

# MODERN SLAVERY ACT 2015

## EDF Trading 2016 Statement on Modern Slavery and Human Trafficking

This statement is made in accordance with the Modern Slavery Act 2015 and sets out the steps taken by EDF Trading Ltd (EDFT) to ensure that slavery and human trafficking are not taking place in our business or our supply chains. It covers the entities EDF Trading Ltd and EDF Trading Markets Ltd.

### 1. Overview

EDF Trading is a 100% owned subsidiary of the EDF Group, which is a leading energy player active in all major electricity markets. It operates worldwide, with major offices in London, Paris, Houston and Singapore covering business areas including energy trading, coal and freight, and energy services.

EDFT has considered all of its major supply chains. These cover the purchase of physical energy commodities (power, gas, coal and freight), computer hardware, furniture and office fittings, consumables such as drinks and cleaning supplies, and cleaning and maintenance staff. As EDFT is an energy trading company, purchases other than energy commodities form a small part of our business and we predominantly use suppliers with a UK base who are also subject to the Modern Slavery Act.

Commodities such as gas and electricity form the main part of our business but these are fungible, and it is not possible to track supply chains backwards. However, we do not consider these to be purchases where there is a high risk of modern slavery or human trafficking. We have therefore focussed our compliance efforts for 2016 on more tangible products where it is possible to identify the supply chains and take steps to assess them. These include coal, freight and computer equipment.

### 2. Policies in relation to slavery and human trafficking

EDFT is proud to be a member of the United Nations Global Compact (UNGC) and reports each year on our progress towards the UNGC goals. These include supporting the International Declaration of Human Rights and the core conventions of the International Labour Organisation. Our human resources guidelines include policies to support equal opportunities and against bullying and harassment. All employees and contractors (such as cleaning staff) are paid the London Living Wage and we are compliant with the EDF Group code of ethics, which upholds the Group's ethical commitments and values. Our procurement policy has a section specific to the Modern Slavery Act and requires all employees to consider the goals of the Act in all purchasing decisions, by investigating the labour practices and supply chains of potential suppliers. Additionally we have a third party whistleblowing hotline that is available to all employees and contractors, to report any instances or suspicions of slavery, human trafficking, or other unethical behaviour.

### 3. Risk assessment

Having reviewed and evaluated all of our supply chains, we have determined that the greatest risk of modern slavery and human trafficking lies in the purchase of coal, freight services and computer hardware. We have therefore concentrated our efforts on these supply chains.

### 4. Steps taken to assess and manage the risk of modern slavery and human trafficking

#### 4.1 Coal

Coal is mined in many countries that do not have a good reputation for respecting the human rights of their workers. In order to mitigate this risk, EDF Group (represented by EDFT) is a founder member of Bettercoal, which is a not-for profit initiative to promote corporate responsibility in the coal supply chain, with a specific focus on mines. The Bettercoal code covers various topics including human rights, ethics, health and safety and environmental performance. Bettercoal solicits detailed self-assessment questionnaires from mining companies, and conducts independent site audits. We include a clause in all new coal purchase contracts to specify that coal must be sourced from mines that participate in the Bettercoal assessment programme, and are revising existing contracts to also include this clause.

#### 4.2 Freight

The vessels used by EDFT to transport coal (and other commodities) are staffed by highly professional crews and we consider there to be a low risk of modern slavery on board ship. However, our ships dock in countries where the risk of modern slavery is higher, and when in dock consume services such as stevedoring and hold cleaning. These may have a higher risk of modern slavery, particularly in high risk countries.

Freight services such as these are organised by port agents, who are appointed by vessel charterers. Where we are the charterers we work with a select group of port agents (one or two per port) with whom we have longstanding relationships of up to fifteen years. We believe that establishing long term relationships with suppliers is the best way to mitigate the risk of modern slavery in this area.

#### 4.3 Computer Hardware

The majority of the computer hardware available for sale in the UK originates in countries which do not have a good reputation for respecting the rights of workers. However, while computer hardware is a major expense for EDFT, we recognise that our purchases are small given the overall size of the market and our market power is limited.

In order to mitigate the risk of modern slavery in our supply chain for computer equipment we use only suppliers with a UK base, who are subject to the Modern Slavery Act. We have written to all of our suppliers asking them what they are doing to ensure there is no modern slavery or human trafficking in their supply chains. Additionally, the majority of our purchases consist of branded products whose suppliers already publish anti-slavery statements in accordance with the California Transparency in Supply Chains Act of 2010. We will continue to review our supply chains for all IT equipment in line with our procurement policy. Furthermore, we ensure that obsolete IT equipment is recycled in an ethically responsible way.

### 5. Performance Indicators

During 2016 82% of the coal we purchased directly from mines came from mines that were compliant with the Bettercoal assessment programme.

The majority of our IT purchases came from tier one suppliers who were compliant with the Modern Slavery Act. Our six largest brands of IT hardware are all manufacturers who have published robust anti-slavery policies or statements (either in accordance with the Modern Slavery Act or the California Transparency in Supply Chains Act).

### 6. Training

All staff involved in coal procurement are trained in the Bettercoal assessment procedure and the head of coal procurement represents EDF Group on the board of Bettercoal.

All staff involved in purchasing decisions are aware of the EDFT procurement policy, which is also available on our intranet. Key staff involved in the procurement of IT hardware and consumables have been specifically trained on the requirements of the Modern Slavery Act.

The board of directors of EDF Trading approved this statement at its meeting on 17 May 2017.

John Rittenhouse  
Chief Executive Officer  
EDF Trading Ltd