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or of the quality of the Notes which are the subject of this Base Prospectus. This Second Supplement constitutes a supplement to the Base Prospectus, and has been prepared for the purpose of Article 23 of the Prospectus Regulation.

This Second Supplement has been prepared for the purposes of *inter alia* (i) updating the section "Risk factors" in the Base Prospectus (ii) incorporating in the Base Prospectus certain sections of 2019 universal registration document and the half-year management report as at 30 June 2020 and (iii) updating the "Use of Proceeds", "Description of the Issuer", the "Recent Events" and the "General Information" sections of the Base Prospectus.

Copies of this Second Supplement will be available for viewing on the website of the AMF (www.amf-france.org), on the Issuer's website (www.edf.com) and may be obtained, free of charge, during normal business hours from Electricité de France, 22-30, avenue de Wagram, 75008 Paris, France and at the specified offices of each of the Paying Agents.

Saved as disclosed in this Second Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus which is capable of affecting the assessment of the Notes issued under the Programme since the publication of the Base Prospectus. To the extent that there is any inconsistency between (a) any statement in this Second Supplement and (b) any other statement in, or incorporated by reference in, the Base Prospectus, the statements in this Second Supplement will prevail.

To the extent applicable, a right of withdrawal is granted only to investors who have already agreed to buy or to subscribe for the Notes to be issued under the Programme before the publication of this Second Supplement and provided that the Notes had not yet been delivered to such investors at the time when the significant new factor, material mistake or material inaccuracy arose or was noted; investors can exercise their right of withdrawal up to 11 September 2020 with the Authorised Offeror(s).

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In this Second Supplement, unless otherwise stated, the references to "**Company**" or "**EDF**" refer to EDF S.A., the parent company, and the references to "**EDF Group**" and "**Group**" refer to EDF and its subsidiaries and shareholdings.

RISK FACTORS

The sub-section "B. RISK FACTORS RELATING TO THE ISSUER AND ITS OPERATIONS" of the section entitled "RISK FACTORS" included on pages 22 to 52 of the Base Prospectus is deleted and replaced with the following:

RISK FACTORS RELATING TO THE ISSUER AND ITS OPERATIONS

The risks presented below are divided into the five categories below:

- the section "Market regulation, political and legal risks" describes the risks related to changes in public policy and regulation in the countries and territories where the Group operates, as well as the legal risks to which the Group is exposed;
- the section "Financial and market risks" describes the risks arising from exposure to the energy markets in which the Group operates, as well as risks related to changes in the financial markets and the reliability of related information;
- the section "Group transformation and strategic risks" describes the risks related to the Group's ability to adapt, particularly in terms of strategy and skills, in response to the needs for transformation brought about by climate change, new competition, and technological and societal changes;
- the section "Operating performance" describes the risks related to the control of the Group's operating activities across its various industrial activities and projects, including EPR, services and sales;
- the section "Risks specific to nuclear activities" supplements the section "Operating performance" for the Group's nuclear-related activities, which entails additional risk factors and special provisions, particularly in view of the primary requirements of nuclear safety and the very long-term capital-intensive nature of nuclear activity.

The risks are outlined in detail in each of the relevant sections for their respective category. They are numbered to make it easier to connect the table with the graph and the detailed descriptions that follow.

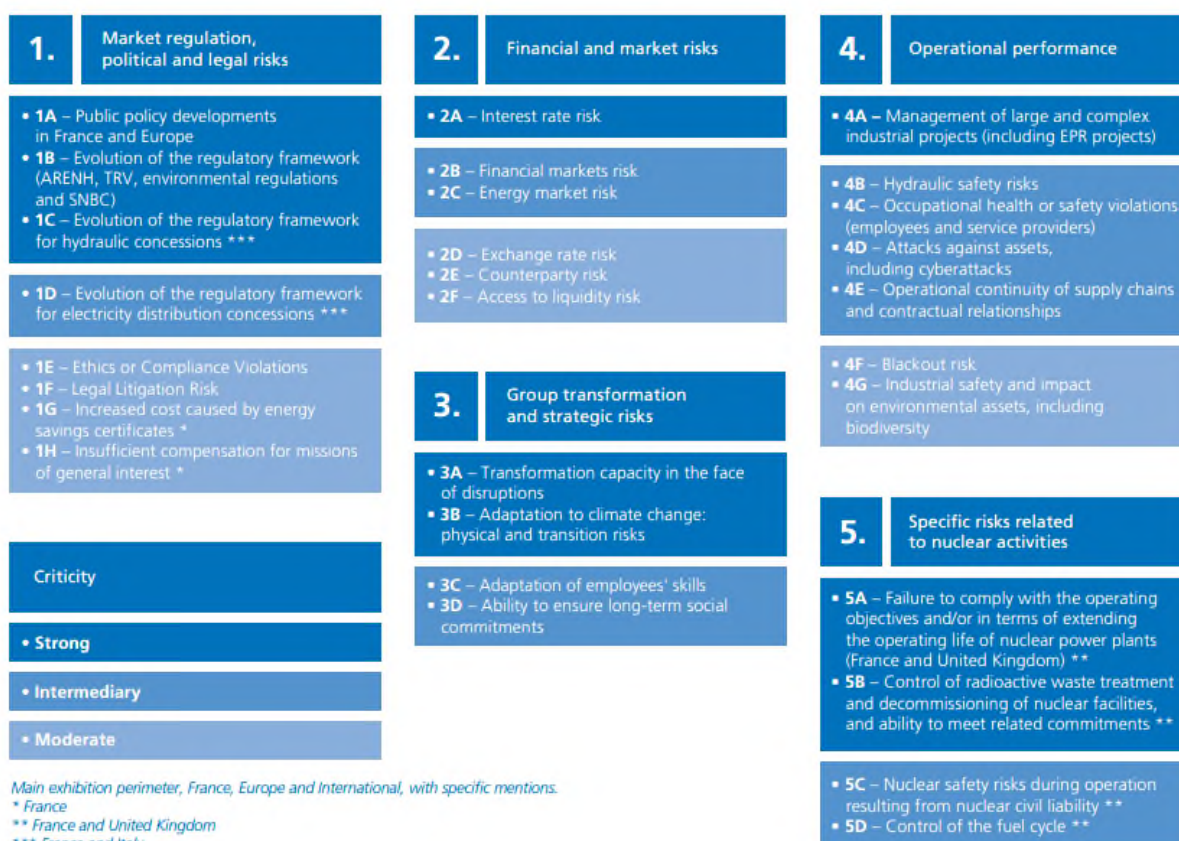
In addition to the risks specific to the EDF Group listed below, the impacts of the Coronavirus crisis are described in the section "Impacts of the coronavirus on risk factors".

All the risks identified have been selected because they are significant in terms of the materiality of their estimated impact on the Group. In addition, they are prioritised based on a qualitative assessment of their criticality, taking into account simultaneously the significance of the potential impact for the Group, the probability of their occurrence and the level of control, in light of the actions undertaken. This prioritisation produces a three-level scale for all risks: the criticality can be considered strong, intermediate or moderate. The categories are not ranked among themselves.

As a general rule, the scope of exposure is France, Belgium, Italy, the United Kingdom and all countries in which the Group is present. Where the scope of exposure is more restrictive, it is specified in the table and in the risk description.

Exposure to risk may vary according to duration. The potential impact of these risks may produce effects at very different time horizons, ranging from very short term (less than a year), to medium term (up to a few years) to very long term (up to several decades or more, given the nature of the relevant industrial activities which may span centuries).

EDF Group's Specific Risks



Main exhibition perimeter, France, Europe and International, with specific mentions.
 * France
 ** France and United Kingdom
 *** France and Italy

Market Regulation, Political And Legal Risks

1A: Public policy developments in France and Europe.

Changes in public energy policies and the political framework of market regulation in the countries where the Group operates, such as the energy-climate act or the Multi-year Energy Programme (PPE) in France, or the “green deal” in Europe, are likely to lead to profound changes in the Group’s governance or business portfolio. These could hinder the Group’s development in relation to its competitors or undermine its ability to meet its commitment to climate protection.

Criticality in view of the control actions undertaken: Strong.

On 25 January 2019, the French Government presented a draft Multi-year Energy Programme (PPE) which sets out the trajectory for the next 10 years in terms of energy policy, and therefore ecological transition (see section 1.5.1.2 "Public service in France" of the 2019 URD).

In particular, in this context:

- the French Government has confirmed the objective of diversifying the electricity mix and reducing nuclear power to 50% of electricity production in France by 2035: to reduce nuclear power to 50% of the energy mix, 14 reactors could be shut down by 2035 (including the two at Fessenheim). This would represent a quarter of the reactors currently operating in France. The final version of the Multi-year Energy Programme (PPE) will indicate the criteria for identifying the sites of the reactors to be closed, which will serve as a basis for EDF’s proposal. It will ultimately be up to the government to identify which sites have priority;

- it could therefore be decided to shut down one or more reactors in the EDF fleet prematurely, not as a result of an industrial choice but as a result of the application of the Multi-year Energy Programme (PPE). Such decisions should lead to EDF being compensated for the harm suffered, as reiterated by the French Constitutional Council in a decision of 13 August 2015;
- in this respect, with regard to the Fessenheim nuclear power plant, on 30 September 2019, EDF sent the Minister responsible for ecological and solidarity transition and the Nuclear Safety Authority a request for the repeal of the operation and the declaration of permanent shutdown of the two reactors of the Fessenheim nuclear power plant, providing for the shutdown of reactor no. 1 on 22 February 2020 and reactor no. 2 on 30 June of the same year. The submission of this request and declaration follows the signing, on 27 September 2019, by the French State and EDF, of the protocol governing the State's indemnification of EDF for the early closure of the Fessenheim power plant.

The energy-climate act was enacted on 8 November 2019. The act specifies the key points of the energy and ecological transition policy in France and updates the objectives set by the energy transition act for green growth (see section 1.5.1.2 "Public service in France" of the 2019 URD).

In particular:

- in terms of energy mix, the law ratifies the postponement to 2035 of the deadline for reducing the share of nuclear power in electricity production to 50%, thus providing a legal framework for the Multi-year Energy Programme (PPE) project mentioned above. The act also calls for a 40% reduction in fossil energy consumption compared to 2012 by 2030 (compared to 30% previously), as well as carbon neutrality in 2050, by dividing emissions by a factor of more than 6;
- it sets up a scheme to limit from 1 January 2022 the level of CO2 emissions from installations generating electricity from fossil fuels, with the aim of closing down coal-fired power stations by 2022;
- it introduces a revision of the Arenh system allowing the French government to increase by decree the maximum overall volume of electricity that EDF can assign to alternative suppliers from 100 to 150TWh ("ARENH ceiling") as of 1 January 2020. The Act also authorises the French government to revise the price of Arenh, without establishing a direct link between price increases and increases in the ceiling. However, the French government had not implemented these possibilities by the end of 2019;
- it also specifies the procedure concerning the Strategic Business Plan (PSE), which will have to cover both periods of the Multi-year Energy Programme (PPE), be made public (with the exception of information relating to business secrecy), and present the accompanying measures put in place for employees as a result of the closure of nuclear or thermal power stations. In the event that the Strategic Business Plan (PSE) is incompatible with the Multi-year Energy Programme (PPE), the act provides for a formal notice followed, if necessary, by sanctions.

The European legal framework, which notably organises the liberalisation of the energy sector and climate and energy policies, underwent significant changes in 2019 with the finalisation of the Clean Energy Package and is likely to evolve in the future, in particular through the "Green deal", a flagship mechanism of the new European Commission likely to include key provisions for the energy sector in general and the EDF Group in particular.

The Green Deal, according to the presentation made by the President of the European Commission to the European Parliament in December 2019, sets out the climate neutrality target for the EU by 2050, and includes measures such as:

- the revision of the EU Emissions Trading Scheme (EU-ETS) within the EU and a carbon floor price to bring about a meaningful and predictable price for CO2;
- the introduction of a "carbon tax" (carbon inclusion mechanism) along the borders of the EU;

- the revision of the Energy Taxation Directive, which should lead to preferential tax treatment for low-carbon solutions such as CO₂-free electricity or hydrogen.

Developments relating to the European taxonomy for Sustainable Finance should also be taken into account. A key element in guiding investments is their consistency with the objective of long-term carbon neutrality. There is a risk that nuclear power could be excluded from the taxonomy, which would be detrimental to the fight against climate change.

These developments could be unfavourable to the Group and could adversely affect its ability to meet its commitment to climate protection. In particular, they could result in additional costs, not be in line with the Group's development objectives, change the competitive environment in which the Group operates, change the level of regulated tariffs or affect the profitability of current or future production units or any of the Group's other activities. In general, the legislative and regulatory framework put in place in France, in Europe or in the countries where EDF is present is likely to have a significant impact on the Group's results or its business model.

Moreover, in terms of the governance or delimitation of its scope of activity that may be enforced, EDF could be affected by a limitation or loss of control of certain strategic and operational decisions that could have a negative impact on the outlook and profitability of its various activities (see section 1.5 "Legislative and regulatory environment" of the 2019 URD). At the same time, EDF may continue, in its capacity as shareholder, to bear certain risks, potential liabilities towards third parties and factors that may affect the profitability of assets. Finally, the competent authorities or certain States could, in order to preserve or promote competition on certain energy markets, take decisions that are contrary to the Group's economic or financial interests or that impact its integrated operator model.

Finally, in the renewable energies field, EDF relies primarily on its EDF Renewables subsidiary (see section 1.4.1.5.4 "EDF Renewables" of the 2019 URD), which does business in numerous countries. The profitability of these developments often depends on the support and tendering policies implemented in the different countries. The Group cannot guarantee that these policies will not change in some of these countries in ways that will be detrimental to the profitability of investments.

1B: Evolution of the regulatory framework (ARENH, TRV, environmental regulations and SNBC).

A significant portion of the Group's revenues comes from regulated activities. Thus, any change in regulated sales tariffs, the ARENH or the Tariffs for Using the Public Transmission and Distribution Networks (TURPE), or any change in the regulation of greenhouse gas emissions, and its consequences in terms of the price of CO₂ emission quotas, would be likely to affect the Group's profitability and its ability to meet the challenges of energy transition by developing low-carbon energy solutions for the protection of the climate.

Criticality in view of the control actions undertaken: Strong.

In France, a significant portion of the EDF Group's revenues is based on regulated tariffs set by public authorities or regulatory authorities (Regulated Sales Tariffs – TRVE, Tariffs for Using the Public Transmission and Distribution Networks – TURPE). The law on the New Organisation of the Electricity Market (NOME law or nouvelle organisation du marché de l'électricité) has also introduced the Regulated Access to Electricity from the Existing Nuclear Fleet (ARENH), for the benefit of EDF's competing electricity suppliers (See section 1.5 "Legislative and regulatory environment" of the 2019 URD).

Within the framework of the Energy and Climate Act, several provisions have been taken concerning regulated sales tariffs or the ARENH:

- the provisions concerning the ARENH: they are described in §1A above ("Developments in public policies in France and Europe");

- the reduced scope of sites eligible for the Regulated Sales Tariffs (TRVE): as of 1 January 2021, only domestic end consumers, including sole proprietors and co-owners' associations of a single residential building; and non-domestic end consumers employing fewer than ten people and having annual sales, revenue or balance sheet total not exceeding €2 million may benefit from the TRVE for their sites with a subscribed power less than or equal to 36kVA.

In addition, the Multi-Year Energy Programme (PPE) stipulates that "the government will propose the terms of a new regulation for existing nuclear power that will make it possible to guarantee consumer protection against market price increases beyond 2025 by giving them the competitive advantage linked to the investment made in the historic nuclear fleet, while giving EDF the financial capacity to ensure the economic sustainability of the generation facilities to meet the needs of the Multi-Year Energy Programme in low price scenarios".

In order to achieve this objective, the French government plans to introduce economic regulation requiring EDF to provide a general economic interest service (SGEI) covering consumer and climate protection for the benefit of all French consumers in a transparent and non-discriminatory manner. With this in mind, in January 2020, the government launched a call for contributions from market players and stakeholders on the fundamental findings that led to this economic regulation project, as well as on its proposed construction and operating principles.

Any modification of the ARENH system (volume ceiling, prices) or its replacement by a new system is the responsibility of the French government or the legislator and requires prior in-depth discussions with the European Commission, which means that there is a great deal of uncertainty about what changes will ultimately be implemented and the associated deadlines.

In this context, the risks are as follows:

- with regard to the existing ARENH system:
 - Risk of an increase in the ARENH volume without sufficient changes in price;
 - In addition, the optional nature of the mechanism gives suppliers opportunities for arbitrage between the ARENH mechanism and the markets to the detriment of EDF, and exposes EDF to major uncertainties that have a negative impact on the effectiveness of its energy market risk management (see section C "Energy market risks") with no corresponding consideration since the option is free of charge.
- with regard to the mechanism envisaged to replace the ARENH: risk that the price level will be insufficient to ensure a fair return on EDF's nuclear generation assets in France;
- risk of disputes by stakeholders concerning Regulated Sales Tariffs (TRVE).

More generally, in France as in other countries, the Group cannot guarantee that the ARENH, regulated sales tariffs, Tariffs for Using the Public Transmission and Distribution Networks (TURPE) or local tariff regulations will be set at levels that enable it to preserve its short-, medium- and long-term investment capacity and its proprietary interest, by ensuring a fair return on the capital invested by the Group in its generation, service, transmission and distribution assets.

There is also a risk, which could be brought about by inadequate regulation, that CO2 prices may be too low and not allow sufficient development of low-carbon energy solutions, at the expense of an effective transition in favour of the fight against climate change. This may represent a loss of opportunity to promote the Group's low-carbon energy solutions and call into question the Group's ability to achieve corporate responsibility objective no. 1, committed to climate action (see section 3.2.1.1.1 "EDF group's ambition" of the 2019 URD).

1C: Evolution of the regulatory framework for hydraulic concessions.

The Group sometimes carries out its hydropower generation activities under public service concessions and does not always own the assets it operates. Changes in the regulatory framework, particularly with respect to the renewal of concessions, changes in the specifications of concessions and the conditions of implementation could have an impact on the Group's results.

Criticality in view of the control actions undertaken: Strong.

In France, hydropower facilities are operated under concessions granted by the French State for facilities with a capacity of 4.5MW or more and under authorisations by the Prefecture for facilities of less than 4.5MW (see Section 1.5.3.3 "Regulations applicable to hydropower and other renewable energy facilities" of the 2019 URD). The challenges associated with the renewal of hydraulic concessions in France are specified in section 1.4.1.5.1.4 "Hydropower generation issues" of the 2019 URD.

The EDF Group cannot guarantee that each of the concessions that it currently operates will be renewed, or that any concession will be renewed under the same financial terms and conditions as the initial concession. Furthermore, the Group cannot guarantee that the compensation paid by the government in the event of early termination of a concession's operation will fully compensate the Group's consequent loss of revenue, or that future regulations regarding the limitation of fees will not change in a way that could negatively affect the Group. These factors could have an adverse impact on its activities and financial position.

The Group also operates under hydroelectric power generation concessions in other countries where it operates, notably in Italy. Depending on the conditions in each country, these concessions may not be continued or may not be renewed in its favour with changes to the financial terms and conditions of the concession specifications, which would have an adverse impact on the Group's activities and financial position.

The EDF Group may encounter difficulties in achieving these transformations and may not achieve the desired objectives. It may also have to deal with the emergence of new technologies or disruptive solutions in response to the need for transition.

1D: Evolution of the regulatory framework for electricity distribution concessions.

The Group conducts its distribution activities under public service concessions and does not own most of the assets it operates. Changes in the regulatory framework, in concession specifications and implementation conditions could have an impact on the Group's results.

Criticality in view of the control actions undertaken: Intermediate.

In France, Enedis does not own all the assets that make up the distribution network, which by law (with the exception of the source stations) is owned by the local authorities. This is why Enedis must also enter into public electricity distribution concession contracts with these local authorities (see section 1.4.4.2.2 "Distribution activities" of the of the 2019 URD), which grant it, within the limits of contractual stipulations, the exclusive right to carry out the tasks of developing and operating the public electricity distribution system. These public electricity distribution concession agreements, generally concluded for a period of between 25 and 30 years, are tripartite contracts between the licensing authority, the distribution system operator and the supplier at the regulated rates. Under the law, only Enedis and Local Distribution Companies (LDC) in their service areas (and EDF for areas not connected to the continental metropolitan network) may be appointed to operate the public energy distribution networks and only EDF and LDCs in their service areas may be appointed to provide the supply at the regulated rates. Therefore, at this time, when a concession agreement is renewed, Enedis and EDF do not compete with other operators. This is the legal basis for the current process of renewing concession contracts with all of the authorities in charge of organising electricity distribution, based on a new contract template drawn up in December 2017 by the FNCCR (Fédération nationale des collectivités concédantes et régies – National Federation of Licensing Authorities), France Urbaine, EDF and Enedis. However, the Group cannot guarantee that such provisions will not be modified in the future by legislation (see section 1.5.1.3 "Concession contracts for the distribution and supply of electricity

in France" of the 2019 URD). Furthermore, the Group may not obtain the renewal of these contracts under the same financial terms and conditions

1E: Ethics or Compliance Violations.

The EDF Group has implemented a robust Ethics and Compliance program to address the risks of prohibited and unethical practices in the conduct of business by employees or third parties.

Criticality in view of the control actions undertaken: Moderate.

The globalisation of the Group's activities and the strengthening of regulatory frameworks repressing unethical practices especially in the conduct of business could expose the Group, its employees, or third parties acting on the Group's behalf to criminal and civil sanctions that could adversely affect EDF's reputation.

In France, Act no. 2016-1691 of 9 December 2016 on transparency, the fight against corruption and the modernisation of economic life requires companies to take measures to prevent and identify acts of corruption or trading in influence, under the control of a French Anti-Corruption Agency established under the Act and under penalty of administrative or criminal penalties. This law includes a system to protect whistleblowers from possible criminal or disciplinary proceedings and provides, for companies, an internal warning system (see section 1.5.3 "Regulations applicable to EDF group facilities and activities" of the 2019 URD). These regulations could increase compliance costs. Moreover, any failure to comply in any way with these regulations could lead to prosecutions being brought against EDF, which could have a negative impact on the Group's result and reputation.

The Group has thus implemented all the necessary measures to ensure that its practices comply with the regulations in force. Reporting to the General Secretariat, the Group Ethics and Compliance Department (DECG) is responsible for disseminating knowledge of, and compliance with, the Group's ethical values, as well as the main regulations to which the Group is subject by virtue of its activity and geographical locations, in order to prevent the risk of sanctions. It federates and controls the Group compliance activities and aims to defend and promote the Group's culture of integrity, for the benefit of its image and reputation. It reports to the Executive Committee and the Governance and Corporate Responsibility Committee of the Board of Directors.

1F: Legal Litigation Risk.

Proceedings or litigation could have a significant financial or reputational impact on the Group.

Criticality in view of the control actions undertaken: Moderate.

In the course of its day to day activities, the EDF Group is involved in litigation, whose development or outcome could have a material adverse effect on EDF's results or financial position.

In particular, due to its position in certain markets, the EDF Group is subject, in France, to proceedings initiated by its competitors or by administrative authorities. The claims made against EDF may be significant and could lead to the payment of compensation or fine or even the issuance of injunctions that could have an impact on some of its activities. For example, in proceedings before the competition authorities in France or the European Commission, fines can amount to up to 10% of the consolidated revenues of the company concerned (or of the group to which it belongs, as the case may be). The EDF Group may also be involved in litigation proceedings relating to commercial disputes with significant stakes, the outcome of which is by nature unpredictable.

The EDF Group believes that it complies in general and in all countries where it carries on its activities with all specific regulations in force, and in particular those relating to the conditions for carrying on its nuclear activities, but it cannot prejudge on this point the assessment of the supervisory, administrative or judicial

authorities to which the matter is referred. These risks are the subject of particular vigilance and the implementation of prevention policies (contractual policies, compliance policies, etc.). A procedure is in place for reporting to the Group's Legal Department on significant actual or potential disputes or other litigation and investigations.

The main procedures in which EDF is involved are described in note 50 of the appendix to the consolidated financial statements and in section 7.1.5 "Litigation" of the 2019 URD.

1G: Increased cost caused by energy savings certificates.

Changes to regulations concerning energy savings certificates (ESC) could impose additional obligations on EDF and generate costs in relation thereto.

Criticality in view of the control actions undertaken: Moderate.

In France, the energy savings certificates (ESC) measure, which is set out in Articles L. 221-1 et seq. of the French Energy Code, imposes energy savings obligations on energy sellers. It sets a multi-year savings target and financial penalties for non-compliance. The Energy Transition for Green Growth Act of 17 August 2015 amended the ESC scheme as from the third period (2015-2017) of the scheme by adding to the original obligation a supplementary scheme for energy savings for households in situations of fuel poverty. Decree no. 2017-690 of 2 May 2017 set the overall level of obligations for the fourth period (2018-2020), with a doubling of objectives compared to the third period. On 9 October 2019, the French government announced the implementation of the extension of the fourth period until 2021, at the same annual bond rate, as confirmed by Decree no. 2019-1320 of 9 December 2019 (see section 1.5.3 "Regulations applicable to EDF group facilities and activities" of the 2019 URD).

The doubling of the bond, in a market where the activation of new energy-saving deposits generating Energy Saving Certificates takes time and is subject to increased competition between obligors, has led to considerable pressure, resulting in particular in a significant increase in the price paid for trading Energy Saving Certificates over-the-counter. The latter has levelled off relatively well since the beginning of 2019 under the combined effect of the Government's "stimulus package" and the one-year extension of the fourth period. However, as these operations have yet to be completed, there is still a risk that the objective will not be achieved by the end of the period, which may therefore lead to deterioration in the Group's financial position. Such deficit situations would also be likely to call into question the climate protection commitment set out in corporate responsibility objective no. 1 (and the ambition to ensure that each customer consumes more responsibly set out in corporate responsibility), objective no. 4 (ORE 1 and ORE 4 see section 3.2.1.1 "EDF, a company committed to climate issues (CSR Goal (CSRG) no. 1)" and section 3.2.2 "EDF, a company standing shoulder to shoulder its customers (CSR goal (CSRG) no. 4)" of the 2019 URD).

1H: Insufficient compensation for missions of general interest.

EDF is responsible for certain general interest missions, in particular public service missions, the costs of which are covered by mechanisms that might not fully compensate for the additional costs incurred in connection with these obligations, or which might be called into question.

Criticality in view of the control actions undertaken: Moderate.

The public service contract entered into by the French government and EDF on 24 October 2005 specifies the objectives and terms for performing the public service obligations that EDF is appointed to perform under law (in particular Articles L. 121-1 et seq. of the French Energy Code), and also sets out the mechanisms under which EDF is compensated for the performance of these obligations (see section 1.5.1.2 "Public service in France" and section 1.5.2.1.2 "French legislation: Energy Code – Contribution to the Public Electricity Service (CSPE)" of the 2019 URD). The forecast amount of energy public service charges to be offset in France in 2020 for EDF amounts to €7,793.6 million, according to the decision of the French Energy Regulatory Commission (Commission de regulation de l'énergie) of 11 July 2019 concerning the assessment

of energy public service charges for 2020 (€6,875.4 million in charges excluding financial expenses and before schedule; -€19.1 million in financial expenses and €937.4 million adjustment under the recovery schedule). The amounts of public service charges are set out in the Finance Act of 28 December 2019 for 2020.

The development of renewable energies connected directly to the distribution network may, in certain regions, saturate the reception capacities of the source substations and networks. This situation may possibly generate local imbalances, or disputes if Enedis must disconnect certain producers or connect them with significant delays. New investments may be required in these regions, with the risk that the costs associated therewith may not be taken into account.

More generally, EDF cannot ensure that the compensation mechanisms provided for by the legal and regulatory provisions applicable to it in connection with the performance of these public service missions will fully compensate for the associated additional costs incurred. Furthermore, EDF cannot guarantee that these compensation mechanisms will never be subject to change or that existing mechanisms will fully cover potential additional costs that may be incurred in relation with new duties imposed on EDF in connection with its public service obligations, in particular when a new public service contract is negotiated.

The occurrence of any of these events may have an adverse impact on EDF's activities and financial position. Such situations could also call into question the Group's ability to meet its ambition to help fragile populations set out in corporate responsibility objective no. 3 (see section 3.3.1.1.3 "Energy poverty (CSRG no. 3)" of the 2019 URD).

Financial and Market Risks

The EDF Group, through its varied activities, is exposed to numerous financial and market risks. This section describes these various risks by addressing interest rate risk, financial market risk, energy market risk, foreign exchange risk, counterparty risk and liquidity risk. All of these risks could affect the Group's ability to finance its investments.

2A – Interest rate risk.

The Group is exposed to risks related to changes in interest rates in the various countries in which it operates. These rates depend partly on the decisions of the central banks.

Criticality in view of the control actions undertaken: Strong.

I. Risk of falling interest rates

Lower interest rate fluctuations could affect the Group's economic indebtedness, due to changes in the value of the Group's fixed-rate financial assets and liabilities, as well as its discounted liabilities. The discount rates for pension and other specific employee benefit commitments (see note 34 of the appendix to the consolidated financial statements for the year ended 31 December 2019) and the Group's long-term nuclear commitments (see note 32 of the appendix to the consolidated financial statements for the year ended 31 December 2019) are directly or indirectly linked to interest rates over different time horizons.

For the specific case of nuclear provisions in France, given the decline in rates over the past few years, the discount rate could be reduced over the next few years by applying the method used by the Group, in accordance with regulation on the ceiling discount rate. The magnitude of this decline will depend on future interest rate and regulatory developments. An increase in nuclear provisions due to a decrease of the discount rate may require allocations to the dedicated assets and may result in an adverse effect on the Group's results, cash flow generation and net debt.

With regards to the regulations on the ceiling discount rate, the order dated 29 December 2017 establishes the statutory discount rate ceiling.

As the case may be, this increase in provisions, including those covered by dedicated assets, does not mean however a mechanical impact on the amount to be allocated to dedicated assets as of the considered dates, as the former depends on:

- the return on dedicated assets and the resulting hedge rate;
- the period within which the allocation is made, as applicable rules provide for the option to set a maximum time period to proceed with the allocation, subject to approval by the Supervisory Authority.

In a letter dated 12 February 2020, the French Minister for Energy and the French Minister for the Economy informed EDF that they had decided to amend certain regulatory provisions regarding the securing of the financing of nuclear expenses.

- the regulatory ceiling of the discount rate will be expressed in real value and formulated as the ultimate forward rate applicable on the date in question (Ultimate Forward Rate) and published by the European Insurance and Occupational Pensions Authority, increased by one hundred and fifty basis points.
- This change will take place gradually and linearly over 5 years from 1 January 2020, starting from a real rate value of 2.3%;
- the obligation to endow assets between 100 and 110% coverage rate to offset the impact of changes in assumptions on provisions will be eliminated, and the threshold above which withdrawals can be made will be raised from 110% to 120%. The current obligation under the financial statements at 31 December 2018 (€797 million) will nevertheless continue to apply. No allocation was made for the year 2019;
- the time-limit for the administrative authority to take the necessary measures in the event of insufficient coverage will be extended from 3 to 5 years as from the accounting date on which the insufficient coverage is booked.

As a reminder, changes in estimates of nuclear provisions resulting from a change in the discount rate are booked (see note 1.3 and note 32.1 to the consolidated financial statements for the year ended 31 December 2019):

- as an increase or decrease of the corresponding assets, within the limit of their net book value, when the counterparty to the provision has been initially recorded as an asset;
- as financial income for the period in other cases.

Therefore, any change of the discount rate therefore has a punctual impact on the financial results of the year during which the discount rate change occurred, without equivalence for the following years.

The fall in interest rates since 2014 has had a negative impact on the Group's financial position due to the obligation to allocate to dedicated hedging assets in order to offset, under certain conditions, the effects of the fall in the discount rate on nuclear provisions. Without the decrease in interest rates and the associated discount rate, allocations to hedging assets between 2014 and the end of 2019 would have been reduced by €2,021 million, all other things being equal.

Overall, a 1% decrease in interest rates would have the following impacts:

- (i) An impact on pre-tax income of approximately -€580 million for nuclear liabilities, as a result of the impact of this rate cut on the corresponding nuclear discount rate;
- (ii) An impact on pre-tax income of approximately -€180 million for provisions for employee benefits in France, as a result of the impact of this rate cut on the corresponding discount rate.

In total, the sensitivity of pre-tax income is approximately -€760 million for a 1% drop in interest rates.

II. Risk of higher interest rates

Upward variations in interest rates could affect the Group's ability to obtain financing on optimal terms, or even its ability to refinance itself if the markets were very strained, this being the risk related to changes in flows linked to variable-rate financial assets and liabilities. Financial securities and derivatives held by the Group, as well as debts issued, may pay or receive coupons directly indexed to variable interest rates.

Thus, a 1% increase in interest rates would have an effect of approximately -€180 million, due to the increase in coupons linked to the debt issued by the Group.

These unfavorable impacts related to a rise in interest rates are in principle more than offset by the favorable impacts related to a rise in interest rates in connection with long-term commitments (see previous point), so that the net sensitivity of pre-tax income is approximately +€580 million for a 1% rise in interest rates.

2B – Financial markets risk.

As a result of its activities, the EDF Group is exposed to risks related to the financial markets, in particular equity risk.

Criticality in view of the control actions undertaken: Intermediate.

The Group is exposed to equity risk on securities held primarily as dedicated assets constituted to cover the cost of long-term commitments in relation with the nuclear business, in connection with outsourced pension funds and, to a lesser extent, in connection with its cash assets and investments held directly by the Group (see section 5.1.6.1.5 "Management of equity risks" and 5.1.6.1.6 "Management of financial risk on EDF's dedicated asset portfolio" of the 2019 URD).

2C – Energy market risk.

In order to sell its output, the Group is exposed, directly or indirectly, to the prices of the European wholesale energy markets and capacity markets, the levels of which impact its financial position.

Criticality in view of the control actions undertaken: Intermediate.

In conducting its production and marketing activities, the Group does business in energy markets, primarily in Europe. As such, the Group is exposed to changes in wholesale market prices: electricity – energy prices and prices of capacity guarantees for the countries concerned -, gas, coal, petroleum products, CO2 emission quotas. A connexion exists between these markets: a fall in the prices of gas, coal, oil products or CO2 leads to a fall in electricity prices. In view of the dominant position of nuclear generation in the EDF fleet, which requires neither gas nor coal and does not emit CO2, the fall in the price of these commodities therefore has a very limited positive impact for the Group compared to the negative impact of the resulting drop in electricity prices.

Various factors, over which the Group has no control, influence these price levels: commodity prices on world markets, the balance between supply and demand, but also pricing and tax policies or subsidies allocated to certain means of production. As a result, these markets can experience significant and unpredictable price increases and decreases, as well as liquidity crises.

This exposure thus impacts the Group's revenue and all of its financial indicators. In particular, persistently low electricity prices may affect the profitability of the Group's generating units and, more broadly, the value of its assets, as well as the conditions for their maintenance, their life expectancy and any renewal projects.

In France, the degree of exposure to market prices for electricity depends on the level of sales under the ARENH system currently applicable until the end of 2025, which in turn depends on the level of market prices and potential regulatory changes:

- this means that exposure is at its maximum when no optional ARENH volume is subscribed and is then estimated at around 75% of EDF's generation under the terms of the ARENH mechanism in force at the beginning of 2020: As a result, EDF is highly exposed to falls in wholesale electricity market prices when their total level (energy + capacity) is below the ARENH price (currently €42/MWh) for the year of delivery in question;
- conversely, the positive impact of wholesale electricity market price increases is limited when their total level (energy + capacity) is above the ARENH price (currently 42 €/MWh) and the ARENH subscription is maximum;
- in addition, the energy-climate act, passed in 2019, provides that the French government may, by decree, raise the "ARENH ceiling", currently set at 100TWh, to 150TWh (see risk 1A – Public policy developments in France and Europe). If this development were implemented, with or without an increase in the price of the ARENH, it would further reduce EDF's ability to benefit from wholesale market prices for electricity when their total level (energy + capacity) is above the ARENH price.

The risks related to possible changes in the ARENH system are described in Risk 1B (Changes in the regulatory framework). The Group manages its exposure to energy markets through a specific energy market risk policy, which is essentially aimed at gradually reducing uncertainties regarding the level of its financial results in the coming years. This policy serves to mitigate the impact of price changes but cannot be used to negate them: the Group remains subject to the structural trends of upward or downward movements in these markets (see note 43 "Market and counterparty risk management" of the appendix to the consolidated financial statements for the year ended 31 December 2019).

In addition, a Group REMIT Directive defines the expectations for ensuring that Group entities comply with the European regulation on the transparency and integrity of wholesale energy markets (see section 1.5.2.3 "Regulation on wholesale energy markets" of the 2019 URD).

2D – Exchange rate risk.

Due to the diversity of its activities and their geographical distribution, the Group is exposed to the risks of fluctuations in foreign exchange rates, which may impact currency translation adjustments, balance sheet items and the Group's financial expenses, equity and financial position.

Criticality in view of the control actions undertaken: Moderate.

As the Group is involved in long-term contracts, an unfavourable currency fluctuation could have consequences on project profitability. In the absence of hedging, currency fluctuations between the euro and the currencies of the various international markets in which the Group operates can therefore significantly affect the Group's results and make it difficult to compare performance levels from year to year. If the euro appreciates (or depreciates) against another currency, the euro value of the assets, liabilities, income and expenses initially recognised in that other currency will decline (or increase). Moreover, insofar as the Group is likely to incur expenses in a currency other than that in which the corresponding sales are made, fluctuations in exchange rates could result in an increase in expenses, expressed as a percentage of turnover, which could affect the Group's profitability and income (see section 5.1.6.1.3 "Management of foreign exchange risk" of the 2019 URD).

An adverse fluctuation of 10% in exchange rates related to currencies in which the EDF Group's debts are denominated (USD, GBP, other currencies) would have an impact amounting to around 2% on the EDF Group's indebtedness after hedging instruments

2E- Counterparty risk.

Like all economic operators, the Group is exposed to possible default by certain counterparties (partners, subcontractors, service providers, suppliers or customers).

A default by these counterparties may impact the Group financially (loss of receivables, additional costs, in particular if EDF is required to find satisfactory alternatives or take over the relevant activities or pay contractual penalties). The risk may be hedged by the use of margin calls.

2F – Access to liquidity risk.

The Group must at all times have sufficient financial resources to finance its day-to-day business activities, the investments necessary for its expansion and the appropriations to the dedicated portfolio of assets covering long-term nuclear commitments, as well as to deal with any exceptional events that may arise.

Criticality in view of the control actions undertaken: Moderate.

The Group's ability to raise new debt, refinance its existing indebtedness or, more generally, raise funds in financial markets, and the conditions that can be negotiated to this effect, depend on numerous factors including the rating of the Group's entities by rating agencies. The Group's debt is periodically rated by independent rating agencies (see section 5.1.6.1 "Management and control of financial risks" of the 2019 URD). Any downgrading of EDF's debt rating could increase the cost of refinancing existing loans and have a negative impact on the Group's ability to obtain financing. To meet liquidity needs, the Group has a significant cash reserve. Hybrid emissions may be considered, and could lead to a change in the Group's financial statements, particularly in the event of changes in accounting standards.

Group Transformation And Strategic Risks

3A – Transformation capacity in the face of disruptions.

The Group's development strategy, changes in the scope of activities and synergies within the integrated Group, risk not being implemented in accordance with the objectives defined by the Group, even though it faces increased competition on European energy markets, particularly on the French electricity market, which is its main market.

Criticality in view of the control actions undertaken: Strong.

In France, since 1 July 1 2007, the electricity market has been totally open to competition. All EDF customers can select their electricity supplier (see section 1.4.2.1 "Presentation of the market in France" of the 2019 URD). In a context of escalating competitive intensity (new customer expectations, new regulations, emergence of new players, mergers between existing operators, changes in market prices, etc.), these changes, at constant consumption and price levels, have had and may have in the future a negative impact on the Group's sales in France. EDF must therefore adjust its marketing expenses; insufficient adjustment could have a negative impact on its profitability.

Elsewhere in Europe, the Group faces different situations, depending on the local competitive conditions (totally or partially open markets, position of competitors, regulations, etc.). The type of competition faced by the Group, the evolution over time of such competition and its effect on the Group's activities and results vary from one country to another. These factors depend in particular on the market depth and its regulations in the country in question and on other factors over which the Group has no control.

In this context, particularly following the development of low-carbon electricity uses and energy services and energy efficiency, the Group may not be able to defend its market share or gain market shares as expected, or it may see its margins decrease, which would have an adverse effect on its activities, its strategy and its financial position.

In addition, the Group, in line with corporate responsibility objective no. 1 aimed at protecting the climate, (see section 3.2.1.1 "EDF, a company committed to climate issues (CSRG no. 1)" of the 2019 URD), and objective no. 4, (see section 3.2.2 "EDF, a company standing shoulder to shoulder its customers (CSRG no. 4)" of the 2019 URD) intends to continue its development as a high-performance and responsible electricity company, championing low-carbon growth in France, in its core countries in Europe (United Kingdom, Italy, Belgium) and in the other countries where the Group operates in accordance with the CAP2030 strategy. This strategy combines the search for growth drivers with the promotion of existing assets.

Weak synergy in the deployment of the Group's integrated model, particularly upstream/downstream or in the enhancement of the complementarity of the divisions and the diversity of the solutions deployed by the Group, (see section 1.4 "Description of the Group's activities" of the 2019 URD), could lead to an increase in risks related to physical and market contingencies, and to a loss of gross margin, to the detriment of customers, subsidiaries and the Group's performance. In addition, insufficient emphasis on geographic diversification, or on the diversification and complementarity of the low-carbon industrial solutions offered by the Group, or a reduction in the cross-functional synergies deployed within the integrated Group could lead to a reduction in the Group's ability to deal with the seasonal nature of the electricity generation and sales business, the diversity of local expectations and the proximity of its customers and stakeholders, and the efficiency and therefore the competitiveness of the low-carbon industrial solutions implemented.

The Group is implementing development, adaptation and reorganisation programmes and performance plans in order to give itself the means to carry out its strategy. These programmes may be complemented by a strategic analysis of assets which may itself lead to a requirement for additional financial agility, giving rise to disposals or acquisitions.

Focused primarily on its customers and stakeholders, the Group intends to develop and consolidate its offer of integrated service solutions, in particular energy efficiency services, its offer of low-carbon and decentralised power generation solutions, and its offer of diffuse storage solutions, in a sustainable development approach and in close proximity to customers and local communities. This transformation may not be sufficient or rapid enough in the face of technological and societal changes and strong competition.

The Solar Plan, the Electric Storage Plan and the Electric Mobility Plan are three major levers for developing and expanding the range of low-carbon energy solutions offered by the Group in addition to the industrial solutions already widely available within the Group, particularly wind, hydro and nuclear power.

Even in the event of protective contractual arrangements, the Group cannot guarantee that these various projects relating to its offer or to the various low-carbon industrial solutions deployed to meet them can be implemented according to the forecast schedules and under satisfactory economic, financial, regulatory, partnership or legal conditions or that they will ensure a long-term response to the needs expressed by our customers and stakeholders and the expected profitability at the outset, which could have a negative impact on the Group's financial position, its commitment to the fight against climate change, and its reputation.

Nuclear costs and changes in these costs (new nuclear projects, major "Grand carénage" refurbishment projects, etc.) and the Group's ability to finance them could force the Group to reconsider the rate at which it deploys its strategy.

To achieve its strategic transformation objectives, the adaptation programs implemented by the Group rely largely on individual and collective employee mobilisation. However, this mobilisation may not be sufficient due to an industrial relations environment which has deteriorated as a result of the changes linked to these adaptations affecting in particular the Group's organisation, or linked to more general developments (pension reforms in particular).

3B – Adaptation to climate change: physical and transition risks.

The Group is exposed to physical effects of climate change that could have consequences on its own industrial and tertiary facilities and more generally on the Group's financial position. The societal,

technological and economic context may not be favourable to the Group's low-carbon solutions for the transition to address climate change challenges.

Criticality in view of the control actions undertaken: Strong.

Physical risks

EDF Group facilities are closely linked to water, wind and solar resources; the overall reliability of the power system depends on the resilience to climatic conditions of generation facilities and distribution and transmission network infrastructures. As a result of this sensitivity to climatic conditions, the EDF Group's activities are likely to be significantly affected by the physical effects of climate change, both in terms of chronic effects and an increase in the frequency and intensity of extreme climatic events. To address these risks, the Group's operating entities must regularly update their climate change adaptation plans, based whenever possible on IPCC scenarios, in order to review the measures taken and to be taken. In addition, periodic reviews are carried out on nuclear and hydraulic installations, incorporating both feedback and climate change projections; this is a key cornerstone of the robustness of the installations. Since the 1990s, the EDF Group has been building up specific R&D expertise on climate change issues, invested in collaborative research projects to support these actions.

However, the effects of climate change present many uncertainties. Despite the actions taken by the EDF Group, they could adversely affect the continuity of the Group's business, its operating results, its cash flows and more generally its operating performance.

Transition risks

The CAP 2030 strategic project reflects the Group's goal of being the "champion of low-carbon growth". Most of the Group's investments are oriented towards this low-carbon strategy. This strategy reinforces corporate responsibility objective no. 1 in favour of the climate (see section 3.2.1.1 "EDF, a company committed to climate issues (CSRG no. 1)" of the 2019 URD). In 2018, the Group had already made a commitment to significantly reduce its carbon dioxide emissions, with a target of 30 million tonnes in 2030 instead of 51 million tonnes in 2017 (40% reduction). EDF also confirms this goal in 2020 with the "Business Ambition for 1.5 degrees" initiative. EDF keeps stating its ambition of becoming carbon neutral by 2050 and makes new commitments in this regard to reduce its direct emissions by 50% by 2030 (scope 1) and to reduce its indirect emissions (scope 3).

Achieving the objective of reducing emissions and, more generally, ensuring the success of the Group's low-carbon strategy depend primarily on the continued acceptance of nuclear energy by the public, the successful shutdown or adaptation of fossil fuel power plants and the accelerated development of renewable generation resources to complement nuclear and hydroelectric generation. The Group has been particularly active in the development of solar energy in France, electric storage and low-carbon electric mobility, which will make it possible to develop and promote the Group's low-carbon energy solutions, particularly for the transport sector, which still emits a very high level of carbon dioxide in France and Europe.

Thus, the EDF Group's strategy and energy mix are fully in line with the public low-carbon transition policies, which give EDF the opportunity to enhance the value of all its investments and activities. Nevertheless, this opportunity could be stalled by the external, societal, competitive, social, economic, or industrial context. Nuclear energy may not be recognised at the societal level as a key factor in enabling the low-carbon transition. For example:

- the standards or taxonomies currently being set up to recognise carbon-free energy could include criteria that would effectively exclude nuclear energy. See in particular risk no. 1A above "Changes in public policies in France and Europe";
- In connection with the preparation of the 2019-2028 Multi-Year Energy Programme, the French government wished to review several scenarios between 2030 and 2050, "ranging from a 100%

renewable scenario to one in which nuclear power remains a sustainable source of electricity generation integrated into the mix for reasons of production management and competitiveness”.

In addition, new low-carbon energy solutions may induce new societal questions (new intrusive technologies, land rights-of-way, new conflicts related to the use of water or scarce resources, etc.). New legislative or regulatory changes brought about by climate change could also have a negative impact on EDF’s business and lead to new legal or compliance risks. The Group may also have to deal with the emergence of new technologies or disruptive solutions that are part of the efforts to meet the transition objectives.

Such situations could make it more difficult to carry out these transformations and achieve the desired objectives. They could directly or indirectly affect the Group’s business volumes, margins, asset value, financial position, reputation or prospects.

Risk summaries and mapping

In 2019, a summary on climate change and its impacts on EDF was presented to EDF’s Scientific Council. In addition, a Group-wide climate risk mapping of all physical and transition risks following the recommendations of the TCFD (Task Force for Climate Financial Disclosures, see section 3.2.1.1.6). Climate risks have been identified and assessed using the Group’s general risk mapping method. This mapping of climate risks, based in particular on the adaptation plans of the operating entities and on the report to the Scientific Council, has led to an action plan mobilising the Group at both corporate and entity levels. It was examined by the Audit Committee.

3C – Adaptation of employees’ skills.

Skill adaptation and development may be insufficient in view of the Group’s transformation, business line requirements and new organisational and working methods.

Criticality in view of the control actions undertaken: Intermediate.

Human development represents corporate responsibility objective no. 2 (see section 3.3.3.1 "EDF, a company with a responsible attitude to its employees" of the 2019 URD). The Group’s scope of activity is evolving in a rapidly changing environment and context of energy and digital transition and, consequently, many new business lines are emerging and new working methods are being adopted (extended company, project platform operation, teleworking, etc.). The historical business lines are themselves undergoing dramatic change yet retaining their very high level of technicality, always with a similarly high requirement for a culture of safety and security, particularly in the hydropower and nuclear power sectors as well as for electricity networks. The human and socio-organisational dimension is a key factor in the Group’s performance. The anticipation of emerging needs and requirements related to new business lines, the necessary functional and geographical adjustments required to facilitate the evolution of the scope of activity, induce adaptation and constant development of skills and organisations (see section 3.3.3.1.1 "Employee employability and enhancement of the internal social elevator" and section 3.3.3.1 "EDF, a company with a responsible attitude to its employees" of the 2019 URD). Obtaining qualifications or authorisations may require several years and sufficient coverage for the transfer of knowledge and experience. The rapid evolution of technology and, therefore, of the business lines, requires flexibility and an increased ability to adapt on both an individual and organisational level, as well as in terms of working methods and acquiring and transmitting individual and collective skills.

The EDF Group considers the dynamic matching of skills to needs over time to be a major challenge and therefore implements the appropriate measures to facilitate change. However, it cannot guarantee that the measures taken will always be sufficient, timely or on satisfactory terms, which could have an impact on its business, financial position and reputation as an employer.

3D – Ability to ensure long-term social commitments.

The Group may be required to meet significant commitments related to pensions and other employee benefits.

Criticality in view of the control actions undertaken: Intermediate.

The pension plans applicable in the various countries in which the Group operates involve long-term commitments to pay benefits to the Group's employees (see note 34 of the appendix to the consolidated financial statements for the financial year ended 31 December 2019). In France, in addition to these pension commitments, the Group also owes obligations for post-employment benefits and long-term benefits for employees currently in service. The ongoing pension reform in France may have an impact on the Group's commitments.

To cover these commitments, the Group has set up outsourced funds or pension funds. At the end of 2019, depending on the case, assets only partially covered these commitments, although, for the Group, the maturity dates of the obligations are relatively smoothed over time. At 31 December 2019, the average duration of employee benefits commitments was 19.7 years in France and 19.5 years in the United Kingdom.

The amounts of these commitments, the provisions booked, the outsourced funds or pension funds set up and the additional contributions required to make up insufficient funding are calculated based on certain actuarial assumptions, including a discount rate subject to adjustment depending on market conditions and, in the event of any employee-related commitments in France, on the rules governing retirement benefits paid out by the general retirement scheme, and amounts owed by the Group. These assumptions and rules may be adjusted in the future, which could increase the Group's current commitments for pensions and other employee benefits and, therefore, require a corresponding increase in provisions.

Furthermore, if the value of outsourced funds or pension funds proves insufficient to meet the corresponding commitments, in particular in the United Kingdom or France, primarily due to calculation assumptions or developments in the financial markets, the Group may be obliged to make additional contributions to the relevant funds, which may have an adverse impact on its financial position.

Operational performance

The Group implements programmes aimed at continuously improving its operational performance, which determines its financial performance as well as the direct or indirect achievement of the corporate responsibility objectives defined in sections 3.2 and 3.3. The Group's ability to transform also depends on the achievement of operating results, and its reputation.

However, the Group cannot guarantee that the programmes it implements will have the expected results or that such results will be obtained within the planned timetable, nor that they will be sufficient to deal with technical or industrial contingencies or regulatory and economic developments.

Failure to achieve the expected operating results may therefore lead to a direct deterioration in the Group's financial position, reputation and ability to transform.

This section sets out the most significant risks likely to affect the control of the Group's operations and projects.

4A – Management of large and complex industrial projects (including EPR projects)

The Group carries out very large-scale projects. These projects represent a major risk for the Group in terms of the potential financial impact on its shareholders' equity and implications for its development strategy. In particular, the success of EPR projects depends on specific industrial, regulatory and financial factors.

Criticality in view of the control actions undertaken: Strong.

As part of its activity and in its capacity as project owner or prime contractor, the Group is called upon to carry out projects that are inherently complex, require significant investments and lengthy procedures for construction and regulatory approvals. A very large number of stakeholders can be involved. The implementation of certain projects may lead EDF to set up industrial and/or financial partnerships. Projects may also need to be connected to local development projects or may encounter difficulties with respect to local approval. The control of these projects falls within the scope of corporate responsibility goal no. 5, which consists of developing a worldwide process of dialogue and consultation for projects (see section 3.3.1.2.5 "Dialogue and consultation for projects (CSRG no. 5" of the 2019 URD). In order to improve this control, the Group has embarked on an overhaul of its project management and has defined a "Commitments" policy that requires an analysis to be carried out of the risks and associated security issues.

Such projects may involve, in France or internationally, offshore facilities for new energies (off-shore wind power in France), the installation of new meters (Linky in France, handled by Enedis) on an entire distribution network concerning tens of millions of customers, in France or the United Kingdom, the implementation of hydraulic projects, or the implementation of large-scale nuclear investments over decades ("Grand Carénage", EPR projects and decommissioning projects, in particular).

These projects are large-scale and long-duration projects; they involve numerous industrial partners and significant investments, for which the financing and pricing conditions may still be subject to confirmation. Given the economic or institutional climate, obtaining such funding may be delayed.

The implementation of these projects may give rise to numerous technical, industrial, operational, economic, regulatory, environmental or acceptability risks that could jeopardize project schedules, associated costs or profitability. There may also be difficulties in terms of relationships with the partners involved with EDF in these projects. Trade tensions between the United States and China could have an impact on the conduct of some of these projects given the technologies and partnerships implemented.

In this regard, in October 2018, the US Department of Energy ("US DoE") issued a decision on civil nuclear cooperation with China which deals in particular with the transfer of US goods and technology, or goods and technology of US origin, to CGN, its subsidiaries and related entities. This decision concerns technologies relating to equipment within or directly attached to the vessel, core power control equipment and equipment that contains or is in direct contact with the primary fluid. On 14 August 2019, the United States Department of Commerce ("US DoC") issued a ruling placing four CGN Group entities on the list of entities subject to restrictions ("Entity List") concerning any transfer of goods and technology, in particular US dual-use goods and technology, or dual-use goods and technology of US origin (or including a certain percentage of US content) subject to the jurisdiction of the US DoC (export administration regulations: covering all goods and technology, in particular dual-use commercial goods and technology, other than those subject to the jurisdiction of the US DoE and the Nuclear Regulatory Agency). As a result of these decisions, the transfer of goods and technology to the entities in question for the technical scope covering them under the decisions, must be specifically authorised in advance by the competent US courts, with the presumption that such authorisation will be refused.

In addition, these projects require administrative authorisations, licenses or permits which may be subject to disputes, withdrawals or delays in obtaining them.

Such situations could, in particular in the event of non-compliance with the Group's contractual commitments or the Group's potential exposure in the event of major contingencies arising from the completion of these projects or the operation of these reactors, have a major impact on the Group's business, results, asset value, financial position, reputation and outlook.

The success of EPR projects determines the performance and reputation of the nuclear industrial sector, and through it, those of the Group.

The Flamanville 3 project is a major industrial, regulatory and financial challenge for the Group. In particular, meeting the timetable and cost objectives is still dependent on:

- implementing the action plan on the 53 welding seams to be reworked on the main secondary circuit piping, as well as those of the 8 crossings for which ASN has requested immediate repair. For these 8 welding seams, the preferred option of reworking by remotely-operated robots could run into difficulties, particularly in view of the innovative nature of this option;
- successfully completing the start-up tests still to be carried out and the transfer to the operator;
- obtaining the various authorisations which have yet to be issued by the ASN. In this context, as a precautionary measure, EDF submitted an application to amend the decree authorising its creation to the French Ministry for Ecological and Solidarity Transition on 11 March 2019 in order to extend the deadline for commissioning the reactor to April 2024;
- the emergence of any other risks or failures.

In view of these considerations, the provisional timetable for implementing the preferred option for the reworking of crossing weld seams would lead, if the objective of ASN validation is met, to a fuel loading date at the end of 2022 and to re-estimating the construction cost at €12.4 billion, i.e. an increase of €1.5 billion. However, the Group could face other potentially significant additional costs and delays, in particular if the preferred option could not be implemented and the fallback scenario studied by EDF and based on extraction and refurbishment in the auxiliary back-up buildings (see section 1.4.1.2.1 “Flamanville 3 EPR project” of the 2019 URD) had to be used.

The construction cost to completion of €12.4 billion is expressed in 2015 euros and does not include interim financial interest. As this is a construction cost, it also does not include other elements necessary for the project such as spare parts for the subsequent operation of the plant.

The financial statements as at 31 December 2019 show in this respect (note 25.1 of the appendix to the consolidated financial statements as at 31/12/2019 – section 6.1 “Financial statements” of the 2019 URD) that:

- the amount of interim interest amounts to €3,028 million;
- the spare parts inventory, pre-operating costs and other tangible assets related to the project amount to €1,033 million.

Furthermore, these amounts correspond to costs incurred as of 31 December 2019, and not to costs anticipated to be incurred as at the fuel loading date scheduled for the end of 2022.

Studies for the EPR 2 Project are underway in order to propose a competitive reactor with a view to renewing the existing nuclear fleet. Failure to meet the competitiveness target, the absence of an appropriate regulatory framework, the failure to obtain or delays in obtaining, the necessary permits to continue the reactor’s development could have an impact on the Group’s financial position (see section 1.4.1.2 “New Nuclear projects – EPR 2” of the 2019 URD). On 25 January 2019, the French government published the main guidelines of the Multi-year Energy Programme. In accordance with these guidelines, the government has asked EDF to prepare a file with the nuclear industry by mid-2021 relating to a programme of renewal of nuclear facilities in France.

In China, the Group has a 30% stake in TNPJVC (Taishan Nuclear Power Joint Venture Company Limited) alongside its Chinese partner CGN. Taishan 1 was the first EPR reactor to be coupled to the grid on 29 June 2018. It was commissioned on 13 December 2018. The Taishan 2 reactor became commercially operational on 7 September 2019. The feed-in tariff for the electricity generated by Taishan has been set at RMB 435/MWh (approximately €56/MWh) for up to 7,500 operating hours per year per reactor, with any surplus being sold at market price. This tariff, which is below EDF’s expectations, will remain in force until the end of 2021. Efforts are still under way with the relevant Chinese authorities to determine its future development.

In the United Kingdom, control of the design and bringing the manufacturing and the major milestones of the construction site under control will determine the profitability of the Hinkley C project and the financing of any future projects in the United Kingdom. The Group has a 66.5% stake in the Hinkley Point C Project, alongside its Chinese partner CGN with 33.5% (see sections 1.4.1.2.2 “Other – New Nuclear projects” and section 1.4.5.1.2.4 “United Kingdom – Nuclear New Build Business” of the 2019 URD). In June 2019, the HPC project achieved milestone J-0 (completion of the unit 1 nuclear island common raft) as planned. Following this major milestone, a review of the costs, schedule and organisation of the HPC project concluded that the risk of delaying the delivery of units 1 and 2 as previously announced (15 and 9 months respectively) had increased, and that the construction cost to complete the project is now estimated between £201521.5 billion and £201522.5 billion, an increase of £20151.9 billion to £20152.9 billion compared to the previous estimate. The range depends on the effectiveness of action plans to be delivered in partnership with contractors. The additional costs are mainly the result of difficult soil conditions, which made the earthworks more expensive than expected, the revision of the objectives of the operational action plans, and the additional costs related to the implementation of the functional design of a “first of a kind” plant adapted to the British regulatory context.

Given the new cost to completion induced by these changes, the project’s financing requirement will exceed the contractual commitment of the shareholders, which could lead to financing difficulties in the event of a shift in the shareholders’ alignment. Due to its size and complexity, this project, like all similar projects, carries multiple risks of delays and additional costs.

The project’s IRR is sensitive to the exchange rate and could decrease in the event of a significant fall in the pound sterling against the euro, notably as a result of Brexit. The way in which Brexit is implemented may have a more general impact on the conditions under which the project is carried out, in particular on customs duties, the movement of persons and trade in goods and services. Finally, the governance of the project could also be affected in the event of misalignment between shareholders. Changes to these different factors could have a significant impact on the Group’s financial position.

EDF has also signed two other agreements with CGN relating to two nuclear construction projects in the United Kingdom: Sizewell C and Bradwell B (see section 1.4.5.1.2.4 “United Kingdom – Nuclear New Build Division” of the 2019 URD). EDF’s ability to make a final investment decision on Sizewell C and to participate in the financing of this project beyond the development phase could depend on the operational control of the Hinkley Point C project, on the existence of an appropriate regulatory and financing framework, and on the availability of sufficient investors and financiers; such criteria are not met to date. With regard to the Bradwell B project, the assessment by the Office for Nuclear Regulation of the generic design of the UK HPR1000 (UK Hualong) reactor model is underway and the development of this technology at the Bradwell B site in the UK may be impacted by this process. The new environment created by Brexit may lead to a change in the profitability conditions of projects and to reassessing or even discouraging investors associated with the Group’s future projects in the United Kingdom or Europe.

On 10 March 2018, the Chairman and Chief Executive Officer of EDF and the Chairman and Chief Executive Officer of NPCIL (Nuclear Power Corporation of India Limited), which already operates 22 reactors in India, signed an Industrial Way Forward Agreement for the construction of six EPR-type reactors at the Jaitapur site in India. Jaitapur is set to be the biggest nuclear project in the world, with a total power capacity of around 10GW. EDF submitted a non-binding offer on 14 December 2018. As part of this offer, EDF, in association with GE and its subsidiary Framatome, will be the engineering contractor for the entire project and supplier of the EPR technology. EDF will undertake all engineering studies and all component procurement activities for the first two reactors (see section 1.4.1.2.2 “Other New Nuclear projects” and section 1.4.5.3.6.2 “South-East and South Asia” of the 2019 URD). Discussions in view of the submission of a binding offer are being held with NPCIL on this basis.

A fundamental element for the success of an EPR project and for the operating safety of EPR reactors in which the Group is involved is accounting for the needs of the final operator, who is responsible for operating safety, from the beginning of the design phase and throughout the design and implementation of the EPR project.

Framatome is now a Group subsidiary and as such can expose the Group through its activities for other nuclear operators or customers in France and abroad. Exposure may be financial or involve the Group's reputation. Framatome's industrial performance remains strategic for EDF Nuclear Operator in France and the United Kingdom. The successful completion of an EPR project depends on quality and compliance with contractual clauses in Framatome's production of studies, components or services for each EPR Project.

The success and value creation resulting from Framatome's integration into the EDF Group implies a converging framework for nuclear projects, and the development of resulting synergies. Failure to achieve these objectives could jeopardise the competitiveness of the nuclear sector in France and that of the Group in its international development, and the success of all EPR Projects.

Other issues and risks specific to nuclear activities, whether in terms of nuclear safety, control of operation and maintenance operations, long-term commitments or the fuel cycle, are specified in "Risks specific to nuclear activities" below.

4B – Hydraulic safety risks.

The hydroelectric facilities operated by the Group present risks with potentially serious consequences for people, property and the environment that could have a financial and reputational impact on the Group.

Criticality in view of the control actions undertaken: Intermediate.

The Group's hydraulic structures present specific risks with potentially very serious consequences: breakage, overflow during floods, operating manoeuvres. Hydropower safety comprises all the measures taken when designing and operating plants to reduce risks and hazards to people and property associated with water and the presence or operation of facilities. Hydropower safety is the major and permanent concern of the producer. It involves three main activities:

- measures to address the major risk associated with dam or reservoir failures, through the regular monitoring and maintenance of facilities under the supervision of public authorities, mainly the French regional environment, land use and housing authorities (directions régionales de l'environnement, de l'aménagement et du logement – DREAL). Of the largest dams, 67 of them are subject to a special administrative procedure implemented by the competent prefect;
- the management of facilities during periods of exceptionally high water levels, in order to ensure safety at the facilities and for the surrounding communities;
- control of operational risks: changes in the level of the water bodies or the flow of watercourses downstream of the works.

EDF regularly monitors and maintains its dams, including through continuous monitoring. The real-time readings and analysis, at each site, of multiple data (settlement, pressure, leakage measurements, combined with the visual inspection of the concrete and an inspection of the mechanical parts, etc.) enable EDF to conduct a regular assessment on the state of its dams. In Grenoble and Toulouse, EDF teams can analyse the largest dams or those dams that are the hardest to access, remotely and in real time, using a series of sensors.

Furthermore, a danger study including a complete technical examination is carried out for each of the large dams every ten years. This examination requires draining or an inspection of the submerged parts with sub-aquatic equipment. These operations are carried out under the supervision of public authorities (the DREAL office at the regional level as well as the Service technique de l'énergie électrique des grands barrages et de l'hydraulique – STEEGBH, the central French government agency specifically responsible for large dams and hydropower facilities).

At the organisational level, the Hydropower Safety Inspector prepares an annual report for the Chairman and CEO of EDF, to which he or she reports directly, as well as to those involved in hydropower safety (see section 1.4.1.5.1.2 of the 2019 URD). Issued after analyses, inspections and assessments carried out by the Hydropower Safety Inspector, this report aims to give an opinion on the level of hydropower safety of the Group's installations and provide a basis for reflection and progress to ensure its improvement and consolidation. This report is made public on the Group's website.

4C – Occupational health or safety violations (employees and service providers).

The Group is exposed to health and safety risks in the workplace, both in terms of its employees and those of its service providers.

Criticality in view of the control actions undertaken: Intermediate.

Human resources and their related skills are a major challenge for the Group and its service providers. The industrial nature and diversity of the Group's activities reinforce the crucial importance of complying with the rules and taking into account the various risks that may affect people working in the Group's industrial facilities in order to protect health and safety in the workplace.

The risk of work-related accidents or occupational illnesses cannot be excluded in all of the Group's areas of activity. The occurrence of such events may lead to lawsuits against the Group and may result in the payment of damages, which could be significant.

To address this risk, the Group has for many years taken the steps necessary to comply with the health and safety laws and regulations in the various countries in which it operates, and considers that it has taken the measures required to ensure the health and safety of its employees and that of its subcontractors'.

Each Group entity has action plans aimed at continuously improving health and safety at work. Actions are also carried out at the level of the Group as a whole: defining and promoting vital rules, the day-long shutdown on 3 October 2019 to jointly discuss the persistence of fatal accidents (see section 3.3.3 "EDF, a company with a responsible attitude with regard to its employees and service providers" of the 2019 URD).

4D – Attacks against assets, including cyberattacks

The Group faces the risk of malicious acts against its tangible or intangible assets, particularly its information system.

Criticality in view of the control actions undertaken: Intermediate.

The facilities or assets operated by the Group or its employees may be the target of external attacks or malicious acts of any kind. An attack or malicious act committed on these facilities could have consequences such as injury to persons and/or damage to property, the Group being held liable on the grounds of measures judged to be inadequate and interruptions to operations. The Group would also be forced to make additional investments or incur additional costs if laws and regulations relating to the protection of sensitive sites and critical infrastructures became more stringent.

The Group operates multiple, interconnected and complex information systems (databases, servers, networks, applications, etc.) that are essential to the conduct of its commercial and industrial activity, the preservation of its human, industrial and commercial assets, and the protection of personal data (of customers and employees) which must adapt to a rapidly changing context (digital transition, development of teleworking, new ways to share work in extended companies with suppliers, changes in regulations, etc.).

The frequency and sophistication of information system hacking and data corruption incidents are increasing worldwide. A malicious attack may have a negative impact on the Group's operational activity, its financial, legal or property position or its reputation.

The EDF Group has defined an Asset Security policy in the face of malicious acts and an Information System Security policy to prevent this risk and limit its impact in the event of an attack. These policies are supplemented by guidelines on the protection of personal data. However, the Group cannot rule out an attack on its information systems that would have consequences on the Group's operational activity, its finances, its legal position, in particular with regard to the integrity of personal data, or its reputation.

A charter for the use of IT resources is annexed to the Company's internal regulations. IT security training courses adapted to different profiles (users, project managers, IS security managers, etc.) are offered to employees. The Audit Committee of the Board of Directors receives reports on cyber security risk management. Several dozen security audits are carried out each year by external PASSI qualified IS security audit companies (IS security audit providers) by the ANSSI (French National Agency for Information Systems Security), both on IT infrastructures and on business information systems. In addition, the EDF Group SOC (Security Operational Center) reports on IS security incidents on a monthly basis.

In 2019, the main actions deployed in the field of cyber security and protection of intangible assets were as follows:

- notifying cyber security objectives to the Directors of the main Group Entities;
- defining a security reference framework based on the rules of the French National Agency for Information Systems Security (ANSIS);
- carrying out six campaigns to raise awareness regarding the protection of information at the Group level, and a large number of campaigns led by local management and adapted to the specific nature of the businesses run by the Entities;
- conducting two crisis exercises on EDF's Datacentres;
- carrying out a cyber security crisis exercise at Group level enabling EDF to test its ability to withstand cyberattacks;
- updating the policy to combat malicious acts targeting intangible assets in order to address new cyber and behavioural risks;
- creating a Group-level incident response function (CERT).

4E – Operational continuity of supply chains and contractual relationships.

The Group is exposed to the operational continuity of supply chains and contractual relationships with its suppliers as well as to fluctuations in the price and availability of materials, equipments or services it purchases in the course of its business activities.

Criticality in view of the control actions undertaken: Intermediate.

The Group's needs can arise in markets with limited surface area or increasing tensions, in particular due to the structure and evolution of the industrial offer or the increase in competition from new uses in particular between the growing needs of information systems and the needs of energy players. Climate change-related transition may also introduce new tensions in supply chains. Certain materials, equipment or services could also be subject to increased demand relative to the available industrial supply, which could have an impact on their cost and availability. These market pressures may increase the cost of supplying certain critical products or services and lead to a reduction in supply by some suppliers in response to a contraction in their margins. Fluctuations in the price and availability of certain raw materials or products that play a key role in setting the price of electricity and energy services may affect the Group's supply capacity and results.

The Group uses technologies, mainly in the fields of nuclear, hydraulic or renewable energy generation, electrical storage or mobility, that require materials or elements that may be highly sensitive in terms of

access¹. The scarcity or conditions of access to certain raw materials may be critical for the Group due to geological, geopolitical, industrial, regulatory or competitive limitations, particularly in a context of energy transition. The development of uses, particularly related to storage, the growth of renewable energies and the penetration of low-carbon electricity, could pose problems of access to certain materials: Lithium for batteries, ferromagnetic rare earths for wind power, Indium or Selenium for solar energy... These difficulties could limit the Group's ability to achieve its development objectives. In addition, control of the conditions under which raw or semi-finished materials are extracted, processed, packaged or made available for the Group's needs may be subject to provisions calling for greater control of regulatory requirements and a duty of vigilance.

Moreover, the Group currently depends on a limited number of industrial players with specific skills and the required experience. This situation reduces competition in markets where EDF is a buyer and exposes the Group to the default risk of one or more of these specialised suppliers or service providers. This is particularly the case for Orano (which accounts for more than 34% of EDF's purchases of all types of fuel in 2019), Westinghouse and GE. Changes to the shareholding or governance of these various providers may also have an impact on the cost, the operational continuity of ongoing contracts and the cost of services provided or delivered products. Regular monitoring of the situation of these suppliers is carried out through specific reviews.

The Group's performance is also based on the contracts signed with suppliers of equipment or services. Improved management of contracts entered into by EDF is a major issue in controlling operations, deadlines and associated costs. It is the role of the Contract Management function which aims to improve the management of risks and create opportunities in the management of contracts. This function calls upon Contract Managers positioned in the business lines throughout the contractual process. It is an additional line of defence in the management of contracts, in relation to corporate and the divisions. The Contract Management Department, which reports to the General Secretary, is responsible for structuring this function, leading the Contract Management process, measuring its performance and professionalising the players.

4F – Blackout risk.

Repeated customer power supply interruptions, or a black out, or a widespread power grid incident, in a territory served by the Group could have consequences for the Group's activities, financial position and reputation, particularly if they were partly attributable to the Group.

Criticality in view of the control actions undertaken: Moderate.

The Group may be faced with repeated power outages or even a black-out, a widespread network incident of considerable scale, or be involved in it, even if the triggering incident occurred on a network not operated by EDF or was attributable to another player.

The causes of power outages can be diverse: local or regional imbalance between electricity generation and consumption, accidental power supply or transmission failure, cascade failures, interconnection problems, delays in investment and the necessary network conversions to meet the needs of energy and ecological transition, difficulty in coordinating players, particularly in a market with insufficient or evolving regulation.

The initial impact of such power failures could be repair costs incurred to re-establish power or restore the network. Power failures may also generate capital expenditures if it were decided, for example, to install additional generation or network capacity. This could also cause a decline in the Group's turnover. Finally, they could have a negative impact on the Group's financial position or reputation with its customers and all its stakeholders, particularly if the power outage were to be partly attributable to it.

¹ The topic of Uranium supply is not considered here. It is dealt with in Risk 5D Control of the fuel cycle.

4G – Industrial safety and impact on environmental assets, including biodiversity.

The Group operates facilities for which accidents could, in the event of a failure in industrial safety, have serious consequences on the human or natural environment, particularly in terms of biodiversity and environmental capital.

Criticality in view of the control actions undertaken: Moderate.

The Group operates or has operated facilities which, as part of their day-to-day operations, can, may or may have been the cause of industrial accidents or environmental and health impacts. The Group's facilities may be located in industrial areas where other activities subject to similar risks exist, which means that the Group's own facilities may be impacted by accidents occurring at neighbouring facilities owned by other operators and not under the Group's control.

Biodiversity issues concern all the Group's facilities and projects, particularly in France where EDF is a landowner and a manager of natural resources of great importance. This issue is all the more important as energy transition introduces new or reinforced requirements. The Group is committed to biodiversity through its corporate responsibility objective no. 6 (see section 3.3.2.1 "EDF, a company that is responsible with regard to biodiversity (CSRG no. 6)" of the 2019 URD).

Measures taken for industrial safety and the control of these risks may not be fully effective, which could have consequences for people, property and business continuity. Protective measures may be taken on similar facilities. The Group may be held liable.

Insurance policies for civil liability and damages taken out by the Group could prove to be significantly inadequate, and the Group cannot guarantee that it will always be able to maintain a level of cover at least equal to current cover levels and at the same cost.

Risks specific to nuclear facilities are further developed in section "Risks specific to nuclear activities". Risks specific to hydraulic facilities are set out in 4B above.

The impact of an industrial safety failure may have a negative impact on the Group's operational activity, its financial, legal or property position or its reputation, and may affect the Group's ability to achieve Corporate Responsibility Objective no. 6 with respect to biodiversity.

The Group owns 40 facilities classified as Seveso under the European Directive for the prevention and management of major industrial risks. These are essentially storage or warehousing facilities for oil, gas or chemicals. The regulatory requirements applicable to this type of facility are implemented at all relevant Group sites. In addition, the Group's French Seveso sites have all responded to requests from prefects following the fire that occurred on 26 September 2019 at the Lubrizol plant, a Seveso classified site in Rouen.

Risks Specific To Nuclear Activities

The EDF Group is the world's leading nuclear operator in terms of the number of reactors in operation (73 reactors for which the EDF Group is the nuclear operator, out of 447 power reactors in operation in the world on 01/01/2020)².

The Group has basic nuclear fuel cycle facilities and carries out activities in research, equipment manufacture and the supply of services to other nuclear operators, since the integration of the Framatome subsidiary, within the scope of the Group in 2018.

² Source: www.iaea.org/pris .

In addition, the Group holds minority stakes in nuclear power plants in operation in China, the United States and in Belgium, which it does not operate.

The Group is investing in new reactor projects in France, the United Kingdom and China and carries out its nuclear industrial activity in other countries, notably India and the United Arab Emirates, countries in which nuclear operators signed agreements with the Group.

The share of nuclear energy, as a low-carbon form of energy and a part of the Group's electricity mix, thus represents a significant industrial asset for the competitiveness and development of the Group.

Given the low impact of fossil carbon dioxide emissions from the nuclear industry over the entire industrial lifecycle, the performance and control of nuclear activities contribute directly to the achievement of Corporate Responsibility Objectives in support of the Climate (see CSRG no. 1), fostering human development (see CSRG no. 2), supporting vulnerable populations (see CSRG no. 3), in particular with regard to the fight against fuel poverty and access to clean, low-carbon and competitive energy, including for the most disadvantaged populations, committing to ensuring that each customer consumes more responsibly (see CSRG no. 4), fostering dialogue and consultation (see CSRG no. 5), and supporting biodiversity (see CSRG no. 6) (see sections 3.2 and 3.3 of the 2019 URD). The control and performance of nuclear activities are at the heart of EDF's sustainable development policy.

The nuclear activities of EDF are associated with the following issues:

- as with any nuclear operator, the latter's obligations means giving ongoing priority to nuclear safety, based on technical and organisational provisions in order to guard against a nuclear accident and, in the hypothetical event of an accident occurring, to limit the consequences of such an accident. The nuclear business is carried out under the control of nuclear safety authorities in countries where the Group exercises nuclear operator responsibility. Failure to take nuclear safety into account as the number one priority could have a significant, even vital impact on the Group;
- the Group's nuclear activity is subject to detailed and demanding regulations with, particularly in France, a system in place that monitors and periodically re-examines basic nuclear facilities, which focuses, firstly on nuclear safety, protection of the environment and public health, but also on security considerations regarding malicious acts. These regulations may be significantly tightened by national or European authorities (see section 1.5.3.2 "Specific regulations applicable to basic nuclear facilities" of the 2019 URD). Furthermore, stricter regulations or possible non-compliance with current or future regulations could result in the temporary or permanent shutdown of one or more of the Group's plants or financial penalties as stated in Article L. 596-4 of the French Environmental Code. Cases of non-compliance with regulations or non-compliance with commitments undertaken, may also be used by third parties against EDF and brought before the courts. The increased number of requests emanating from the French Nuclear Safety Authority (NSA) and enhanced controls may increase EDF's compliance costs and risks;
- although the nuclear business can contribute effectively to the security of energy supply and to combating the greenhouse effect, it must also demonstrate its competitiveness and its acceptance over the different time scales in which it operates. Nuclear activity by its very nature requires substantial and long-term investments, sometimes spanning decades. The robustness and efficiency over time of maintenance and upgrading programmes for the operating fleet, new reactor projects, and the respect of very long-term commitments are inevitably subject to extreme vigilance, with industrial cycles that span a century or even beyond;
- the nuclear fuel cycle is part of this long-term industrial outlook. EDF has a specific responsibility to develop a long-term strategy with the various stakeholders;
- the nuclear business is an industrial activity that brings together a large number of industrial partners in France, Europe and throughout the world. In France, EDF was assigned the role of lead company

in the nuclear sector by the public authorities, with the integration of the Framatome subsidiary, which involves specific risks associated with the exercise of this responsibility and the activities of Framatome.

In light of the fact that EDF is the world's largest nuclear operator, exploiting global feedback and making comparisons with best practices internationally³ represents an ongoing challenge to ensure that the EDF Group is well positioned to be able to sustainably manage the risks associated with being the world leader;

5A – Failure to comply with the objectives (i) in terms of operation and/or (ii) in terms of extending the operating life of nuclear power plants (France and United Kingdom).

The Group may not meet its nuclear power plants' operating objectives in terms of safety and availability. It may also not be able to obtain approval to continue operating its reactors beyond the current planned expiry date, or even be authorised to operate them until that date in both France and the United Kingdom. In addition, the Group may not be able to control costs and deadlines for upgrading its operating fleet ("Grand Carénage" refurbishment projects in France).

Criticality in view of the control actions undertaken: Strong.

The fleet of nuclear reactors that the Group currently operates in France is highly standardised (see section 1.4.1.1.1 "EDF's nuclear fleet in France" of the 2019 URD). This enables the Group, in particular, to achieve economies of scale, to apply improvements made to its newest reactors to all reactors and, in the event of a reactor malfunction, to anticipate the measures to be taken in other reactors. But this standardisation has a potential parallel risk of the dysfunction being common to several reactors or to a generation or series of reactors (see section 1.4.1.1.2 "Operation and technical performance of the nuclear fleet").

The Group cannot guarantee that it will not be required to make significant or costly repairs or modifications to all or some of its plants, or that events will not occur that may have an impact on the operation of its plants or their output or cause a temporary or permanent shutdown of all or some of its plants. Thus, the deviation related to a steam generator (SG) weld stress relief process which was detected and reported to the Safety Authority in the summer of 2019 concerned SGs installed on 6 reactors of the nuclear fleet in operation in France and the Flamanville 3 EPR. Framatome is expanding the investigation to include other stress relieving processes.

During the periodic reviews carried out during the ten-yearly inspections and following the Fukushima accident in Japan, the Group drew up a major work programme, called "Grand carénage", the principle of which was approved by the Board of Directors (See section 1.4.1.1.2 of the 2019 URD). The potential risks of the latter include a possible delay in the appraisal of the authorisations required to start operations, in particular as regards the authorisations expected from the French Nuclear Safety Authority (ASN). Such uncertainties may also concern the manufacture and delivery on site of new equipment or work carried out on-site in a situation where a large number of industrial operations are being carried out at the same time.

The ASN decides on the measures taken by the operator and may give additional instructions for each reactor and for each authorisation stage. Solutions are being studied to demonstrate the capacity of non-replaceable equipment such as the containment building and reactor vessels, to ensure their operation up to 60 years. These studies, which are based on data available in France but also internationally⁴ make it possible to confirm the safety margins available for the operating periods under investigation but may also lead to the

³ Exploitation of standards and feedback from the International Atomic Energy Agency and the World Association of Nuclear Operators (WANO).

⁴ Six reactors in the US are being investigated for an extended operating life of 80 years: the Nuclear Regulatory Commission (NRC) staff has defined subsequent license renewal (SLR) to be the period of extended operation from 60 years to 80 years.

<https://www.nrc.gov/reactors/operating/licensing/renewal/subsequent-license-renewal.html>.

need to adopt additional protective measures, if necessary, to be taken on the existing fleet, which could have consequences on its performance.

In order to postpone the construction of new units and related investments, and to continue to benefit from low-carbon generation and cash flows from its existing fleet, the Group has been aiming for several years to extend the operating life of its nuclear fleet in France beyond 40 years, a period already exceeded in France for six reactors. The fourth ten-yearly inspection of the 900MWe reactor series (VD4-900), like the previous ones, includes, on the one hand, a verification of the compliance of the facilities with the current reference design and, on the other hand, a safety reassessment. This makes it possible to increase the level of safety by taking into account, on the one hand, international best practices and, on the other hand, the condition of the facilities, the experience acquired during operation and the evolution of the knowledge and rules applicable to similar facilities. As part of this process, the ASN could prescribe significant additional amendments.

Concerning the fourth review of the 900 series, the Permanent Group (GP) regarding the V4 closing is scheduled for September 2020. The ASN will present its generic opinion, in particular on the adequacy of the amendments initiated by EDF. Starting in March 2020, EDF is expected to have initial discussions with the ASN on its future opinion. The formal ASN post-Permanent Group opinion is expected in 2021; consultations will be held with the College of Commissioners and the public beforehand. The ASN shall issue authorisations for continued operation on a reactor-by-reactor basis, following the examination of a periodic review report, taking into account the results of the inspections and requalification tests. For Tricastin 1, the VD4 (pilot plant) started on 1 June 2019 and ended with re-coupling on 23 December 2019, after the ASN had given its authorisation to restart. The periodic review report is scheduled for February 2020 and the public inquiry will take place in 2021, after the generic DSA notice on the VD4 has been issued. The ASN opinion on the TN1 periodic review report is expected to be issued in late 2021 or early 2022. It cannot be ruled out that the ASN's generic opinion on the 900MW PWR series includes additional requests that could lead to additional costs and delays.

In 2016, the Board of Directors considered that all the technical, economic and governance conditions necessary to align the depreciation period of the French nuclear fleet with the Group's industrial strategy were met (see notes 1.3.2 "Judgments and estimates of the Group's management" and 1.3.2.1 "Depreciation period for nuclear power plants in France" of the appendix to the financial statements for the financial year ended 31 December 2019). It therefore approved the extension in the consolidated financial statements of the depreciation period for 900MW PWR plants outside Fessenheim from 40 years to 50 years, without anticipating the decisions of the ASN on whether or not to grant a licence to continue operation on a reactor-by-reactor basis after each 10-year inspection. With regard to the Fessenheim nuclear power plant, EDF has sent to the French Minister for Ecological Transition and Solidarity and to the ASN the request to repeal the operating licence and the declaration of permanent shutdown of the two reactors, providing for the shutdown of Reactor no. 1 on 22 February 2020 and Reactor no. 2 on 30 June of the same year.

The accounting period of the other series of France's nuclear fleet (1,300MW and 1,450MW), which are more recent, currently remains at 40 years. The subsequent extension of the depreciation period of these series nevertheless remains an industrial objective for the Group. This objective may not be achieved as the conditions are not in place at this stage.

In the United Kingdom, the ongoing analysis of graphite ageing in the RAG (Advanced Gas Reactor) reactor may lead to prolonged unavailability of the most sensitive reactors. The cracking of graphite subjected to irradiation must be carefully monitored, with inspections carried out regularly, and controlled by the office for nuclear regulation ("ONR"), to ensure that there is sufficient knowledge of the core to justify continued operation. Following this process, the two Hunterston B reactors (R3 and R4 reactors) were shut down for inspections in March and October 2018, respectively. Following further unfavourable findings, the shutdown of Hunterston B R3 had to be extended in order to prepare the grounds for continued operation, which were submitted to the UK regulator (ONR) in June 2019. The ONR approved the restart of R4 at the end of August 2019 for a short period ending in December 2019. The safety case for the R3 reactor is under review by the ONR; approval is expected in early 2020. This approval will affect the restart of Hunterston's R3 and R4

reactors and may also impact the safety case for the operation of Hunterston's twin Hinkley Point B reactors. Such approval may also not be obtained or may lead to early abandonment in the event of an unfavourable ONR decision.

The current planned operating period for the reactors in EDF Energy's existing nuclear fleet ranges from 41 to 47 calendar years for advanced gas reactors (AGRs) and is 40 years for the Sizewell pressurised water reactor (PWR). Since EDF Energy acquired them, the operating lifespan of the AGR power plants has been extended by 10 years on average and the objective is to increase the operating life of the PWR power plant by 20 years after the currently planned 40 years (see section 1.4.5.1.2.1 "Nuclear generation" of the 2019 URD). Nevertheless, given the nuclear safety rules applicable in the United Kingdom and RAG reactor technology in particular, the Group cannot guarantee that EDF Energy will obtain the necessary authorisations from the ONR when the time comes to operate its existing nuclear reactors until the currently planned end of operation date, or that such authorisations will not be obtained under conditions involving significant expenditure or investment by the Group.

For nuclear reactors where EDF is not in charge of operation but has financial interests (United States, Belgium, China), the Group is financially exposed to the same risks. The Group may need to contribute up to the amount of its share to costly repairs or modifications to be carried out on these units or to events that may have an impact on their operating lifespan, production or availability. As in France and the United Kingdom, the nuclear safety authorities in these countries may take decisions that require additional works or controls, in particular as regards exploiting feedback from international experience and anticipating potentially precursory events.

Furthermore, despite the quality of operations and the changes made by the Group to its nuclear facilities, it cannot be ruled out that some of these facilities will be subject to special operating conditions to reinforce the operating safety margins at the initiative of the nuclear operator responsible for nuclear safety or at the request of the Nuclear Safety Agency.

Finally, a potential serious nuclear accident not involving the Group but with widespread consequences worldwide could lead the Safety Authorities to require new reactor upgrades applicable to the Group's reactors, and to those in which the Group has a stake.

The Group cannot guarantee that it will receive the expected operating lifespan extension from the competent authorities. Furthermore, such extensions could also be obtained under certain conditions, the financial impact of which, in particular in terms of investments, could affect the Group's strategy with respect to extending the operating life of its reactors or the Group's ability to pursue its global investment strategy. These events could have a significant negative impact on the Group's financial position.

5B – Control of radioactive waste treatment and decommissioning of nuclear facilities, and ability to meet related commitments.

The provisions set aside by the Group for the decommissioning of nuclear facilities and for the treatment and ultimate disposal of radioactive waste, including long-lived waste from spent fuel treatment and decommissioning, may prove to be insufficient. In particular, decommissioning existing nuclear facilities may present currently unforeseen difficulties or be much costlier than anticipated.

The amount of dedicated assets in France allocated by the Group to cover the costs of its long-term nuclear business commitments (radioactive waste and decommissioning) might need to be revised upwards or require additional expenditures.

Criticality in view of the control actions undertaken: Strong.

Decommissioning

The decommissioning operations underway in France (see section 1.4.1.1.6 "Decommissioning of nuclear power plants" of the 2019 URD) concern plants that were built and operated before the current nuclear fleet, including the Superphenix plant ("first generation" plants). These operations cover four different reactor technologies: heavy water reactor (Brennilis), sodium-cooled fast reactor (Superphenix at Creys-Malville), graphite-moderated and gas-cooled reactor (UNGG reactors at Chinon, Saint Laurent and Bugey) and the "PWR" at Chooz. Each of them is a first for EDF, and apart from the PWR, they concern reactor technologies for which there is little or no international experience. They therefore require development of new methods and technologies that are riskier than technologies for which feedback already exists. The decommissioning of the PWR at Chooz A does benefit from some feedback (essentially American and of a limited nature) but it has the innovative specific feature of being located in a cave, which also makes it an unusual operation for which experience is not immediately transferable and which includes specific risks.

The Chooz A PWR decommissioning operations are continuing with the cutting and removal of the vessel internals according to schedule, after the reactor pool was filled with water in 2018 and the vessel was opened in March 2017.

The feedback from the PWR at Chooz will enable consolidation, as far as possible, of the studies and estimates on the future costs of decommissioning the nuclear fleet currently in operation ("second generation" power plants). The first reactor of the Fessenheim power plant was definitively shut down on 22 February. The shutdown of the second reactor is scheduled for 30 June 2020, making these two reactors the first of the nuclear fleet currently in operation to benefit from this feedback for their decommissioning. Nevertheless, neither EDF, nor any other operator, has yet undertaken a decommissioning programme on a scale comparable to that of the Group's current PWR fleet and the estimates therefore involve risks that are associated in particular with this scale effect.

The timing and cost of the work is also dependent on administrative authorisations and the availability, at the necessary time, of radioactive waste storage centres or other facilities necessary for the conditioning, treatment or storage of waste containers.

In addition to these technical and industrial sensitivity factors, the amount of provisions currently set aside may change in the coming years. Indeed, the assessment of the need for these provisions is sensitive to the assumptions used for costs, planning, inflation rates and long-term discount rates, and to any change in the regulations, in particular those relating to the scope of expenses to be covered. The amount of these provisions, in accordance with the French Environmental Code, is subject to control by the administrative authority, which verifies in particular the adequacy of the provisioned expenses and imposes a cap on the discount rate for the provisions.

Given these sensitivity factors, changes in certain parameters may require significant adjustments of the provisions booked and, therefore, the Group cannot guarantee that the provisions booked will equal the costs actually incurred at the relevant time, which would have an adverse impact on the Group's financial position (see note 32 of the appendix to the consolidated financial statements for the financial year ended 31 December 2019). The Group regularly conducts an update of the key assumptions underlying the provisions (see note 32 of the appendix to the consolidated financial statements for the financial year ended 31 December 2019).

With regard to the provision for decommissioning of nuclear power generation facilities in France, the amount of expenses under economic conditions at the end of 2019 is estimated at €27,562 million, the corresponding provision is €16,937 million. As for the last core provision, costs based on year-end economic conditions are estimated at €4,331 million and provision at present value amounts are valued €2,624 million, as the discounting effect is very significant due to distant waste storage maturities. Note 32 "Analyses of sensitivity to macro-economic assumptions" of the appendix to the consolidated financial statements for the fiscal year ended on 31 December 2019 indicates the analyses of sensitivity of provisions and Group's results to a discount rate change, for the different types of provisions.

The provisions of Framatome and Cyclife France (formerly SOCODEI) relating to basic nuclear facilities in France amounted to €83 million and €48 million respectively (see note 33 “Other provisions for decommissioning” of the appendix to the consolidated financial statements for the year ended 31 December 2019).

In the United Kingdom, under the agreements concluded in connection with the restructuring of British Energy, the costs of decommissioning EDF Energy Nuclear Generation Group Ltd.’s existing nuclear power plants will be paid by the Nuclear Liabilities Fund. If the assets of this Fund prove insufficient, these costs will be borne by the UK Government (see section 1.4.5.1.2.1 “Nuclear Generation” of the 2019 URD). In 2019, EDF Energy and the UK Government (BEIS) began discussions with a view to clarifying the conditions for implementing the above-mentioned agreements, in particular as regards determining the decommissioning costs to be recovered by EDF Energy from the Nuclear Liabilities Fund and the conditions under which the UK authorities may exercise their option to acquire the nuclear power plants at the end of the fuel unloading phase. A set of principles was agreed in 2019 as a result of these discussions, which are continuing with a view to achieving comprehensive binding agreements.

For nuclear power plants which EDF does not operate, but has financial interests in (China, United States, Belgium), the Group is exposed financially in proportion to its contribution to future decommissioning costs.

Failure to control the costs, the time-frame for completion and the associated provisions with respect to the decommissioning of nuclear facilities for which the Group is liable would have a negative impact on the Group’s financial position and reputation.

Waste Management

As a nuclear operator or producer of radioactive waste, within the meaning of the legislation applicable to waste, the Group could be held liable, in particular in the event of an accident involving damage to third parties or to the environment in connection with spent fuel or waste. The Group may be held liable even if these products are handled, transported, held, stored or warehoused by parties other than the Group, in particular, in France, the Orano Group and the French National Agency for Radioactive Waste Management (ANDRA), particularly in the event of any failure by any of the latter.

In France, EDF is liable for all radioactive waste produced during:

- the operation of the nuclear facilities operated by the Group;
- processing operations for spent fuel from reactors operated by EDF;
- decommissioning operations at the nuclear facilities operated by the Group. (See section 1.4.1.1.4 “The nuclear fuel cycle and related issues” – Storing conditioned ultimate waste).

The long-term management of radioactive waste has been the subject of various studies under programme laws no. 91-1381 of 30 December 1991 on research on radioactive waste management and no. 2006-739 of 28 June 2006 on the sustainable management of radioactive materials and waste. All of the Group’s Long-Lived High-Level and Intermediate-Level waste may not constitute “ultimate radioactive waste” within the meaning of Article L. 542-1-1 of the French Environmental Code. In this case, it may not be possible to store this waste directly in a deep geological repository, especially since the Nuclear Order of 10 February 2016 issued pursuant to Act no. 2015-992 relating to the energy transition for green growth allows for the reclassification of radioactive materials as radioactive waste and vice-versa by the administrative authority. Moreover, the Group has no control over the time taken by the public authorities to issue permits for such ultimate storage, nor over the technical guidelines that are set forth. This is likely to create uncertainties regarding the fate of the waste, the liability and the resulting costs for EDF.

EDF has allocated provisions for the long-term management of waste, assessed on the assumption of geological storage, which is the international solution of reference for the ultimate storage of long-lived high-

level radioactive waste and on the basis of a reasonable version of the work carried out in 2006 by a working group comprising ANDRA, the public authorities and radioactive waste producers (see note 32 of the appendix to the consolidated financial statements for the year ended 31 December 2019). Following new calculations of the costs of deep storage under the supervision of the DGEC in conjunction with EDF, the Minister of Ecology, Sustainable Development and Energy, in an order of 15 January 2016, set the new reference cost at €25 billion under the economic conditions of 31 December 2011. This cost was taken into account in the Group's financial statements at the end of 2015 (see note 32 of the appendix to the consolidated financial statements for the year ended 31 December 2019). The current estimate is based on the preliminary design assumptions and will be regularly revised based on the progress of the project, as stated in the Ministerial order. Opinion no. 2018-AV-0300 from the French Nuclear Safety Authority dated 11 January 2018 relative to the safety options file presented by Andra for the Cigeo project to store radioactive waste in a deep geological layer specifies that the project has achieved satisfactory overall technological maturity at the stage of the safety options file. The reservations that remain and the supplementary investigation being carried out for Andra to obtain approval for the construction of the geological storage area starting in 2022 could lead to a revision of the provisions for long-term radioactive waste management.

Act no. 2006-739 dated 28 June 2006 provided for a dedicated storage centre for Low-Level Long-Life waste (FAVL), such as graphite. ANDRA submitted a progress report in July 2015 under the national plan for the management of radioactive materials and radioactive waste (PNGMDR). This report assesses several storage concepts and allows for the possibility of storage of graphite waste on the Soulaïnes site. The overall industrial scheme for the management of all LLW-LL is being defined within the framework of the PNGMDR (see section 1.4.1.1.4 "The nuclear fuel cycle and associated issues" of the 2019 URD). Provisions may have to be adjusted accordingly.

In the United Kingdom, when British Energy was restructured, agreements were entered into with the authorities concerning the management of certain radioactive waste from existing nuclear power plants (see section 1.4.5.1.2.1 "Nuclear generation" of the 2019 URD). Under the terms of these agreements, the liability and certain costs associated with the management of certain radioactive waste are transferred to the British government. However, EDF Energy Nuclear Generation Ltd. remains financially, technically and legally liable for the management, storage and processing of waste that does not come within the scope of the aforementioned agreements.

For nuclear power plants which EDF does not operate, but in which it has financial interests (United States, Belgium, China), the Group is exposed financially in proportion to its shareholding to contributing to future expenditures related to the management of spent fuel and waste.

In addition to these sensitive technical and industrial factors, the amount of provisions currently recorded could also change in the coming years depending on the assumptions used in terms of costs, inflation rate, long-term discount rate and disbursement schedules, as well as to any change in the regulations. The amount of these provisions, in accordance with the French Environmental Code, is subject in France to control by the administrative authority, composed jointly of the ministers in charge of the economy and energy, with said control verifying in particular the adequacy of the amounts provided for and imposing a ceiling on the discount rate of the provisions. Given these sensitivity factors, changes in certain parameters may require significant adjustments of the provisions booked. In such case, any insufficiency of provisions for long-term nuclear commitments may have a material adverse impact on the Group's financial position (see note 32 of the appendix to the consolidated financial statements for the financial year ended 31 December 2019).

Note 32 "Analyses of sensitivity to macro-economic assumptions" of note 32 "Nuclear provisions in France" of the appendix to the consolidated financial statements as of 31 December 2019 shows the connection between "costs based on year-end economic conditions", which represent estimated amounts as at 31 December 2019, and provisions made at present value. Concerning the long-term management of waste and the recovery and packaging of waste, the expenses at year-end economic conditions are evaluated at €33,615 million and the corresponding provision is €11,336 million, as the discounting effect is very significant due to distant waste storage maturities. Note 32 "Analyses of sensitivity to macro-economic assumptions"

indicates the analyses of sensitivity of provisions and Group's results to a discount rate change, for the different types of provisions.

Failure to control the costs and time-frames for completion with respect to the solutions for the treatment and ultimate storage of waste for which the Group is liable would have a negative impact on the Group's financial position and reputation.

Dedicated asset management

In France, the market value of EDF's portfolio of dedicated assets to cover the costs of long-term nuclear commitments (radioactive waste and decommissioning), amounted to €31.6 billion as of 31 December 2019, compared to €27.7 billion as of 31 December 2018 (see sections 1.4.1.1.7 "Assets available to cover long-term nuclear commitment (outside the operating cycle)" and 1.5.3.2 "Specific regulations applicable to basic nuclear facilities" of the 2019 URD and note 48.3 of the appendix to the consolidated financial statements for the year ended 31 December 2019).

In the event of a significant change in the provisions determining the reference base of the dedicated assets, it might prove necessary to make additional allocations to adjust the value of these assets, which could have a material adverse impact on EDF's financial position. Moreover, stricter regulations at the national level, in particular those that impact the base for determining the dedicated assets to be constituted by EDF (1) or European level may lead to more stringent requirements regarding the constitution of dedicated assets and have a significant impact on EDF's financial position.

Lastly, although these assets are constituted and managed in accordance with strict prudential rules, the Group cannot guarantee that price fluctuations in the financial markets or changes in valuation will not have a material adverse impact on the value of these assets (see section 5.1.6.1.6 "Management of financial risk on EDF's dedicated asset portfolio" of the 2019 URD for a sensitivity analysis), which could require EDF to allocate additional amounts to restore the value of these assets; such events could have a material adverse effect on the Group's financial position.

In the United Kingdom, the funds for nuclear liabilities are managed by a body independent of EDF set up by the British government (Nuclear Liabilities Fund – NLF) for the existing nuclear fleet. For HPC-related liabilities, the funds will be managed by FundCo, a body (Trust) independent of HPC's shareholders (EDF Energy and CGN) and the UK government. Operators therefore have no assets to manage for this purpose (see section 1.4.5.1.2.1 "Nuclear generation" of the 2019 URD).

The unavailability or insufficient amount of the dedicated assets to hedge the expenditure schedules of the Group's long-term commitments could have a negative impact on the Group's financial position and reputation.

5C – Nuclear safety risks during operation resulting from nuclear civil liability.

In addition to the control of industrial performance, and given the place of nuclear generation within the EDF Group and with nuclear safety as the number one priority, our responsibility as a nuclear operator determines the Group's overall performance. As a result of its nuclear activities, the Group is exposed to nuclear civil liability risks.

Criticality in view of the control actions undertaken: Intermediate.

The primary responsibility for nuclear safety lies with the nuclear operator throughout the operating cycle of nuclear reactors. This principle along with the principle of control are reaffirmed in the EDF Group's nuclear safety policy. The Chairman and CEO delegate this nuclear operator liability to the Group Executive Director for the Nuclear and Thermal Fleet Department and the Group Executive Director for the New Nuclear Engineering and Projects Department, who then sub-delegate it to the Directors of the Divisions involved, who in turn sub-delegate it to unit managers.

The no. 1 priority given to nuclear safety drives the industrial performance of the nuclear activity as a whole. Nuclear safety takes into account the design by the nuclear operator and the operation by the designer. Failure to control operating safety could have major or even vital consequences on the value of the Group's industrial assets, its financial position and its development outlook or even on the continuation of its industrial activity.

Any serious event related to the Group's nuclear activities, with a potential or proven impact on the population or on a territory, could lead to a significant increase in the operating constraints of the Group's industrial sites, or even the partial or total interruption of the Group's nuclear activities. Such an event could have a significant negative impact on the Group's activities, financial position, strategy and reputation.

The nuclear civil liability scheme that applies to nuclear facility operators of States parties to the Paris Convention, and the insurance applicable thereto, are described in section 1.5.3.2 ("Regulations applicable to basic nuclear facilities") and section 2.1.2.6 ("Insurance") of the 2019 URD). This scheme is based on the principle of the operator's strict liability. Accordingly, if an event occurs that causes nuclear damage, the Group would be automatically liable up to a monetary maximum set by the law applicable in the country, regardless of the source of the event that caused the damage and any safety measures that may have been taken.

The Group cannot guarantee that in countries where it operates nuclear facilities the maximum liability set by law will not be increased or cancelled. For example, the protocols amending the Paris Convention and the Brussels Convention, not yet in force (see section 1.5.3.2 "Specific regulations applicable to basic nuclear facilities" of the 2019 URD), provide for these maximum amounts to be increased and a substantial expansion of the damage to be covered. With regard to the new amounts, act no. 2015-992 of 17 August 2015 on the energy transition for green growth made them applicable as from 18 February 2016. The operator's liability in France now amounts to €700 million in the event of a nuclear accident in a facility and €70 million in the event of a nuclear accident during transport. The entry into force of the other changes laid out in these protocols is likely to increase yet again the cost of insurance and the Group cannot guarantee that insurance covering this liability will always be available or that it will always be able to maintain such insurance. Insurance coverage for the Group's nuclear operator's civil liability and for the transport of nuclear substances is described in section 2.1.2.6 "Insurance" of the 2019 URD.

Property damage to EDF's nuclear facilities is covered by insurance programmes (see section 2.1.2.6 "Insurance" of the 2019 URD). Despite this cover, any event that may cause significant damage to a nuclear facility of the Group could have an adverse impact on the Group's business and financial position.

Lastly, the Group cannot guarantee that the insurers that cover both its liability as a nuclear plant operator and property damage to its facilities will always have available capacity or that the costs of cover will not significantly increase, particularly in light of the impacts on the insurance market of events such as the nuclear accident in Japan that occurred in March 2011.

In view of these risks, and in application of Group policy, each Group company operating nuclear facilities acts within the framework of legal and regulatory requirements specific to the country in which it operates and is obliged to comply with them. Each one ensures the nuclear safety of its facilities and constantly improves the level, based on its methods, skills and values. The Group develops common principles aiming to obtain the best level of prevention of incidents and protection of workers, the public and the environment. These principles apply to all stages of the activity, both for new projects and for the existing fleets. The Group closely involves its industrial partners with the achievement of these objectives.

Each company is responsible for the proper conduct of its nuclear activities and sets the appropriate delegations at each decision and action level. The Group guarantees the allocation of the necessary resources for nuclear safety.

An internal entity in charge of an independent safety evaluation is put in place at the level of each site, each company and of the Group. Each one reports to the manager concerned, independently of other managerial

functions; furthermore, each one has the duty to alert the superior hierarchical level if the reaction of the level directly involved is not what is expected.

The Group's nuclear operating companies regularly receive international evaluation teams (WANO Peer Review (1) and OSART from the IAEA (2)).

Clear and honest communication on the events and their possible impacts are promoted within the Group. This high-quality dialogue is sought and maintained with the salaried personnel and its representatives, subcontractors, the supervisory authorities (Nuclear Safety Authority in France, Office for Nuclear Regulation in the United Kingdom), local communities and all other stakeholders in nuclear safety.

The Nuclear Safety Council, which the Chairman and CEO of EDF chairs, meets several times a year and, periodically reviews the annual assessment of nuclear safety for the EDF Group. A General Inspector for nuclear safety and radiation protection (IGSNR) is appointed by the Chairman and CEO to whom he/she reports. He/she carries out inspection missions on all of the nuclear activities of the EDF Group. Each year, it gives an opinion on safety within EDF. Its report is presented and debated in the Nuclear Safety Council. It is then made public (see section 1.4.1.1.3).

5D – Control of the fuel cycle.

In addition to the control of nuclear safety (risk 5C), the operation of existing nuclear facilities (risk 5A) and new nuclear projects (risk 4A), the Group is exposed, in the context of nuclear activities, to the control of the nuclear fuel cycle.

Criticality in view of the control actions undertaken: Intermediate.

The Group's operating costs include nuclear fuel purchases.

EDF is supplied with uranium, conversion and enrichment services, fuel assembly supplies and spent fuel reprocessing operations for its nuclear fleet in France and the United Kingdom.

Prices and volumes are subject to fluctuations that depend on factors beyond the Group's control, including political and economic factors (in particular, profitability outlook for mining investments, supply/demand imbalance or tension on the supply side, associated, for example, with the occurrence of an operating incident in a uranium mine or cycle plant, a delay in the commissioning of a new mine or an event leading to institutional instability in a producing country, or restrictions / sanctions / embargos).

The storage and transport of new or spent nuclear fuel is an industrial activity that requires specific safety and security measures. These requirements could become more stringent, generating additional difficulties and costs for the Group.

In the event of the collapse of this industrial logistics system, the Group could reduce or even interrupt all or part of the electricity generation at the affected sites, either due to the non-delivery of new assemblies or to the saturation of intermediate storage facilities, which could have a negative impact on the Group's financial position (see section 1.4.1.1.4 "The nuclear fuel cycle and related issues" of the 2019 URD).

Despite the project to build a large-capacity spent fuel storage pool (see section 1.4.1.1.4 "The nuclear fuel cycle and associated issues" of the 2019 URD), the risk of the impossibility, in the long term, of implementing multi-recycling in its 3rd generation pressurised water reactors or recycling in fourth generation reactors known as "GEN IV" (abandonment of the ASTRID fast neutron reactor project), could call into question the fuel cycle, with consequences both in terms of operation and in financial terms.

In France, EDF has booked provisions for spent nuclear fuel management operations (transport, processing, conditioning for recycling) (see note 32 of the appendix to the consolidated financial statements for the financial year ended 31 December 2019) based on the price and volume conditions of the master agreement

signed with Orano in December 2008 and broken down in the successive implementation agreements. The implementation agreement for the period from 2016-2023 was signed in February 2016 (see section 1.4.1.1.4 “The nuclear fuel cycle and related issues” of the 2019 URD). The amount of provisions currently booked to cover the period not covered by the current agreement should be reassessed if the terms under which this agreement is renewed prove more onerous than those currently applicable.

Note 32 “Analyses of sensitivity to macro-economic assumptions” and note 32 “Nuclear provisions in France” of the appendix to the consolidated financial statements as of 31 December 2019 shows the connection between “costs based on year-end economic conditions”, which represent estimated amounts as at 31 December 2019, and “provisions made at present value”. As regards spent fuel management, the costs based on year-end economic conditions are estimated at €19,455 million and the corresponding provision is €10,823 million.

However, the Group cannot guarantee that its contracts, in France and abroad, will completely protect it from sudden or significant price increases. The Group cannot guarantee that when these long-term contracts expire, it will be able to renew them, in particular at an equivalent price. This could have an adverse impact on the Group’s financial position.

Impacts of the coronavirus on risk factors

The coronavirus epidemic that appeared in China in December 2019 is likely to affect the health of employees and service providers, the Group’s operations and projects, as well as its financial position. Even if the impacts are difficult to quantify at this stage, the main risk factors of this epidemic have been identified.

Although all these impacts are difficult to quantify, the pandemic has had and could still have an impact on certain risk factors presented above, particularly the following:

1. Interest rate risk (risk 2A)

The impact of a fall in interest rates on calculation of nuclear provisions and employee benefit provisions.

2. Financial markets risk (risk 2B)

The potential impact of a second wave of the Covid-19 pandemic causing renewed disturbances on the financial markets, via a decrease in the value of the dedicated assets portfolio or pension fund assets affecting the Group’s financial result and the coverage rate of nuclear provisions.

3. Energy market risk (risk 2C)

The impact of an economic slowdown and disruptions in power generation on the wholesale commodity and electricity markets on the level of demand for electricity, affecting both prices and volumes.

4. Operational continuity of supply chains and contractual relationships (risk 4E) and Management of large and complex industrial projects (including EPR projects) (risk 4A)

Despite the support measures put in place by the Group and other government measures, the risks of default at all levels of the supply chains could remain significant. These risks are not easily quantified but, particularly if restrictions were reintroduced as a result of the Covid-19 pandemic, they could cause disruption to the Group’s operations, building work and major projects both in France and internationally.

As regards Flamanville 3, in the context of health crisis, all construction activities have been temporarily interrupted between mid-March and early May, which could result in further delays and additional costs. The instruction of the upgrading of the main secondary system welds and other technical issues is ongoing and remains subject to ASN approval.

As regards Hinkley Point C, the risk of delays in the commissioning schedule is high. In September 2019, it has been estimated at 15 months for Unit 1 (planned for the end of 2025) and at 9 months for Unit 2. These postponements would lead to an additional cost of approximately £20150.7bn. The impacts of Covid 19 on the schedule and costs are currently being assessed (including impacts on supplier production conditions and associated delivery times) and increase the risk of postponement of planned commissioning dates. A comprehensive study to assess the need for an updated schedule and costs is currently underway and will be completed in the coming months.

5. Occupational health or safety violations (employees and service providers) (risk 4C)

The health impacts on the Group's employees and contractors are continuing and could be more problematic in the event of a second wave or cluster outbreaks of the Covid-19 pandemic.

6. Attacks against assets, including cyberattacks (risk 4D)

The spread of working from home, the slowdown in the economy as it focuses on essential activities, and the disturbances caused by the Covid-19 pandemic more generally are conducive to a rising threat of attacks on corporate assets, and cyberattacks in particular.

7. Failure to comply with the objectives in terms of operation and/or in terms of extending the operating life of nuclear power plants (France and United Kingdom) (risk 5A)

Impact on future generation output due to impacts on nuclear reactor outages:

Some outages could not take place in the context of the health crisis and should be rescheduled. EDF made adjustments to all its activities in order to protect personnel working at its nuclear power plants. Work on the industrial maintenance programme, particularly scheduled operations during maintenance outages, was significantly affected, with a resulting reduction in the electricity generation capacity.

While guaranteeing the absence of any impact on safety issues, EDF adjusted its schedule of reactor outages for maintenance, principally by deferring certain outages to future years, so as to contribute alongside the transmission operator RTE to ensuring a secure power supply throughout the winter of 2020-2021. Reactor outages are also lasting longer under the combined constraints of lower employee availability and restrictions due to the Covid-19 pandemic. The deferral of outages has a knock-on effect on the maintenance programme in subsequent years and therefore on the expected future power output.

At 29 July 2020, the estimated annual nuclear power output in France is 315-325TWh for 2020.

The Covid-19 crisis also affected the generation-consumption balance for EDF in France, and the management of that balance.

- Thus, although France will face an "unprecedented" situation in terms of electricity generation during the winter of 2020- 2021 due to the impact of the pandemic, RTE has announced that any large-scale unintended power cut is unlikely.
- Following revision of the estimate for 2020 nuclear power output, the Group will have to purchase volumes on the market to fulfil its responsibility for balance, and could be confronted with a price risk or called upon to settle payments under the capacity mechanism.

Grand Carénage programme:

The postponement of planned unit outages in 2020 will also affect the maintenance programme in 2021 and 2022 (for which the nuclear output forecast is estimated at between 330TWh and 360TWh each year). As regards Grand Carénage, the feedback from the VD4 900MW, as well as ongoing discussions with the ASN, could lead to additional investments in the coming years under this programme, which is currently under review.

Analysis of the impacts of the Covid-19 pandemic does not affect the criticality of the risks above. However, certain estimates based on the Group's best knowledge as at 30 June may have to be reconsidered in the second half of the year, depending on the end of the crisis and more generally the economic conditions, and any measures the Group may take in response to the consequences of the crisis.

DOCUMENTS INCORPORATED BY REFERENCE

The section entitled "DOCUMENTS INCORPORATED BY REFERENCE" included on pages 57 to 67 of the Base Prospectus is deleted and replaced with the following:

The sections referred to in the table below included in the following documents (in the French language only) are hereby incorporated by reference in, and form part of, this Base Prospectus, with the exception of the items mentioned below as being excluded from this Base Prospectus:

- (a) the Issuer's [half-year management report](#) as at June 30, 2020 (*rapport financier semestriel au 30 juin 2020*) in French language (the "**2020 Half-Year Management Report**"), which contains the condensed consolidated half-year financial statements of the Issuer as at, and for the period ending on June 30, 2020 (the "**2020 Half-Year Financial Statements**") and the statutory auditors' review report on the 2020 interim condensed consolidated financial statements;
- (b) the [2019 universal registration document \(URD\)](#) (the "**2019 URD**") in French language filed with the AMF under no. D.20-0128 on March 13, 2020 prepared by the Issuer which contains the audited consolidated financial statements of the Issuer for the year ended December 31, 2019 and the statutory auditors report on such financial statements; and;
- (c) the [2018 Document de Référence](#) of the Issuer in French language filed with the AMF under no. D.19-0157 on 15 March 2019 prepared by the Issuer (hereafter the "[2018 Document de Référence](#)") which contains, *inter alia*, the audited consolidated financial statements of the Issuer for the year ended 31 December 2018 and the statutory auditors report on such financial statements;
- (d) the section "Terms and Conditions" contained in the base prospectus of the Issuer dated 14 September 2018 (pages 130 to 169) filed with the AMF under number 18-432 on 14 September 2018 (the "[EMTN 2018 Conditions](#)");
- (e) the section "*Terms and Conditions*" contained in the base prospectus of the Issuer dated 14 September 2016 (pages 127 to 168) filed with the AMF under number 16-433 on 14 September 2016 (the "[EMTN 2016 Conditions](#)");
- (f) the section "*Terms and Conditions*" contained in the base prospectus of the Issuer dated 1 July 2015 (pages 115 to 156) filed with the AMF under number 15-330 on 1 July 2015 (the "[EMTN 2015 Conditions](#)"); and
- (g) the section "*Terms and Conditions*" contained in the base prospectus of the Issuer dated 17 June 2013 (pages 109 to 149) filed with the AMF under number 13-280 on 17 June 2013 (the "[EMTN 2013 Conditions](#)") and together with the EMTN 2015 Conditions, the EMTN 2016 Conditions and the EMTN 2018 Conditions, the "**EMTN Previous Conditions**").

Such documents and sections shall be deemed to be incorporated in, and form part of this Base Prospectus, save that (i) any statement contained in a document or part of a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise), and (ii) any statement contained in this Base Prospectus or in a section which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any section which is subsequently incorporated by reference herein by way of a supplement prepared in accordance with Article 23 of the Prospectus Regulation modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

For as long as the Programme remains in effect or any Notes are outstanding, copies of this Base Prospectus, documents incorporated by reference in this Base Prospectus, any supplement to this Base Prospectus and

the Final Terms related to the Notes will be available for viewing on the Issuer's website (www.edf.com) and may be obtained, free of charge, during normal business hours from Électricité de France, 22-30, avenue de Wagram, 75008 Paris, France and at the specified offices of each of the Paying Agents.

For so long as the Programme remains in effect or any Notes remain outstanding, the following documents will be available on the website of the AMF (www.amf-france.org):

- (h) the Final Terms for Notes that are listed on Euronext Paris or any other regulated market (for the purposes of MiFID II) in the EEA; and
- (i) this Base Prospectus, any Supplement to this Base Prospectus and any document incorporated by reference therein.

Free English translation of the 2020 Half-Year Management Report, 2020 Half-Year Financial Statements, 2019 Universal Registration Document and the 2018 *Document de Référence* are available on the website of the Issuer for information purposes only.

The information incorporated by reference that is not included in the cross-reference table below is considered as additional information and is not required by the relevant schedules of the Commission Delegated Regulation 2019/980 supplementing the Prospectus Regulation. The non incorporated parts of the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus and are either not relevant for the investors or covered by elsewhere in this Base Prospectus.

In addition, if the Notes are listed and admitted to trading on a Regulated Market other than Euronext Paris, the relevant Final Terms will provide whether additional methods of publication are required and what they consist of.

Other than in relation to the documents which are deemed to be incorporated by reference, the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised or approved by the AMF.

The cross-reference tables below set out the relevant page references for the information incorporated herein by reference:

Annex 6 of Commission Delegated Regulation no. 2019/980

Rule	2018 <i>Document de Référence</i> (DR) / 2019 Universal Registration Document (URD) / 2020 Half-Year Management Report (HYMR) / 2020 Half-Year Financial Statements (HYFS)
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1. PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS AND COMPETENT AUTHORITY APPROVAL

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| 1.1. | Names of persons responsible for the information given in the registration document | N/A |
| 1.2. | A declaration by those responsible for the registration document that the information contained in the registration document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import | N/A |
| 1.3 | Where a statement or report attributed to a person as an expert is included in the registration document, provide such person's name, business address, qualifications and material interest if any in the issuer. If the statement or report has been produced at the issuer's request, | N/A |

provide a statement that such statement or report has been included in the registration statement with the consent of the person who has authorised the contents of that part of the registration document for the purpose of the prospectus.

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|-----|--|-----|
| 1.4 | Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, the issuer shall identify the source(s) of the information. | N/A |
|-----|--|-----|

2. STATUTORY AUDITORS

- | | | |
|-----|---|---|
| 2.1 | Names and addresses of the Issuer's auditors for the period covered by the historical financial information | Chapter 8, Section 8.2 (page 484) (URD) |
| 2.2 | If auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information, details if material | N/A |

3. RISK FACTORS

- | | | |
|-----|---|---|
| 3.1 | A description of the material risks that are specific to the Issuer and that may affect the Issuer's ability to fulfil its obligations under the securities, in a limited number of categories, in a section headed 'Risk Factors'. | Chapter 2, Section 21.2.6 (pages 107-110) (URD)
Chapter 5, Section 5.1.6.1 (pages 266-274) (URD)
Section 6 (pages 26-33) (HYMR) |
|-----|---|---|

In each category the most material risks, in the assessment of the Issuer, offeror or person asking for admission to trading on a Regulated Market, taking into account the negative impact on the Issuer and the probability of their occurrence, shall be set out first. The risk factors shall be corroborated by the content of the registration document.

4. INFORMATION ABOUT THE ISSUER

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|-------|--|--|
| 4.1 | <u>History and development of the Issuer:</u> | Chapter 1, Section 1.2 (pages 8-11) (URD) |
| 4.1.1 | Legal and commercial name of the Issuer | Chapter 7, Section 7.1.1 (page 466) (URD) |
| 4.1.2 | Place of registration of the Issuer, its registration number and legal entity identifier (LEI) | Chapter 7, Section 7.1.2 (page 466) (URD)
Chapter 8, Section 8.3 (page 485) (URD) |
| 4.1.3 | Date of incorporation and the length of life of the Issuer | Chapter 7, Section 7.1.3 (page 466) (URD) |

4.1.4	Domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, the address, telephone number of its registered office and website of the Issuer.	Chapter 7, Section 7.1.1 and Section 7.1.4 (page 466) (URD)
4.1.5	Details of any recent events	Chapter 5, Section 5.2 (page 275), Chapter 6, Section 6.1, note 52 (page 389) and Section 6.3, note 41 (page 453) (URD), Section 10 (page 35) (HYMR)
4.1.6	Credit ratings assigned to the Issuer at the request or with the cooperation of the Issuer in the rating process. A brief explanation of the meaning of the ratings if this has previously been published by the rating provider.	Section 6.1.2 (page 27) (HYMR)
4.1.7	Information on the material changes in the Issuer's borrowing and funding structure since the last financial year.	Chapter 6, Section 6.1, note 33 (pages 444-445) (URD)
4.1.8	Description of the expected financing of the Issuer's activities.	Chapter 6, Section 6.1, note 33 (pages 444-445) (URD)

5. BUSINESS OVERVIEW

Principal activities:

5.1.1	A description of the Issuer's principal activities, including (a) the main categories of products sold and/or services performed; (b) an indication of any significant new products or activities; (c) the principal markets in which the Issuer competes.	Chapter 1, Section 1.4 (pages 18-81), Section 1.5 (pages 82-97), Chapter 3, Section 3.2 (pages 136-145), Section 3.3 (pages 146-178) (URD)
5.2	Basis for any statements made by the Issuer regarding its competitive position	Chapter 1, Section 1.4.2.1.2 (page 43), Section 1.4.4.2.2 (pages 51-52) and Section 1.4.5.1.2.3 (page 61) (URD)

6. ORGANISATIONAL STRUCTURE

6.1	Brief description of the group and of the Issuer's position within it. This may be in the form of, or accompanied by, a diagram of the organisational structure if this helps to clarify the structure.	Chapter 1, Section 1.2.2 (pages 10-11) (URD)
6.2	If the issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.	N/A

7. TREND INFORMATION

7.1	A description of (a) any material adverse change in the prospects of the Issuer since the date of its last published audited financial statements; (b) any significant change in the financial performance of the Group since the end of the last financial period for which financial information has	Chapter 5, Section 5.2 (page 275), Chapter 6, Section 6.1, note 52 (page 389) and Section 6.6.2 (page 459) (URD) Section 2 (pages 7-12) and Section 3 (pages 12-14) (HYMR)
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been published to the date of the registration document.

If neither of the above are applicable, include an appropriate statement to the effect that no such changes exist.

- 7.2 Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for at least the current financial year. Section 8 (pages 33-34) (HYMR)

8. PROFIT FORECASTS OR ESTIMATES

- 8.1 Where the Issuer includes on a voluntary basis a profit forecast or a profit estimate, a statement setting out the principal assumptions upon which the Issuer has based its forecast, or estimate and a statement that the profit forecast or estimate has been compiled and prepared on a basis which is both (a) comparable with the historical financial information; (b) consistent with the issuer's accounting policies. Section 11 (page 35) (HYMR)

If a profit forecast or profit estimate has been published and is still outstanding, but no longer valid, a statement to that effect and an explanation of why such profit forecast or estimate is no longer valid.

- 8.2 Where the Issuer chooses to include a new profit forecast or a new profit estimate, or where the Issuer includes a previously published profit forecast or a previously published profit estimate pursuant to item 8.1, a statement setting out the principal assumptions upon which the issuer has based its forecast, or estimate. Section 11 (page 35) (HYMR)
- 8.3 A statement that the profit forecast or estimate has been compiled and prepared on a basis which is both (a) comparable with the historical financial information; (b) consistent with the issuer's accounting policies. N/A

9. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

- 9.1 Names, business addresses and functions in the Issuer of members of the administrative, management or supervisory bodies Chapter 4, Section 4.2.1 (pages 208-223), Section 4.2.3 (pages 229-235) and Section 4.3 (pages 235-236) (URD)
Section 3.5 (page 13) (HYMR)
- 9.2 Administrative, Management and Supervisory bodies' conflicts of interests Chapter 4, Section 4.4.1 (page 237) (URD)
Potential conflicts of interest

10. MAJOR SHAREHOLDERS

- | | | |
|------|---|---|
| 10.1 | To the extent known to the Issuer, state whether the Issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control, and describe the measures in place to ensure that such control is not abused | Chapter 7, Section 7.3.8 (page 476) (URD) |
| 10.2 | A description of any arrangements, known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer | Chapter 7, Section 7.3.9 (page 476) URD) |

11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

11.1 Historical Financial Information

- 11.1.1 Audited historical financial information covering the latest two financial years (or such shorter period as the Issuer has been in operation) and the audit report in respect of each year.
- Chapter 6, Section 6.1 (pages 278-393) and Section 6.3 (pages 394-398) for the year ended 31 December 2019 (URD)
- Chapter 6, Section 6.1 (pages 314-429) and Section 6.2 (pages 430-432) for the year ended 31 December 2018 (DR)
- 11.1.2 If the Issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical financial information shall cover at least 24 months, or the entire period for which the Issuer has been in operation, whichever is shorter.
- N/A
- 11.1.3 The financial information must be prepared according to International Financial Reporting Standards as endorsed in the Union based on Regulation (EC) No 1606/2002.
- Chapter 6, Section 6.1 (pages 278-393) for the year ended 30 December 2019 (URD)
- Chapter 6, Section 6.1 (pages 314-429) for the year ended 31 December 2018 (DR)
- If Regulation (EC) No 1606/2002 is not applicable, the financial information must be prepared in accordance with either: (a) a Member State's national accounting standards for issuers from the EEA, as required by the Directive 2013/34/EU; (b) a third country's national accounting standards equivalent to Regulation (EC) No 1606/2002 for third country issuers. If such third country's national accounting standards are not equivalent to Regulation (EC) No 1606/2002, the financial statements shall be restated in compliance with that Regulation.
- Pages 1-69 at 30 June 2020 (HYFS) and Chapter 4 (pages 105-107) (HYMR)
- 11.1.4 The last audited historical financial information, containing comparative information for the previous year, must be presented and prepared in a form consistent with the accounting standards framework that will be adopted in the Issuer's next published annual financial statements.
- Chapter 6, Section 6.1 (pages 278-393) for the year ended 30 December 2019 (URD)
- Chapter 6, Section 6.1 (pages 314-429) for the year ended 31 December 2018 (DR)
- Pages 10 at 30 June 2020 (HYFS)
- Changes within the Issuer's existing accounting framework do not require the audited financial statements to be restated. However, if the Issuer intends to adopt a new accounting standards framework in its next published financial statements, the latest year of financial statements must be prepared and audited in line with the new framework.

- 11.1.5 Where the audited financial information is prepared according to national accounting standards, the financial information required under this heading must include at least the following:
- (a) balance sheet
 - Chapter 6, Section 6.1 (page 280) and Section 6.3 (pages 400-401) for the year ended 31 December 2019 (URD)
 - Chapter 6, Section 6.1 (page 316) and Section 6.3 (pages 434-435) for the year ended 31 December 2018 (DR)
 - Page 4 at 30 June 2020 (HYFS)
 - (b) the income statement
 - Chapter 6, Section 6.1 (page 278) and Section 6.3 (page 399) for the year ended 31 December 2019 (URD)
 - Chapter 6, Section 6.1 (page 314) and Section 6.3 (page 433) for the year ended 31 December 2018 (DR)
 - Page 2 at 30 June 2020 (HYFS)
 - (c) cash flow statement; and
 - Chapter 6, Section 6.1 (page 281) and Section 6.3 (page 402) for the year ended 31 December 2019 (URD)
 - Chapter 6, Section 6.1 (page 317) and Section 6.3 (page 436) for the year ended 31 December 2018 (DR)
 - Page 5 at 30 June 2020 (HYFS)
 - (d) the accounting policies and explanatory notes.
 - Chapter 6, Section 6.1 (pages 283-393) and Section 6.3 (pages 403-453) for the year ended 31 December 2019 (URD)
 - Chapter 6, Section 6.1 (pages 323-429) and Section 6.3 (pages 439-489) for the year ended 31 December 2018 (DR)
 - Pages 8-69 at 30 June 2020 (HYFS)
- 11.1.6 If the Issuer prepares both stand-alone and consolidated financial statements, include at least the consolidated financial statements in the registration document
 - Chapter 6 (pages 277-464) for the year ended 31 December 2019 (URD)
 - Chapter 6 (pages 313-500) for the year ended 31 December 2018 (DR)
 - Pages 1-69 at 30 June 2020 (HYFS)
- 11.1.7 The balance sheet date of the last year of audited financial information statements may not be older than 18 months from the date of the registration document
 - N/A
- 11.2 **Interim and other financial information**
- 11.2.1 If the Issuer has published quarterly or half yearly financial information since the date of its last audited financial statements,
 - Pages 1-69 at 30 June 2020 (HYFS)

these must be included in the registration document. If the quarterly or half yearly financial information has been reviewed or audited the audit or review report must also be included. If the quarterly or half yearly financial information is unaudited or has not been reviewed state that fact.

If the registration document is dated more than nine months after the date of the last audited financial statements, it must contain interim financial information, which may be unaudited (in which case that fact must be stated) covering at least the first six months of the financial year. N/A

Interim financial information prepared in accordance with either the requirements of the Directive 2013/34/EU or Regulation (EC) No 1606/2002 as the case may be.

For issuers not subject to either Directive 2013/34/EU or Regulation (EC) No 1606/2002, the interim financial information must include comparative statements for the same period in the prior financial year, except that the requirement for comparative balance sheet information may be satisfied by presenting the year's end balance sheet.

- 11.3 **Auditing of historical annual financial information**
- 11.3.1 The historical annual financial information must be independently audited. The audit report shall be prepared in accordance with the Directive 2014/56/EU and Regulation (EU) No 537/2014. Where Directive 2014/56/EU and Regulation (EU) No 537/2014 do not apply: (a) the historical financial information must be audited or reported on as to whether or not, for the purposes of the registration document, it gives a true and fair view in accordance with auditing standards applicable in a Member State or an equivalent standard. (b) if audit reports on the historical financial information contain qualifications, modifications of opinion, disclaimers or an emphasis of matter, such qualifications, modifications, disclaimers or emphasis of matter must be reproduced in full and the reasons given. Chapter 6, Section 6.2 (pages 394-397) (URD)
Chapter 6, Section 6.2 (pages 430-432) for the year ended 31 December 2018 (DR)
- 11.3.2 Indication of other information in the registration document which has been audited by the auditors. N/A
- 11.3.3 Where financial information in the registration document is not extracted from the issuer's audited financial statements state the source of the data and state that the data is not audited. N/A

Legal and arbitration proceedings

- 11.4.1 Information on any governmental, legal or arbitration proceedings Chapter 6, Section 6.1, Note 50 (pages 386-387) and Chapter 7, Section 7.1.5 (page 466) (URD)
Section 9 (pages 35) (HYMR)

Significant change in the Issuer's financial position

- 11.5.1 A description of any significant change in the financial position of the group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published, or provide an appropriate negative statement. Chapter 5, Section 5.2 (page 275), Chapter 6, Section 6.1, note 52 (page 389) and Chapter 6, Section 6.6.2 (page 459) (URD)
Section 3 (pages 12-14), Section 8 (pages 33-34) (HYMR), Note 22.2.1 (pages 53-55) to the HYFS

12. ADDITIONAL INFORMATION

12.1 **Share Capital**

- 12.1.1 The amount of the issued capital, the number and classes of the shares of which it is composed with details of their principal characteristics, the part of the issued capital still to be paid up, with an indication of the number, or total nominal value, and type of the shares not yet fully paid up, Chapter 7, Section 7.3 (pages 470-476) (URD)

broken down where applicable according to the extent to which they have been paid up.

12.2 **Memorandum and Articles of Association**

The register and the entry number therein, if applicable, and a description of the Issuer's objects and purposes and where they can be found in the memorandum and articles of association.

Chapter 7, Section 7. 2 (pages 467-469) (URD)

M13. ATERIAL CONTRACTS

13.1 A brief summary of all material contracts Chapter 7, Section 7.6 (page 482) URD)

14. DOCUMENTS AVAILABLE

A statement that for the term of the registration document the documents can be inspected

Chapter 8, Section 8.3 (page 485) (URD)

Investors should when reading the information incorporated by reference take into account the "Recent Events" section of this Base Prospectus which may modify or supersede the information incorporated by reference.

EMTN Previous Conditions

EMTN 2018 Conditions	Pages 130 to 169 of the base prospectus of the Issuer dated 14 September 2018
EMTN 2016 Conditions	Pages 127 to 168 of the base prospectus of the Issuer dated 14 September 2016
EMTN 2015 Conditions	Pages 115 to 156 of the base prospectus of the Issuer dated 1 July 2015
EMTN 2013 Conditions	Pages 109 to 149 of the base prospectus of the Issuer dated 17 June 2013

The EMTN Previous Conditions are incorporated by reference in this Base Prospectus for the purpose only of further issues of Notes to be assimilated (*assimilées*) and form a single series with Notes already issued pursuant to the relevant EMTN Previous Conditions. Non-incorporated parts of the base prospectuses of the Issuer dated 14 September 2018, 14 September 2016, 1 July 2015 and 17 June 2013 respectively are not relevant for investors.

USE OF PROCEEDS

The section entitled "USE OF PROCEEDS" included on page 114 of the Base Prospectus is deleted and replaced with the following:

The net proceeds of the issue of each Tranche will (as specified in the applicable Final Terms) be applied by the Issuer to:

- (i) meet part of its general financing requirements; or
- (ii) finance (a) the construction of new green assets or (b) investments to renovate and/or upgrade existing green assets, as further described in the EDF Green Bond Framework as of January 2020 available on the website of the Issuer (https://www.edf.fr/sites/default/files/contrib/groupe-edf/espaces-dedies/espace-finance-fr/investisseurs-et-analystes/espace%20obligataire/Green-Bond/edf_green_bond_framework_2020-01-21.pdf) (the "Green Bond Framework"); or
- (iii) to finance any other particular identified use of proceeds as stated in the applicable Final Terms.

In respect of (ii) above, the Green Bond Framework describes the eligible projects to which the net proceeds of a Tranche of Notes may be allocated. The Green Bond Framework is fully compliant with the following four components of the Green Bond Principles published by the International Capital Markets Association (as they may be further updated): (1) the use of proceeds, (2) the process for project evaluation and selection, (3) the management of proceeds and (4) reporting obligations.

The Issuer also applies the recommendation to use the services of an external second opinion provider (Vigeo Eiris). In addition, an independent auditor shall be appointed to issue an annual assurance report on the following: (i) compliance with the four components of the Green Bond Principles defined by the International Capital Market Association, (ii) compliance, in all material respects, of the eligible projects with the respective specific set of environmental and social criteria provided by EDF, (iii) tracking of the funds raised from green bond issues, in the green treasury assets portfolio, to the allocation of such funds to eligible projects and on the reconciliation of the amount of funds allocated to eligible projects, (iv) compliance, in all material respects, of the methods used by the Issuer to estimate the CO₂ emissions avoided by the financed eligible projects with the methodology described in the section "Reporting" of the Green Bond Framework and (v) compliance of the methods used by the Issuer to report on any biodiversity projects with any proposed methods of biodiversity reporting, as further described in the section "Reporting" of the Green Bond Framework.

Any such external second opinion and annual assurance report will be made available in the green bond section of the Issuer's website (<https://www.edf.fr/groupe-edf/espaces-dedies/investisseurs-actionnaires/espace-obligataire/green-bonds>) until the net proceeds of the relevant green bond issue are used in full or the maturity date of the relevant green bonds, whichever comes first. The annual assurance report will also be included in the universal registration document.

The Green Bond Framework may be amended and supplemented from time to time. Any such change or supplement shall be notified to Noteholders in accordance with Condition 15 of the Terms and Conditions as soon as practicable thereafter.

Prior to any investment in Notes in which the net proceeds are to be used to finance investments in eligible projects, as further specified in the applicable Final Terms, investors are advised to consult the Green Bond Framework for further information.

DESCRIPTION OF THE ISSUER

The section entitled "DESCRIPTION OF THE ISSUER" included on page 115 of the Base Prospectus is deleted and replaced with the following:

For a general description of the Issuer and the EDF Group, please refer to the documents incorporated by reference and the cross-reference table of the section "Documents Incorporated by Reference" of this Base Prospectus. The profit forecast and estimates set forth in Section 11 (*Financial Outlook*) of the 2020 Half-Year Management Report have been prepared and consolidated on a basis which is comparable with the 2020 financial information and consistent with EDF group's accounting policies, as described in the consolidated financial statements of the Issuer for the year ended on 31 December 2019 and updated in the 2020 Half-Year Financial Statements.

RECENT EVENTS

The section "RECENT EVENTS" on pages 116 to 143 of the Base Prospectus, as supplemented by the First Supplement, is amended and supplemented as follows:

Credit Rating

In view of the expected impacts of the Covid-19 pandemic, the ratings agencies have made announcements about EDF's ratings. The long-term and short-term ratings to EDF at 30 June 2020 attributed by the three financial ratings agencies Standard & Poor's, Moody's and Fitch Ratings were as follows:

Agency	Long-term rating
Standard & Poor's	BBB+, stable outlook (1)
Moody's	A3, negative outlook (2)
Fitch Ratings	A-, negative outlook (3)

(1) S&P downgraded the ratings for EDF SA on 22 June 2020.

(2) Moody's revised the outlook for EDF SA from stable to negative on 24 April 2020. The ratings were confirmed on 3 September 2020.

(3) Fitch revised the outlook for EDF SA from stable to negative on 22 April 2020.

On 8 September 2020, the Issuer published the following press releases:

EDF launches an inaugural landmark offering of green bonds convertible into new shares and/or exchangeable for existing shares (*OCEANES Vertes*) due 2024 for a maximum nominal amount of €2.4 billion and announces its intention to issue two new tranches of Euro-denominated Hybrid Notes

Paris, France, 8 September 2020 - EDF (ISIN Code: FR0010242511, Vigeo ESG Rating 66/100, Sustainalytics Rating 86/100) (the "**Company**") announces today the launch of its inaugural landmark offering of green senior unsecured bonds convertible into new shares and/or exchangeable for existing shares of the Company (*OCEANES Vertes*) due 2024 (the "**Bonds**"), by way of a placement to qualified investors (within the meaning of the Prospectus Regulation) only, in accordance with Article L. 411-2(1) of the French *Code monétaire et financier*, for a maximum nominal amount of approximately €2.4 billion (the "**Offering**").

As a core component of its Cap 2030 strategy, EDF has set itself the goal in 2015 of doubling its net installed renewables capacity to more than 50GW in 2030. With this Offering, the first convertible bond issued by EDF and the first green convertible bond of a jumbo size ever issued, the Company reaffirms its ambitions in renewable energy and its commitment "*to build a net zero energy future with electricity and innovative solutions and services, to help save the planet and drive wellbeing and economic development*" as stated in its *raison d'être*.

An amount equal to the net proceeds of the Offering will be allocated, directly or indirectly, to the financing and/or refinancing, in whole or in part, of new and/or existing Eligible Projects, as defined in EDF's Green Bond Framework. Existing Eligible Projects that may be refinanced with the present Offering with a maximum three-year look-back period before the issuance year of the Bonds amount to approximately €1.5 billion in line with EDF's Green Bond Framework.

Main terms of the Bonds

The Bonds will not bear interest (zero-coupon) and will be issued at an issue price ranging between 105.75% and 108.00% of their nominal value, resulting in an annual gross yield-to-maturity of (1.91)% to (1.39)%. The nominal value of the Bonds will be set at a premium of 30% to 35% above the Company's reference share price on the regulated market of Euronext in Paris ("**Euronext Paris**")⁵.

The final terms and conditions of the Bonds are expected to be announced later today and the settlement-delivery of the Bonds is expected to take place on 14 September 2020 (the "**Issue Date**").

Unless previously converted, exchanged, redeemed or purchased and cancelled, the Bonds will be redeemed at par on 14 September 2024 (or on the following business day if this date is not a business day) (the "**Maturity Date**").

The Bonds may be redeemed prior to maturity at the option of the Company, under certain conditions.

In particular, the Bonds may be fully redeemed earlier at par, at the Company's option at any time from 14 September 2022 (inclusive) until the Maturity Date (excluded), subject to a prior notice of at least 30 (but not more than 60) calendar days, if the arithmetic mean, calculated over a period of 20 consecutive trading days, chosen by the Company from among the 40 consecutive trading days ending on the trading day immediately preceding the day of the publication of the early redemption notice, of the daily products on each of such 20 consecutive trading days of the volume weighted average price of the Company's shares on Euronext Paris and the applicable conversion/exchange ratio on each such trading day, exceeds 130% of the nominal value of the Bonds.

Bondholders will be granted the right to convert or exchange the Bonds into new and/or existing shares of the Company (the "**Conversion/Exchange Right**") which they may exercise at any time from the day (inclusive) following the 90th day after the Issue Date (*i.e.*, 14 December 2020) up to the 7th business day (inclusive) preceding the Maturity Date or the relevant early redemption date.

The conversion/exchange ratio is set at one share per Bond, subject to standard adjustments, including anti-dilution and dividend protections, as described in the terms and conditions of the Bonds. Upon exercise of their Conversion/Exchange Right, bondholders will receive at the option of the Company new and/or existing shares of the Company carrying in all cases all rights attached to existing shares of the Company as from the date of delivery.

Application will be made for the admission of the Bonds to trading on Euronext AccessTM of Euronext in Paris to occur within 30 calendar days from the Issue Date.

EDF Green Bond Framework

Green bonds are fully integrated in the financing policy of the EDF group (the "**Group**"), making the Group a frequent Green issuer and participant in the development and liquidity of the green bond market.

In this context, the Company released in January 2020 on its website the third version of its Green Bond Framework (as amended or supplemented from time to time, the "**Framework**"), established in accordance with the Green Bond Principles 2018 published by the International Capital Markets Association (ICMA). The external review of the Framework was conducted by Vigeo Eiris, who issued a second party opinion on 8 January 2020. The Bonds are issued on the basis of this same Framework and second party opinion. Both the Framework and Vigeo Eiris's external review are available on the "Green Bonds" Section of the Company's website (www.edf.fr).

In the third version of its Framework, the Company extended the scope of eligible investments to include the broader Group, and aligned the scope to current market practices and investor demand.

In line with its Green Bond Framework, the Company will provide information on the types of biodiversity projects receiving green bond funding. This will include descriptions of these project types, project examples and qualitative information on associated benefits and/or impacts. At its discretion, the Company will communicate on quantitative indicators for certain projects. Annex I provides a list of these indicators, as well as illustrative examples of project types by project category. The Company's approach to biodiversity reporting shall continue to evolve. Other biodiversity indicators may eventually be used to communicate biodiversity impact as the Company deems appropriate or desirable. Any additional information on biodiversity project reporting shall be communicated as specified in Annex I to this press release.

⁵ The reference share price will be equal to the volume-weighted average price (VWAP) of EDF's shares recorded on Euronext Paris from the launch of the Offering today until the determination of the final terms (pricing) of the Bonds on the same day.

Legal framework of the Offering and placement

The Bonds will be issued by way of a placement to qualified investors (within the meaning of Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”)) only, in accordance with Article L. 411-2(1) of the French *Code monétaire et financier*, as per the authorization granted by the Company’s extraordinary general meeting held on 7 May 2020 (24th resolution), in France and outside of France (excluding, in particular, the United States of America, Australia, Japan or South Africa), without an offer to the public (other than to qualified investors) in any country (including France).

Existing shareholders of the Company shall have no preferential subscription rights, and there will be no priority subscription period, in connection with the issuance of the Bonds or the underlying new shares of the Company issued upon conversion.

Intentions of existing shareholders

The French State – represented by the French Government Shareholding Agency (*Agence des participations de l’État* – APE) –, which currently holds, together with EPIC Bpifrance, 83.6% of the Company’s share capital, has informed the Company of its intention to place a subscription order in the Offering for a total nominal amount of up to €960 million corresponding to approximately 40% of the Offering⁶, at a price equal to the final price resulting from the bookbuilding process.

The Company is not aware of the intention of any of its other main shareholders to participate in the Offering.

Lock-up undertakings

In the context of the Offering, each of the Company and the French State will agree to a lock-up undertaking on the issuance or sale of shares or of securities giving access to the share capital for a period starting from the announcement of the transaction and ending 90 calendar days after the Issue Date, subject to certain customary exceptions or waiver from the Joint Bookrunners.

Dilution

For illustrative purposes, considering a €2.4 billion principal amount and a par value of €11.497⁷ per Bond, and based on the initial conversion/exchange ratio, the potential dilution would represent approximately 6.7% of the Company’s outstanding share capital, if the Conversion/Exchange Right was exercised for all the Bonds and the Company decided to only deliver new shares upon exercise of the Conversion/Exchange Right.

Available information

Neither the offering of the Bonds, nor the admission of the Bonds to trading on Euronext AccessTM is subject to a prospectus approved by the French *Autorité des marchés financiers* (the “**AMF**”). No key information document required by the PRIIPs Regulation has been or will be prepared. Detailed information about EDF, including its business, results, prospects and the risk factors to which EDF is exposed are described in the Company’s universal registration document (*Document d’enregistrement universel*) for the financial year ended December 31, 2019, filed by the Company with the AMF on 13 March 2020 under No. D.20-0128; the Company’s half-year financial report as at 30 June 2020; the slideshow (including its appendices) made available in connection with the Company’s 2020 half-year results announcement; and the Company’s press releases and other regulated information about the Company; which are all available on the Company’s website (www.edf.fr).

New issue of two tranches of Euro-denominated Hybrid Notes

The Company is also announcing today its intention to issue a new Euro-denominated tranche of perpetual 6.5 years non-call hybrid notes with a first redemption at the option of the Company on 15 March 2027 (the “**6.5-Year Non-Call Hybrid Notes**”), and a new Euro-denominated tranche of perpetual 10 years non-call hybrid notes with a first redemption at the option of the Company on 15 September 2030 (the “**10-Year Non-Call Hybrid Notes**” and, together with the 6.5-Year Non-Call Hybrid Notes, the “**Hybrid Notes**”).

The Company can redeem the Hybrid Notes for cash at any time during the 90 days before the first interest reset date, which is expected to be in 6.5 years (with a first reset date of March 2027) for the 6.5-Year Non-Call Hybrid Notes, and in 10 years (with a first reset date of September 2030) for the 10-Year Non-Call Hybrid Notes, and on every coupon payment date

⁶ The final amount subscribed by the French State will depend on the final allocations following the bookbuilding process.

⁷ Calculated on the basis of a reference share price equal to €8.836 at close of trading on 7 September 2020, and a 30% conversion premium.

thereafter. Although the proposed Hybrid Notes are perpetual, they include a make whole call at the option of the Company and can be called at any time for withholding tax, tax deductibility, tax gross-up, rating methodology, accounting, or substantial repurchase event.

The Hybrid Notes are scheduled to be admitted to trading on Euronext Paris. It is also expected that the rating agencies will assign the Hybrid Notes a rating of Baa3/BB-/BBB (Moody's/S&P/Fitch) and an equity content of 50%.

Annex I

Biodiversity project category	Illustrative project types ⁸	Indicator
a. Projects and/or facilities that integrate a “mitigation hierarchy” related to attenuating the impact of Group activities on biodiversity.	Projects to ensure fish continuity both upstream and downstream, and sediment continuity on a dam or factory.	Number of protected species impacted by the project.
b. Restoration and/or “renaturing” of sites	Measures intended to compensate for a residual loss of biodiversity generated by a project after avoidance and reduction of impacts, measures to create a supply of compensation units, works to improve the biodiversity of an area (e.g. a watercourse, or parcel) by earthworks and revegetation, restoration, management or inventories and monitoring of various areas, whether regulatory or voluntary.	Project surface area in hectares.
	Actions in favor of the development of biodiversity (e.g. creation of habitats, combating invasive species, use of local seeds) and/or awareness of internal and/or external stakeholders on biodiversity issues (e.g. creation of training / awareness raising with external stakeholders, development of educational tools).	Number of actions taken.
c. Research and Development	Research programs related to biodiversity.	Number of publications resulting from the research, including but not limited to peer-reviewed papers, scientific posters, conferences, etc.

⁸ Project types may include these examples but are not limited to them. In the event that EDF does not report on a quantitative indicator for a given project type, other pertinent information may be provided including qualitative information on project impact.

Important information

This press release does not constitute or form part of any offer or solicitation to purchase or subscribe for or to sell securities to any person in the United States, Australia, Japan or South Africa or in any jurisdiction to whom or in which such offer is unlawful, and neither the Offering of the Bonds, nor the offering of the Hybrid Notes, is an offer to the public in any jurisdiction including France, other than to qualified investors within the meaning of the Prospectus Regulation, or an offer to retail investors as such term is defined below.

Note: The English version of this press release may differ from the French version for regulatory reasons.

About EDF

A key player in energy transition, the EDF Group is an integrated electricity company, active in all areas of the business generation, transmission, distribution, energy supply and trading, energy services. A global leader in low-carbon energies, the Group has developed a diversified generation mix based on nuclear power, hydropower, new renewable energies and thermal energy. The Group is involved in supplying energy and services to approximately 38.9 million customers⁽¹⁾, 28.8 million of which are in France. It generated consolidated sales of €71.3 billion in 2019. EDF is listed on the Paris Stock Exchange.

⁽¹⁾ Customers are counted since 2018 per delivery site; a customer can have two delivery points: one for electricity and another for gas.

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Disclaimer

This press release may not be released, published or distributed, directly or indirectly, in or into the United States of America, Australia, Japan or South Africa. The distribution of this press release may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein comes, should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No communication or information relating to the offering of the Bonds or the Hybrid Notes may be transmitted to the public in a country where there is a registration obligation or where an approval is required. No action has been or will be taken in any country in which such registration or approval would be required. The issuance or the subscription of the Bonds or the Hybrid Notes may be subject to legal and regulatory restrictions in certain jurisdictions; none of EDF and the Joint Bookrunners assumes any liability in connection with the breach by any person of such restrictions.

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The Bonds and the Hybrid Notes will be offered only by way of a placement in France and outside France (excluding the United States of America, Australia, Japan, South Africa and any other jurisdiction where a registration process or an approval would be required by applicable laws and regulations) solely to qualified investors as defined in Article 2 point (e) of the Prospectus Regulation and in accordance with Article L. 411-2(1) of the French Code monétaire et financier. There will be no offer to the public in any country (including France) in connection with the Bonds or the Hybrid Notes, other than to qualified investors. This press release does not constitute a recommendation concerning the issue of the Bonds or the Hybrid Notes. The value of the Bonds, the Hybrid Notes and EDF's shares can decrease as well as increase for a wide variety of reasons. Potential investors should consult a professional adviser as to the suitability of the Bonds or the Hybrid Notes for the person concerned.

Prohibition of sales to European Economic Area and United Kingdom retail investors

The Bonds and the Hybrid Notes referred to (and as defined) herein are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to, and no action has been or will be

undertaken to offer, sell or otherwise make available any Bonds or Hybrid Notes, to any retail investor in the European Economic Area (EEA) or in the United Kingdom. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
- (ii) a customer within the meaning of Directive (EU) 2016/97, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
- (iii) not a "qualified investor" as defined in the Prospectus Regulation; and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds or the Hybrid Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds or the Hybrid Notes, as applicable.

Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIPs Regulation**") for offering or selling the Bonds or the Hybrid Notes, or otherwise making them available, to retail investors in the EEA or in the United Kingdom has been prepared and therefore offering or selling the Bonds or the Hybrid Notes or otherwise making them available to any retail investor in the EEA or in the United Kingdom may be unlawful under the PRIPs Regulation.

MiFID II product governance / French Retail investors, professional investors and ECPs only target market

Bonds – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is French retail investors, eligible counterparties and professional clients, each as defined in MiFID II; and (ii) all channels for distribution of the Bonds to French retail investors, eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels. For the avoidance of doubt, even if the target market includes French retail investors, the Bonds will be offered only to eligible counterparties and professional clients.

Hybrid Notes - Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Hybrid Notes has led to the conclusion that: (i) the target market for the Hybrid Notes is eligible counterparties and professional clients, each as defined in MiFID II; and (ii) all channels for distribution of the Hybrid Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Hybrid Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Hybrid Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

United Kingdom

This press release is addressed and directed only (i) to persons located outside the United Kingdom, (ii) to investment professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), (iii) to high net worth companies, and other persons to whom it may lawfully be communicated, falling within by Article 49(2) (a) to (d) of the Order (the persons mentioned in paragraphs (i), (ii) and (iii) all deemed relevant persons (the "**Relevant Persons**")). The Bonds and, as the case may be, the shares to be delivered upon exercise of the conversion rights under the terms and conditions of the Bonds and the Hybrid Notes (the "**Financial Instruments**"), are intended only for Relevant Persons and any invitation, offer or agreement related to the subscription, tender, or acquisition of the Financial Instruments may be addressed and/or concluded only with Relevant Persons. All persons other than Relevant Persons must abstain from using or relying on this document and all information contained therein.

This press release is not a prospectus which has been approved by the Financial Conduct Authority or any other United Kingdom regulatory authority for the purposes of Section 85 of the Financial Services and Markets Act 2000.

United States of America

This press release may not be released, published or distributed in or into the United States. The Bonds, the shares deliverable upon conversion or exchange of the Bonds, and the Hybrid Notes, as described in this press release, have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any State of the United States, and such securities may not be offered, sold, pledged or otherwise transferred in the United States or to, or for the account or benefit of, U.S. Persons, absent registration under the

Securities Act or pursuant to an available exemption from, or in a transaction not subject to, the registration requirements thereof and applicable state or local securities laws. The securities of EDF have not been and will not be registered under the Securities Act and EDF does not intend to register any portion of the proposed offering in the United States, nor to make a public offer of its securities in the United States. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Canada

The offering of the securities described herein is only being made in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale, and only by persons permitted to sell these securities. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this offering or the merits of these securities, and any representation to the contrary is an offence. This offering is not, and under no circumstances is it to be construed as, an offer to sell the securities described herein or a solicitation of an offer to buy the securities described herein in any jurisdiction where the offer or sale of these securities is prohibited.

The Bonds and the Hybrid Notes may only be distributed to investors in Canada pursuant to an exemption from the prospectus requirements of Canadian securities laws. Only prospective investors in Ontario, Québec, British Columbia, Alberta and Manitoba purchasing, or deemed to be purchasing, as principal that are “accredited investors”, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are “permitted clients”, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations that are not individuals will be eligible to purchase the Bonds. Each prospective investor in Canada may be required to accept a representation letter confirming its eligibility and providing certain additional acknowledgements, representations and warranties. Any resale of the Bonds and the Hybrid Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Australia, Japan and South Africa

The Bonds, the shares deliverable upon conversion or exchange of the Bonds, and the Hybrid Notes may not and will not be offered, sold or purchased in Australia, Japan or South Africa. The information contained in this press release does not constitute an offer of securities for sale in Australia, Japan or South Africa.

This press release may not be forwarded to any U.S. address or distributed in any other manner in the United States or in any other jurisdiction in which the distribution of this press release would be unlawful. Failure to comply with this directive may result in violation of the Securities Act or the applicable laws of other jurisdictions.

The Joint Bookrunners are acting exclusively on behalf of EDF and no-one else in connection with the Offering. They will not regard any other person as their respective client in relation to the Offering and will not be responsible to anyone other than EDF for providing the same protections as to any of their clients or to provide advice in connection with the Offering or the Bonds, the Hybrid Notes or the offering thereof, the contents of this press release or any other transaction, arrangement or other matter described in this press release.

In connection with the Offering, the Joint Bookrunners and any of their respective affiliates, may take up a portion of the Bonds as a principal position and in that capacity may subscribe for, acquire, retain, purchase, sell, offer, offer to sell or negotiate for their own account such Bonds and other securities of EDF or related investments in connection with the Offering, the Bonds, EDF or otherwise.

Accordingly, references to securities issued, offered, subscribed, acquired, placed or dealt should be read as including any issue, offer, subscription, acquisition, placement, dealing or negotiation made by the Joint Bookrunners and any of their affiliates acting as investors for their own account. The Joint Bookrunners do not intend to disclose the extent of any such above mentioned investments or transactions otherwise than in accordance with any applicable legal or regulatory requirements.

None of the Joint Bookrunners or any of their respective affiliates accept any responsibility whatsoever which could result from the use of this press release with respect to its inaccuracy or completeness.

Forward-looking statements

The Company considers portions of this announcement to be a forward-looking statement. Forward-looking statements can be identified typically by the use of forward-looking terminology such as “believes”, “expects”, “may”, “will”, “could”, “should”, “intends”, “estimates”, “plans”, “assumes”, “predicts” or “anticipates”, as well as the negatives of such words and other words of similar meaning in connection with discussions of future operating or financial performance or of strategy that involve risks and uncertainties. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions at the time made, these assumptions are inherently uncertain and involve a number of risks and uncertainties that are beyond the Company’s control; therefore, the Company can give no assurance that such expectations will be achieved. Future events and actual results, financial and otherwise, may differ materially from the results discussed in the forward-looking statements as a result of risks and uncertainties, including, without limitation, possible changes in the timing and consummation of the transactions described therein.

You are cautioned not to place any undue reliance on the forward-looking statements contained in this announcement, which speak only as at their respective dates. Neither the Company nor any of its affiliates undertakes any obligation publicly to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by any applicable laws and regulations.

EDF announces the success of its inaugural landmark offering of green bonds convertible into new shares and/or exchangeable for existing shares (*OCEANEs Vertes*) due 2024 for a nominal amount of €2.4 billion

Paris, France, 8 September 2020 - EDF announces today the success of its inaugural landmark offering of green senior unsecured bonds convertible into new shares and/or exchangeable for existing shares of the Company (*OCEANEs Vertes*) due 2024.

This landmark transaction marks a key milestone in EDF's Cap 2030 strategy. In 2015, EDF has set itself the goal of doubling its net installed renewables capacity to more than 50GW in 2030. Since 2013 the Company has issued five Green Bonds for a total amount of circa €4.5 billion in order to foster its development in renewable energies and has dedicated over the past few years approximately €2.5 billion per year of gross operational investments in renewables. This inaugural jumbo Offering, the first of its kind, not only strengthens EDF's leading position in renewable energy in Europe and demonstrates its commitment "to build a net zero energy future with electricity and innovative solutions and services, to help save the planet and drive wellbeing and economic development" as stated in its *raison d'être*, but also confirms the Company's position at the forefront of Green Bond innovation.

Commenting on the transaction, Jean-Bernard Levy, Chairman and CEO of EDF, said: "With this transaction we demonstrate our commitment to the full decarbonisation of our energy generation and position ourselves at the forefront of the energy transition. The success of this placement demonstrates the support of investors to our Cap 2030 strategy".

This issuance is the largest non-mandatory convertible bond issued in Europe since 2003, the largest green convertible bond ever issued and the largest green bond issued by a European corporate.

Main terms of the transaction

EDF (ISIN Code: FR0010242511, Vigeo ESG Rating 66/100, Sustainalytics Rating 86/100) (the "**Company**") announces today the success of its inaugural landmark offering of green senior unsecured bonds convertible into new shares and/or exchangeable for existing shares of the Company (*OCEANEs Vertes*) due 2024 (the "**Bonds**"), by way of a placement to qualified investors (within the meaning of the Prospectus Regulation) only, in accordance with Article L. 411-2(1) of the French *Code monétaire et financier*, for a nominal amount of approximately €2.4 billion (the "**Offering**").

An amount equal to the net proceeds of the Offering will be allocated, directly or indirectly, to the financing and/or refinancing, in whole or in part, of new and/or existing Eligible Projects, as defined in EDF's Green Bond Framework. Existing Eligible Projects that may be refinanced with the present Offering with a maximum three-year look-back period before the issuance year of the Bonds amount to approximately €1.5 billion in line with EDF's Green Bond Framework.

The Bonds will not bear interest (zero-coupon) and will be issued at an issue price of €11.70, *i.e.* 107.00% of their nominal value, resulting in an annual gross yield-to-maturity of (1.68)%. The nominal value of the Bonds has been set at €10.93, corresponding to a premium of 32.5% above the Company's reference share price on the regulated market of Euronext in Paris ("**Euronext Paris**")⁹.

Settlement-delivery of the Bonds is expected to take place on 14 September 2020 (the "**Issue Date**").

Unless previously converted, exchanged, redeemed or purchased and cancelled, the Bonds will be redeemed at par on 14 September 2024 (or on the following business day if this date is not a business day) (the "**Maturity Date**").

The Bonds may be redeemed prior to maturity at the option of the Company, under certain conditions.

In particular, the Bonds may be fully redeemed earlier at par, at the Company's option at any time from 14 September 2022 (inclusive) until the Maturity Date (excluded), subject to a prior notice of at least 30 (but not more than 60) calendar days, if the arithmetic mean, calculated over a period of 20 consecutive trading days, chosen by the Company from among the 40

⁹ The reference share price is equal to the volume-weighted average price (VWAP) of EDF's shares recorded on Euronext Paris from the launch of the Offering today until the determination of the final terms (pricing) of the Bonds on the same day, *i.e.* €8.2465.

consecutive trading days ending on the trading day immediately preceding the day of the publication of the early redemption notice, of the daily products on each of such 20 consecutive trading days of the volume weighted average price of the Company's shares on Euronext Paris and the applicable conversion/exchange ratio on each such trading day, exceeds 130% of the nominal value of the Bonds.

Bondholders will be granted the right to convert or exchange the Bonds into new and/or existing shares of the Company (the "**Conversion/Exchange Right**") which they may exercise at any time from the day (inclusive) following the 90th day after the Issue Date (*i.e.*, 14 December 2020) up to the 7th business day (inclusive) preceding the Maturity Date or the relevant early redemption date.

The conversion/exchange ratio is set at one share per Bond, subject to standard adjustments, including anti-dilution and dividend protections, as described in the terms and conditions of the Bonds. Upon exercise of their Conversion/Exchange Right, bondholders will receive at the option of the Company new and/or existing shares of the Company carrying in all cases all rights attached to existing shares of the Company as from the date of delivery.

Application will be made for the admission of the Bonds to trading on Euronext AccessTM of Euronext in Paris to occur within 30 calendar days from the Issue Date.

Legal framework of the Offering and placement

The Bonds are being issued by way of a placement to qualified investors (within the meaning of Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**") only, in accordance with Article L. 411-2(1) of the French *Code monétaire et financier*, as per the authorization granted by the Company's extraordinary general meeting held on 7 May 2020 (24th resolution), in France and outside of France (excluding, in particular, the United States of America, Australia, Japan or South Africa), without an offer to the public (other than to qualified investors) in any country (including France).

Existing shareholders of the Company shall have no preferential subscription rights, and there will be no priority subscription period, in connection with the issuance of the Bonds or the underlying new shares of the Company issued upon conversion.

Subscription by the French State

The French State – represented by the French Government Shareholding Agency (*Agence des participations de l'État* – APE) –, which currently holds, together with EPIC Bpifrance, 83.6% of the Company's share capital, has subscribed to the Offering for a total nominal amount of €960 million, corresponding to 40% of the Offering, at a price equal to the final price resulting from the bookbuilding process.

Lock-up undertakings

In the context of the Offering, each of the Company and the French State agreed to a lock-up undertaking on the issuance or sale of shares or of securities giving access to the share capital for a period starting from the announcement of the transaction and ending 90 calendar days after the Issue Date, subject to certain customary exceptions or waiver from the Joint Bookrunners.

Dilution

As a result of the Offering, considering an aggregate principal amount of €2,399,999,989.27 represented by 219,579,139 Bonds each with a nominal value of €10.93, based on the initial conversion/exchange ratio, the potential dilution would represent approximately 7.1% of the Company's outstanding share capital, if the Conversion/Exchange Right was exercised for all the Bonds and the Company decided to only deliver new shares upon exercise of the Conversion/Exchange Right.

Available information

Neither the offering of the Bonds, nor the admission of the Bonds to trading on Euronext AccessTM is subject to a prospectus approved by the French *Autorité des marchés financiers* (the "**AMF**"). No key information document required by the PRIIPs Regulation has been or will be prepared. Detailed information about EDF, including its business, results, prospects and the risk factors to which EDF is exposed are described in the Company's universal registration document (*Document d'enregistrement universel*) for the financial year ended December 31, 2019, filed by the Company with the AMF on 13 March 2020 under No. D.20-0128; the Company's half-year financial report as at 30 June 2020; the slideshow (including its appendices) made available in connection with the Company's 2020 half-year results announcement; and the Company's

press releases and other regulated information about the Company; which are all available on the Company's website (www.edf.fr).

Important information

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⁽¹⁾ Customers are counted since 2018 per delivery site; a customer can have two delivery points: one for electricity and another for gas.

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Prohibition of sales to European Economic Area and United Kingdom retail investors

The Bonds referred to (and as defined) herein are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to, and no action has been or will be undertaken to offer, sell or otherwise make available any Bonds to any retail investor in the European Economic Area (EEA) or in the United Kingdom. For the purposes of this provision:

(c) the expression "retail investor" means a person who is one (or more) of the following:

(iv) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(v) a customer within the meaning of Directive (EU) 2016/97, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(vi) not a "qualified investor" as defined in the Prospectus Regulation; and

(d) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds, as applicable.

Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIPs Regulation**") for offering or selling the Bonds, or otherwise making them available, to retail investors in the EEA or in the United Kingdom has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA or in the United Kingdom may be unlawful under the PRIPs Regulation.

MiFID II product governance / French Retail investors, professional investors and ECPs only target market

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is French retail investors, eligible counterparties and professional clients, each as defined in MiFID II; and (ii) all channels for distribution of the Bonds to French retail investors, eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels. For the avoidance of doubt, even if the target market includes French retail investors, the Bonds will be offered only to eligible counterparties and professional clients.

United Kingdom

This press release is addressed and directed only (i) to persons located outside the United Kingdom, (ii) to investment professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), (iii) to high net worth companies, and other persons to whom it may lawfully be communicated, falling within by Article 49(2) (a) to (d) of the Order (the persons mentioned in paragraphs (i), (ii) and (iii) all deemed relevant persons (the "**Relevant Persons**")). The Bonds and, as the case may be, the shares to be delivered upon exercise of the conversion rights under the terms and conditions of the Bonds (the "**Financial Instruments**"), are intended only for Relevant Persons and any invitation, offer or agreement related to the subscription, tender, or acquisition of the Financial Instruments may be addressed and/or concluded only with Relevant Persons. All persons other than Relevant Persons must abstain from using or relying on this document and all information contained therein.

This press release is not a prospectus which has been approved by the Financial Conduct Authority or any other United Kingdom regulatory authority for the purposes of Section 85 of the Financial Services and Markets Act 2000.

United States of America

This press release may not be released, published or distributed in or into the United States. The Bonds, the shares deliverable upon conversion or exchange of the Bonds, as described in this press release, have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any State of the United States, and such securities may not be offered, sold, pledged or otherwise transferred in the United States or to, or for the account or benefit of, U.S. Persons, absent registration under the Securities Act or pursuant to an available exemption from, or in a transaction not subject to, the registration requirements thereof and applicable state or local securities laws. The securities of EDF have not been and will not be registered under the Securities Act and EDF does not intend to register any portion of the proposed offering in the United States, nor to make a public offer of its securities in the United States. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Canada

The offering of the securities described herein is only being made in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale, and only by persons permitted to sell these securities. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this offering or the merits of these securities, and any representation to the contrary is an offence. This offering is not, and under no circumstances is it to be construed as, an offer to sell the securities described herein or a solicitation of an offer to buy the securities described herein in any jurisdiction where the offer or sale of these securities is prohibited.

The Bonds may only be distributed to investors in Canada pursuant to an exemption from the prospectus requirements of Canadian securities laws. Only prospective investors in Ontario, Québec, British Columbia, Alberta and Manitoba purchasing, or deemed to be purchasing, as principal that are “accredited investors”, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are “permitted clients”, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations that are not individuals will be eligible to purchase the Bonds. Each prospective investor in Canada may be required to accept a representation letter confirming its eligibility and providing certain additional acknowledgements, representations and warranties. Any resale of the Bonds must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Australia, Japan and South Africa

The Bonds, the shares deliverable upon conversion or exchange of the Bonds, may not and will not be offered, sold or purchased in Australia, Japan or South Africa. The information contained in this press release does not constitute an offer of securities for sale in Australia, Japan or South Africa.

This press release may not be forwarded to any U.S. address or distributed in any other manner in the United States or in any other jurisdiction in which the distribution of this press release would be unlawful. Failure to comply with this directive may result in violation of the Securities Act or the applicable laws of other jurisdictions.

The Joint Bookrunners are acting exclusively on behalf of EDF and no-one else in connection with the Offering. They will not regard any other person as their respective client in relation to the Offering and will not be responsible to anyone other than EDF for providing the same protections as to any of their clients or to provide advice in connection with the Offering or the Bonds or the offering thereof, the contents of this press release or any other transaction, arrangement or other matter described in this press release.

In connection with the Offering, the Joint Bookrunners and any of their respective affiliates, may take up a portion of the Bonds as a principal position and in that capacity may subscribe for, acquire, retain, purchase, sell, offer, offer to sell or negotiate for their own account such Bonds and other securities of EDF or related investments in connection with the Offering, the Bonds, EDF or otherwise.

Accordingly, references to securities issued, offered, subscribed, acquired, placed or dealt should be read as including any issue, offer, subscription, acquisition, placement, dealing or negotiation made by the Joint Bookrunners and any of their affiliates acting as investors for their own account. The Joint Bookrunners do not intend to disclose the extent of any such above mentioned investments or transactions otherwise than in accordance with any applicable legal or regulatory requirements.

None of the Joint Bookrunners or any of their respective affiliates accept any responsibility whatsoever which could result from the use of this press release with respect to its inaccuracy or completeness.

Forward-looking statements

The Company considers portions of this announcement to be a forward-looking statement. Forward-looking statements can be identified typically by the use of forward-looking terminology such as “believes”, “expects”, “may”, “will”, “could”, “should”, “intends”, “estimates”, “plans”, “assumes”, “predicts” or “anticipates”, as well as the negatives of such words and other words of similar meaning in connection with discussions of future operating or financial performance or of strategy that involve risks and uncertainties. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions at the time made, these assumptions are inherently uncertain and involve a number of risks and uncertainties that are beyond the Company’s control; therefore, the Company can give no assurance that such expectations will be achieved. Future events and actual results, financial and otherwise, may differ materially from the results discussed in the forward-looking statements as a result of risks and uncertainties, including, without limitation, possible changes in the timing and consummation of the transactions described therein.

You are cautioned not to place any undue reliance on the forward-looking statements contained in this announcement, which speak only as at their respective dates. Neither the Company nor any of its affiliates undertakes any obligation publicly to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by any applicable laws and regulations.

EDF raises €2,100 million through two issues of Euro-denominated Hybrid Notes

Paris, France, 8 September 2020 – EDF (BBB+ S&P / A3 Moody's / A- Fitch) (the “**Company**”) successfully launched on 8 September 2020 two new issues of Euro-denominated hybrid notes for a total nominal amount of € 2,100 million, consisting of:

- a €850 million perpetual 6.5 years non-call hybrid notes issue with an initial coupon of 2.875% and a first redemption at the option of the Company on 15 December 2026 (the “**6.5-Year Non-Call Hybrid Notes**”) ; and
- a €1,250 million perpetual 10 years non-call hybrid notes issue with a initial coupon of 3.375% and a first redemption at the option of the Company on 15 June 2030 (the “**10-Year Non-Call Hybrid Notes**” and, together with the 6.5-Year Non-Call Hybrid Notes, the “**Hybrid Notes**”).

The Company can redeem the Hybrid Notes for cash at any time during the 90 days before the first interest reset date, which is expected to be in 6.5 years (with a first reset date of March 2027) for the 6.5-Year Non-Call Hybrid Notes, and in 10 years (with a first reset date of September 2030) for the 10-Year Non-Call Hybrid Notes, and on every coupon payment date thereafter.

The settlement date will occur on 15 September 2020 and on such date the Hybrid Notes will be admitted to trading on the regulated market of Euronext Paris.

These offerings shows the Company's strong commitment to financing through hybrid capital securities, which are a permanent part of its capital structure. The proceeds resulting from the Hybrid Notes will be used for general corporate purposes of the Company.

The Hybrid Notes are scheduled to be admitted to trading on Euronext Paris. It is also confirmed that the rating agencies assigned the Hybrid Notes a rating of BB- / Baa3 / BBB (S&P / Moody's / Fitch) and an equity content of 50%.

Note: The English version of this press release may differ from the French version for regulatory reasons.

About EDF

A key player in energy transition, the EDF Group is an integrated electricity company, active in all areas of the business generation, transmission, distribution, energy supply and trading, energy services. A global leader in low-carbon energies, the Group has developed a diversified generation mix based on nuclear power, hydropower, new renewable energies and thermal energy. The Group is involved in supplying energy and services to approximately 38.9 million customers⁽¹⁾, 28.8 million of which are in France. It generated consolidated sales of €71.3 billion in 2019. EDF is listed on the Paris Stock Exchange.

⁽¹⁾ Customers are counted since 2018 per delivery site; a customer can have two delivery points: one for electricity and another for gas.

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Disclaimer

This press release does not constitute an offer to sell or subscribe, nor a solicitation of purchase or subscription orders for the Hybrid Bonds, in particular in the United States, Japan, et au United Kingdom. The distribution of this document in certain other countries may also be subject to specific regulations. Persons in possession of any documents or other information referred to in this press release should inform themselves of any local restrictions and comply with them. Any breach of such restrictions may constitute a violation of the securities law of the jurisdiction in question.

No offer to sell or solicitation of an order to buy or subscribe for the Hybrid Bonds may be made in a country or territory in which such an offer or solicitation would be contrary to the regulations in force or before its registration under stock market law in force in the said country or territory. In particular, the Hybrid Notes may not be offered or transferred in the United States without registration or exemption from registration in accordance with the U.S. Securities Act of 1933 (as amended).

GENERAL INFORMATION

The paragraphs "3." and "5." in the section entitled "GENERAL INFORMATION" included on page 167 of the Base Prospectus are deleted and replaced by the followings:

3. No authorisation procedures are required of Électricité de France by French law for the update of the Programme. To the extent that Notes issued under the Programme constitute *obligations* under French law, the issue of such Notes shall be authorised in accordance with French law. A resolution of the *conseil d'administration* dated 18 December 2019 authorises the issue of Notes up to a maximum aggregate amount of €15 billion.

5. Since 31 December 2019, and save as disclosed in this Base Prospectus including the potential impact of the health crisis resulting from the coronavirus (Covid-19), there has been no material adverse change in the prospects of the Issuer. Since 30 June 2020, and save as disclosed in this Base Prospectus including the potential impact of the health crisis resulting from the coronavirus (Covid-19), there has been no significant change in the financial position or financial performance of the Issuer and the Group.

PERSON RESPONSIBLE FOR THE INFORMATION SET OUT IN THIS SECOND SUPPLEMENT

The Issuer hereby certifies that the information contained in this Second Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Électricité de France

22-30 avenue de Wagram

75008 Paris

France

Duly represented by Mr. Jean-Bernard Lévy

Chief Executive Officer

Signed in Paris, on 9 September 2020



This Second Supplement has been approved on 9 September 2020 by the Autorité des marchés financiers (the "AMF"), as the competent authority under Regulation (EU) 2017/1129.

The AMF approves this document after having verified that the information contained in the prospectus is complete, consistent and comprehensible within the meaning of Regulation (EU) 2017/1129.

This approval should not be considered a favorable opinion on the Issuer subject to this Second Supplement.

This Second Supplement has the following approval number: 20-448.