

E.ON Responsible Procurement Policy, 03/2007

Introduction

E.ON is a member of the United Nations Global Compact Network and is committed to achieve an outstanding level of Corporate Social Responsibility (CSR) in all its business activities. In support of this, E.ON is committed to ensuring that work that contributes to its success considers the needs of the present generation and anticipates those of the future.

This Policy reflects the high standards we set for ourselves and expect from our suppliers, their sub-contractors and our business partners. Our business builds on trust and this policy. Our policies and values define the way we do business. The E.ON Responsible Procurement Policy is firmly rooted in International Conventions and declarations as represented in the ten principles of the UN Global Compact.

This Policy specifies the minimum standard of CSR performance we expect from our suppliers, their sub-contractors and our business partners. We may visit production sites to check compliance and we are prepared to work with these third parties to achieve or improve compliance with the policy. We will include this Policy in our tender specifications and consider it whenever awarding business to suppliers. E.ON is prepared to take country or cultural differences and other relevant factors into consideration, but will not compromise on the fundamental requirements described in this Policy.

We aim to implement this Policy throughout our supply chain, within our sphere of influence. We also expect that our suppliers encourage and work with their own suppliers to ensure that they also meet the principles of the UN Global Compact.

Minimum standard of CSR performance expected from our suppliers

All business partners and suppliers to E.ON will as a minimum requirement comply both with the principles laid out in this Policy and the applicable laws in the countries in which they operate.

E.ON has identified three areas it believes to be key to securing a high level of CSR within the supply chain. These are:

1. Respect the Human Rights and secure appropriate working conditions of employees
2. Minimise environmental impact
3. Maintain high standards of ethics and business integrity

1. Employees

- **Respect human rights.** We expect our suppliers, their sub-contractors and our business partners to support and recognise the United Nations Universal Declaration of Human Rights and to ensure that they are not involved in human rights abuses.

- **Provide a safe and healthy working environment.** Employees at our suppliers, their sub-contractors and our business partners must be provided with a safe and healthy workplace in compliance with the applicable laws and regulations. As a minimum, employees must have access to potable water and sanitary facilities, adequate fire safety, lighting, ventilation and where appropriate personal protective equipment (PPE). PPE is supplied free of charge and workers receive training in the use of this equipment and general safety standards.
- **Not use child or forced labour.** Suppliers, sub-contractors and our business partners will not use child labour, involuntary labour, bonded or forced labour in line with ILO Conventions C138 and C182.
- **Not allow discrimination or harassment.** Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal abuse or harassment pertaining to any aspects of their gender, race, religion, age or lifestyle, background or origin.
- **Provide transparent working hours and compensation.** Working hours should be compliant with the applicable laws. Workers should have contracts stipulating their working hours and wages. All wages should be paid without delay and in accordance with the applicable laws.
- **Allow freedom of association and collective bargaining.** Suppliers are to respect the rights of employees to freely associate, organise and bargain collectively in accordance with applicable laws, regulations and ILO conventions.

2. Environmental

Suppliers should recognise the environmental impact of their business and ensure that they act in a responsible manner and continually work to lessen their impact on the environment.

- **Care for the Environment.** Suppliers are expected to have developed and implemented an environmental policy and operate in compliance with all applicable laws and regulations addressing environmental protections.
- **Managing Hazardous Materials.** Chemicals and other materials identified as hazardous when released to the environment are to be managed to ensure their safe handling, movement, storage, reuse or disposal. The use of hazardous materials should be minimised when other less hazardous alternatives are available.
- **Minimizing resource use, waste and emissions.** Continuous improvements in resource efficiency are integrated in management and operations. Waste of all types and emissions to air, water and soil shall be minimised, characterised and monitored.

3. Business Integrity

- **High Ethical Standards.** We expect our suppliers to uphold high standards of business ethics, to respect local laws and not engage in corruption, bribery, fraud, or extortion.
- **Transparent Business Relations.** Suppliers, their sub-contractors and our business partners will not offer or accept gifts, payments or other advantages which might be capable to induce a person to enact contrary to prescribed duties.