CODE OF CONDUCT

Ethics & Compliance

Dalkia UK

This code is designed to help preserve our culture of integrity

Based on its values, Dalkia UK acts in accordance with laws, regulations and its own voluntary commitments. In terms of integrity, Dalkia UK, as a part of the EDF Group, abides by an increasing and complex set of national and international regulations and any misunderstandings can leave us open to increasingly severe sanctions. In line with the EDF Group Ethics and Compliance Policy, updated in 2020, and together with all the members of the Combined Committee, I wanted our Code of Conduct to be broad and describe various possible forms of corruption in order to protect us as effectively as possible and safeguard our companies' good reputation. This Code of Conduct is an essential part of Dalkia UK's Ethics and Compliance system. It is based on the EDF Group Ethics Charter, which sets forth the values that form our identity—Respect, Solidarity and Responsibility—as well as on the EDF Group's Ethics and Compliance Policy. It specifies the conduct that all employees must pledge to uphold, providing many concrete examples. This Code of Conduct must protect and sustain our culture of integrity. Dalkia UK's reputation, and the trust that all our stakeholders have in us, depends on each of us. In the event of non-compliance with this Code of Conduct, every individual has the ability to alert their line manager, the ethics and compliance manager, contact Dalkia UK's independent whistleblowing service or utilise the Group's whistleblowing system, which is available on EDF's website. This is designed to protect our Group and its employees. It is also crucial for protecting the EDF Group's reputation for integrity, which is one of the best in the sector worldwide.

Gautier Jacob
CEO, Dalkia UK

Our commitments

TO COMPLY with the law and regulations

The reputation for integrity of the EDF Group, including Dalkia Group Ltd and its subsidiaries, is built on compliance with the national and international laws and regulations in force. Dalkia UK and its employees undertake to comply, in all circumstances, with applicable laws and regulations, in all the countries in which it operates. It is therefore every Dalkia UK employee's individual responsibility to be familiar with the laws, regulations and obligations relative to his or her tasks and to comply with them scrupulously. Any activity that could potentially involve EDF Group in an illegal practice is strictly prohibited.

TO COMPLY with international commitments

The EDF Group has been a member of the United Nations Global Compact since 2001. The Global Compact brings together a large number of companies around the world, which undertake to respect ten principles concerning human rights, labour, the environment and the fight against corruption. Through its membership, the EDF Group and its subsidiaries are committed to making progress in applying these principles and must provide proof of the progress made every year. Dalkia UK and its employees undertake to comply with the principles and fundamental rights set out in the Universal Declaration of Human Rights, the Conventions of the International Labour Organisation, the OECD Guidelines and the United Nations Convention against corruption.

TO COMPLY with EDF Group policies

The EDF Group has implemented policies, including the Group Ethics and Compliance Policy, guidance notes, support guides and other specific procedures and instructions of the business lines/ sectors that govern its employees' daily work. All Dalkia UK employees must always comply with the rules set out in these policies.

TO COMPLY with the Ethics and Compliance Code of Conduct

Applying these laws, regulations, international undertakings and Group Policies in our daily work implies a need to transcribe them in more practical and precise terms in a Code of Conduct. This document is the reference guide to be used by Dalkia UK employees to prevent corruption. The Code of Conduct lists definitions and challenges for Dalkia UK, golden rules to be understood and followed, rules to follow and actions to be prohibited. It also describes some criteria for identifying risk situations, as well as recommendations on how to deal with them. Dalkia UK and its employees undertake to comply with this Code of Conduct in all situations.

SANCTIONS

In the event of failure to follow the required rules and the prohibited actions defined in the Code of Conduct, Dalkia UK employees may be subject to disciplinary proceedings, in accordance with the provisions applicable within the company. Furthermore, they may be subject to civil and/or criminal proceedings if they breach these rules.

To whom does this code apply?

The Ethics and Compliance Code of Conduct is the reference document for preventing corruption. It applies to all Dalkia UK employees. Companies held by EDF, including Dalkia UK, are asked to develop a version of the Code of Conduct by applying the principles and rules set out in this document. These versions take into account the particularities and regulations of the countries in which the companies are based.

ROLE AND RESPONSIBILITIES of the employee

As an Dalkia UK employee, you must conduct yourself in an ethical manner and comply with the laws and regulations. You must:

- learn about the topics covered in the Ethics and Compliance Code of Conduct and follow the associated recommendations;
- perform your duties within the company with equity and integrity; &
- contact your line management, your entity's Ethics and Compliance officer or the EDF Group Ethics and Compliance Division (DECG) if you have a question about this Code of Conduct or to obtain a more precise explanation of the rules to follow.

You may, if you wish, report any breach of this Code of Conduct using either Dalkia UK's independent whistleblower service or EDF Group's whistleblowing system. Both systems are described in the section "How do I whistleblow?"

ROLE AND RESPONSIBILITIES of the manager

Management must set an example of ethical conduct that complies with the law. As an executive or manager at Dalkia UK, it is your responsibility to set an example and strictly comply with the rules of conduct, while also ensuring that these rules are clear and transparent for your colleagues. You must:

- set an example of acting with integrity through what you say and what you do;
- promote to employees the importance of integrity and compliance with laws in their work;
- ensure that your colleagues are familiar with and understand the rules set out in this Code of Conduct by regularly taking the time to explain them;
- ensure that compliance with the law and regulations is constantly monitored;
- endorse the behaviour of your staff when they act with integrity;
- create a climate of trust in which every employee can raise or report a problem relating to ethics or non-compliance;
- be vigilant in order to prevent and detect any failure to comply with the Code of Conduct, and deal with it in an appropriate and timely manner;
- raise awareness among employees within your team of both the Dalkia UK and the EDF Group whistleblowing systems, applicable to Dalkia UK and its subsidiaries, and protect any person using either system.

How to use this code

This document is designed to guide you in dealing with any situation in which you are unsure of the attitude to adopt and the implications of your actions.

Each thematic sheet is designed in the same way. Each section includes:

- the definitions of the terms used in the sheet, a description of the issues for the company and employees, and a golden rule that represents the main point to remember from the theme; &
- the rules to follow by identifying the categories of employees to whom these rules apply, prohibited behaviours, illustrations of high-risk situations and a list of the right habits to adopt.

The Code of Conduct is incorporated into the company's internal rules, although only the rules to follow and the prohibited behaviours are considered internal regulations.

IF THE ANSWER TO YOUR SITUATION IS NOT IN THIS CODE OF CONDUCT, ask yourself the following questions:

- Is what I am doing legal?
- Is what I am doing in line with the company's values and rules?
- Does what I am doing comply with the rules set out in this Ethics and Compliance Code of Conduct?
- Could I justify my actions to my line manager?
- If what I am doing is made public within the company or outside the company, will I be comfortable with that fact?

If your answer to any of the questions above is *No*, or if you have any doubt, the right attitude must be to consult the people who may be in a position to help you before you take any action. These people are: your direct or indirect line manager; the Ethics and Compliance Officer; EDF's Group Ethics and Compliance Division (DECG) at the following address: sg-decg-ethique-et-conformite@edf.fr, or employee representatives.

TO FIND OUT MORE ABOUT THIS SUBJECT

To learn about all the requirements to follow within the Group in areas not related to corruption and not covered in this Code of Conduct, refer to the Group policies, including the Group Ethics and Compliance Policy, which present in detail the company's requirements in each area.

No document can account for or address all situations that may arise. Therefore, employees must use their common sense and discernment when defining what appropriate and honest conduct is.

Dalkia UK's independent whistleblowing procedure

Dalkia UK operates an independent whistleblower service. This allows staff to report suspected wrongdoings in the knowledge that their concerns will be taken seriously and appropriately investigated, their confidentiality will be respected and they will not suffer from reprisals. The service is available to all Dalkia UK companies and supplements alternative reporting channels within the organisation, including through line management, HR & union representatives. The employee is free to choose which route to follow.

Who can use the Dalkia UK whistleblowing service?

Any employee or external or occasional personnel member of Dalkia UK (temporary staff, trainees, service providers, etc.) may use the Dalkia UK whistleblowing system. As an employee or personnel member, the following conditions must be met in order to be a whistleblower:

- be an individual; entities are excluded from the system;
- be an employee of an Dalkia UK company (including the head office function) or an external or occasional staff member;
- report having experienced certain acts as a victim, or have been a direct and disinterested witness;
- act in good faith and report malicious facts, and have reasonable grounds to believe in their veracity when the facts are reported.

What acts can be reported in the group whistleblowing system?

Any employee or personnel member may use the alert system to report events that they believe constitute one of the following cases:

- failure to comply with the rules set out in the Ethics and Compliance Code of Conduct;
- improper conduct or unethical behaviours;
- the unauthorised disclosure of confidential information;
- crimes and other offences, including fraud;
- failure by the company to comply with legal obligations or regulatory requirements, including bribery laws;
- when someone's health and safety is in danger;
- risk or actual damage to the environment;
- sexual harassment;
- attempts to deliberately conceal any of the above

Whistleblowing concerns usually relate to the conduct of staff but may sometimes relate to the actions of a third party, such as a client, supplier or service provider. They do not apply to complaints relating to personal circumstances or grievances (for example, bullying, harassment or discrimination), which are dealt with through the Grievance Procedure, the Anti-harassment and Bullying Policy or the relevant policy contained within the Staff Handbook. Anybody uncertain whether something is within the scope of this policy can seek advice from their local HR team.

You can raise your concern at any time about an incident that happened in the past, is happening now, or you believe will happen in the near future.

Third parties may also use Dalkia UK's whistleblowing system, but only to report any risk of a serious breach of human rights and fundamental freedoms, the environment, or health and safety resulting from Dalkia UK's activities.

Confidentiality and protecting the whistleblower

Dalkia UK's independent whistleblowing service guarantees the strict confidentiality of the reported facts, as well as the personal data of the whistleblower and of the person(s) implicated or mentioned in

the alert. Calls to the whistleblower helpline are received and handled by an independent specialist organisation called Validium.
As a whistleblower, you are protected by UK law. This means you may not be treated unfairly or lose your job because you *blew the whistle*. You can speak with Validium anonymously, but they may not be able to take the claim further if you have not provided all the information they need. If possible, reports to the whistleblowing ***s***ervice should not be made anonymously as this may hinder or prevent a proper investigation from being conducted. Reports will be treated in a confidential and sensitive manner, consistent with the need to conduct an adequate investigation. Anonymous reports will be reviewed, taking into account the seriousness of the issues raised, the credibility of the concern and the likelihood of confirming the allegation from attributable sources.

Anyone filing a report must have reasonable grounds for believing the information disclosed indicates a violation. Any allegations by employees that prove not to be substantiated and have been made maliciously, are knowingly false or made with a view to personal gain will be viewed as a serious disciplinary offence. Any person who threatens or retaliates against someone for having made a report will be subject to the Company Disciplinary Procedure and may find themselves liable to a civil claim from the whistleblower.

If you report your concern to the media, in most cases you'll lose your whistleblowing law rights.

Procedure for reporting to the whistleblowing service

Where possible, staff should share any concern directly to their line manager, HR representative or any member of the management team. If a person is unable or unwilling to raise their concern in this way, it should be reported to the independent Whistleblowing Service, operated by Validium.

- **UK 0800 358 0366**
- **Ireland +44 141 271 7166**

Validium shall notify the Managing Director of the relevant Business Unit and the Head Risk of the report. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation. Any disciplinary action must be taken under the Business Unit's disciplinary procedure.

The Business Unit's Managing Director is responsible for investigating and resolving all reported complaints concerning violations. He may delegate the investigation to a Case Handler and employ external resources to assist (e.g. financial auditors). If there is evidence of criminal activity then the Managing Director should inform the Group CEO, Group HR Director and the police. The Case Handler should inform the member of staff against whom the report is made as soon as is practically possible. All staff shall treat any information about an investigation as confidential.

Should the Business Unit's Managing Director be the subject of the complaint the Group HR Director will agree how to manage the investigation with the Group CEO. Complaints against Dalkia UK Group personnel (as opposed to those in Business Units) shall be managed through the shareholder representatives.

The Group's Head of Risk shall report on whistleblowing cases and activity to the Dalkia UK Board as appropriate. Records shall be held for seven years.

The EDF Group's whistleblowing procedure

EDF has set up an ethics and compliance reporting procedure and a duty of vigilance for reporting certain types of misconduct. This system, which applies to Dalkia and its subsidiaries, is independent of the other reporting "channels" that exist within the company (e.g. employee representatives, HR teams, line management) and Dalkia UK's own independent whistleblowing service. The choice of which channel to use is up to the whistleblower. Whistleblowing is not an obligation, but a right.

Who can use the Group whistleblowing system?

The procedure applies to reports made by:

- a natural person acting in good faith;
- a legal entity acting in good faith and whose interests are affected by the information covered in the report.

What information can be reported?

Information likely to constitute one of the following may be reported:

- a violation of the law or an attempt to conceal a violation of the law in connection with the EDF Group;
- a violation of an international engagement ratified either by the UK or France, of European Union Law or the Code of Conduct in connection with the EDF Group;
- a threat or harm to the general interest in connection with the EDF Group; or
- a risk or serious infringement of human rights and fundamental freedoms, the health and safety of individuals or the environment, in connection with EDF Group and its business relations.

Confidentiality and whistleblower protection

To the extent that it is available, whistleblowers benefit from the protection provided in Chapter II of France's Law 2016-1691 of 9 December 2016 on transparency, the fight against corruption and the modernisation of economic life. This law is known as Sapin II. An internal ethics, compliance and group duty of care alert system has been set up within the EDF Group and adapted within Dalkia, and applies to the entire organisation.

The Group's whistleblowing procedure guarantees the strict confidentiality of the information reported, as well as the personal data of the whistleblower, the person(s) implicated or cited in the report, and any third party mentioned in the report. This information is accessible only to the managers and experts (HR, Legal Division, IS, etc.) in charge of handling the report, under the conditions of confidentiality required by current legislation.

This confidentiality applies without prejudice to the possibility for Dalkia or EDF to implement disciplinary and/or litigation procedures relating to the information reported, as soon as the investigations carried out as part of the processing of the report make it possible to establish that the information is true.

The use of witness and/or victim testimonies in the context of these procedures complies with the requirements of current legislation. The rules applicable to confidentiality are detailed in the EDF whistleblower's support guide, which can be consulted in the Business Ethics section of the Governance, Compliance, Risk and Insurance page on My Hub, in the Ethics & Compliance (Éthique & Conformité) community on Vivre EDF online and on the dedicated page of the websites of EDF (www.edf.fr) and Dalkia.

The Group's whistleblowing system guarantees protection against any reprisals or discriminatory measures to any whistleblower who meets the conditions laid down by current legislation and detailed in the above-mentioned support guide.

Reporting Procedure

Whistleblowers may choose to report their concerns either:

- to the Group Ethics and Compliance Division (DECG); verbally or in writing or via the outsourced reporting platform; or.
- To the Ethics & Compliance Officers (REC) or management, human resources and all other departments authorised in the local implementation memorandum, in writing only.

The recommended use is that of the group reporting system via a form available on a dedicated external platform accessible from the EDF website (www.edf.fr) and independent of EDF's information systems.

- For reports made on the platform, the DECG Report Committee is informed and the whistleblower receives an acknowledgement of receipt within seven days, provided that a secure exchange box has been created on the platform.
- For alerts made outside the platform, the whistleblower receives an acknowledgement of receipt within seven days, provided he or she has used a channel that allows him or her to be contacted again.

Each report is subject to an admissibility check to determine whether all the criteria relating to the whistleblower and the information reported have been met (see “Who can report?” and "What information can be reported?” above).

The purpose of a second investigation is to determine whether the whistleblower is eligible for whistleblower status and protection, subject to a final court ruling.

The conditions for whistleblower status are set out in the Whistleblower Support Guide, which can be consulted in the “Ethics & Compliance” community on Vivre EDF online and on the dedicated page of the EDF website (www.edf.fr).

- If the report is admissible, the authorised person informs the whistleblower and gives him or her the name of the person in charge of the investigation selected to examine the report. He/she ensures that the person selected to handle the report is not in a potential conflict of interest situation and has the necessary skills and resources to carry out this mission.

The designated person in charge of the investigation signs a specific confidentiality undertaking before accessing the report data. He or she has a maximum of three months in which to inform the whistleblower of the measures planned or taken to remedy the subject of the report, and the reasons for these measures.

- If the report is inadmissible, its author is informed, the file is closed and the data is deleted as soon as possible. The whistleblower may be redirected to appropriate contacts to deal with the reported situation outside the whistleblowing system.

All information gathered during the investigation phase is kept securely on the platform or on the secure storage medium chosen by the entity. At the end of the investigation, an investigation report is drawn up by the person in charge of the investigation, which concludes whether or not the information reported is true and recommends a course of action. The whistleblower is informed of the outcome of the investigation and of the closure of the report. Once the report has been closed, the file is archived after any personal data has been anonymised.

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Preventing corruption and influence peddling

No employee may carry out, promote or authorise any act of corruption or influence peddling. Employees will not be penalised if they follow Dalkia UK rules by rejecting any form of corruption, even if such a decision may lead to the loss of a contract or any other unfavourable commercial consequence.

DEFINITIONS

Corruption is defined as the act of promising, giving or offering (active corruption) to a third party, but also the act of soliciting or receiving (passive corruption) from a third party directly or through another person, an improper advantage for oneself or another person, in return for facilitating, performing or refraining from performing an act.

Intent to engage in corruption is decisive, although simply yielding to solicitations or threats is also an act of passive corruption.

Improper advantage refers to consideration, regardless of its nature, awarded in violation of legal, contractual or professional obligations. This can be the payment of a bribe or kickback, a gift, fraud, a favour, misappropriation of funds, etc.

In UK law, influence peddling is considered to be a form of corruption under the Bribery Act 2010. Influence peddling is the practice of using one's influence in government or connections with authorities to obtain favours or preferential treatment for another, usually in return for payment. The difference is that influence peddling requires the presence of an intermediary, between the potential beneficiary and the public authority, that uses its influence to obtain or attempt to obtain the desired decision (awards, jobs, contracts or any other favourable decision).

ISSUES AT STAKE

The criminal penalties applicable in the event of corruption or influence peddling may be severe for the employee in question and for the company. An individual found guilty of a bribery offence faces up to ten years' imprisonment, an unlimited fine, the potential for the confiscation of property and the disqualification of directors. Penalties may also apply to accomplices of bribery and attempted bribery. Attempted corruption or influence peddling may constitute an offence, and failure to obtain the desired decision does not rule out the risk of conviction.

For an individual to fall within the scope of the Bribery Act 2010, he or she must have either committed a crime inside the United Kingdom, or acted outside of the United Kingdom in a way which would have constituted a crime had it happened in the UK. For a prosecution in the latter case, the person must have a "close connection" to the UK, which includes being a British citizen, resident or protected person, a company incorporated in the UK, or a Scottish partnership.

Preventing corruption and influence peddling

Rules that apply to everyone

All employees must:

- Act cautiously and transparently (subject to business secrecy), in accordance with the duty of good faith.
- Comply with the regulations regarding gifts and hospitality within Dalkia UK.
- Refuse payment in cash or any sum of money that is unjustified and untraced.
- Immediately inform their line manager or the Dalkia UK Ethics and Compliance Officer in the event of attempted corruption.
- Cooperate with all the supervisory and regulatory authorities, involving their manager.

Rules that apply to the employees concerned as part of their duties

The employees concerned must:

- Conduct or have carried out a check on the integrity of business relations before making any commitment, in accordance with the Dalkia UK guidance note.
- Monitor the integrity of the relationship throughout the term of the contract, in accordance with the Dalkia UK guidance note.
- Comply with all applicable public procurement rules as a purchaser or supplier.
- Ensure that suppliers are treated fairly and equitably in accordance with Dalkia UK's purchasing policy.
- Inform business relations of our standards so that they will undertake to abide by them in particular when they are entrusted with assisting or representing us in countries where the risk of corruption is high.
- Act in line with the separation of the functions of undertaking, control and payment, and guarantee payment traceability.

Prohibitions that apply to everyone

It is prohibited to:

- Offer, accept or promise a bribe or any other advantage or illegal payment to influence the result of any business decision.
- Make a facilitation payment, i.e. an unofficial payment made to perform or speed up the performance of certain administrative formalities (licence applications, customs clearance, etc.).
- Undertake to pay or make donations to a foundation or association for corrupt purposes.
- Use a third party to perform a task that the employee cannot legally carry out themselves.

High-risk situations

- The use of intermediaries or consultants to facilitate relations with customers or public agents.
- Contractual relations with public entities or politically exposed persons.
- A lack of information about a business partner.
- Requests to take action to speed up administrative procedures or win a contract.
- Contract awarding periods.
- Working on a project in a country with a high risk of corruption, or the use of resources from such countries.
- Pressure to use a specific contractor.
- A request for commissions/ fees/provisions of a high amount compared to market practices, with no objective justification.
- Any situation in which the employee of an external company or the public official gives the impression of acting alone, outside the structure/ organisation to which they belong.

Best practices

- Think ahead so that we will not find ourselves in a deadlock situation where a refusal would lead to a real physical or financial danger or threat. To this end, inform partners of the Dalkia UK's values and rules at as early a stage as possible.
- Ensure that any discounts and rebates are shown on the relevant invoices.
- Always ensure that we can justify all payments, of any amount.
- As a precaution, never accept nor offer a gift or hospitality that we will have difficulty justifying to colleagues, friends and relatives or to the media.
- Stop and think twice before acting if we encounter an unusual request or an abnormally complex process.
- If in doubt about how to proceed, seek advice from a manager, the ECO of the relevant entity or the DECG.

Further information

- Please refer to My Hub for additional information, including EDF Group policies & instruction notes. Furthermore, ensure you are up to date with the latest anti-corruption e-learning modules.

Integrity checks on business relations

Because Dalkia UK's reputation can be significantly affected by the partners chosen for business relationships, it is vitally important to deal only with those who adhere to Dalkia UK's rules of integrity and values.

DEFINITIONS

Integrity checks therefore include verifying partners' repute by assessing their intrinsic quality (criminal record, penalties, reputation, etc.) and verifying the integrity of the business relationship by assessing the associated legal, economic and material conditions (organisation of the partner, contract, legal and financial structure, payment terms, etc.). A partner is understood to mean any individual or entity that has a contractual relationship with Dalkia UK or an entity controlled by Dalkia UK such as an organisation receiving patronage or sponsorship, a project partner, an intermediary or supplier, and under certain conditions a customer.

ISSUES AT STAKE

The purpose of an integrity check is to protect Dalkia UK against the risks of penalties or reputational risk stemming from the implementation of risky practices in terms of corruption, money laundering and terrorism financing, violation of an international sanctions programme and risks of a serious infringement of human rights, fundamental freedoms, the health and safety of persons and the environment, within the framework of business relations.

Reputational risk is linked to the possibility that such practices, conducted during our business relations, may harm the image of Dalkia UK or EDF Group or lead to a loss of public and media confidence.

The consequences of a penalty and/or reputational damage can be significant: financial losses, weakening of brand value, loss of customers, lowered share price, failure to achieve strategic objectives, loss of trust among customers and partners, etc.

Integrity checks on business relations

Rules that apply to everyone

All employees must:

- Immediately inform their line managers if, in the context of business relations, they are presented with high-risk practices of corruption, money laundering and terrorism financing, the violation of an international sanctions programme and risks of a serious breach of human rights, fundamental freedoms, human health and safety, and the environment.

Rules that apply to the employees concerned as part of their duties

The employees concerned must:

- Apply the *Vendor Onboarding* process covering integrity checks on business relations prior to entering into any commitment.
- Check that the use of a partner meets a need for skills or resources that are not available at Dalkia UK and is subject to a specific, clearly and formally defined fixed-term assignment, giving rise to justifiable and proportionate remuneration.
- Whenever possible, insert a clause in each contract with a partner, giving the right to break the business relationship, immediately and without compensation, in the event of non-compliance by the partner with integrity rules, and the applicable regulations on corruption, influence peddling and compliance with international sanctions programmes.
- Implement a monitoring and alert system throughout the relationship with the partner to detect any behaviour contrary to the applicable regulations and respond appropriately to any factor that prompts suspicion of such behaviour.

Prohibitions that apply to everyone

It is prohibited to:

- Continue working with a supplier that does not meet expectations or does not comply with the established ethical values and integrity rules.
- Use intermediaries unnecessarily or without explanation.
- Disguise the purpose of the business relationship to conceal the use of an intermediary and therefore avoid the level of integrity check required.
- Make remunerations in a business relationship without confirming that the service supplied is a genuine one and without issuing an invoice.
- Make a commitment with a partner without approaching the Dalkia UK ECO to ensure a thorough integrity check in the event of serious doubt as to the honesty of the business relationship, or routinely if the partner is an intermediary.

High-risk situations

- Using intermediaries, regardless of their name (consultant, advice, business finder, etc.).
- Awarding contracts identified as posing a certain level of risk (security and cleaning of sensitive sites, translation of sensitive documents, IT and telephony providing access to sensitive information, etc.).
- Over-the-counter purchasing.
- Complex financial packages, with cascade purchasing.
- Mergers and acquisitions.
- Developing projects in non-cooperating countries at risk of money laundering and terrorism financing, or with a high corruption index.
- A partner's refusal to sign the declaration of compliance before entering a business relationship.
- Requests by a partner to use an attachment to define the terms of remuneration and payment, refusing to include these in the contracts and other documents formally concluded between the parties.

Best practices

- Inform business relations of Dalkia UK's values and rules relating to integrity at as early a stage as possible.
- Ask the Dalkia UK ECO to carry out an integrity check on the business relationship.
- Avoid using a series of intermediaries.
- Do not hesitate to request explanations and supporting documents from partners in order to gain a proper understanding of the situation.
- Use framework contracts whenever possible.

- Be familiar with the procurement contract process.
- If in doubt about how to proceed, seek advice from a manager, the Dalkia UK ECO of the relevant entity or the DECG.

Gifts and hospitality

In terms of gifts and hospitality, the most important thing is to be completely transparent with line management, to respect the threshold and rules put in place in your entity and to always consider how this could be perceived or interpreted from the outside.

DEFINITIONS

A gift involves any form of payment, bonus or advantage (financial or non-monetary), offered or received directly or indirectly (e.g. donation, service, invitation, favour, etc.). Hospitality covers all forms of entertainment and differs from business meals. A business meal is a meal arranged for business purposes and intended to address business matters. Gifts subject to conditions are payments, chattels, invitations or any other form of bonuses granted or received in order to obtain or retain improper mutual benefits, or to improperly remunerate subscription to an offer, product, service or solution.

ISSUES AT STAKE

Offering or accepting the occasional small gift or invitation to a cultural or sports event may be tolerated within the framework of business relations. However, these practices may sometimes be interpreted as a means of influencing a decision or constituting an act of corruption (see *Preventing corruption & influence peddling* on pages 11 & 12). They can also lead to a conflict of interest. Some situations may engage the liability of the employee and Dalkia UK.

To maintain the Group's reputation and protect its employees, Dalkia UK must protect itself against any attempt to corrupt as well as any suspicion of corruption. A procedure and instruction note for gifts and hospitality has therefore been produced and is available on the Dalkia UK portal.

Gifts and hospitality

Rules that apply to everyone

All employees must:

- Comply with the rules in the Dalkia UK "Gifts and Hospitality" guidance note.
- Comply with Dalkia UK rules and thresholds on gifts and hospitality.
- Check that a business meal is of a reasonable[1] nature before accepting or proposing it.
- Check that prior authorisations have been obtained where required, particularly for gifts or hospitality of an amount exceeding the limit in the Dalkia UK guidance note.
- Be attentive to the context and meaning that may be implied by any gift or offer of hospitality. This must not indicate any expectation of a consideration.
- Ascertain the local legality of offering gifts or other benefits to public officials.
- Keep a record of the gift or hospitality (not including business lunches), whether received, offered or refused, in the record[2] kept by the entity (head office or subsidiary) following the rules defined by Dalkia UK.

Prohibitions that apply to everyone

It is prohibited to:

- Offer or receive gifts or hospitality with a view to obtaining an undue advantage in return.
- Offer or receive a gift or hospitality that could create a sense of obligation, compromise professional judgement or give the impression that it could do so.
- Give in to a request or solicit consideration for a gift or hospitality.
- Contravene any of the rules mentioned in the Dalkia UK "Gifts and Hospitality" guidance notes.

High-risk situations

- Gifts/invitations of a value exceeding what is reasonably considered appropriate, or a business meal exceeding a reasonable price.
- Gifts or hospitality offered to (or received from) a public officer or a person that holds influence over a decision that affects Dalkia UK's interests.
- Gifts or hospitality offered to (or received from) a friend or relative of the business contact.
- Gifts or hospitality repeatedly offered to (or received from) the same beneficiary.
- Invitations to seminars during which there is significantly more leisure time than work time.
- Election periods.
- Tendering and contract renewal periods.

Best practices

- Before offering or receiving a gift or hospitality, check:
  - that this is a practice permitted under the Dalkia UK gifts and hospitality policy;
  - that all of the guiding principles have been followed;
  - that prior authorisations have been obtained, where required;
  - that the gift or hospitality has been officially recorded following the rules defined within Dalkia UK.
- As a precaution, do not accept or offer a gift or hospitality that would be difficult to justify to colleagues, close relatives or the media.
- If a gift can be shared, then share it with our team.
- Inform partners about the Dalkia UK Ethics and Compliance Policy and the "Gifts and Hospitality" guidance note to justify a refusal.
- If in doubt about how to proceed, seek advice from a manager, the Dalkia UK ECO of the relevant entity or the DECG.

Further information

- Please refer to My Hub for additional information, including EDF Group policies & guidance notes on gifts & hospitality, as well as information on fraud and integrity checks on business relations and partnerships.

[1] The value is reasonable if your guest can make the same invitation to you.

[2] Kept by the Managing Director of the entity.

Preventing conflicts of interest

It is important to notify line management about any potential conflict of interest as soon as possible so that it can be managed, and to always make decisions within a business context that are based on Dalkia UK's interests and not the individual's own personal interest.

DEFINITIONS

A conflict of interest arises when a personal interest (or personal activity) interferes with, is likely to interfere with or may give the impression of interfering with the tasks entrusted to us as employees. Conflicts of interest can affect our impartiality or cast doubt on our ability to assume our responsibilities objectively.

Personal interest may be the result of financial or professional commitments, or of political or ideological connections that the employee has outside Dalkia UK. Personal interest may involve membership of an association, charity work or sports activity, or be cultural, financial, political or religious in nature, or involve family or emotional ties.

ISSUES AT STAKE

A conflict of interest, or even just the appearance of a conflict of interest, can jeopardise the quality and the legality of a decision or an act in which the employee's, or a third party's, personal interest takes precedence over Dalkia UK's interests. Identifying, declaring and dealing with real or potential conflict of interest situations prevents any ambiguity.

A conflict of interest does not in itself constitute an offence. Conversely, fraudulent use that could result from such a situation can be penalised. A conflict of interest situation could result in an act of corruption (e.g. a gift or hospitality from a supplier with whom we have friendship ties in return for an act that would enable it to win a contract), circumventing the entity's recruitment rules (e.g. to influence the hiring of a family member or friend), insider trading (e.g. giving inside information to a friend so that they buy shares), abuse of trust (e.g. illegitimately using Dalkia UK or EDF's means, time or reputation to benefit an association), etc.

Conflict of interest situations can lead to a financial risk and harm the Group's image. The employee, or a third party acting on behalf of Dalkia UK, may be held liable, thereby risking legal sanctions. They expose the persons concerned to legal penalties and the Group to a significant reputational risk.

Preventing conflicts of interest

Rules that apply to everyone

All employees must:

- Inform their line managers if business activities to which they are linked could potentially create a conflict of interest.
- Inform their line managers and the HR department when they perform other salaried or un-salaried business activities (e.g. on a self-employed basis, in a liberal profession, as a consultant).
- Comply with the obligations of good faith, non-competition and discretion inherent in the employment contract.

Rules that apply to the employees concerned as part of their duties

The employees concerned must:

- Comply with the Governance and Management Policy of subsidiaries if they hold a corporate officer position within the EDF Group.
- Clearly state that they do not represent Dalkia UK or EDF when they personally engage in the political sphere. In practice, this amounts to not presenting themselves as an Dalkia UK employee during a speech and stating, if necessary, that they are not appearing in this capacity.
- Withdraw from a decision procedure external to Dalkia UK if they hold an elective mandate, if presented with a proven or potential conflict of interest situation. For example:
  - leaving the place where the deliberations of collegial bodies (such as a municipal council) take place when they concern a case connected with Dalkia UK;
  - not participating in a meeting whose purpose is, for example, to draw up specifications for a contract for which Dalkia UK could submit a bid.

Prohibitions that apply to everyone

It is prohibited to:

- Share confidential information about the Group with unauthorised third parties.
- Encourage, or help to encourage, the hiring, evaluation of the work or remuneration of a family member.
- Abuse Dalkia UK's influence or resources.
- Favour or contribute to favouring, in the case of a contract, an entity in which the employee or one of his/her family members has an interest.
- Use, for personal contracts, companies with which the employee is in business relations as part of his/her work-related activities, where they could receive any personal benefit.
- Carry out or participate in a business activity competing with Dalkia UK's own activity. An activity is considered to be competing when it is liable to create either a particular advantage for the benefit of the new employer or the new company, or harm to Dalkia UK.
- Carry out an activity, for whatever reason, on behalf of a service provider (in the context of an employment contract, as a manager, as a self-employed person, etc.) or check whether the employee, as part of their role, affects the choice of the service provider.

High-risk situations

- Concurrently holding several salaried positions.
- Holding directly or through a close relative any interest in a company engaged in a business relationship with Dalkia UK.
- Holding an elected position: for example, when the cases submitted to the deliberating body of which they are an elected member are connected with their personal or business interests within Dalkia UK, the local elected official must not participate in the debate or vote.
- Being a member (even on a volunteer basis) of an association or foundation whose activities or projects may in some cases conflict with those of Dalkia UK. In this situation, employees are advised to remind the association of their duty of loyalty to their employer and to refrain from disclosing any restricted or confidential information about Dalkia UK or its activities. The employee should also check that any actions in which they wish to participate are compatible with their employment contract.

Best practice

- Apply a transparent and objective recruitment procedure.
- Do not use Dalkia UK resources, time or structures, or use its name, for personal gain.
- Inform your line management when you directly or indirectly hold a stake in the capital of a company or any other entity (e.g. an association) partnered with Dalkia UK that may suggest that its impartiality could be affected.

- If in doubt about how to proceed, seek advice from a manager, the Dalkia UK ECO of the relevant entity or the DECG.

Further information

- Please refer to My Hub for additional information.

Anti-fraud policy

INTRODUCTION

Dalkia UK requires all employees to act honestly and with integrity at all times. Dalkia UK will not accept any level of fraud or corruption and will take prompt action to investigate fully and address any suspected cases. We are committed to ensuring that opportunities for fraud and corruption are reduced to the lowest possible level of risk.

It is imperative that we prevent fraud; fraud costs a great deal of money and is detrimental to the EDF Group's interests and image. It takes many forms, can affect any organisation and any sector, and may involve people at any level within an organisation. In addition, the introduction of the Economic Crime and Corporate Transparency Act has brought an increased focus on the measures we take to prevent fraud.

Fraudulent acts are punishable by law in the form of specific offences: theft, scams, misappropriation of funds, extortion, corruption, abuse of company assets, abuse of trust, forgery and the use of forgeries, concealed evidence or income, etc. These offences are punishable by fines and/or prison sentences.

Promoting a culture of integrity at all levels of the company (clear managerial messages about the behaviours expected of employees and the company's zero tolerance) and implementing effective procedures for controlling fraud risks (internal, hierarchical, external) helps to eliminate opportunities to commit fraud.

DEFINITION OF FRAUD

Fraud consists of deliberately misleading others to obtain an illegitimate profit or to circumvent legal obligations or rules of the organisation. Fraudulent behaviour therefore involves a factual element and an intentional element, as well as a process of concealing unauthorised acts. In practice, fraud may be an act or an omission. This can take a variety of forms:

- internally - misappropriation of funds (false invoices, handling of cheques or cash, etc.), theft or destruction of property belonging to the entity (supplies, equipment, data, etc.), or false declarations (fictitious expense claims, undeclared absences, indicators, falsified reports or checks, etc.)
- externally - fraud (CEO fraud, bank account identification change fraud, etc.).

The motive for the fraud can be material (appropriation, gains or savings, etc.), but also moral (feeling of obligation, need for recognition, desire to preserve a reputation, etc.) or personal (vengeance, ideology, etc.). It should be noted that corruption always involves fraudulent practices to circumvent company rules or procedures (see Preventing corruption & influence peddling on pages 11 & 12 of the Code of Conduct).

REPORTING FRAUD

Dalkia UK operates an independent whistleblower service. This allows employees to report suspected wrongdoings in the knowledge that their concerns will be taken seriously and appropriately investigated, their confidentiality will be respected, and they will not suffer from reprisals. The service is available to all Dalkia UK companies and supplements alternative reporting channels within the organisation, including reporting through line management, HR representative, any member of the

leadership team or union representative. Reporting can also be via the EDF reporting platform. The employee is free to choose which route to follow. Please see pages 6-9 of the Code of Conduct for further details.

INVESTIGATION

Details of the investigation process can be found on My Hub. The procedure for the investigation of alerts depends on the reporting route, please see the EDF Whistleblower Support Guide and the Dalkia UK Procedure – Dealing with local ethics alerts.

RESPONSIBILITIES

It is the responsibility of all employees to read and familiarize themselves with the contents of this policy and any related procedures, and to identify and notify Dalkia UK of any suspected cases of fraud or fraud risk.

All employees must:

- comply with the laws and internal procedures, contribute to the implementation of rigorous practices and apply them, detect and deal with failings.
- raise awareness among their colleagues and external or occasional staff members about the risks of fraud, specifying the rules to follow, as well as every individual's rights and duties.
- follow the security rules on access to information systems and never provide their login details to third parties.

Rules that apply to the employees concerned as part of their duties

The employees concerned must:

- Identify the issues and assets that are fraud-sensitive within the entity's activities in order to implement effective internal control procedures.
- Carry out regular audits of the effectiveness of the internal control system.

Prohibitions that apply to everyone

It is prohibited to:

- Allow a risky situation, through negligence, to degenerate into fraud.
- Bypass a procedure because "everyone does it".
- Give personal computer usernames and passwords to other people.

Prohibitions that apply to the employees concerned as part of their duties

It is prohibited to:

- Allow any wrongdoing to continue without dealing with it and correcting it.
- Conduct an investigation into an alleged case of fraud alone and without support from an expert.

Further details regarding role specific responsibilities can be found in the anti-fraud plan.

EMPLOYEE TRAINING

All new and existing employees and others covered by the scope will be informed of the existence of this policy and their role in adhering to it.

It is the responsibility of each employee to be familiar with all Dalkia UK internal policies, which are available on My Hub. Employees will be advised when such policies are updated and are under a duty to read and be familiar with updated versions.

Fraud awareness training is available on the Kallidus training platform.

RISK ASSESSMENT

Dalkia UK carries out a fraud risk assessment as part of its overall corruption risk mapping. This risk assessment is documented and regularly reviewed.

High-risk situations

- When the entity is going through a period of restructuring and there is no, or inadequate, managerial control.
- A work colleague rarely or never takes any annual leave.
- During holiday periods, when the separation of incompatible activities is not rigorously applied (absence of the usual validator).
- An activity is created at an entity where they have not organised the relevant procedure for delegating authority or control.
- Information system access codes are shared by several people (no security on passwords).
- Repetitions of emergency situations that result in internal controls being bypassed to keep to a delivery deadline.
- Complex and/or unfamiliar operations that rely on a limited number of people to perform.

PREVENTION

The system of internal control is an ongoing process intended to identify the principal risks to Dalkia UK, evaluate the nature and extent of those risks and to manage them effectively.

Policies and procedures have been developed based on the outcome of the fraud risk assessment. These policies and procedures are designed to reduce the risk and opportunity for fraud and are available in the Finance and Ethics sections of My Hub.

It is essential that due diligence procedures are followed when engaging persons who perform or who will perform services for or on behalf of Dalkia UK.

DISCIPLINARY ACTION

Dalkia UK will take appropriate legal and/or disciplinary action against the perpetrators of fraud and those who contributed to the fraud.

BEST PRACTICE

- Maintaining a culture of integrity to prevent fraudulent conduct (encourage honesty and good judgement).
- If asked to act outside the usual internal processes, seek the opinion of your manager or the Dalkia UK Ethics & Compliance Officer (ECO).
- If suspicious practices deviating from the Group's rules are identified, quickly speak to your manager or contact your ECO.
- If in doubt about how to proceed, seek advice from a manager, the Dalkia UK ECO of the relevant entity or the DECG.
- Collect appropriate management information to enable senior managers to understand the risks and the effectiveness of fraud prevention procedures.

FURTHER INFORMATION

Please refer to My Hub for additional information, including EDF Group policies and guidance notes on gifts and hospitality, as well as information on fraud and integrity checks on business relations and partnerships.

Sponsorship & Donations (Patronage)

No employee may encourage or carry out sponsorship or donations operations that aim to influence decision-making or secure an improper advantage.

DEFINITIONS

Donations involve material support provided by a company (donor), without any direct consideration from the beneficiary, to a structure or person for conducting public-interest activities. The support provided can be conducted in various ways:

- Donations in cash: a patron donates money to a project (the most common example);
- Donations in kind: this involves, for example, donating new or inventoried equipment (e.g. a room, a computer, etc.);
- Skills donation: the company provides an employee or their know-how for a specific action.

Sponsorship involves providing material or financial support to a project or event to obtain a direct and quantifiable benefit proportional to the support provided. This is usually designed to promote the company's brand image and increase awareness of it.

In cases where the beneficiary offers a consideration of equivalent value to the amounts received, the payment is considered as compensation for a provision of service subject to VAT (usually advertising), rather than as a gift. If this equivalent consideration takes the form of an advertising service for the receiving company, it is a sponsorship operation. This is considered as a commercial service, and must be invoiced subject to VAT.

ISSUES AT STAKE

Charitable donations and sponsorship initiatives are authorised in accordance with the relevant Dalkia UK procedure & instruction note. Attention must be paid to ensure that these initiatives are not used to conceal practices that may be qualified as corruption or influence peddling (even if the cause supported by the associations is fair or legitimate).

As patronage or sponsorship initiatives with partners can damage Dalkia UK and EDF's image, it is important, firstly, to ensure the reliability, reputation and history of the organisation receiving the donations from the company and of their managers and, secondly, to ensure the destination of the funds paid by the company. This verification must be carried out in accordance with the "Check on the Integrity of Business Relations" instruction.

Patronage Sponsorship

Rules that apply to the employees concerned as part of their duties

The employees concerned must:

- Before conducting a sponsorship or sponsorship initiative, ensure that these actions are carried out in compliance with the relevant procedure and instruction note.
- Ensure that the patronage or sponsorship initiative:
  - is not concluded in the presence of a conflict of interest promoting personal or non-business interests;
  - does not favour influencing operations; &
  - does not constitute an improper advantage.
- Verify the integrity of beneficiaries (organisation and individuals comprising the decision-making bodies), in accordance with the "Check on the Integrity of Business Relations" Policy.
- Transparently manage invitations to and considerations for a sponsored event, exclusive of all illegal practices.
- Include in the agreement specific clauses guaranteeing the absence of any risk of breach of probity.
- Inform partners of the integrity policy included in the Ethics and Compliance Code of Conduct.

Rules that apply to the employees concerned as part of their duties

It is prohibited to:

- Undertake to pay a donation or enter into a sponsorship operation with a third party in order to encourage the award of a contract, in exchange for consideration or to influence a decision.
- Carry out a patronage or sponsorship operation in an invitation to tender context, as part of a commercial or financial negotiation involving persons who have links with the beneficiary of the donation or sponsorship.
- Make charitable donations on behalf of the company in the form of cash or to an account held by an individual.
- Make donations on behalf of the company to political, religious or philosophical organisations, public officials, elected officials or election candidates.

High-risk situations

- Negotiating a patronage or sponsorship agreement at the request of a local elected official or a public official.
- Charitable donations made to organisations linked to public officials, clients or prospects (e.g. directors of such organisations), as well as requests or suggestions concerning charitable donations from customers or prospects.
- Donations to foundations or associations in which one of the directors is also one of the employee's close relatives, a supplier or a Dalkia UK partner.
- Making donations in cases where there is suspicion about the integrity of the recipient organisation or its staff.
- Multi-year agreements.
- Invitations to sports or cultural events from customers or suppliers.
- Invitations that may interfere in an ongoing or prospective business relationship.
- Invitations sent to a third party to events without any Dalkia UK employee present among the guests.

Best practices

- Limit the term of the agreement to one year or include a non-tacit termination or renewal clause in the agreement.
- Raise awareness among employees exposed and direct them to comply with the company's gifts and hospitality policy, as well as the conflicts of interest policy.
- Ensure that hospitality invitations are registered, sent to the workplace, of an amount proportional to the event, the place and the position of the guest, and of a transparent value of which the guest is informed.
- Ensure that hospitality complies with the *Gifts & Hospitality - Procedure & Instruction Note* and suggest that the guest verify their own policy prior to accepting.
- If in doubt about how to proceed, seek advice from a manager, the ECO of the relevant entity or the DECG.

Further information

- Please refer to MyHub for additional information, including EDF Group policies & guidance notes on gifts & hospitality, as well as information on fraud and integrity checks on business relations and partnerships.

Interest representation

Interest representation actions must be conducted in a transparent manner, clearly informing the contacts that they belong to the EDF Group, and relying on reliable, verified and updated information.

DEFINITIONS

Interest representation (or lobbying) involves communicating with a public official (elected official or civil servant) to influence the content of a public decision that may potentially impact the company's activities. When a person paid by Dalkia UK directly (employees) or indirectly (consultant, professional association, think tank, etc.) comes into contact either in writing or verbally with a public official with a view to convincing that individual, he or she is performing a lobbying action.

Responsible lobbying is conducted:

- transparently, by systematically identifying oneself on and registering in the records of institutions' existing representatives;
- by drawing on reliable, verified and updated information; &
- in compliance with the positions of other stakeholders.

ISSUES AT STAKE

Lobbying is the subject of recurring criticism in the media, which reflects the mistrust among part of the public and can undermine the credibility of the principle of this lobbying. Failure to comply, intentionally or otherwise, with the fundamental principles of responsible lobbying creates the risk of at least a significant negative image among both public opinion and public officials, reducing for a long time any ability to assert legitimate positions. When abused, lobbying can lead to prohibited forms of influence (corruption, illegal interest, etc.), exposing the company and the employee to criminal convictions, as well as disciplinary measures for the employee.

Conversely, lobbying under responsible and transparent conditions promotes effective public decision-making.

Interest representation

Rules that apply to the employees concerned as part of their duties

The employees concerned must:

- Comply with the international laws, regulations and conventions governing lobbying in the country in which it is carried out.
- Clearly identify themselves as Dalkia UK employees during any involvement and more generally during any lobbying action.
- Follow the codes of ethics of the institutions at which lobbying actions are aimed.
- Consistently maintain positions that are aligned with Dalkia UK's strategic framework.
- Inform the Public Relations team when they carry out interest representation actions among public officials with national.

Rules that apply to the employees concerned as part of their duties

It is prohibited to:

- Attempt to influence the position of public officials by offering them undue advantages or compelling them to infringe on the ethical rules of their organisation.
- Use information obtained from public officials for commercial or advertising purposes.
- Attempt to obtain information or influence decisions dishonestly.
- Deceive or mislead stakeholders or public officials.
- Use the services of a third party paid directly or indirectly with a view to achieving a dishonest, non-updated or incomplete position.

High-risk situations

- An offer or a request for funding in one form or another to, or by, a public official.
- Speaking on behalf of a professional association of which Dalkia UK is a member and having to assume a position that deviates from Dalkia UK's position.
- A conflict-of-interest situation that may result from the exercise of a local or national elected office by a Dalkia UK employee.

Best practices

- Demonstrate and raise awareness of Dalkia UK's responsible attitude in terms of interest representation by communicating about the company's principles and operating methods.
- Strictly apply the rules concerning gifts and hospitality when it comes to public officials.
- Properly convey the difference between Dalkia UK's position and the position of an association of which Dalkia UK is a member.
- Ensure that Dalkia UK's payment of the expenses (accommodation, catering, transport) of public officials is compatible with the rules of the institution of that official and EDF's policy.
- Adapt our behaviour during election periods in accordance with the rules of the electoral code and EDF's policy.
- If in doubt about how to proceed, seek advice from a manager, the ECO of the relevant entity or the DECG.

Further information

- Please refer to MyHub for additional information, including EDF Group policies & guidance notes on gifts & hospitality, as well as information on fraud and integrity checks on business relations and partnerships.

Preventing market abuse

No employee should use or disclose privileged or sensitive information in order to obtain personal benefit, or to enable a third party to benefit from it.

DEFINITIONS

Market abuse may arise in circumstances where financial investors have been unreasonably disadvantaged, directly or indirectly, by others who have used inside information (insider dealing), have distorted the price-setting mechanism of financial instruments, or have disseminated false or misleading information.

Inside information is specific information which is not publicly available, which directly or indirectly regards EDF, its subsidiaries, or their financial instruments, and which may have a significant impact on the EDF share price (or, in some cases, that of a listed subsidiary) if it is made public. Individuals who have inside information are insiders. There are permanent insiders (at EDF, they are the members of the Board of Directors, members of the Executive Committee and certain members of their Management Committee) and occasional insiders (employees or service providers acting in the name or on behalf of EDF or one of its subsidiaries, who occasionally have access to inside information during a major project or event: major acquisition, large contract, etc.).

The improper use of inside information is called insider dealing or insider misconduct.

Inside information may be information relating to financial results, merger, acquisition or sale projects, strategic projects, litigation developments, technical developments, significant management changes, etc.

Sensitive information is information that must be protected with specific precautions and confidentiality measures (negotiations, major contracts, etc.). People who have sensitive information are not necessarily insiders, but remain subject to certain obligations, including, in some cases, compliance with blackout periods.

A “blackout” period is a period preceding publication of Group financial information during which all people holding inside or sensitive information are prohibited from trading in EDF shares or related instruments (or those of a listed subsidiary).

ISSUES AT STAKE

EDF S.A. and some of its subsidiaries are listed entities that must comply with the principles and regulations currently in force and with the recommendations issued by the stock market authorities with regard to the possession, dissemination or possible use of inside information. The Group has set up a stock market code of ethics containing the principles and rules applicable to transactions in shares of the EDF company or listed subsidiaries of the EDF Group.

EDF and the persons concerned may face heavy criminal penalties (insider trading) and/or administrative penalties (breach by an insider), as well as a significant image risk, if these rules are breached, even unknowingly and without profit. The sentences incurred can be up to seven years in prison for an individual and unlimited fines. Attempted insider trading or insider misconduct are subject to the same sentences.

Preventing market abuse

Rules that apply to the employees concerned as part of their duties

The employees concerned must:

- Familiarise themselves with and comply with all the principles and rules set out in the EDF Group's Code of Stock Market Compliance.
- Protect the confidential nature of inside information to the fullest extent possible, primarily by restricting access to such information (use of code names, small teams, restricted distribution of reports, regular checks on data access rights, use of a Security Box, etc.).
- Take every precaution when storing and transmitting information (limit the use of emails, encrypt messages and mark documents as confidential).
- When starting work on a financial, strategic or sensitive transaction, draw up and send a list of all occasional insiders to Dalkia UK's legal function, including employees and third parties (service providers, consultants), have the latter sign strict non-disclosure clauses or agreements and ensure that they are familiar with the EDF Group's Ethical Code for Trading in Securities.
- Respect blackout periods where applicable.

Prohibitions that apply to everyone

It is prohibited to:

- Act with intent to influence the share price.
- If in possession of insider information, up to the date on which it is due to be made public:
  - acquire or sell, either directly or indirectly, on your own behalf or on behalf of other persons, the financial instruments of EDF or its listed subsidiaries;
  - communicate inside information to family members, relatives, colleagues or third parties outside the normal framework of their work or duties;
  - recommend to any other person to buy or sell financial instruments on the basis of inside information.

High-risk situations

- Working in a public place on a document that contains inside or sensitive information.
- Indiscreet remarks made within your circle of friends or family.
- Situations in which inside or sensitive information could potentially be accessed by service providers or partners.

Best practices

- Take every precaution when using computers and telephones, especially in public places.
- Raise the alarm if we become aware that inside information regarding the Group has been disclosed outside the usual procedures relative to the distribution of financial information.
- In the event of doubts or queries about whether or not information can be classed as "inside information", or any other question, contact the Dalkia UK legal function. All questions received, and replies, will be treated in the strictest confidence.
- If in doubt about how to proceed, seek advice from a manager, the ECO of the relevant entity or the DECG.

Preventing money laundering and the financing of terrorism

It is imperative to know your business relations, and especially the end beneficiary of the financing or services, to ensure that your activities are not being used to launder funds from criminal activities, or to directly or indirectly finance activities related to terrorism.

DEFINITIONS

Money laundering is a procedure that entails concealing the nature and origin of the proceeds of illegal activities (drug trafficking, arms trafficking, human trafficking, tax fraud, illegal employment, corruption, illegal speculation, etc.) by injecting this "dirty money" into legal activities. The aim is to make it appear legal and conceal its origin and real owner (via fake invoices, front companies, etc.).

Terrorism financing consists of providing goods, solutions, services or funds that may be used in terrorist activities.

ISSUES AT STAKE

The EDF Group fights economic and financial crime, notably by combating money laundering and the financing of terrorism. Money laundering poses a risk to EDF, which must in no way be in a position where it is accused of promoting the financing of prohibited activities such as terrorism, drug trafficking or the financing of certain political parties.

Such acts are criminal acts, attracting sentences of up to 14 years in prison and fines of up to 700% of weekly income for individuals. The disclosure of such an offence would also significantly damage EDF's interests and image, could exclude it from certain public contracts and permanently affect the share price.

Preventing money laundering and the financing of terrorism

Rules that apply to the employees concerned as part of their duties

The employees concerned must:

- Be constantly vigilant about how EDF's financing and services are used by their business relations.
- Conduct or delegate the conduct of an integrity check of their business relations, prior to any commitment, to verify that these are legitimate activities and that the money does not come from or does not fund illegal activities or sources subject to international sanctions.
- Establish a monitoring and reporting system in relation, in particular, to unusual or suspect operations, the transfer of funds from or to high-risk geographical regions, and operations or activities that require cash payments.
- Report any suspicions to their line manager or ECO.

Rules that apply to the employees concerned as part of their duties

It is prohibited to:

- Conceal payments through the use of a third party.
- Accept cash transactions, except in specific cases and transparently with their line management. Whatever the circumstances, cash payments in the context of professional activity shall not exceed £1,000.
- Accept unusual payments without first analysing and checking supporting documents, for example, if:
  - the account is not in the name of the contracting company;
  - payments are made in a currency other than that shown on the invoice;
  - payments are made from more than one account, or from accounts that are not normally used;
  - payments are made in a country other than that in which the third party operates and in which its business is registered.

High-risk situations

- Transfers of funds from or to high-risk geographical regions.
- Operations or activities that require cash payments.
- The use of petty cash in projects.
- Transactions structured in such a way as to circumvent obligations to declare or report transactions.
- Unusually complex operations and operations that involve unusually large sums of money.
- Bank transfers from or to numbered accounts.

Best practices

- Obtain and analyse supporting documents to check that both the activities and the source of funds are legal.
- Ask your line management or entity ECO about the obligation to "report suspicion" to the UK Financial Intelligence Unit of the National Crime Agency to find out if this obligation applies to us.
- Develop knowledge of the customer, paying particular attention when accepting new partners, in monitoring the business relationship and ensuring traceability of financial movements.
- Check the HM Treasury Advisory Notice on high-risk third countries.
- If in doubt about how to proceed, seek advice from a manager, the ECO of the relevant entity or the DECG.

Preventing violations of competition law

No employee may share information with competitors on subjects such as prices, costs or strategy, as this could lead to suspicions of manipulation or distortion of competition.
No employee may enter into an agreement with competitors to distort free competition in a market.

DEFINITIONS

Breaches of competition law are behaviours that have the purpose or effect of preventing, restricting or distorting competition in a market. A distinction is drawn between:

- A cartel, which is an arrangement agreed between unconnected firms to distort competition (sharing price information, “carving up” the market, etc.);
- The abuse of a dominant position, which entails unilateral practices by an operator that abuses its position in the market to exclude other firms or prevent them from entering or developing within a market (predatory price practices, refusal to allow access to infrastructure, cross-subsidies).

ISSUES AT STAKE

The EDF Group is especially at risk of violations of competition law given the nature of its activities. For this reason, the Legal Affairs Division set up a competition compliance programme in 2010. It is part of the Group Ethics and Compliance Policy and is regularly updated.

The EDF Group has dominant positions in France in regulated areas (electricity transmission and distribution) and deregulated areas (electricity generation, supply). As such, it has substantial market power. A dominant position is not in itself anti-competitive; however, abuse of such a position is prohibited.

Violating competition regulations is subject to fines of up to 10% of EDF Group’s annual worldwide turnover, plus damages and interest for any company victim of anti-competitive practices, prison sentences for individuals involved of up to 5 years and/or a fine, and any agreement deemed anti-competitive may be declared void, etc.

The parent company’s liability can be invoked in proceedings involving its subsidiaries. Therefore, EDF S.A. could be penalised on the basis of the Group’s global revenue for the practices of one of its small subsidiaries, in a market that is not of substantive value to the Group.

Preventing violations of competition law

Rules that apply to the employees concerned as part of their duties

The employees concerned must:

- Avoid all contact with a competitor that might raise suspicions that there is some form of inappropriate cartel.
- Avoid any information-sharing between entities belonging to the Group in the event that they are bidding for the same contract.
- Define objective, transparent and non-discriminatory criteria for the awarding of contracts.
- Not participate and/or immediately withdraw from any situation resulting in inappropriate agreements or exchanges of information between competitors, and promptly inform the Legal Division.
- Inform their line managers promptly if they have received or accidentally used confidential information concerning competitors.
- Before approving any equity investment on Dalkia UK's behalf, check with the Legal Division whether or not the operation requires prior authorisation by the Competition authorities.

Rules that apply to the employees concerned as part of their duties

It is prohibited to:

- Become involved with agreements with competitors whose purpose or effect is to distort competition (price agreement, market sharing, abusive loyalty, discrimination between partners, tied selling, exclusivity agreements, etc.).
- Share information with competitors bidding for the same contract (except within the framework of bidding as a consortium).
- Use information in our possession on a market in a legal monopoly situation (current or past) to develop business in another market open to competition.
- Create any confusion between activities in the regulated sector and activities in the non-regulated sector.
- Seek to obtain a competitive advantage through illegal or unfair practices, such as strongly encouraging customers or suppliers to terminate contracts they may have with competitors.

High-risk situations

- EDF's support to its subsidiaries.
- Information-sharing between companies.
- Discussions during work meetings or within trade associations or working groups in which our competitors are also involved.
- Recruiting new employees whose previous employer was a competitor.

Best practices

- Check that the services provided by EDF for a subsidiary, including the provision of material or human resources, are subject to remuneration covering at least all the costs incurred.
- When negotiating an agreement, consider the potential consequences on competition (limitation of the offering for consumers, risk of excluding competitors, creation of barriers to entry, etc.).
- In cases where EDF benefits from a support measure or considers providing support to a third party, check with the Legal Division whether the measure can be categorised as State aid, which would mean following a specific procedure.
- Do not authorise an employee to share any confidential information in-house about a competitor for which he or she previously worked.
- If in doubt about how to proceed, seek advice from a manager, the ECO of the relevant entity or the DECG.

Compliance with international sanctions and export controls

Prior to any undertaking, a check should be made that the proposed business relationship or transaction is not subject to international sanctions and that there is clarity as to the product or service being exported, its destination, its end user and its actual use.

DEFINITIONS

Multilateral or unilateral international sanctions programmes of an economic and financial nature are intended to prohibit or restrict trade in goods, technology and services with certain States, territories, persons or companies designated on national lists (such as the U.S. OFAC), regional lists (EU decisions) or international lists (United Nations Resolutions).

These sanctions may take the form of measures to freeze funds and economic resources (asset freezes) and sometimes restrictions on access to financial services, territorial prohibitions or placement under military or sectoral embargo (restricting the use, transfer or trade of goods or activities, especially in the field of technology and energy).

Furthermore, in addition to the persons and territories subject to sanctions, export control regulations govern the export and use of certain products, technologies and software (some called “dual-use goods and technologies” as they can be used for civilian and military purposes) due to the risks they pose to the proliferation of weapons of mass destruction (nuclear, chemical, biological, etc.) or to the national interests of States.

Therefore, where it is necessary to export or re-export to another country dual-use equipment, technologies or software or make “presumed exports” of technology to foreign nationals within national borders, it is necessary to determine whether an export licence or other type of government authorisation is required prior to such presumed export or re-export.

ISSUES AT STAKE

The EDF Group and Dalkia UK are at risk of failing to comply with international sanctions due to their business activities, development projects and partnerships with public or private-sector bodies and their representatives (business finders, intermediaries, corporate officers).

Due to its activities, particularly nuclear activities, EDF is also subject to export control regulations, which require a “licence” from the competent authorities, prior to any transfer, export, brokerage or transit of equipment or technologies that may have both civil and military use. This obligation also applies to intra-Group relations and intra-Community exports.

Failure to comply with international sanctions and export control regulations pose significant risks to the Group, including particularly serious financial and criminal consequences, risks to the execution of the projects and activities concerned, and image and reputational risks.

Compliance with international sanctions and export controls

Rules that apply to the employees concerned as part of their duties

The employees concerned must:

- Know and comply with the rules and procedures concerning international sanctions and export controls implemented at a Group level and at Dalkia UK.
- Obtain authorisations from the competent authorities prior to any export or re-export of technologies, software or products that may have both civil and military applications. The employee concerned must also ensure that a Dalkia UK supplier or subcontractor has the necessary authorisations for these operations.
- Verify by means of targeted due diligence that no prohibited transaction is initiated with a country or entity subject to sanctions or that can be considered to be owned or controlled by the persons covered by the sanctions or obtain, where the transaction is authorised subject to conditions, the authorisations from the competent authorities prior to any transaction. To do so, it is necessary to ensure the origin, final destination or final recipient of the good.
- Provide contractual provisions and arrangements to protect the Group's interests in relation to the risks associated with international sanctions and export control.
- Provide the Dalkia UK ECO with information regarding the location of activities and a list of business partners.

Rules that apply to the employees concerned as part of their duties

It is prohibited to:

- Enter into a business relationship without having previously carried out an integrity check and having checked it is not included on a list of international sanctions.
- Enter into a business relationship without first including in the contract stipulations that both protect the Group from any breach of international sanctions and export control regulations, and in particular allow Dalkia UK to terminate the relationship if a partner fails to comply with these regulations, taking changes to them into account.
- Continue with the exports stated in the contract if the required authorisations could not be obtained from the competent authorities.
- Work with a business partner whose assets are frozen or included on a sanctions list. No payment, contract or delivery can be made to that relation.
- Export/import a good, technology or service to/from a country and/ or entity that is subject to international sanctions or export control decisions imposing restrictions on that country or entity.

High-risk situations

- Lack of accurate information on the nature, purpose and composition of the asset or technology concerned.
- Lack of precise identity of the customer and the supply chain.
- A similar name or address is present on a sanctions list.
- An invitation to make a payment to a third country, which is not the country in which the contractor is based.
- A partner that refuses normal procedures or services and/ or the contractual provisions under which it undertakes to comply with the sanctions programmes and export control regulations.
- When goods or services are delivered via indirect or obscure routes.

Best practices

- Read the Group's rules and procedures, in particular the Group's guidance note on Export Controls.
- Be particularly familiar with any embargoes and economic sanctions applicable in markets in which we have business and in countries in which we work.
- Check that the country, activity or partner (and its shareholders) do not appear on a list of sanctions, then set up a monitoring system for the duration of the business relationship.
- Ask the Dalkia UK ECO to conduct research in a compliance database.
- If in doubt about how to proceed, seek advice from a manager, the ECO of the relevant entity or the DECG.

TO FIND OUT MORE ABOUT THIS SUBJECT

See the Group Export Control guidance note: Visit the "Ethics & Compliance" and "Export Control and International Sanctions" communities on Vivre EDF online, where you can find a range of educational content including policies and e-learning modules. See also the dedicated UK Government website:

www.gov.uk/government/organisations/export-control-organisation. The lists are available on the following sites:

- UK: https://www.gov.uk/government/organisations/export-control-organisation
- United States: https://www.treasury.gov/ofac/downloads/sdnlist.pdf