



# SOCIAL BOND FRAMEWORK PRESENTATION

10 NOVEMBER 2021

*Updated version from the original presentation published on 19 May 2021.*

- *Changes on the original slide 10 are indicated in green*
- *A new chapter with a preview of EDF Social Bond Report has been added*

# EDF RAISON D'ÊTRE AND CSR COMMITMENTS

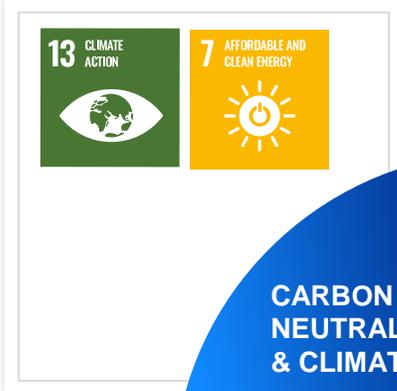


# CSR COMMITMENTS ACCORDING TO THE 4 CHALLENGES OF THE COMPANY RAISON D'ÊTRE

*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 <sup>(1)</sup>*

**CARBON NEUTRALITY & CLIMATE**

- An ambitious carbon trajectory
- Carbon offsetting solutions
- Adapting to climate change
- Development of electricity and energy services



**WELLBEING & SOLIDARITY**

- Health and safety for all
- Equality, diversity and inclusion
- Ethics and human rights
- Energy precariousness and social innovation

**PLANET RESOURCES PRESERVATION**

- Biodiversity
- Responsible land management
- Integrated and sustainable water management
- Waste and circular economy



**RESPONSIBLE DEVELOPMENT**

- Dialogue and consultation
- Responsible regional development
- Development of industrial sectors
- Sustainable and inclusive digitalisation



<sup>(1)</sup> EDF's Raison d'être, approved at the Shareholders' meeting of 07/05/2020

# EDF RAISON D'ÊTRE AND 2030 STRATEGIC TARGETS UPGRADE

CAP 2030

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

A creator of services and solutions to support customers and territories in the shift towards carbon neutrality

> **15MtCO<sub>2</sub>** AVOIDED EMISSIONS <sup>(1)</sup>

€**10bn** revenues IN SERVICES <sup>(3)</sup>

> **1.5** CONTRACTS/CUSTOMER <sup>(2)</sup>

A global leader in the generation of CO<sub>2</sub>-neutral electricity

↘ **50%** CO<sub>2</sub>eq DIRECT EMISSIONS vs 2017

**60GW NET**

>**x2** NEW RENEWABLES CAPACITIES (INCL.HYDRO) VS. 2015

INITIATING NEW **EPRs<sup>(5)</sup> & 1 SMR<sup>(6)</sup>**

An international key player in the energy transition

**EXIT** COAL

**1.5-2GW NET**

HYDRO INSTALLED CAPACITIES <sup>(4)</sup>

**1 MILLION** OFF GRID KITS

Scope: (1) Customers, Services & Territories sector's activities. EDF estimate, including CO<sub>2</sub> savings linked mainly to heating and cooling networks, the development of the electric vehicle and energy saving certificates; (2) EDF estimate: France, UK, Italy and Belgium (Residential); (3) Group; (4) Excluding priority countries in Europe (France, Italy, UK and Belgium) ; (5) EPRs: European Pressurised Reactor ; (6) SMR: Small Modular Reactor

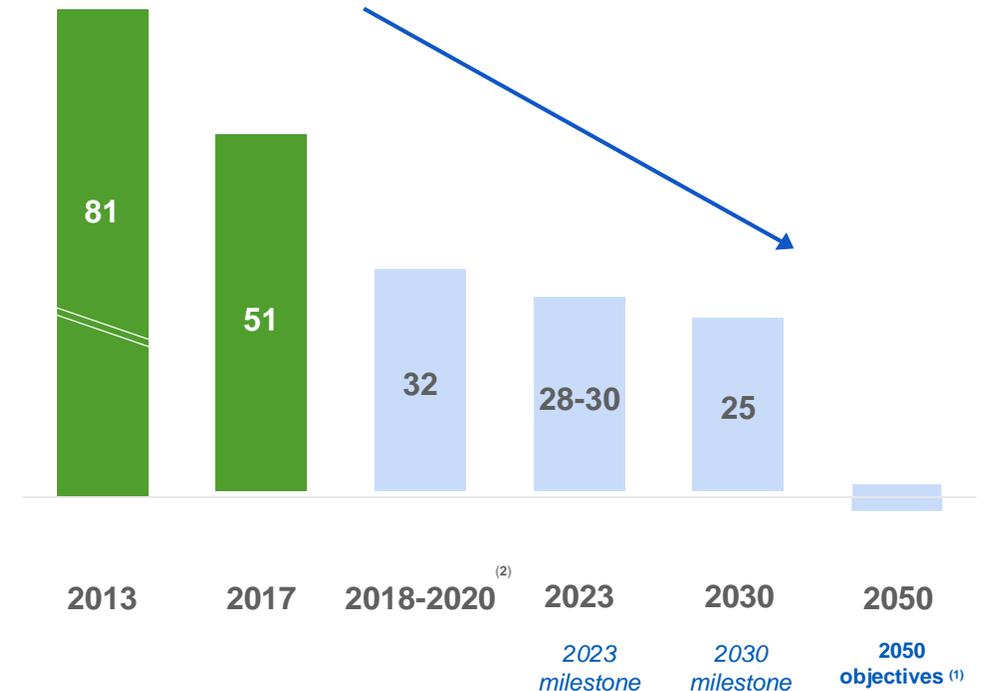
# CARBON NEUTRALITY TRAJECTORY

## CARBON NEUTRALITY & CLIMATE: AT THE HEART OF THE EDF'S *RAISON D'ÊTRE*

- In line with its *raison d'être*, EDF's ambition is to achieve **carbon neutrality by 2050**
- In 2020, EDF group announced a commitment to move away from coal-based generation by 2030 in all geographical areas
- In 2020, the Group fixed new objectives of reduction of greenhouse gas emissions by 2030, covering both direct (scope 1) and indirect (scope 2 and 3) emissions. On 7 December, these objectives were validated as part of a "Well Below 2°C" trajectory by the *Science-Based Target* initiative
- In coherence with these objectives validated by STBi, EDF group set objectives for 2030:
  - 25 MtCO<sub>2</sub>eq for Group's scope 1 emissions in 2030 with an intermediary milestone in 2023 of 28-30MtCO<sub>2</sub>eq. This range takes into account the uncertainties related to post health crisis scenarios
  - 35gCO<sub>2</sub>/kWh Group carbon intensity (heat and electricity generation) by 2030
  - reduction of 28%, compared to 2019, of all the scope 3 emissions by 2030
- The **continuous reduction** in Group CO<sub>2</sub> emissions, with a Group intensity carbon of 51g/kWh at end-December 2020, confirms EDF'S commitment to carbon neutrality

## DIRECT GREENHOUSE GAS EMISSIONS (SCOPE 1)

in MtCO<sub>2</sub>eq



(1) Carbon neutrality would be achieved in 2050 thanks to almost zero direct CO<sub>2</sub> emissions, as much as possible a reduction in indirect emissions and offsetting of residual emissions by projects with negative emissions

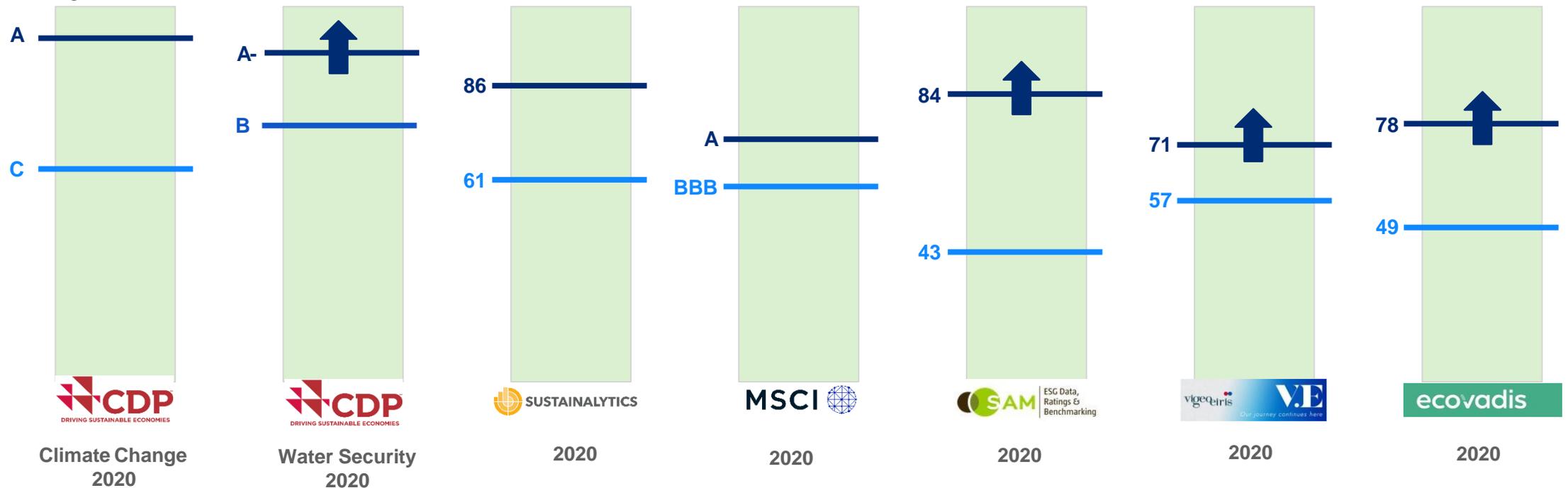
(2) Average emissions from 2018 to 2020

# NON-FINANCIAL RATINGS

Constant progression of the rating: SAM (+4 points), V.E (ex VigéoEiris) +5 points in 2020 and 3<sup>rd</sup> in the sector instead of 6<sup>th</sup>, Ecovadis (+5 points in 2020 and obtaining of the platinum medal)

Maintenance in the major non-financial indexes (non-exhaustive list): DJSI World, STOXX ESG Leaders, FTSE4Good, MSCI: CLIMATE CHANGE, ESG SCREENED, ESG UNIVERSAL, WORLD CLIMATE CHANGE, CLIMATE CNG EU PARIS ALIGNED... Euronext VE : WORLD120, EUROZOE 120, EUROPE 120, France 120

 EDF increase compared to 2019  
 EDF maintenance of the rating compared to 2019  
 Sector average



## EDF major international coalitions



# EDF SOCIAL BOND FRAMEWORK RATIONALE



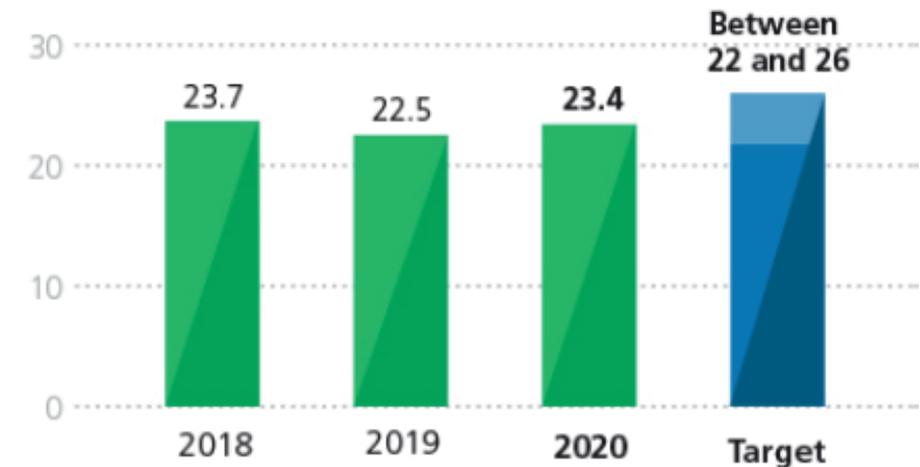
# EDF'S COMMITMENT TO RESPONSIBLE DEVELOPMENT

The issuance of a social bond would support the EDF Group's commitments under its CSR strategy to the "responsible development of local areas" and the "development of industrial sectors"

## RESPONSIBLE DEVELOPMENT

CSR COMMITMENTS	CONTRIBUTION TO THE UN SD GOALS	KEY PERFORMANCE INDICATORS 
DIALOGUE AND CONSULTATION WITH STAKEHOLDERS		Proportion of projects on which there is consultation in accordance with the Equator Principles
➔ RESPONSIBLE DEVELOPMENT OF LOCAL AREAS		Annual rate of procurement from SMEs in France <sup>(1)</sup>
➔ DEVELOPMENT OF INDUSTRIAL SECTORS		Qualitative evaluation
RESPONSIBLE DIGITAL DEVELOPMENT		Number of customer visits on digital consumption monitoring platforms

## ANNUAL RATE OF PROCUREMENT FROM SMEs IN FRANCE (%)



(1) The indicator is the ratio, expressed as a percentage, of the annual volume of procurement by EDF SA and Enedis from SMEs located in France, to the annual volume of total procurement in France by EDF SA and Enedis. SMEs are identified based on INSEE (French National Institute of Statistics & Economic Studies) categories, stipulating that an SME (Small- and Medium-Sized Enterprise) has fewer than 250 staff and annual turnover not exceeding €50 million. Suppliers are ranked in the SME category by a service provider that EDF tasks with analysing the supplier list, checking that these SMEs are not controlled above 25% by a Large Enterprise or by an MMC. The scope covers France, where the SMEs' locations are certified based on their French business number (SIREN).

# EDF'S RESPONSIBLE PURCHASING POLICY

## RESPONSIBLE SUPPLIER RELATIONSHIPS

- Since 2010, EDF has been signatory to the **Responsible Supplier Relations Charter of Inter-enterprises Mediation, Public Procurement Mediation and CDAF<sup>(1)</sup>** which aims to develop lasting and balanced relationship between customers and suppliers, in a context of mutual trust
- EDF provides "a good conduct guide for those involved in the contracting process" with **simple and mandatory rules that govern supplier relations**
- In 2015, the Economy and Finance Ministry awarded EDF with the **"Responsible supplier relationships"** label. This distinguishes EDF as a company that has lasting and well-balanced relationships with its suppliers



## RECIPROCAL COMMITMENTS

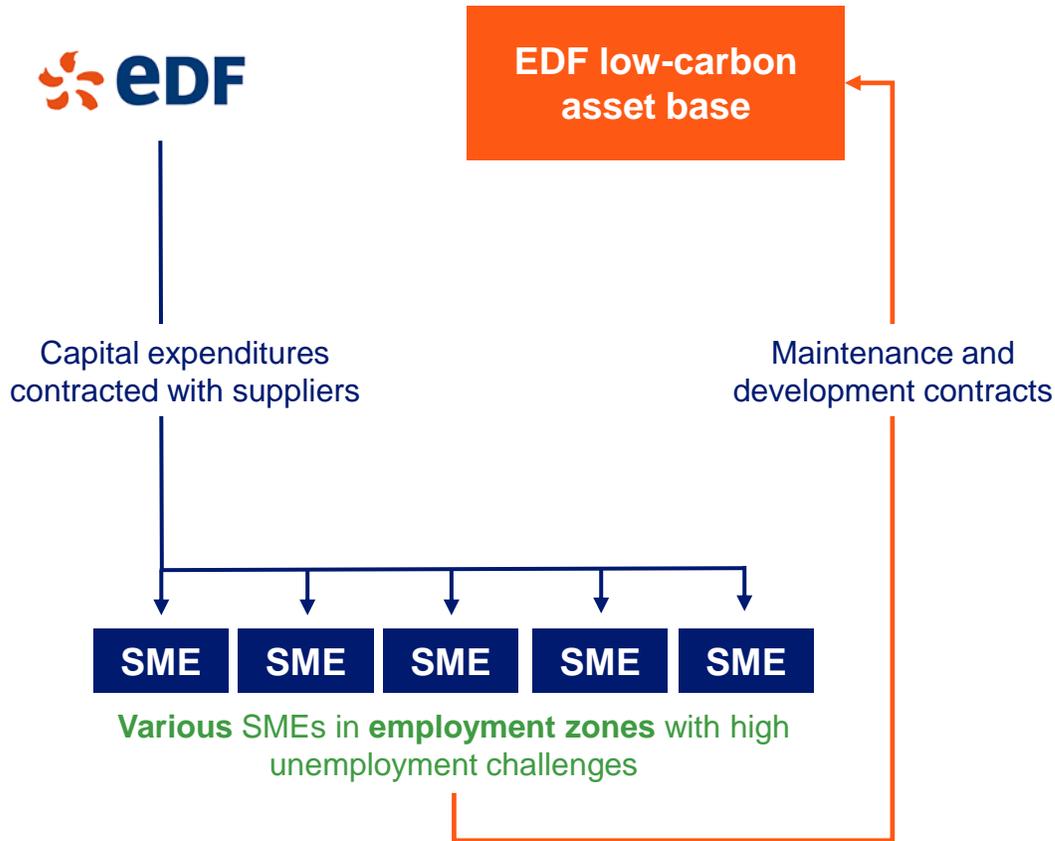
- EDF aims to integrate sustainable development in the different steps of its contracting process throughout the product or service lifecycle
- Reciprocal commitments between EDF and its suppliers in are laid out in the **"Sustainable Development Charter between EDF and Its Suppliers"**, a contractual document
- Suppliers commit to respecting the **International Labour Organisation's (ILO) conventions as well as the United Nations Global Compact**, including application of these standards by intermediaries and sub-contractors
- Supplier and sub-contractors' respect of environmental and social commitments is assessed through an evaluation system, including, for example:
  - audited supplier questionnaires
  - audits for the environment, hygiene and security, work time, forced labour, child labour, etc.

In 2015, the group procurement division completed 186 "sustainable development - social responsibility" evaluations from 141 self-assessing questionnaires and 45 audits based on CSR risk mapping of the procurement segments

(1) Company of Directors and Buyers of France

# AN INNOVATIVE APPROACH TO CORPORATE SOCIAL BONDS

WITHIN EDF'S COMMITMENT TO A JUST TRANSITION



“The Group is committed to contributing to the development of the industrial sectors needed for the energy transition or their revitalization by redeploying the necessary skills, developing skills and setting up support, retraining and protection schemes for employees for a just transition.”

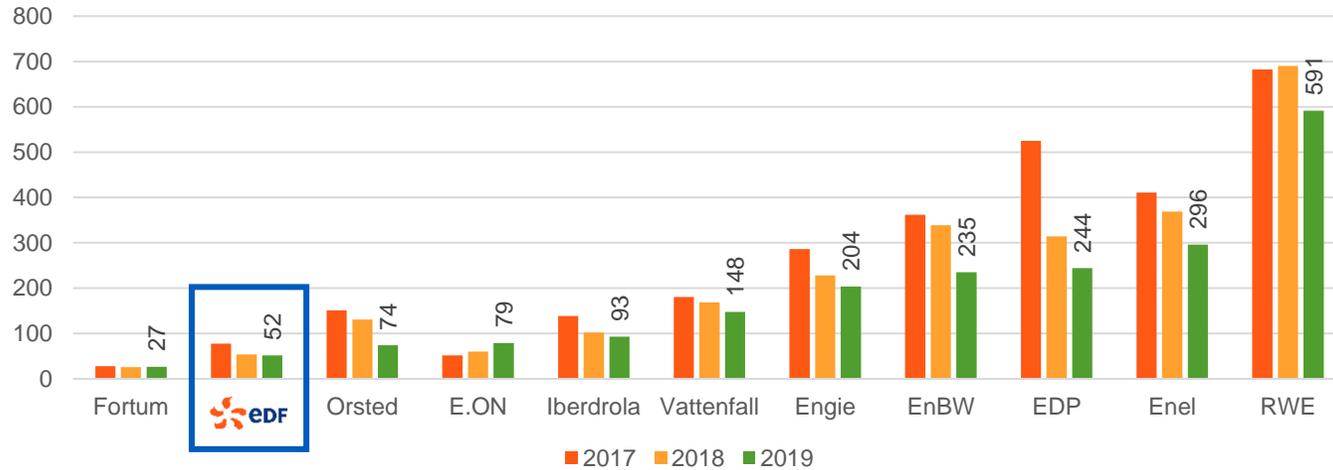
Extract of EDF CSR materiality matrix<sup>(1)</sup>

- EDF is making significant annual investments to **maintain and develop its energy production and distribution asset base**, one of the lowest-carbon emitting in Europe, including by sub-contracting with a wide array of SMEs in its local areas
- Thereby, EDF has a strong impact on the creation and preservation of specialised jobs in many territories, where it operates
- Through this Social Bond framework, EDF intends to underline the social impact of its capital expenditures, in addition to the environmental objective of maintaining a low-carbon asset base in the UK and European Union
- In line with best market practices in the Green and Social bond markets, and supporting the idea that “use of proceeds” bonds should finance long-term assets, EDF has chosen to (re) finance **exclusively capital expenditures** through this Social Bond framework
- Further, EDF will allocate its Social Bonds proceeds **exclusively to SMEs located in employment zones with high unemployment challenges**

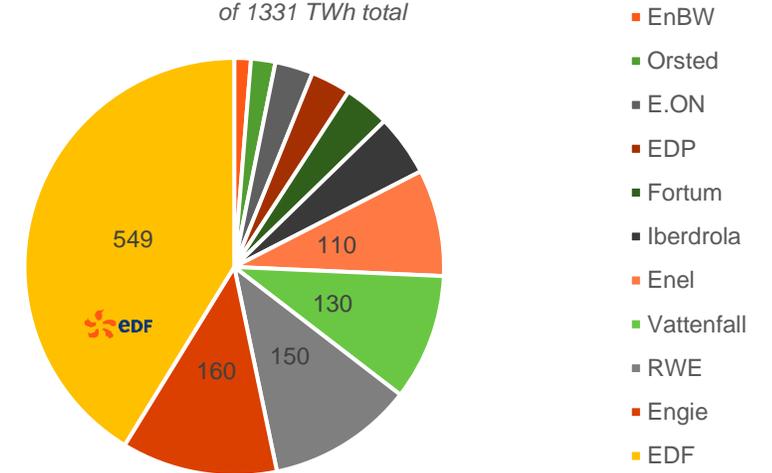
(1) Source: EDF Universal Reporting Document – section 3.7.2 - Details on the issues arising from the materiality matrix of the EDF group

# EDF LOW CARBON ASSET SUPPORTED BY AN ECOSYSTEM OF SMEs

Carbon factor (kg CO<sub>2</sub>/MWh)<sup>(1)</sup>



Proportion of 2019 Production in Europe (TWh)<sup>(1)</sup>  
of 1331 TWh total



- Among its competitors, EDF has a sector-leading carbon emissions profile relative to its size
- The maintenance of this critical asset for the transition to a low-carbon economy in Europe relies heavily on the good economic health of a large pool of SME subcontractors, with very specific technical expertise

**The promotion of industrial know-how and employment through SMEs and local subcontractors is critical to maintain the low-carbon power generation and distribution assets of EDF**

(1) Source: Climate Change and Electricity, European carbon factor, benchmarking of CO<sub>2</sub> emissions by Europe's largest electricity utilities 19th edition, PWC (2020), includes charts "2019 Production (TWh)" and "Carbon Factor (kg CO<sub>2</sub>/MWh)" <https://www.pwc.fr/fr/assets/files/pdf/2021/03/fr-france-pwc-etude-facteur-carbone-2020.pdf>

# SOCIAL BOND FRAMEWORK



# SOCIAL BOND FRAMEWORK

## 1 USE OF PROCEEDS

- Eligible Projects include any **capital expenditure contracted with a SME<sup>(1)</sup>** which contributes to the development or maintenance of EDF Group's power generation and/or distribution assets in Europe (defined as the European Union and the United Kingdom)
- **The social objective** of such projects is to **support the SMEs** that make up a key part of EDF's industrial fabric and which **provide employment opportunities in the territories where EDF is active**
- **Target population:** employees and subcontractors of SMEs
- No double counting : EDF will not finance projects already financed by any of its green bonds

## 3 MANAGEMENT OF PROCEEDS

- Net proceeds are managed through a **dedicated process that ensures traceability until their allocation** to Eligible Projects
- Until full allocation, the balance of the unallocated net proceeds will be invested in short-term financial assets, labelled as "Socially Responsible Investments", as certified by French Ministry of Finance's Label ISR

## 2 EVALUATION AND SELECTION OF PROJECTS

Eligible Projects are subject to a specific assessment and selection process:

- Under the coordination of EDF Group's Finance Division, **each Finance Department within a relevant EDF Division is responsible for identifying proposed Eligible Projects** that comply with the Use of Proceeds criteria
- Each EDF division commits **to respect the policies and procedures of the EDF Group**, including those related to ethical procurement and contracting with SMEs
- Each relevant EDF Finance department will **document the project assessment process** within their scope

## 4 REPORTING

- For each Social Bond issuance, EDF will **report annually on the allocation and impact of the proceeds**, until full allocation or the maturity date of the relevant bond, whichever comes first
- An independent auditor will be appointed to issue an **annual assurance report** on fund allocations, compliance with the Social Bond Principles and compliance of the methods used by EDF to estimate the social impact with the methodology described in the Framework

(1) SMEs are identified based on INSEE (French National Institute of Statistics & Economic Studies) categories, stipulating that an SME (Small- and Medium-Sized Enterprise) has fewer than 250 staff and annual turnover not exceeding €50 million. Suppliers are ranked in the SME category by a service provider that EDF tasks with analysing the supplier list, checking that these SMEs are not controlled above 25% by a Large Enterprise or by an MMC. The scope covers France, where the SMEs' locations are certified based on their French business number (SIREN)

EDF Social Bond Framework is available on: <https://www.edf.fr/en/the-edf-group/dedicated-sections/investors-shareholders>

# SOCIAL BOND FRAMEWORK

## EXTERNAL REVIEW

“ In our view, Électricité de France’s Social Bond Framework is aligned with the four components of the Social Bond Principles”



### 1. Use of proceeds

The social bond framework is aligned with this component of the SBP because it commits to using the net proceeds of bonds issued under the social framework to fund eligible projects considered under the SBP, specifically employment generation designed to prevent or alleviate unemployment through contracting with SMEs.



### 3. Management of proceeds

EDF’s social bond framework is aligned with this component of the SBP because the framework states proceeds will be tracked and managed through a dedicated process in EDF’s Treasury to ensure fund traceability.



### 2. Process for project evaluation and selection

EDF’s social bond framework is aligned with this component of the SBP because it outlines the process through which eligible projects are selected and approved. Each finance department within the relevant EDF division will propose in-scope eligible projects and be responsible for documenting the project assessment process.



### 4. Reporting

The social bond framework is aligned with this component of the SBP because the framework indicates EDF will report the allocation of proceeds and social impacts of financed projects at the portfolio level. Allocation and impact reporting will be done annually until the full allocation of proceeds or the bond matures.

**S&P Global**  
Ratings

Second Party Opinion on the SBF is available on: <https://www.edf.fr/en/the-edf-group/dedicated-sections/investors-shareholders>

# **FOCUS ON EDF SOCIAL BONDS' USE OF PROCEEDS**



# FOCUS ON EDF SOCIAL BONDS’ “USE OF PROCEEDS”

- EDF has a variety of activities with broad involvement of SMEs
- 3 business divisions are likely to provide the bulk of the use of proceeds of a Social Bond

1

## FRANCE - GENERATION AND SUPPLY

### Scope

- EDF’s electricity generation and supply activities in metropolitan France
- 46% of EDF Group’s EBITDA (€7.4 bn in 2020)

### Involvement with SMEs

- SME activity across diverse projects, including to operations, refurbishment and maintenance
- Over €1.2 bn of investments with SMEs in 2020 <sup>(2)</sup>

2

## FRANCE - REGULATED ACTIVITIES ENEDIS

- Regulated distribution business in France
- Largest distribution grid in Europe, connected to 95% of the population of metropolitan France
- About a quarter of EBITDA, investments and headcount of EDF Group

- Managing nearly 1.4 million km of electric lines
- Purchases of materials and services carried out preferentially at the local level
- A majority of Enedis’ purchases come directly from SMEs

3

## UNITED KINGDOM HINKLEY POINT C

- New generation of nuclear power stations in the UK providing low-carbon electricity for around six million homes.
- 9 million tonnes of carbon dioxide emissions will be offset each year over its 60-year lifespan

- A majority of Hinkley Point’s suppliers have been SMEs
- £2.3 billion spent estimated<sup>(1)</sup> with SMEs since project start

(1) Estimation based on self-reported data from suppliers

(2) Including Hydro power generation, which will be excluded from the Social Bond Framework to avoid double-counting with the Green Bonds

# FOCUS ON EDF SOCIAL BONDS' "USE OF PROCEEDS"

FRANCE – GENERATION AND SUPPLY

1

## ACTIVITIES IN FRANCE

- EDF's industrial strategy is to generate low carbon electricity under the best conditions of safety, security and environmental protection
- **EDF's Generation and Supply activities have significant purchasing with SMEs** across the whole of its business in France
- In 2020, EDF's purchases with SMEs across these activities are estimated to **€1.2 bn<sup>(1)</sup>**

## FOCUS ON GRAND CARÉNAGE

- Since 2014, EDF has been implementing the Grand Carénage, which runs from 2014 to 2025 and beyond, and aims to improve safety and to continue operating the reactors of the nuclear fleet beyond 40 years
- For example, **the VD4 900 Project** aims to obtain the authorization to extend the operation of EDF's 32 900 MW reactors by 10 years (40 to 50 years). It involves carrying out the necessary studies and work including:
  - the achievement of the safety objectives set by EDF and validated by the regulator ASN
  - maintaining the performance of materials up to 50 years
- Since 2015, over €110 M have been spent with 135 SMEs working on VD4 900 alone

(1) Corresponds to EDF SA legal perimeter

# FOCUS ON EDF SOCIAL BONDS' USE OF PROCEEDS

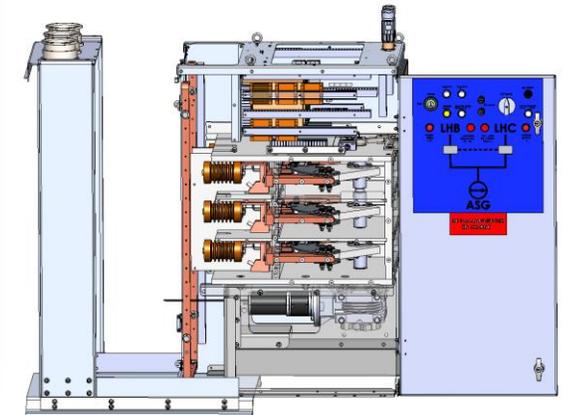
## EXAMPLES OF SME WORKING ON GRAND CARÉNAGE



**AMC ETEC** is an SME based in the Var district in Southern France with fewer than 30 employees. It is providing important work on steam generator cooling for the VD4 900 project, part of Grand Carénage program. This notably includes the design of a MV source inverter that fits size constraints and coheres to a "hard core" seismic benchmark, all within the context of a design deadline that is compatible with industrial planning.

The project adapted its mode of work to allow AMC ETEC to participate in an extended onsite workshop with the Division of Nuclear Power Plant Engineering and Deconstruction. In so doing, the AMC ETEC's workforce achieved significant upskilling, commensurate with the strict requirements of the nuclear industry. Once AMC ETEC's prototype is approved in mid-2022, they will initiate qualification of their plant.

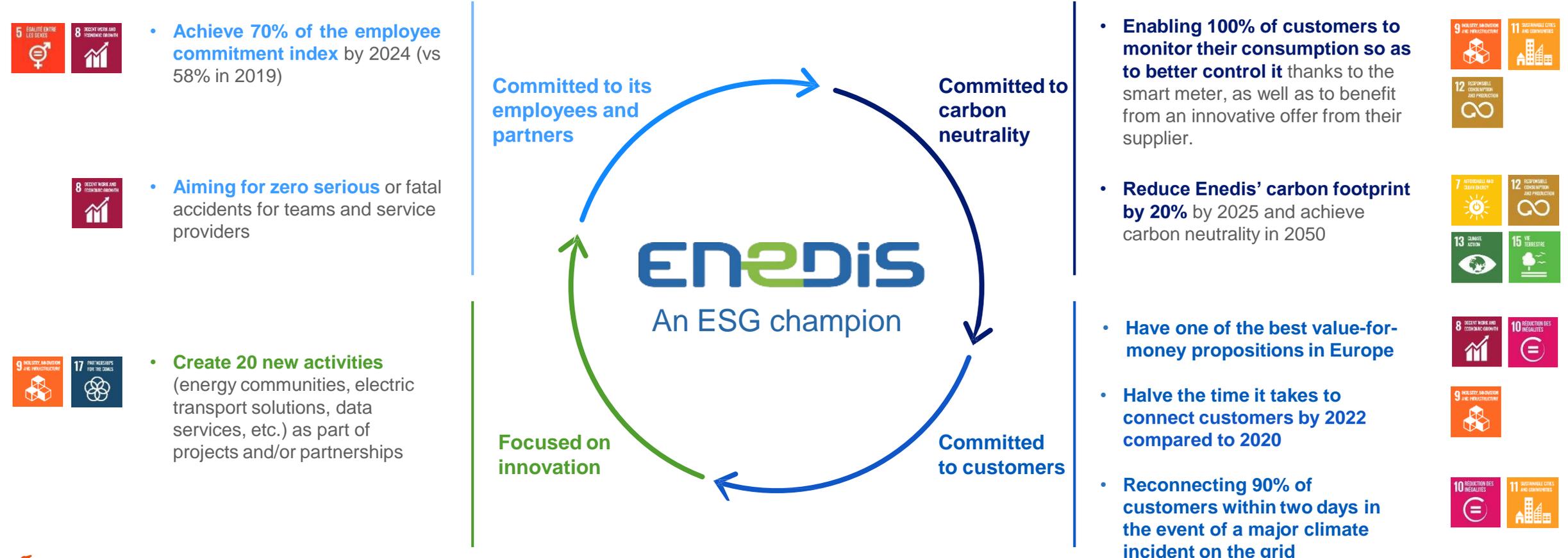
To offer AMC ETEC with a contracting and financing adapted to such a small structure, EDF implemented an innovative "Target Price" mechanism. This method compensates the contractor as the project progresses, while including an incentive that limits the cost at completion through a bonus if the final amount is lower than the target, or a penalty if higher.



# FOCUS ON EDF SOCIAL BONDS' "USE OF PROCEEDS"

ENEDIS - ENERGY TRANSITION AT THE SERVICE OF THE TERRITORIES

## 2020-2025 INDUSTRIAL AND HUMAN PROJECT BASED ON EIGHT COMMITMENTS ALIGNED WITH UN OBJECTIVES



# FOCUS ON EDF SOCIAL BONDS' "USE OF PROCEEDS"

## ENEDIS' SUPPORT TO A FULL ECOSYSTEM OF SMEs

**ENEDIS:** A true local player, Enedis contributes to local economic growth and employment, with 54,000 indirect jobs supported by its activity. A majority of Enedis' purchases come directly from SMEs purchases of materials and services and are carried out preferentially at the local level

### Breakdown of ENEDIS capital expenditures related to works in 2020



In 2020, 45% of Enedis' Capex related to works, representing over €630 million, was spent with SMEs

(1) Referring to INSEE definition: Large Enterprise = "Grandes Entreprises" (<https://www.insee.fr/en/metadonnees/definition/c1035>) / Intermediate-sized Enterprise = "Entreprises de Taille Intermédiaire" (<https://www.insee.fr/en/metadonnees/definition/c2034>) / Small to Medium-sized Enterprise = "Très Petites Entreprises" + "Petites et Moyennes Entreprises" (<https://www.insee.fr/en/metadonnees/definition/c1962>)

# FOCUS ON EDF SOCIAL BONDS' "USE OF PROCEEDS"

EXAMPLE OF SME WORKING WITH ENEDIS

2

"We experienced an 8% drop in activity in 2020 due to the lock-down period, but we quickly rebounded thanks to ENEDIS, which renewed our contracts until 2024/2025, giving us the flexibility to hire"

Fabrice Michel, Managing Director



**AZUR TRAVAUX** located in Brignoles, throughout the Provence-Alpes-Côte d'Azur (PACA) region. Since 1982, the company is specialised in electrical networks and public lighting and has worked for many years for departmental unions and ENEDIS

**AZUR TRAVAUX** has 150 employees and EUR 14 million in annual turnover

**Profiles in the workforce:** network installers, utility poles installers, excavation workers, masons, engineers

AZUR TRAVAUX creates and maintains the electrical networks as well as the public lighting of its customers. Its 3 establishments allow it to be present in most of the PACA region from design to construction

Its experience allows it to be one of the most important providers of ENEDIS. Its integrated design office allows it to extend its know-how

# FOCUS ON EDF SOCIAL BONDS' "USE OF PROCEEDS"

EXAMPLE OF SMES WORKING WITH ENEDIS

2



**“We were able to restart after only one month of interruption thanks to the sanitary protocols provided by ENEDIS, and with the support of the ENEDIS purchasing platform in Bordeaux.”**

**Fabrice Larren, Managing Partner**



Working alongside ENEDIS, **Angel Larren Groupe** carries out the maintenance and development of public distribution networks in urban and rural areas

**The Angel Larren Groupe / SLR Larren Réseaux d'Énergies** is a third generation business starting with the creation of the company under the leadership of Angel Larren with two employees

Founded in 1972, then developed by Julien Larren, today Sandra & Fabrice are the third generation to run the company with the same founding values

**Profiles in the workforce:** overhead network installer, machine operator, “roads and networks” worker, design office, project manager

Training of young people undergoing retraining or seeking employment, as part of a 2 years "Work under tension" qualification. **The company has doubled the training objectives set by ENEDIS**

# FOCUS ON EDF SOCIAL BONDS' "USE OF PROCEEDS"

EXAMPLE OF SME WORKING WITH ENEDIS

2



“ENEDIS considers its suppliers like true partners. It has been the most supportive of our clients during the Spring 2020 crisis, both by compensating for the loss of turnover up to our incompressible charges and by facilitating our access to protection equipment.”

Martine Vandervonden, Chairman and CEO

Founded on April 2, 1979 in the Arrageois region, and as its name indicates, **SATCOMS** mainly carries out telecommunications services. However, due to its success and its desire to develop, the general electricity activity was subsequently added

In 2002, the construction activity was developed. This department, although quite different from the core business, enabled the company to establish its reputation in the field of public works

**SATCOMS** has 100 employees - including 50 in SATCOMS ENERGIE - and plenty of projects in the pipeline

**SATCOMS** is a family business, composed of 5 subsidiaries:

- **SACTOMS ENERGIE:** carries out general electricity work
- **SATCOMS NETWORKS:** carries out telecommunications work for operators and private individuals, such as network cabling and video surveillance
- **SATCOMS CONCEPT:** carries out earthworks and landscaping
- **SATCOMS GARAGE:** carries out the repair of private and professional motor vehicles
- **CODEOS:** carries out the IT development of the group (software engineering)



Telecommunications



Electricity



Construction

# FOCUS ON EDF SOCIAL BONDS' "USE OF PROCEEDS"

HINKLEY POINT C

**Hinkley Point C (UK):** Beyond the **vital contribution in tackling the climate change** crisis and the UK's move to a net-zero future by **providing secure low-carbon electricity to 6 million homes**, Hinkley Point C is committed to ensuring that the project benefits people and business across the South West and the rest of the UK

These benefits range from **supporting local employment**, to the **development of a sustainable regional supply chain** and the **investment in new training facilities** and the **community**

Since the start of the project in 2013, 55% of Hinkley Point's tier 2 suppliers have been SMEs, representing an estimated £2.3 billion spent with SMEs <sup>(1)</sup>



**11,000 job opportunities** created to date. On track to meet our ambition of creating 25,000 during the construction phase of the project



**750 apprentices** trained on the project to date. On track to meet our ambition of training 1,000 during the construction phase of the project

(1) Estimation based on self-reported data from suppliers

# FOCUS ON EDF SOCIAL BONDS' "USE OF PROCEEDS"

EXAMPLE OF SMES INVOLVED IN HINCLEY POINT C

"It is great to be involved in the development of UK infrastructure and excellent that local industry here in the midlands is able to supply to such a prestigious project."

John Horton, Design Engineer



Based in Aldridge, West Midlands, **Special Formwork** is an SME that has already benefitted from HPC contracts of more than £1.5 million. Of its 20 employees, 15 members of staff are working on HPC-specific work.

Employees have been upskilled to undertake the greater complexities of a nuclear project and investment has allowed growth of 3D design capabilities and a growing expertise in hydraulic systems.

Specializing in the design and manufacture of purpose-made steel formworks, the company developed an innovative remote control travelling formwork system for the construction of the 750m sea wall at HPC.

# EDF SOCIAL BOND – 2021 REPORT PREVIEW

*Note :*

- *This section has been added to the original “Social Bond Framework Presentation” published on 19 May 2021*
- *This Report preview is for illustration purposes at this stage. Final reported amounts and indicators may differ in the final 2021 Social Bond Report.*
- *The 2021 EDF Social Bond Report will be published in Q1 2022, as part of EDF’s annual integrated report*
- *KPMG will provide a limited assurance report on the information relating to the allocation, respectively to eligible capital expenditure as at December 31, 2019, December 31, 2020 and December 31, 2021, of the funds raised in the context of the “Social Bond” issue of May 26, 2021*



# EDF SOCIAL BONDS – 2021 REPORT PREVIEW

## EDF APPROACH TO ALLOCATION AND IMPACT REPORTING

- EDF is committed to the Social Bonds Principles recommendation to “seek to achieve positive social outcomes especially but not exclusively for a target population(s)”
- EDF has analyzed its SME contracting activity to target SMEs that are likeliest to have a positive impact on employment
- EDF shall allocate proceeds from its May 2021 Social Bond issuance only to CAPEX expenditures with SMEs that are located in zones with high unemployment challenges, defined as follows:

### Allocation reporting: selection of SMEs in employment zones with high unemployment challenges

#### High unemployment challenges

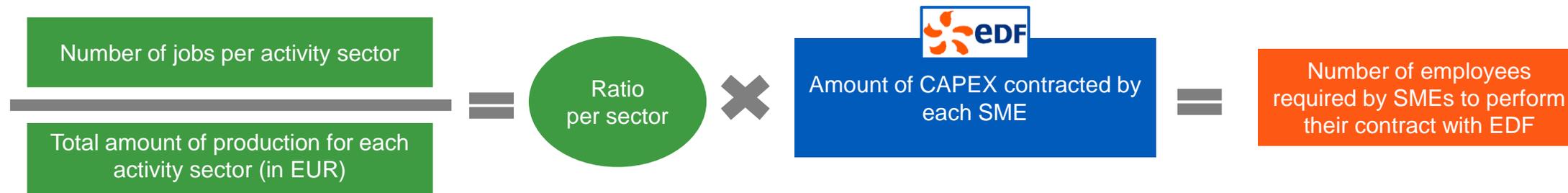
SMEs located in employment zones where the unemployment rate:

- is higher than the average national unemployment rate; or
- decreases less rapidly (or increases more rapidly) than the average national unemployment rate over the last five years



EDF is able to estimate the impact on the target population, which is the number of jobs estimated to be supported by EDF’s investments with SMEs

### Impact reporting: calculation \* of supported jobs per SME



# EDF SOCIAL BONDS – 2021 REPORT PREVIEW

## METHODOLOGY FOR REPORTING AND DATA COLLECTION, SUBJECT TO AN ASSURANCE REPORT

- EDF Social Bond Report relies on internal data from its purchasing department, which tracks each expenditure and supplier by type
- EDF has hired an external consultant (Goodwill Management) to verify this data and to develop indicators, using in particular the national database of INSEE

### 1 Data collection

 CAPEX spent with SMEs in 2019 and 2020, for the French entities covered in the Social Bond scope:

- Generation and Supply Activities<sup>1</sup>
- Regulated Activities<sup>2</sup>

 Identification of the unique identification number (SIRET) of the SMEs, for each contracted investment

 **Validation** of the data received with the purchasing departments of EDF (France) and ENEDIS

### 2 Data extraction and verification

 **Data reprocessing**

 **Extraction** of official registration information from the Sirene® database such as the enterprise status (SME/ETI/GE)<sup>3</sup>, NIC (Identification Code), Postal Code and NAF (activity sector)

SIRET	CAPEX amount	Year	Source	Status	NIC	Postal Code	NAF

 **Verification** of the SME status of each supplier using INSEE data, retrieved via the Sirene® database

 **Exclusion** of SMEs owned by a larger firm (ETI or GE)

### 3 Combining employment zones and activity sectors

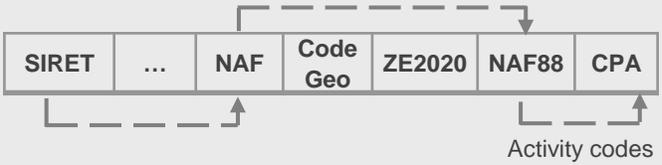
 **Localisation** of each SME in one of the 306 employment zones<sup>4</sup> in France, as defined by INSEE



```

    graph LR
      A[Postal Code « CP »] --> B[Official geographical code « Code Geo »]
      B --> C[Employment Zone « ZE2020 »]
      subgraph Bases
        A --- Bases[Sirene® bases]
      end
      subgraph Laposte
        B --- Laposte[Laposte]
      end
      subgraph INSEE
        C --- INSEE[INSEE]
      end
    
```

 Mapping each SME/CAPEX to its **specific activity sector code**



```

    graph LR
      SIRET --- Dots[...] --- NAF --- CodeGeo[Code Geo] --- ZE2020 --- NAF88 --- CPA
      subgraph ActivityCodes
        NAF --- CodeGeo --- ZE2020 --- NAF88 --- CPA
      end
      Dots -.-> NAF
      NAF88 -.-> CPA
    
```

 KPMG has been selected as Third Party Provider on the information to be disclosed in the first allocation and impact report, which will be included in the Group FY21 Universal Registration Document

<sup>1</sup> Limited to Nuclear & Thermal Fleet Department (DPNT) and New Nuclear Projects & Engineering Department (DIPNN)  
<sup>2</sup> Limited to Enedis and Island Energy Systems (SEI) electrical network  
<sup>3</sup> Entreprises de Taille Intermediaire et Grandes Entreprises = Mid-sized Enterprises and Large Enterprises  
<sup>4</sup> According to INSEE, an employment zone is a "geographical area within which most of the labour force lives and works" (<https://www.insee.fr/en/metadonnees/definition/c1361>).

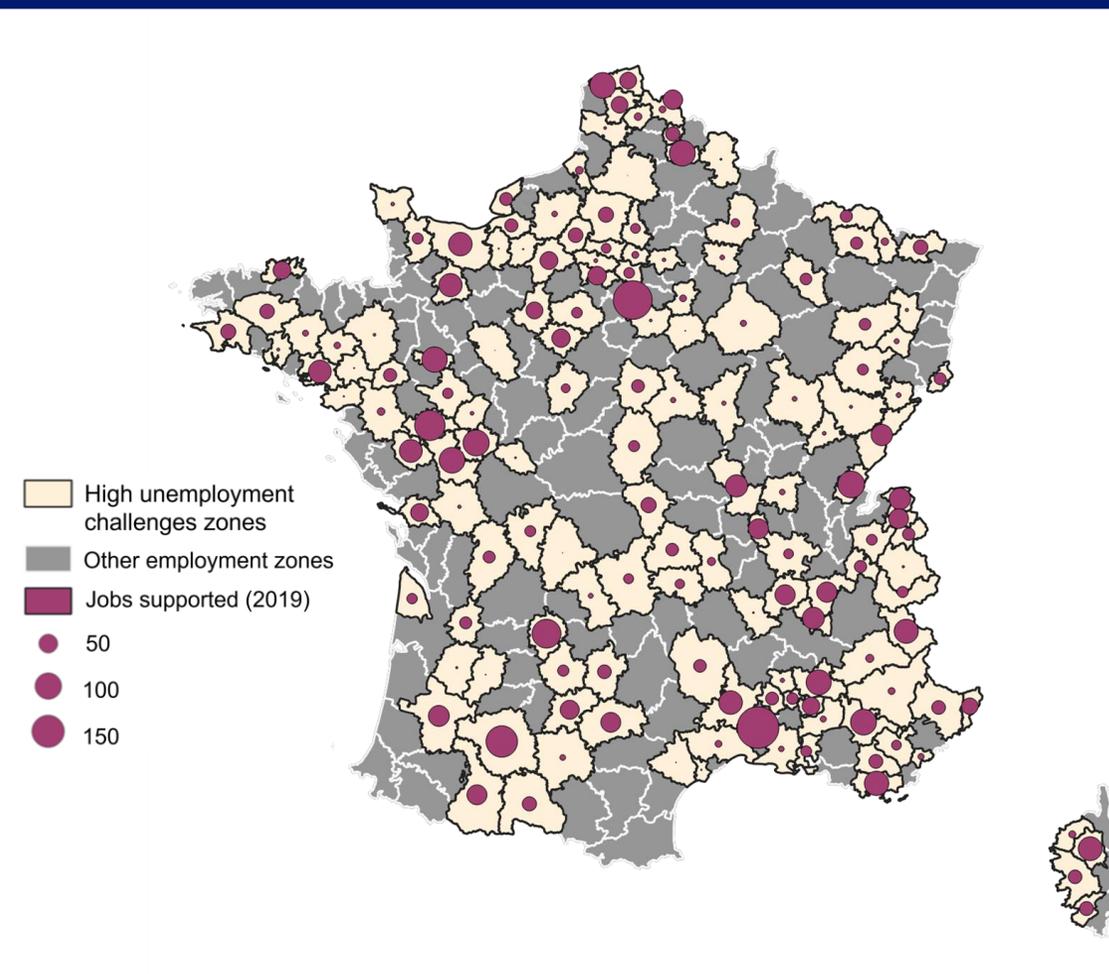
# EDF SOCIAL BONDS – 2021 REPORT PREVIEW

## KEY RESULTS

- EDF contracted around EUR 1.1 billion of CAPEX investment with 1,539 and 1,666 SMEs located in zones with high unemployment challenges, in 2019 and 2020 respectively
- This represented 58% and 68% of total CAPEX contracted with SMEs in 2019 and 2020 respectively
- The equivalent number of full time employees required by the SMEs to perform their contract with EDF is estimated to be 3,330 in 2019 and 3,531 in 2020

	Amount spent in €M <sup>(1)</sup>	Number of SMEs	Number of employees <sup>(2)</sup>
	in zones with high unemployment challenges		
2019	€550	1,539	3,330
2020	€589	1,666	3,531
Total	€1,139		

Employment zones and number of jobs supported in France (2019)



# EDF SOCIAL BONDS' PRELIMINARY ALLOCATION

- Based on this preliminary report, around EUR 1.1bn of the inaugural EUR 1.25bn Social Hybrid bond issued by EDF in May 2021 will be allocated to refinance 2019 / 2020 CAPEX (“lookback”)
- Further allocation is likely to be earmarked to 2021 CAPEX investments in France Generation and Supply Activities and France Regulated Activities, as well as possible allocation to qualified activities in the UK as per the Social Bond Framework.
- The 2021 EDF Social Bond Report, including an assurance report by KMPG, will be published in Q1 2022 as part of EDF’s annual integrated report

	2019	2020	2021
1 France - Generation and Supply Activities <sup>1</sup>	€ 128,631,365	€167,421,820	<i>tbd</i>
2 France - Regulated Activities <sup>2</sup>	€ 421,567,921	€ 421,758,483	<i>tbd</i>
Total	€550,199,286	€589,180,303	
Allocation of €1.25 Bn Hybrid Social Bond (Issued In May 2021)	allocated from 2019 and 2020 investments: <b>€1,139,379,589</b>		to be allocated: <b>€110,620,411</b>

<sup>1</sup> Limited to Nuclear & Thermal Fleet Department (DPNT) and New Nuclear Projects & Engineering Department (DIPNN)

<sup>2</sup> Limited to Enedis and Island Energy Systems (SEI) electrical network

# APPENDIX



# EDF CONTRIBUTION TO UN SUSTAINABLE DEVELOPMENT GOALS

CARBON NEUTRALITY AND THE CLIMATE		
CSR COMMITMENTS	CONTRIBUTION TO THE UN SD GOALS	KEY PERFORMANCE INDICATORS
AMBITIOUS CARBON TRAJECTORY	 	EDF group direct greenhouse gas emissions (scope 1) Carbon intensity: specific CO <sub>2</sub> emissions due to electrical generation Installed net renewable electricity generating capacities
CARBON OFFSET SOLUTIONS	 	Qualitative evaluation
ADAPTING TO CLIMATE CHANGE	 	Qualitative evaluation
DEVELOPING ELECTRICITY USE AND ENERGY SERVICES	  	Number of smart meters installed EDF group's Electric Vehicles rate in the fleet of light vehicles

PRESERVING THE PLANET'S RESOURCES		
CSR COMMITMENTS	CONTRIBUTION TO THE UN SD GOALS	KEY PERFORMANCE INDICATORS
BIODIVERSITY	 	Achievement rate of Group commitments under the "Act4nature international" initiative
RESPONSIBLE LAND MANAGEMENT		Qualitative evaluation
INTEGRATED AND SUSTAINABLE WATER MANAGEMENT	  	Water intensity: water consumed / electricity generated by fleet
WASTE AND CIRCULAR ECONOMY	 	France: volume of long-lived high and intermediate level solid radioactive waste UK: volume of low level radioactive solid waste generated

WELL-BEING AND SOLIDARITY		
CSR COMMITMENTS	CONTRIBUTION TO THE UN SD GOALS	KEY PERFORMANCE INDICATORS
PROTECTING THE HEALTH AND SAFETY OF ALL	 	Nuclear safety: Number of significant level 2 events on the INES scale Global LTIR (Employees and service providers) Number of fatal accidents connected to business-specific risks (employees and providers)
ETHICS, COMPLIANCE AND HUMAN RIGHTS		Proportion of executives who have completed the anti-corruption training programme
EQUALITY, DIVERSITY AND INCLUSION	 	Gender balance index: percentage of women in the Management Committees of the Group's entities Percentage of employees who have taken part in a skills development initiative Rate of employees covered by a collective bargaining agreement
ENERGY POVERTY AND SOCIAL INNOVATION	 	Number of energy support

RESPONSIBLE DEVELOPMENT		
CSR COMMITMENTS	CONTRIBUTION TO THE UN SD GOALS	KEY PERFORMANCE INDICATORS
DIALOGUE AND CONSULTATION WITH STAKEHOLDERS		Proportion of projects on which there is consultation in accordance with the Equator Principles
RESPONSIBLE DEVELOPMENT OF LOCAL AREAS	    	Annual rate of procurement from SMEs in France
DEVELOPMENT OF INDUSTRIAL SECTORS		Qualitative evaluation
RESPONSIBLE DIGITAL DEVELOPMENT		Number of customer visits on digital consumption monitoring platforms

Source: EDF's Universal Registration Document, 2020

# GREEN BONDS: PROCEEDS ALLOCATION <sup>(3)</sup>

Allocated funds as of 30/09/2021

Issue date <sup>(1)</sup>	Maturity (in years)	Nominal amount (in million of currency units)	Currency	New renewable capacities <sup>(2)</sup>	Investments in hydro facilities <sup>(2)</sup>	Energy efficiency projects	Biodiversity projects	Total (% of raised funds)	
Nov. 2013	7.5	1,400	EUR	1,400	<i>Not applicable</i>	<i>Not applicable</i>	<i>Not applicable</i>	<b>1,400</b>	(100%)
Oct. 2015	10	1,250	USD	1,250	<i>Not applicable</i>	<i>Not applicable</i>	<i>Not applicable</i>	<b>1,250</b>	(100%)
Oct. 2016	10	1,750	EUR	1,248	502	<i>Not applicable</i>	<i>Not applicable</i>	<b>1,750</b>	(100%)
Jan. 2017	12	19,600	JPY	8,149	11,451	<i>Not applicable</i>	<i>Not applicable</i>	<b>19,600</b>	(100%)
Jan. 2017	15	6,400	JPY	5,872	528	<i>Not applicable</i>	<i>Not applicable</i>	<b>6,400</b>	(100%)
Sept. 2020 <sup>(3)</sup>	4	2,400	EUR	2,421	110	-	28	<b>2,559</b>	(100%)

**EUR Green Bond issued in September 2020: 100% of the funds allocated at end-September 2021 on the net proceed total of €2,559M**

- Dedicated funds to EDF Renewables' projects are mainly for projects located in the United States, United Kingdom and France
- EDF Hydro, Luminus and EDF ENR have used funds to projects located in France and in Belgium

NB: look-back amount for €1,477M, o/w €1,461M on renewable capacities and €16M on biodiversity projects

Entity	Total
EDF ENR	6
Luminus	7
EDF Hydro	138
EDF Renewables	2,421
<b>Total</b>	<b>2,559</b>

(1) Date of funds reception

(2) Since 2019, the Green Bonds funds are financing eligible investments of Luminus in Belgium: construction of wind farms and renovation of a hydroelectric power plant; and also since 2020 for EDF ENR: installation of solar awnings

(3) Allocation of 2020 Green Bond subject to final attestation report to be published in 2021 Universal Registration Document

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