

# RWE CODE OF CONDUCT



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## Preamble

RWE<sup>1</sup> is aware of the role it plays in society and of its responsibility towards its customers and business partners as well as its shareholders and employees. The Company has therefore committed itself to clear principles which serve as the foundation for the actions RWE takes as a business and as a corporate citizen.

The actions taken by RWE and by its employees are founded on personal responsibility, honesty, loyalty, and respect for others and for the environment. Managers bear particular responsibility in this regard.

RWE's key business goals are to provide customers with the services they desire and thus to achieve business success. Fair market returns for RWE shareholders can only be secured over the long term if the Company continually strives to improve the degree to which quality and performance demands are met.

<sup>1</sup> In this document "RWE" refers to the RWE AG and where the context is appropriate it also applies to its directly and indirectly affiliated companies in and outside Germany

In order to do this, RWE relies on

- ▶ the skills, strength and dedication of its employees
- ▶ a stable social, political, and regulatory environment,
- ▶ the opportunities offered by scientific and technological advances.

**The Code of Conduct serves two main purposes:**

First, it encourages every single employee to take responsibility for his or her actions, and it seeks to provide them with appropriate guidance. Second, it outlines the goals and principles which guide the business activities of RWE.

## I. Scope of Application and Principles

### **Scope of application**

The Code of Conduct applies uniformly throughout RWE. RWE subsidiaries outside Germany may adapt the measures taken to implement these guidelines to reflect national particularities if such adaptations do not contradict the Code's basic principles.

RWE encourages other companies that have business relations with it to adopt the Code's principles. If, in the course of such business relationships, the Code conflicts with another company's ethics policies, RWE will do its best to find a mutually acceptable solution.

The Code of Conduct forms the basis for other internal regulations which take into account aspects specific to the industry and country concerned. The Code covers Company interests and all areas in which employees are viewed as representatives of the Company.

## Global Compact

The United Nations Global Compact initiative asks companies to recognise, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment, and anti-corruption and to comply with this set of core values in practice.

### ► Human rights<sup>2</sup>

1. Businesses should support and respect the protection of internationally proclaimed human rights and
2. make sure that they are not complicit in human rights abuses.

<sup>2</sup> Taken from the official English version of the Regional United Nations Information Centre for Western Europe (RUNIC Brussels)

### ▶ Labour standards

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining, as well as,
4. the elimination of all forms of forced and compulsory labour,
5. the effective abolition of child labour, and
6. the elimination of discrimination in respect of employment and occupation.

### ▶ Environment

7. Businesses should support a precautionary approach to environmental challenges,
8. undertake initiatives to promote greater environmental responsibility, and
9. encourage the development and diffusion of environmentally friendly technologies.

### ▶ Anti-corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery.

**RWE values**

In line with these principles, RWE's core values are trust, forward thinking, reliability, performance and customer focus. They underpin the actions of all RWE employees and cultivate a shared corporate identity and culture across all the operating companies within RWE.

## II. Compliance with Laws and Regulations

### General principles

RWE is subject to laws, directives and other regulations that can be international and national as well as regional and local in scope. For example, such laws and regulations set safety and environmental standards for facilities and their operation, set quality standards for products and services, regulate business activity within various markets, and forbid certain behaviours and practices.

RWE's foremost objective is to comply with all laws and regulations and to always operate within the bounds of these – frequently changing – legal and regulatory parameters. The integrity of all actions is an essential prerequisite for sustained successful business performance. RWE expects individuals and subsidiaries to abide by the law. RWE strives to inform its employees of the regulations affecting them and to advise them in how to comply with these regulations.

The environment in which RWE operates is shaped not only by national and international law, but also by many social and cultural rules

and customs. RWE also factors these – often unwritten – rules and customs into its decision-making and evaluation processes and strives to act in accordance with them. Because RWE subsidiaries operate in many countries around the world, RWE understands the importance of these different national, regional, and local customs and traditions.

### **Company information**

RWE discloses company information in compliance with German and international securities laws and regulations in order to enable proper trading in company securities. This requires that non-public information that could reasonably be expected to significantly affect the price of company securities must remain confidential until it is officially released. It is a violation of securities laws and company policy to take advantage of insider information to buy or sell publicly traded securities of RWE or its business partners or to pass this information onto third parties.

## III. External Relations

### General principles

RWE conducts its businesses in a manner that is legally and ethically beyond reproach and expects the same of its employees. RWE urges its business partners, suppliers and customers to abide by this principle as well.

The private interests of RWE employees and the interests of the Company are to remain strictly separated. A conflict of interest occurs when private interests collide with RWE's interests or even when there might be a perception of such a conflict.

Monetary benefits from third parties must therefore not be solicited or accepted by any employee, nor must they be offered or given to third parties by any employee. This applies without exception, particularly to individuals holding public office, including those in foreign countries or international organisations.

Other types of benefits from suppliers, customers or other business partners may not be solicited. Token business gifts, business entertainment or other gifts may only be accepted within the bounds of customary business practices, as long as they do not influence corporate decision-making. These types of benefits may only be given within the bounds of normal customer relations practices, as long as they are not seen as an attempt to gain undue influence.

#### **Conduct towards customers**

RWE operating companies offer their customers a wide range of products and services, mainly in the core businesses of electricity, gas, and water. These offers are guided by the Company's commitment to provide appropriate and efficient solutions to meet customers' needs. This includes the ongoing reevaluation of the Company's business portfolio and adjusting it in anticipation of new market requirements. RWE strives to ensure that all our customers are treated fairly.

### **Conduct towards shareholders**

RWE views the capital of its shareholders as the prerequisite for and foundation of its business activities. Maintaining this capital and delivering fair market returns on it, are therefore RWE's primary goals. Our conduct towards our shareholders is governed by transparency and responsibility.

### **Conduct towards suppliers**

In its relationship with suppliers, RWE makes sure to comply with the regulations in the Code of Conduct. RWE therefore does not have business relationships with suppliers who are publicly known to be in violation of the principles underlying the Global Compact. RWE works to further enforce the Global Compact principles in its business relationships.

### **Conduct towards consultants**

RWE will only sign consultancy contracts with individuals or companies whose capabilities will contribute direct benefit to RWE. Such agreements must conform with the following principles: Consultants will be chosen and employed on the basis of a documented profile of job requirements

and specified tasks. The level of compensation must appropriately reflect the value of the services performed and the consultant's professional qualifications. Payment for consulting services is generally made only after such services have been provided. Cash payments are prohibited.

In the fields of corporate, strategic, market and organisational consulting, individual management coaching, and consultancy activities associated with the development of new markets, the management of the respective operating company must be involved in the decision-making process to appoint a particular individual or company.

Agreements with RWE must contain a clause in which agents working on behalf of the company state that the service they provide will not violate any laws, regulations, or the Code.

### **Conduct towards the public**

All communications of RWE are required to be full, fair, accurate, timely and understandable. RWE respects the professional independence of journalists and media. RWE therefore does not pay for editorial content.

Only authorised persons are allowed to disclose information concerning RWE or its subsidiaries to the public, the media or to other third parties.

## IV. Conduct towards the Political Establishment

In light of its importance for the economy and society, RWE feels that dialogue with representatives of government bodies and political parties is indispensable. RWE has established the following principles to exclude even the impression that it exercises undue influence:

- ▶ RWE is non-partisan and does not make contributions to political parties or to organisations and foundations that are closely associated with political parties.
- ▶ RWE will not employ or undertake consultancy agreements, including “payment for services” agreements, with individuals whose main occupation involves holding a public office or parliamentary seat.
- ▶ RWE recognises the shared responsibility of the Company and its employees to the development of the common good. RWE therefore welcomes its employees’ commitment to civic, political and social activities outside of the workplace, particularly charitable and community-based activities.

Employees who volunteer their services politically do so as private individuals and not as representatives of the Company. RWE does not pursue its business interests through its employees' activities in this area.

## V. Commitment to Corporate Responsibility

### General principles

Responsible business practice towards society and environment is critical to sustaining the success of the Company. Through its products and services, its investments, and as an employer, RWE plays an essential role in society and in the economy as a whole.

RWE continually strives to act as a living part of the community on an international, national, regional and local level. As part of this effort, RWE seeks out dialogue with the groups that are affected by its business activities or whose activities influence the business activity of RWE.

RWE believes it has a special responsibility to promote the development of the regions and communities where it operates, whether it is by providing employee training opportunities that go beyond the company's own needs, undertaking initiatives of a primarily social, environmental and cultural nature, supporting its employees volunteer activities, or by implementing other appropriate measures.

RWE therefore welcomes the involvement of its employees in activities for the common good, as long as their activities are appropriate as regards national, regional or local conditions and do not conflict with the business interests of RWE.

**Sponsoring and community investment**

Sponsoring and similar initiatives to contribute to the development of regions or local communities are examples of corporate responsibility. Such initiatives primarily involve financial and other support of activities that are related to the common good and are of a public nature.

### **Register**

All monetary payments and benefits with monetary value given to holders of public offices or parliamentary seats, public bodies or authorities, charitable organisations or institutions dealing with social concerns are to be recorded in a register. Payment for services occurs through bank transfer. Cash payments are prohibited.

Each RWE subsidiary will keep a register, which is to be updated at the end of each year and passed on to RWE AG via the Group operating companies. The registers will be kept by the Compliance Officer appointed by RWE AG and will be accessible at any time.

## VI. Internal Relations

### **Occupational health and safety**

RWE works to continually improve the occupational safety and health conditions for its employees and the safety of its facilities.

Every employee is responsible for helping to keep his/her workplace safe and to protect the environment. Every employee must comply with all relevant laws and regulations. All managers are required to instruct and support their employees in fulfilling their responsibilities in this regard. In the event of violations or accidents, the responsible authorities must be notified without delay.

### **Equal opportunity and mutual respect**

RWE respects the dignity and individuality of each and every employee. Workplace interactions should be characterised by mutual respect, fairness, teamwork, professionalism, and openness. Managers are expected to be role models and competent points of contact, particularly when conflicts arise.

RWE promotes equal opportunity and diversity, which are indispensable to achieving commercial success and to maintaining an excellent reputation as a company.

No employee or job applicant will be discriminated against on the basis of his or her gender, marital status, race, nationality, age, religion, or sexual orientation. Decisions regarding the selection, training, and development of employees are made according to strictly job-related criteria and must be relevant to the job.

High performance is important to achieve business success. RWE is therefore committed to developing individuals who have both the professional and interpersonal skills to help to maintain the sustainable success of the Company. RWE offers opportunities for professional and personal development and encourages employees to take advantage of such offers. RWE endeavours to have its employees achieve a balance between work and private life. Special emphasis is put on reconciling the employees' family lives and careers.

## VII. Compliance with the Code of Conduct/Reporting

### General principles

Each RWE employee will receive a copy of the Code of Conduct. The Code must become a living part of the RWE corporate culture and must be incorporated into the day-to-day work of all employees. Managers in particular are called upon to actively promote the Code's implementation. This involves ensuring that all of the employees assigned to them are familiar with the Code of Conduct so that they can comply with its regulations in their daily work. The Group Internal Audit Department checks compliance with the Code and incorporates the Code's principles into its audit criteria.

To clarify any issues relating to the Code and Code compliance, employees should first consult their supervisor or the department within their company responsible for dealing with these issues. Such issues include the interpretation of specific sections of the Code and evaluating an employee's own behaviour against the Code's principles. If an employee has reason to believe the Code has been violated by himself/herself or another employee, this too should first be clarified in the employee's own work area.

### **Compliance Officers**

If this is not possible or seems inappropriate given the circumstances, employees can contact an RWE Compliance Officer. Compliance Officers will be appointed by RWE AG and by each operating company; subsidiaries should decide for themselves whether they need to appoint their own Compliance Officer.

The Compliance Officers will treat each question, comment and suggestion with the utmost confidentiality and deal with each concern individually as the situation demands. Upon request, employees will be informed of how their issue was handled and what measures were taken. No employee will face recrimination for contacting a Compliance Officer, though sanctions may be applied if the Code of Conduct has been violated.

In addition, RWE has appointed external contacts to support it in complying with the Code.

If it is not possible for an employee to clarify a Code-related issue by using the above-described company resources, he or she may take the matter to one of these external contacts. Information provided to the external contacts will be forwarded (at the employee's request: anonymously) to the RWE AG Compliance Officer, who will deal with it in the manner described in the preceding paragraph. The contact details of the Compliance Officer and the external contacts are listed on the Company intranet.

### **Confirmation and Reporting**

Every manager who has responsibility for employees will use a predefined template to report to the responsible Compliance Officer once a year on the implementation of the Code of Conduct in his or her realm of responsibility; violations of the Code of Conduct must be reported.

The implementation of the Code of Conduct will be checked by an external, specially qualified auditor or a comparable institution; details on this will be published separately in the RWE Corporate Responsibility Report.

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