



# annual report

*European Affairs Division*

• <i>Foreword</i>	<i>2</i>	• <i>Climate Action</i>	<i>8</i>	• <i>Accelerating electrification and the smart use of H<sub>2</sub></i>	<i>14</i>	• <i>Communication</i>	<i>21</i>
• <i>European Union lobbying principles</i>	<i>3</i>	• <i>Protecting the environment and biodiversity</i>	<i>9</i>	• <i>Digital strategy</i>	<i>16</i>		
• <i>2023 Lobbying facts &amp; figures</i>	<i>5</i>	• <i>Promoting a green strategic autonomy for european industry</i>	<i>10</i>	• <i>Research &amp; Innovation</i>	<i>17</i>		
• <i>Market design</i>	<i>7</i>	• <i>Promoting a diversified low carbon energy mix</i>	<i>12</i>	• <i>Stakeholders</i>	<i>18</i>		

# Foreword

**After a year 2022 characterised by an unprecedented energy crisis, 2023 witnessed crucial developments for Europe's energy future. Finalising the texts of the Fit for 55 package and reforming the electricity market have been decisive steps in responding to the energy crisis that has shaken the Union, while staying on course towards climate objectives.**

EDF's active involvement in European political debates has focused on three key areas. First of all, we stressed the need to design market rules that promote security of supply, in particular by encouraging long-term investment in low-carbon technologies. This imperative is at the heart of the text on market design.

Secondly, we have positioned ourselves in favour of a technology-agnostic approach to carbon-neutral technologies, recognising the complementary nature of renewable energies and nuclear power. We participated in the creation of the European Hydropower Alliance in this respect in order to ensure that the views underpinning this renewable energy are given greater consideration in Brussels.

Finally, we are committed to finding the right balance between protecting the environment, preserving biodiversity and deploying renewable energies. The European texts finalised in 2023 should

**Marion Labatut, EDF EU Affairs Director**

lead to greater consideration of the principle of overarching public interest for renewable projects.

The year 2024 will be marked by the European elections and the launch of the next term of office, which will have to implement the measures of the European Green Pact and define the 2040 milestone towards carbon neutrality.

Against this backdrop, EDF intends to play a leading role in meeting the growing need for carbon-free electricity. To make these aspirations a reality, we propose three key points for the next European mandate.

Firstly, we are calling for electrification to be made a priority for the European Union, with a European action plan within the first 100 days of the new Commission's appointment. This plan should set ambitious indicative targets that can be measured at Member State and sector level, as well as promote smart

electrification while unlocking investment for the EU's electricity grid.

Secondly, we are convinced that the principle of technological diversity must be respected in all EU initiatives if we are to achieve ambitious climate targets. A revised governance regulation and an agnostic approach to low-carbon technologies are essential if we are to meet the challenges of climate change while strengthening Europe's resilience and strategic autonomy. Likewise, European funds must be equally accessible for all these technologies to enable them to be elevated to an industrial scale.

Lastly, EDF is very keen to see a global approach to the power system that takes three pillars into account: i) the absolute priority of accelerating the electrification of uses at a pace consistent with the deployment of new decarbonised electrical capacities (variable renewable energies in particular, as well as nuclear); ii) the essential role of decarbonised, controllable

and flexible power generation sources such as nuclear and hydro in ensuring the stability of the European electricity grid and security of supply; iii) Adjusting the EU ETS to the new 2040 climate ambition, ensuring robust CO<sub>2</sub> prices and visibility for investors and consumers will be crucial to deliver a cost-effective energy transition. Interactions between EU energy and climate policies should be thoroughly assessed and addressed.

We remain determined to make an active contribution towards building a sustainable energy future for Europe by finding solutions for a just transition. By collaborating with our partners and working hand-in-hand with political bodies, we aim to create an environment conducive to decarbonisation and electrification, while preserving the balance between the environment, biodiversity and the deployment of all renewable energies.

*Brussels, June 2024*

# European Union lobbying principles

“A dynamic process has been put in place which triggers – when needed – follow-up actions. Ultimately, the process may result in EDF opting out of some organisations, or considering joining new ones.”

**EDF’s EU lobbying refers to the promotion or the defence of the company’s interests by its representatives within the European institutions (European Commission, European Parliament, Permanent Representations of Member States) with the aim of directly or indirectly influencing proposals or decisions which are likely to**

**impact the EU’s climate and energy framework and more specifically the company’s activities. Sharing our ethical values and complying with laws and regulations are at the heart of our commitment and reflect our corporate responsibility.**

While conducting its EU lobbying, EDF is committed to behave in a transparent and responsible manner.

EDF is duly referenced in the EU transparency register (n°39966101835-69) and is bound by its code of conduct (Annex 3 of the 2014 Interinstitutional Agreement) in its relations with the EU Institutions.

“A dynamic process has been put in place which triggers – when needed – follow-up actions. Ultimately, the process may result in EDF opting out of some organisations, or considering joining new ones”.

EDF also complies with applicable international conventions, does not seek information or decisions dishonestly, or by use of undue pressure or inappropriate behaviour, and provides, to the best of its knowledge, EU representatives and stakeholders with complete, accurate and up-to-date information.

In addition, EDF follows the rules of its own **Code of Ethics and Compliance** and of its Responsible Advocacy Charter, “European Union Lobbying principles”, which is a public document, displayed in our premises and distributed to new staff.



Staff are made aware of ethical issues through dedicated meetings, and the issuance of relevant documents and training is strongly encouraged, for instance in the field of anti-corruption, where 100% of staff have completed the internal in-depth anti-corruption programme in 2022.

**When lobbying the EU institutions, employees and representatives contracted by EDF must behave in a transparent and responsible manner, respecting the following principles:**

- Identify themselves as EDF employees or as acting on behalf of EDF before engaging in a lobbying action or any public intervention;
- Develop arguments always based on reliable, verified and up-to-date information;
- Respect the positions of other stakeholders;
- Comply with EU laws, regulations, conventions etc. governing lobbying, and follow the codes of conduct of the institutions being lobbied;

- Communicate and defend positions that are in line with EDF’s strategic framework and “raison d’être”;
- Be identified by the European Affairs Division.

**They must never:**

- Attempt to influence the position of a public official by offering him or her undue advantages, or by encouraging a breach of the ethical rules of the institution;
- Use, for commercial or advertising purposes, information obtained from an EU institution, or sell copies of such information to third parties;
- Seek information or decisions dishonestly, or by use of undue pressure or inappropriate behaviour;
- Deceive or mislead third parties and/or public officials, or claim any formal relationship with the EU or any of its institutions in their dealings with third parties.

**EDF subscribes to:**

- \* The Universal Declaration of Human Rights;
- \* The Convention on the Elimination of All Forms of Discrimination against Women;
- \* The International Convention on the Rights of the Child;
- \* The Convention of the Organisation for Economic Co-operation and Development on the fight against the corruption of foreign public agents in international commercial transactions;
- \* The Conventions of the International Labour Organisation guaranteeing the fundamental principles and rights of employment and tackling discrimination;
- \* The Guidelines of the Organisation for Economic Co-operation and Development for Multinationals;
- \* The United Nations Convention against Corruption;
- \* EDF’s European Affairs Division monitors closely its engagement with trade associations and think tanks and in particular how closely their values align with EDF’s “raison d’être”.

# 2023 Lobbying facts & figures

*Among global leaders in low-carbon energy, the EDF Group is active across the low-carbon energy value chain, from generation to retail, from energy efficiency to trading.*

EDF's activities are mainly located in Europe, which accounts for 90% of its turnover.

EDF is the European leader in carbon-free electricity, being the largest EU nuclear and renewables producer.

Its electricity emits 37 g CO<sub>2</sub><sup>1</sup> per produced kWh compared to an EU27 average of around 250 g CO<sub>2</sub><sup>2</sup>.

EDF Group supplies energy and services to approximately 40.9 million customers and generated consolidated sales of €139.7 billion in 2023.

In line with EU energy policies, EDF considers electrification as a major way forward to decarbonise the EU economy.

The EDF Group aims to champion of low-carbon growth and is committed to meeting the new expectations of customers, as well as of all stakeholders, by offering them value-added goods and services.

In 2023, a budget of 2 million euros was dedicated to representation activities of the EDF European Affairs division. EDF's responses to EU consultations are publicly available on the EU register. Moreover, EDF communicates publicly on its standpoints and messages on its key areas of interest

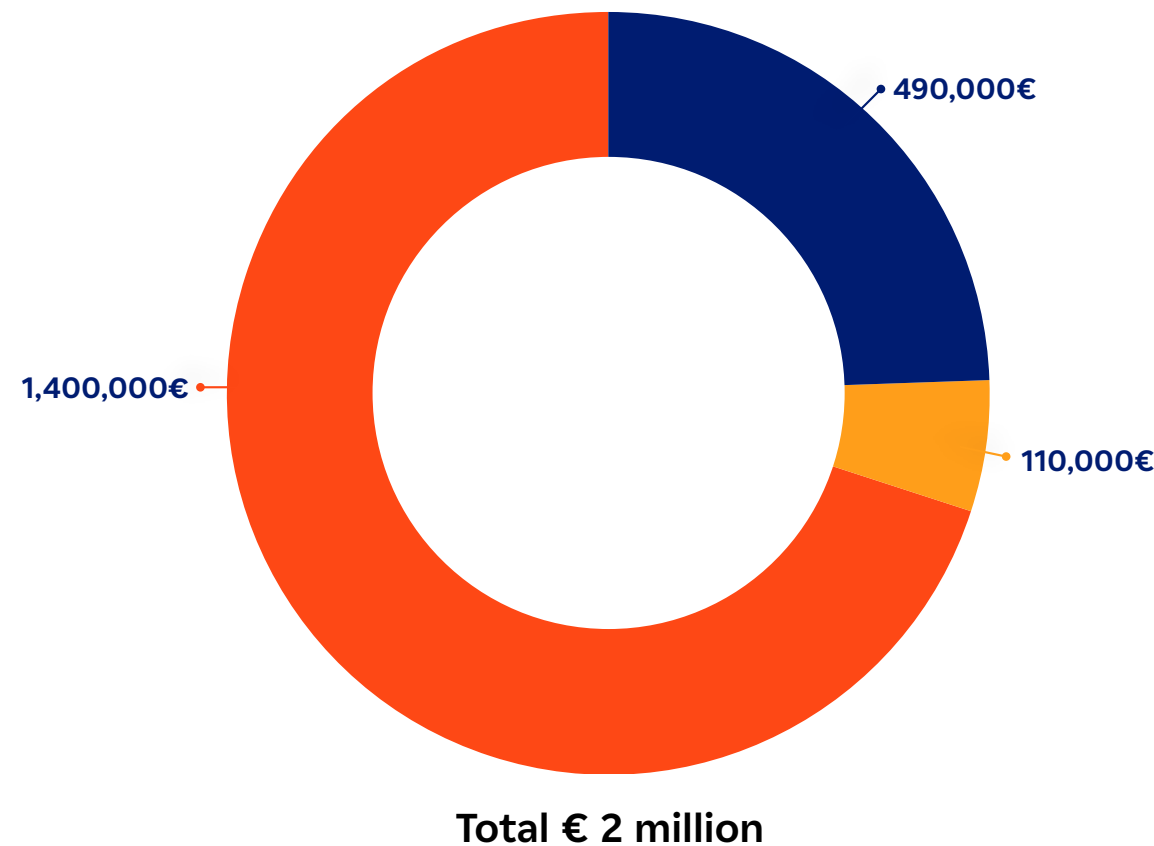
on social media (LinkedIn & X).

The main financial contributions of EDF European Affairs to think tanks in 2023 went to Bruegel (€50,000), with €30,000 going to the Centre on Regulation in Europe (CERRE) and €12,500 to the Centre for European Policy Studies (CEPS).

In addition to these membership fees, the European Affairs Division financed dedicated actions in support of the lobbying priorities presented in this annual report: the improvement of the electricity market design, climate action promoting a low-carbon energy mix with all renewables including biomass, accelerating electrification, and the smart use of hydrogen. The main initiatives that EDF EU Affairs supported in 2023 are a report on market design and climate policy with ERCST (24,2k€) and a report on the role of long term contracts with the Florence School of Regulation (122k€).

Other communication actions and related costs incurred by EDF are detailed in the "Communication" chapter.

1. <https://www.edf.fr/sites/groupe/files/2024-04/edf-urd-rapport-financier-annuel-2023-fr.pdf>  
2. <https://www.eea.europa.eu/en/analysis/indicators/greenhouse-gas-emission-intensity-of-1?activeAccordion=546a7c35-9188-4d23-94ee-005d97c26f2b>



## European Affairs budget

- **Trade associations membership, think tanks and studies**  
(including European Energy Forum and Energy Solutions)
- **Events and communication**
- **Operating expenses**

# 3 Main lobbying actions in 2023

## Call for proper design of the electricity market

Faced with soaring energy prices in 2022, the European Commission launched a review of the Electricity Market Directive and Regulation on 14 March 2023. EDF has actively supported mechanisms that encourage investment in decarbonised energies via long-term signals (Power Purchase Agreement [PPA] and Contract for Difference [CfD]) in a technology-neutral way. The debate has also focused on sources of non-fossil flexibility and consumer protection. The revised directive and regulation will come into force in 2024. In parallel, the Commission has also proposed a review of the supervision of wholesale electricity and gas markets. EDF is committed to upholding the clarity and coherence of the new rules, which will be formally adopted by Parliament and the Council shortly.

## Defending a technology-neutral approach: The example of the Net Zero Industry Act

The aim of the Net-Zero Industry Act, a key element of the Green Deal's Industrial Plan, is to boost the EU's industrial production capacity for clean technologies, targeting 40% of the EU's needs by 2030. Among other things, it promotes their deployment, strengthens value chains, speeds up procedures and develops the necessary skills. In particular, EDF has championed the inclusion of all technologies contributing to decarbonisation objectives, especially nuclear and hydraulic power, in the category of strategic technologies benefiting from all the opportunities offered by the regulation. Inter-institutional negotiations continue into 2024.

## Launch of the European Hydropower Alliance

In 2023, the EU Hydropower Alliance was created to promote the interests of hydropower as a flexible renewable energy essential for the EU's decarbonisation objectives. The alliance, made up of Europe's 10 largest hydropower producers, including EDF, represents 110 GW of installed capacity. In particular, it has organised meetings with political leaders, including Energy Commissioner Kadri Simson, to promote this energy source and its good biodiversity practices.

# Market design

*In order to curb energy prices, which reached historic levels by 2022, the Commission, under political pressure from certain Member States, launched a review of the Electricity Market Directive and Regulation. EDF has been particularly active in the legislative debate in favour of mechanisms (PPA and CfD) that promote long-term signals to enable investment in decarbonised energies, pursuing a technology-neutral approach.*

The debate also focused on promoting sources of non-fossil flexibility. After conducting regular exercises to assess their long-term needs, Member States will have to set themselves indicative flexibility targets. To achieve these goals, they can use support mechanisms if necessary.

Finally, the reform included a consumer protection component, strengthening consumer rights.

The directive and regulation will come into force in 2024.

On 14 March, the Commission also initiated a review of the regulations governing the supervision of wholesale electricity and gas markets. EDF is committed to defending the clarity and coherence of the new rules, which will be formally adopted by Parliament and the Council shortly.



# Climate Action

## Implementation of ETS and monitoring of secondary procedures with 2024 as the first year for application of the new rules

Following the adoption of the Fit for 55 package of climate policy legislation in 2022, 2023 saw the publication of the first major delegated acts arising from that adoption, particularly concerning the Emission Trading Scheme (ETS). In summer 2023, for example, the European Commission published a draft MRR (monitoring and reporting greenhouse gas emissions) implementation regulation, an essential text concerning the arrangements for monitoring and reporting emissions. Auction implementation regulations were also published in October 2023. Finally, the European Commission opened a consultation in December on the delegated act concerning the rules for free allocation of emission allowances, with better recognition of decarbonation levers, such as electrolytic hydrogen, to ensure fair treatment with grey hydrogen. This development, which EDF welcomes, marks a significant shift in the way permits are distributed, from a system defined according to installations, and therefore

the production process, to an allocation regardless of the type of goods production process.

Finally, EDF European Affairs Division has been closely monitoring emerging topics concerning carbon sequestration, notably in the context of legislative discussions on the CRCF (Carbon Removal Certification Framework) for natural sequestration and the summer 2023 consultation on industrial carbon capture and storage technologies. While emphasising the need for these technologies to achieve technological neutrality, the group points out that they should be used as a last resort after other, more effective means of preventing emissions at source, such as electrification of uses, improving energy efficiency, and changing fuels or processes in sectors that are difficult to decarbonise



## Outlook for 2024

Towards a new climate/energy framework and defining a 2040 milestone for achieving climate neutrality

EDF has been very active in two consultations that will structure political debates towards and at the beginning of the next term of office:

- On the 2040 target
- On the revision of the Energy Union governance regulation.

EDF is calling for an ambitious target that does not close the door on any decarbonisation lever, and that strengthens the competitiveness of European industry while ensuring that the transition is fair for citizens.



# Protecting the environment and biodiversity



Protecting the environment and biodiversity are key issues for EDF, whether in terms of the circular economy, air pollution, chemical management, soil quality or biodiversity protection.

**BIODIVERSITY:** EDF supports the ambitious objectives of restoring terrestrial and marine ecosystems, and

has emphasised the synergies needed between the protection of nature and development of low-carbon energies.

EDF has contributed to the discussions by sharing examples of beneficial renewable energy deployment practices (agrivoltaism, floating wind turbines, restoring nature at hydroelectric power plants).

**CHEMICALS:** EDF has been actively following several initiatives, particularly the F-GAZ and PFAS regulations, in view of their impact on its generation facilities. EDF supports the general aim of eliminating products that are harmful to human health and the environment, while pointing out that certain products are essential, and sometimes non-substitutable, for certain uses and to ensure the safety of its facilities.



## Outlook for 2024

Continuing its work in support of non-financial reporting to make the environmental performance of companies, in particular, visible, the European Commission published a Duty of Vigilance Directive in 2024. The potential human rights and environmental impacts of a company's entire value chain will need to be monitored and mitigated. EDF supports the European ambition and the introduction of harmonised rules between Member States. These discussions will be concluded in 2024.



© EDF / Matthieu Colin

# Promoting a green strategic autonomy for european industry

*The series of crises suffered by the EU in recent years - the pandemic, the energy crisis, the war in Ukraine - have led Europe to step up its ambitions in terms of strategic autonomy, so as to have the capacity to control its supply chains in strategic sectors, the foremost of which is energy. The adoption by other regions of the world of powerful support mechanisms, such as the Inflation Reduction Act in the United States, has focused attention on this European determination.*

On 1 February 2023, with this in mind, the Commission published a communication presenting the Green Deal Industrial Plan, made up of the electricity market reform and the new regulations relating to critical raw materials (CRM Act) and net zero emission industry (NZIA) aimed at reducing dependence on third countries for certain technologies and materials essential for their manufacture.

## The Net Zero Industry Act (NZIA)

The cornerstone of the Green Pact's Industrial Plan, the Net-Zero Industry Act will strengthen the EU's industrial production capacity for a range of clean

technologies defined as strategic for the ecological transition and resilience of the energy system. The overall objective is for production capacity to reach at least 40% of the Union's annual deployment needs for these technologies by 2030.

The NZIA thus provides an appropriate regulatory framework to encourage the deployment of the latter, consolidate their value chain on European soil and stimulate investment: speeding up administrative procedures and, taking greater account of non-financial criteria in public procurement, facilitating development of the skills needed to train the European workforce, identifying priority projects, etc.

The new Regulation was signed on 13 June 2024. It will enter into force on the day of its publication in the Official Journal of the EU. In 2023, EDF insisted on the need to include all technologies contributing to the EU's decarbonisation and strategic autonomy objectives, first and foremost nuclear and hydro. As a strong supporter of this initiative, EDF is also promoting messages to strengthen European resilience through market rules favouring local content.

### The Critical Raw Materials Act (CRMA)

As a corollary to the NZIA, the aim of the CRMA is to guarantee adequate access to the critical raw materials (lithium, magnesium, nickel, etc.) that are essential for the manufacture of these key technologies and are faced with growing global demand. The regulation thus sets European reference targets for 2030 to strengthen EU capacities at different stages of the value chain, while diversifying imports.

### Access to financing

This part of the Green Pact's Industrial Plan is designed to accelerate investment and funding for the development of clean technologies in Europe.

To this end, the Commission extensively revised its instruments concerning state aid in 2022 and 2023. The temporary framework was adopted in 2022 and extended to 2025 to enable Member States to support companies affected by energy price trends or the risk of relocation. In this context, EDF has argued and continues to argue for technology-neutral mechanisms that provide long-term signals and strengthen the EU's energy independence. Similarly, EDF has insisted that aid schemes should be open to all economic players, and support both capital and operating expenditure.

The Commission has also introduced the possibility of using existing European funds to finance innovation, manufacturing and the deployment of clean technologies. This trend needs to be extended and scaled up so that all

relevant European funds, including those of the EIB, can be mobilised in favour of renewable and nuclear technologies.

### Industrial alliances

Industrial alliances are one of the European Commission's tools for strengthening cooperation and joint action between all interested partners. They can play a role in achieving key EU policy objectives through joint action by all interested partners, making European economies more resilient and ensuring the global competitiveness of industry, while supporting a successful transition to net zero.

Following on from the Alliances on batteries, hydrogen and solar energy, the European Commission has launched an Alliance on SMRs.



# Promoting a diversified low carbon energy mix

*In this context, it is essential to diversify the low-carbon energy mix, based on controllable, low-carbon and renewable means of production. The combination of nuclear energy and renewable energies, including hydropower, which - in addition to being sustainable - enables large-scale energy storage, is an appropriate response to the European challenges.*

## 1. Ensuring recognition of the essential contribution of nuclear power in the energy transition

2023 was marked by numerous announcements from Member States and operators in favour of the development of nuclear technologies: Encouraged by the inclusion of nuclear power in the taxonomy (see below) and by concerns about the security of supply and energy independence, Member States that had put their programmes on hold, such as Czechia, Sweden, the Netherlands, Romania and Slovenia, are planning to resume them at the same time as France, while other States, such as Poland, have expressed their desire to develop civilian nuclear technology. Italy and Belgium are also reviewing their energy policies. This trend concerns the existing technology of power reactors (medium and high), as well as projects, currently under development, for small modular reactors (SMRs) which, are attracting more and more interest.

Building on this momentum, France launched an initiative in 2023 to bring together within an informal Alliance all Member States wishing to use nuclear energy, alongside renewables, to successfully complete their energy transition.

These questions were the focus of the many and varied discussions on SMRs in 2023. Designed to meet a wide range of needs (decarbonised electricity production to replace coal-fired power plants, heat or cold production, hydrogen production), this technology has been the subject of in-depth work as part of a pre-partnership launched by the European Commission and co-led by SNETP, Nucleareurope, DG Grow and Ener, with the aim of mobilising the entire European ecosystem, widely distributed across the Union. The conclusion of this work was welcomed by Commissioner Simson who, at the ENEF summit held in Bratislava in November 2023, announced the forthcoming launch of an Industrial Alliance dedicated to SMRs. All players in the nuclear industry are keen to see this alliance.



## Outlook for 2024

In 2024, the formal launch of the SMR Industrial Alliance will enable the EU to position its industrial strength in this sector and fortify synergies between European players



## Outlook for 2024

In 2024, EU Hydropower Alliance (EUHA) will work on developing its structure and continue to define its rules of governance. A number of initiatives are also planned to make hydropower one of the political priorities of European institutions, and strengthen links with newly elected MEPs.

## 2. Ensuring recognition of the full role of hydropower among other renewable energies

The year 2023 saw the launch of the EU Hydropower Alliance. The aim of this alliance is to ensure that the views of expert hydraulic engineers are taken into consideration in the Brussels debate. It advocates the recognition of hydropower as a flexible renewable energy, underlining its vital contribution to Europe's decarbonisation and energy transition objectives. EUHA also highlights the industry's commitment and best practices in mitigating its impact on biodiversity.

Today, EUHA brings together Europe's 10 leading hydropower specialists: Enel, EDP, Fortum, Verbund, Uniper, Iberdrola, Engie, Vattenfall and Statkraft have joined EDF in this initiative. Together, these companies represent +110 GW of installed capacity and operate the full range of hydropower

technologies in a European geographical area with a wide range of challenges.

To mark its launch, the EU Hydropower Alliance published an open letter and met with European Energy Commissioner Kadri Simson in May 2023 to present the industry's challenges and priority issues. EUHA focused its lobbying efforts on two pieces of legislation impacting the industry: reform of the European electricity market, addressing in particular the question of remunerating flexibility, and the NZIA, offering new prospects for supporting the hydropower value chain.

## 3. Encouraging faster deployment of renewable energies

The year 2023 was marked by the finalisation of particularly complex inter-institutional negotiations on the revision of the Renewables Directive (RED2 Revision). EDF was mobilised in particular by two political issues: the role of forest biomass in decarbonising the heating sector, with balanced sustainability criteria to ensure the proper management of forest resources and the facilitating component, an essential link for the accelerated deployment of electric renewable energies, notably through recognition of the principle of overriding public interest.

Finally, EDF has, through the NZIA regulation and the Wind Power Action Plan (October 2023), advocated support for the European solar and wind power industries.



## Outlook for 2024

In 2024, EDF will take part in discussions on the various guidelines to be published by the Commission (acceleration zone for renewables and improved tendering procedures for renewable projects).

The need to speed up permitting procedures and identify administrative and legal obstacles will remain at the heart of our messages and actions in Brussels.



© EDF / Xavier Popy

# Accelerating electrification and the smart use of H<sub>2</sub>

*The EU regulatory framework for hydrogen must support H<sub>2</sub> produced with low-carbon electricity*

EDF believes that electrification is the most efficient and cost-effective way to decarbonise many sectors of the economy. However, in industrial sectors that are more difficult to transform, as well as in aviation and marine applications, low-carbon, renewable electrolytic hydrogen will be needed to achieve carbon neutrality.

In this respect, the European Commission published a delegated act in 2023 to define renewable hydrogen and the principle of additionality. EDF had expressed its views on this important subject, requesting robust methodologies for calculating CO<sub>2</sub> emissions from hydrogen produced with electricity from the grid (response to the public consultation and bilateral

exchanges with the Commission). All that remains now is to adopt the delegated act that will define the characteristics of low-carbon electrolytic hydrogen on the basis of the Gas package adopted in 2024. A Commission proposal is expected by 2025.

### *Decarbonising the aviation and maritime sectors: ReFuelEU Aviation and FuelEU Maritime*

Through the projects of its subsidiaries and R&D projects, EDF is taking an interest in the development of low-carbon e-fuels for maritime and aviation purposes. EDF therefore welcomes the two Fit for 55 texts encouraging the competitive deployment of sustainable fuels (ReFuelEU Aviation and FuelEU Maritime). EDF has worked hard to enable e-fuels produced from electrolytic hydrogen from the grid to contribute to the targets set in these two regulations, which have now been adopted.

### *Energy efficiency: reducing GHG emissions with low-carbon energy*

In 2023, the Energy Efficiency Directive (EED) was adopted, while the Energy Performance of Buildings Directive (EPBD) was the subject of intense discussions among each of the two co-legislators, then in dialogue.

EDF was active on both these issues, advocating consideration of carbon efficiency measures alongside energy efficiency. In particular, the principle of the primacy of energy efficiency was supplemented by the notion of climate efficiency. In addition, EDF supported an implementation that would be accessible for the entire population, including those with the least means to participate in the energy transition (fair transition).

EDF also warmly welcomed the ambitions of the EPBD directive, an essential element in the decarbonisation of European buildings (residential, commercial and industrial). EDF is very active in promoting heat pumps of all types and for all sizes of installation, a key driver of the electrification of down-

stream uses and high energy efficiency; In this regard, the company supports the European Commission's efforts to set up a plan specifically dedicated to the development of heat pumps in Europe.

### *Mobility*

In March 2023, the co-legislators reached agreement on a text essential for the development of electric mobility – the alternative fuels infrastructure directive (AFIR) – formally approved by the institutions and which then entered into force in September. Since its publication, EDF has been following this major component of the “Fit for 55” package, which sets ambitious targets for the deployment of electric charging stations on Europe’s main transport routes to support the growing sales of electric vehicles. The role of smart charging technologies (tariff control, V1G, V2G), essential for integrating mobility into the electricity system, is recognised and encouraged in the AFIR and EPBD, as well as in the Renewable Energy Directive (RED), in line with the strategy pursued by EDF.



## *Outlook for 2024*

In 2024, as in 2023, EDF took part in Eurelectric's annual electric mobility event, “E Vision”. This was an opportunity to congratulate the European institutions for their commitment to advance transport decarbonisation, with electrification being the primary focus.



© EDF / Augustin Detienne

# Digital strategy

With 2022 being marked by the adoption of the European cybersecurity framework directive (NIS 2), 2023 saw the culmination of negotiations on another text closely followed by EDF: the Data Act).

Proposed by the Commission in February 2022, the Data Act was agreed between the institutions in June 2023. This text, the cornerstone of Europe's data strategy, introduces new rules to promote the circulation of data throughout the EU, with the aim of boosting digital innovation, particularly in industry.

EDF is very supportive of all these measures, which are necessary for the emergence of a competitive digital market that protects European companies and enables the free circulation of data, ultimately favouring the emergence of innovative services.

The first semester 2024 also saw the adoption of another text closely followed

by EDF: the AI (Artificial Intelligence) Act. Throughout the legislative procedure, EDF supported the overall goal of the regulation to establish a framework for AI systems using a riskbased approach, while calling for compliance requirements for “high-risk” AI systems to be streamlined. Taking into account the unique characteristics and regulations of the sector was also a priority for EDF. Overall, the final agreement stroke the right balance between necessary regulation and preservation of innovation. EDF will follow closely its implementation.

In 2024, EDF will monitor the implementation of the sectoral measures of the Action Plan for digitalisation of the energy system and, in particular, those measures to support the establishment of a common European energy data space (“Energy Dataspace”).



# Research & Innovation

## EDF'S R&D

EDF's contribution to the transition to a low carbon economy builds on the know-how and expertise of its R&D department.

At the heart of EDF's "raison d'être", Research & Innovation activities are key for all EDF's business lines units and subsidiaries, focusing on improving performance in all current activities and preparing the future by working on innovative technologies serving energy, digital and societal transition.

EDF researchers are driven by two missions:

- improving performance in all current activities
- preparing the future by working on innovative technologies serving energy, digital and societal transition

EDF R&D is present worldwide with 3 main labs in France (Saclay, Chatou, Renardière) but also in UK, Germany, Italy, Singapore,

China and the US. The R&D laboratories of the EDF Group which gather around 2000 researchers across 14 labs in France, are at the heart of the company. They cover all trades and activities of the energy sector and they provide day-to-day support to EDF's business lines and subsidiaries.

## EDF'S ENFIN

The experts of the EDF Group Network for project Financing (ENFIN), part of the European Affairs Division, support the business units, the EDF R&D department and the subsidiaries, to implement innovative projects in different fields such as renewables energy, smart cities or energy efficiency.

### Support to EDF Group R&I projects

ENFIN supports EDF's R&I efforts by identifying European academic and private partners, funding programs to unlock the implementation of innovative projects and

support dissemination and knowledge sharing activities towards EU stakeholders. The ENFIN experts work on the preparation and submission of proposals to the IPCEI framework and European programs such as Horizon Europe, ERDF, INTERREG, Connecting Europe Facility, Innovation Fund and LIFE, whose aim is to provide the financial support needed to design, develop and test solutions and key technologies in the achievement of EU's climate and energy targets.

Aligned with EDF's "raison d'être" and objectives focusing on building a net zero energy future with electricity and innovative solutions and services, ENFIN has been contributing to the financing and implementation of numerous projects in various fields: nuclear energy, renewable energy, hydropower, decarbonization of naval transport, energy storage, V2G (vehicle to Grid), photovoltaic (PV) self-consumption, heat recovery, positive energy blocks, fast charging stations for



© EDF / Frédéric Delangle

electric vehicles (EV), heating networks and hydrogen infrastructures for mobility purposes.

### Support to EDF Group R&I strategy within the EU framework

ENFIN is also responsible for analyzing trends in European R&I field and contributing to the influence of EDF R&I at European level. ENFIN supports the development and implementation of European R&I collaborative projects to promote synergies with its European counterparts (research laboratories, R&D centers, ...) and contribute to the

dissemination of the EDF Group's innovative solutions at European level.

R&I is a key vector for bringing EDF expertise toward the EU institution, helping to understand the challenges of the energy and digital transition and to scope the R&I RoadMap of the Commission.

EDF contributes to the activities of the European Technology and Innovation Platforms (ETIP) and Public Private Partnerships (PPP) at European level, collaborating with academic and industrial organizations to define the R&I priorities and objectives to be met to achieve EU's energy and climate goals.

# Stakeholders

## EDF relations with trade associations and lobbying process review

In 2023, in line with its support for a European Union energy transition to carbon neutrality by 2050, EDF continued its efforts action along these lines in various European associations.

### Last year, the principal focus was on supporting:

- The main issue of the year was the reform of electricity market design, with Eurelectric, like EDF, strongly in favour of price stabilisation via long-term contracts;
- Then there was the Net Zero Industry Act, which numerous associations (Eurelectric, SGI-Europe, WindEurope, Nuclear Europe, etc.) have taken an interest in, with the aim of promoting all decarbonised technologies;

- Together with EHPA in particular, EDF has naturally supported the Heat Pump Action Plan;
- In preparation for the new term of office (24-29) and in agreement with a large number of associations, EDF has supported an ambitious level of reduction in greenhouse gas emissions by 2040.

In 2024, EDF will continue its efforts to ensure that the associations in which it is a member promote an energy transition based on all decarbonised technologies, insofar as their corporate purposes allow this. Making Europe carbon-neutral by 2050 remains an essential goal.

### Annual monitoring of EDF's involvement in associations exercising influence at the European level

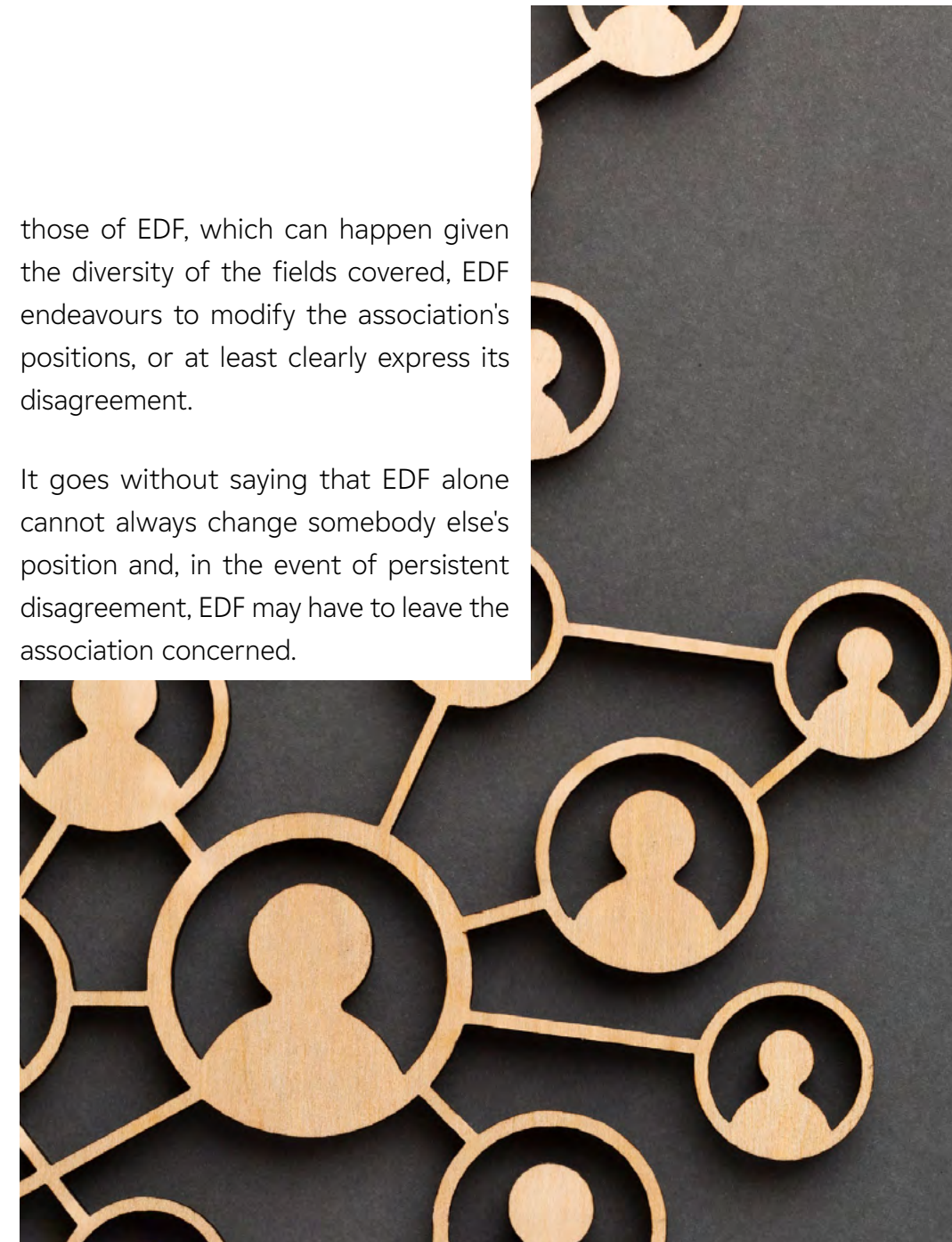
EDF is directly involved in numerous

European associations via its subsidiaries or national associations. Given the diversity of its businesses, EDF is a member of a wide range of associations. The most important ones are BEPA, BioEnergy Europe, COGEN Europe, EASE, EFET, EFIEES, EHPA, Eurelectric, Eurogas, EuroHeat&Power, France Industrie, Hydrogen Europe (HE), SGI Europe, SmartEN, SNETP, nucleareurope and WindEurope. These associations can be of a general nature or focus on a particular field. EDF may be a member directly, or through a subsidiary (EDF-Trading for EFET, for example) or through a national federation (UFE for Eurelectric, for example).

EDF coordinates an internal network that reviews the positions taken by these professional associations on an annual basis. The result of these assessment is available in the *Group's Climate Policy Engagement Review*. If the association's objectives or messages are not in line with

those of EDF, which can happen given the diversity of the fields covered, EDF endeavours to modify the association's positions, or at least clearly express its disagreement.

It goes without saying that EDF alone cannot always change somebody else's position and, in the event of persistent disagreement, EDF may have to leave the association concerned.



The so-called Brussels bubble is made up of a myriad of professional associations and partnerships as well as several think tanks. In conjunction with the European institutions, this wide range of participants taking part in the democratic debate constitutes an environment that helps build a consensus that is key to European legislative and regulatory decision-making.

The think tanks of which EDF was a member in 2023, CERRE, Bruegel, ERCST, FSR and EPC, largely cover the spectrum of the Group's activities and are the ideal place for debates that help to build constructive arguments for the European Union's regulatory choices.

In 2023, EDF will be represented on the boards of various associations, including Eurelectric, EASE, WindEurope, SmartEN, SGI Europe and SNETP.



### **Focus on EPC (European Policy Centre)**

The European Policy Centre (EPC) is an independent, not-for-profit think tank dedicated to fostering European integration through analysis and debate, supporting and challenging decision-makers at all levels to make informed decisions based on evidence and analysis, and providing a platform for engaging partners, stakeholders and citizens in EU policy-making and in the debate about the future of Europe.

The EPC was launched as a think tank in 1996. In 2003, the EPC was established as an international not-for-profit organisation under Belgian law. Its Chief Executive is Fabian Zuleeg, its Honorary President is Herman Van Rompuy.



### **Focus on Notre Europe Jacques Delors**

Notre Europe - Institut Jacques Delors is the European think tank founded by Jacques Delors in 1996 (under the name 'Notre Europe'). Its president is Enrico Letta, former Prime Minister of Italy. Based in Paris, Berlin and Brussels, the Jacques Delors Institute produces analyses and proposals targeting European decision-makers and a wider audience and contributes to the debate on the European Union. Its works is inspired by the action and ideas of Jacques Delors.

EU energy policy is among the key priorities of the Jacques Delors Institute. The idea of building an EU Energy Union was first put forward by the Jacques Delors Institute in a 2010 paper signed by Jacques Delors and Jerzy Buzek, followed by dozens of policy papers and reports on EU energy policy. In 2018, the Institute created the Jacques Delors Energy Centre devoted to research on and proposals to accelerate the European energy transition towards a clean energy future.



## *Outlook for 2024*

The year 2024 is a special one, with a new European Commission to be appointed. For EDF, it is therefore an opportunity to put forward, through the associations of which it is a member, the main directions and trends we would like to see in the run-up to 2040, namely electrification, the inclusion of nuclear power in country-specific greenhouse gas reduction targets, and genuine technological neutrality for the European Union, in particular through access to European funding for this type of energy.

“Achieving greater economic security should be central to the next mandate of the European Commission. Making the EU's clean energy transition work - ensuring an abundant supply of cheap, decarbonised electricity without reviving the strategic dependencies of the past - will play a vital role in this effort. This implies significant domestic investments in renewable capacity, managing supply chains for critical raw materials, and the development of a truly credible, common green industrial policy for Europe.”

**Fabian Zuleeg, Chief Executive, European Policy Centre**

All publications are available free of charge on its website and through its social media channels in French, English and German. The JDI is wholly independent of political party influence and economic interests.



**Focus on EASE (European Association for Storage of Energy)**

EASE is the association representing around 70 actors of the whole energy storage value chain in Europe. EASE supports the deployment of energy storage to encourage the cost-effective transition to a resilient, climate-neutral, and secure energy system. EDF is one of the founding members of this association established in 2011 and recognized in Brussels to make the voice of the storage sector. Very active during the Fit for 55 debates, EASE supports a technology neutral approach of energy storage from

PHS to batteries and thermal storage. It takes positions at European level on both the technical regulation impacting storage systems and the market design in order to promote a regulatory environment favorable to the economic development of storage. EDF is represented on the Board by Olivier Didry, re-elected in November 2023 as Vice-President. A storage coalition has been created in 2022 between WindEurope, SolarEurope, Breakthrough Energy and EASE aiming at accelerating the decarbonation of the European energy system by increasing the deployment of sustainable and clean energy storage solutions to support renewables.



**Focus on Wind Europe**

WindEurope is the voice of the wind industry, actively promoting wind energy across Europe. It is composed of 500 members from across the whole value chain of wind energy: wind turbine manufacturers,

component suppliers, power utilities and wind farm developers, financial institutions, research institutes and national wind energy associations. EDF through its subsidiary EDF Renewables is a member of the Governing Board. WindEurope actively coordinates international policy, communications, research, and analysis. It also provides various services to support members' requirements and needs in order to further their development, offering the best networking and learning opportunities in the sector. WindEurope analyses, formulates, and establishes policy positions for the wind industry on key strategic sectoral issues, cooperating with industry and research institutions on a number of market development and technology research projects. WindEurope produces a large variety of information tools and manages campaigns aimed at raising awareness about the benefits of wind and enhancing social acceptance, dispelling myths about wind energy and providing easy access to credible information. WindEurope regularly organises numerous events, ranging from conferences, exhibitions, and launches to seminars and workshops.



# Communication

*2023 was a pivotal year for Europe's energy future. The completion of the Fit for 55 package and the electricity market reform led to a frenzy of political activity in Brussels. Throughout the year, EDF maintained a regular and dynamic communication activity.*

## Our key events of the year

30 March



**Luc Rémont**  
Chairman and CEO

### EBS Clean Energy Summit 2023

“Maintaining Europe Green Momentum”

1-day event with more than 2,000 participants and high-level speakers from the EU Institutions, industry, academics, think tank and associations.

The 2023 edition of the Clean Energy Summit highlighted the transformative developments currently underway for the European energy sector, challenged by the need to achieve both energy security and long-term sustainable goals.

EDF's speaker Luc Rémont, Group's Chairman and CEO, talking about EDF vision of European Market design: “The PPAs, fully merchant contracts, can further develop all types of low carbon generation. These contracts give long term visibility to investors and lower consumers' exposure to volatility”.

**(Investment €25k)**

6 June



**Erkki Maillard**  
Sr VP Group Director of Government and International Affairs

### 3<sup>rd</sup> European Energrenddeal Conference

“Financing the transition to climate neutrality”

1-day event with more than 800 participants and high-level speakers from

the EU Institutions, industry, academics, think tank and associations .

The financing of the transition to carbon neutrality through taxonomy and green bonds was on the agenda of the 2022 edition. EDF illustrated its vision of carbon neutrality based on all decarbonised, transitional, and intermittent but also controllable means of generating electricity, as is the case with nuclear assets, a powerful lever for strengthening the Union's security of supply and energy independence.

**(Investment €17k)**

## 28 September



**Frederic Fontan,**  
Head of Regulation at EDF Customers, Services and territories branch

### EHPA Heat & Pump European Forum

**“Advancing REPowerEU in a HeatBeat: the Heat Pump Accelerator”**

1-day event with about 500 participants and high-level speakers from the EU Institutions, industry, academics, think tank and associations.

The European Commission’s REPowerEU plan sets forth ambitious targets, calling for a doubling of newly installed heat

pumps annually. To achieve these goals, the European Commission is developing a Heat Pump Action Plan, scheduled for release by the end of 2023. EHPA, its members and other organizations are collaboratively creating an “accelerator” document to identify barriers and propose effective solutions for rapid heat pump deployment.

EDF highlighted how heat pumps, which are reliable and effective, create many jobs and help Europe achieve its goals of industrial and technological independence, predicting massive deployment of heat pumps in the coming years, with installations tripling between 2030 and 2050 on a European scale EDF also advocated for a suitable way of funding that would ease the investment challenges of this technology.

**(Investment €10k)**

## 24 October



**Emmanuelle Verger**  
Chief Executive Officer of EDF Hydro

### HYDROPOWER ALLIANCE in partnership with EURACTIV

**“Hydropower: a key player of the net zero economy”**

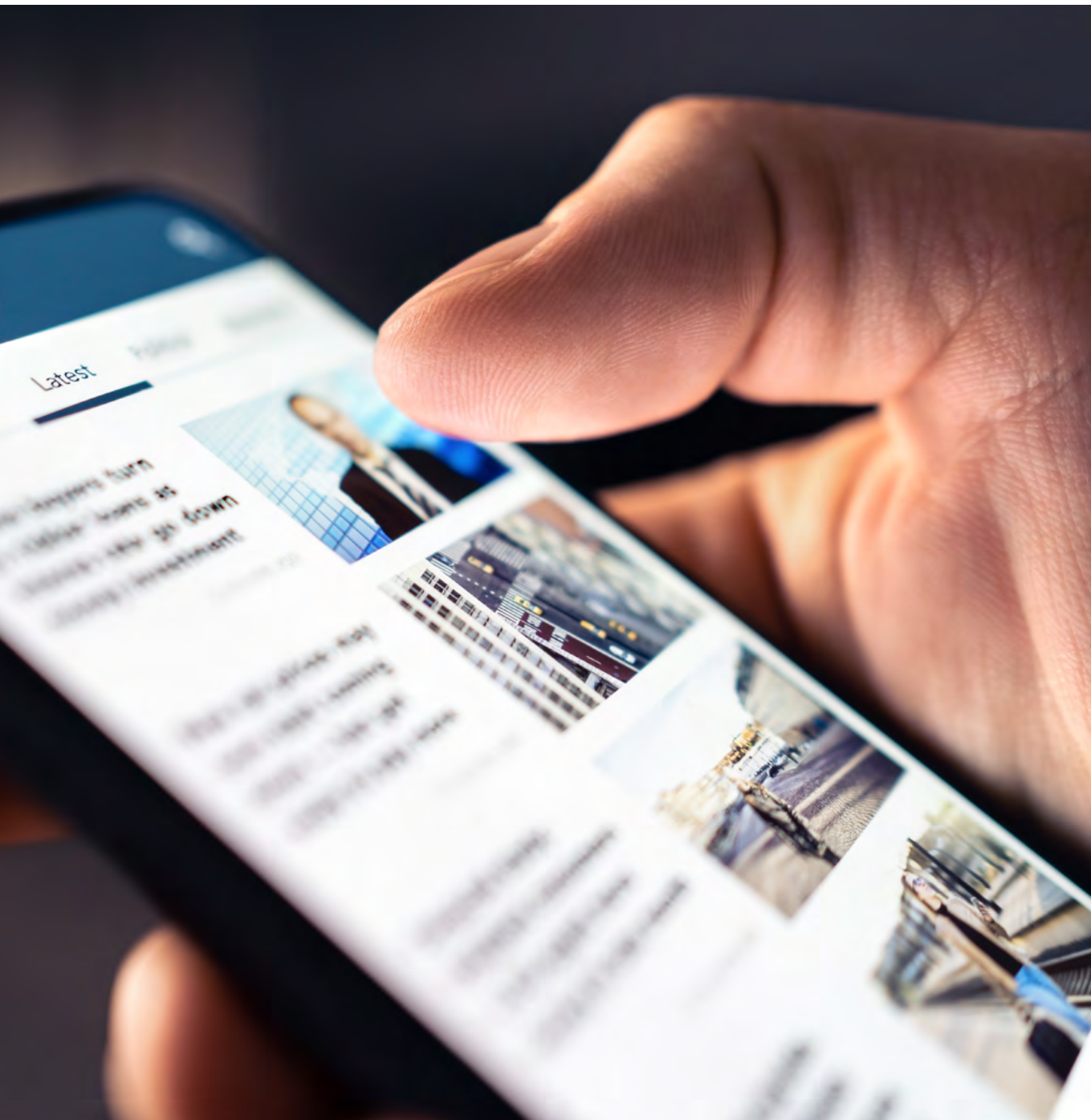
Hydropower is pivotal in the global energy transition due to its renewable nature, minimal greenhouse gas emissions across its lifecycle, and contributions to energy security and grid flexibility. To accelerate progress, incentivizing hydropower investments and ensuring a level playing

field among renewables is crucial, aligning it as a strategic net-zero technology.

EDF emphasized the pivotal role of hydropower in Europe, underscoring its significant contribution to both electricity supply and the Union's energy independence as well as the diverse benefits of hydropower assets, including storage capacity, flexibility, and system services.

**(Investment €20k)**

# Press



3/02/2023 - EdenMag

## La crise des prix de l'énergie en Europe

The debate on market architecture is gathering pace, with the aim of decoupling the price of electricity from the price of gas.

While many players agree that interconnected electricity markets allow efficient management of existing assets within interconnected Europe, as well as good security of supply, there are voices pointing to two major weaknesses in this market: this market, which is short-termist by nature, does not allow investments to be triggered that guarantee security of supply and the decarbonisation of the European mix. This market does not pass on to

consumers a relatively stable price, reflecting the costs of the mix and encouraging the electrification of uses.

**Florent Jourde**  
EDF EU Affairs Senior Policy Officer

“the subject is less and less epidermic” in the Member States, even if it is still highly politicised in Brussels.

**Marion Labatut**  
EDF EU Affairs Director

## •contexte

24/02/2023 - Contexte

## 24 février 2022 - 24 février 2023 : les douze mois qui ont fait sauter les tabous énergétiques européens

The war in Ukraine “has shifted the lines on the nuclear issue”, with discussions now “much more open than 3-4 years ago”, confirms Marion Labatut, Director of European Affairs at EDF, for whom



2/05/2023 - Euractiv

## EDF SMR reactor boss urges Brussels to make ‘clear commitment’ to nuclear

The European Commission should make a “clear commitment” to nuclear. But the recent signing of a joint declaration by the Commission and EU nuclear stakeholders recognising an interest in research and development around SMRs

“is a landmark development”. It is time to stop pitting decarbonised energies against each other: the compromise has become obsolete, as has the distinction between large and small electrical installations.

**Renaud Crassous**  
Nuward – EDF Group - Executive Chair

les services de flexibilité, et notamment de stockage, qu'elle apporte au réseau électrique. L'hydroélectricité sera indispensable à l'intégration massive des énergies renouvelables intermittentes. Lors des débats sur l'organisation du marché de l'électricité, nous serons très attentifs à ce que l'hydroélectricité ne tombe pas du panier”.

**Marion Labatut**  
EDF EU Affairs Director



**11/05/2023 - La Tribune**

*Les énergéticiens montent au front pour défendre l'hydroélectricité, grande oubliée de la transition énergétique*

“Nous sommes convaincus de l'importance de préserver cette énergie non seulement pour son rôle de production d'électricité décarbonée, mais aussi pour



**11/06/2023 - Euractiv**

*‘Not there yet’: France’s EDF frustrated with nuclear power’s status in EU’s Net-Zero Industry Act*

EDF, the French state-owned electric utility, appears even more bitter, denouncing the “incoherence” of ignoring a mature technology like nuclear power, which emits almost no carbon dioxide, in a legislative text meant to promote zero-emission technologies. In EDF’s view, the golden rule for policymakers in such circumstances is to strictly observe the principle of technological neutrality, which is written down in EU law.

**Erkki Maillard**  
Senior VP Government and International Affairs, EDF Group



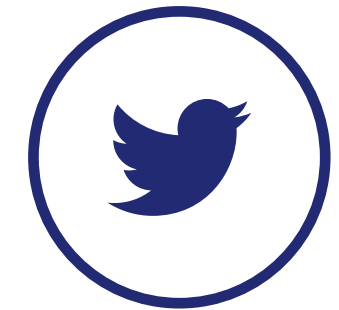
**27/10/2023 - Euractiv**

*Europe’s oldest renewables industry wants more attention from Brussels*

Emmanuelle Verger, from EDF Hydro, stressed the importance of remunerating the range of services provided by hydraulic power dams – both in terms of the energy produced, but also in terms of the flexibility and system services they provide, which are currently not recognised in the EU’s electricity market design.

**Emmanuelle Verger**  
Managing Director EDF Hydro

**Social Media figures @EDF\_EUAffairs**



**1900 followers**  
(+9% vs 2022)  
**More than 2.050k impressions in 2023**



**35773 followers**  
**250k impressions in 2023**





# annual report

*European Affairs Division*



**Editorial**

*EDF European Affairs Division | Communication*

**They contributed**

*Camille Alléguède, Anna Bielinski, Antoine Bizet, Luca Camuncoli, Nikos Filippou, Christophe Goujon, Jeanne Hervé, Florent Jourde, Marion Labatut, Rémi Landau, Mathilde Painchart, Gary Sette, Alain Taccoen, Johan Zeltner*

**Design**

*In-graphics.be*

*Photographic credit: © Shutterstock: p. 4, 7, 9, 23 - © Freepik: p. 7, 18*