

# Our Modern Slavery Statement

Slavery and Human Trafficking Statement - June 2019

## E.ON's statement

This statement is made by E.ON SE as the ultimate holding company of the E.ON Group ("E.ON")<sup>1</sup>, pursuant to section 54(6) of the UK's Modern Slavery Act 2015 (the "Act") for the financial year ending on 31 December 2018.

## E.ON's structure, business & supply chain

E.ON is an international energy company which is focused on renewables, energy networks and customer solutions.

Global trends like sustainability and climate protection, digitalization and technological innovation are altering the energy landscape. E.ON's core businesses reflect this: the transformation of yesterday's power lines into tomorrow's smart energy networks, the increasing demand for innovative customer solutions and the global growth of renewables.

Value-enhancing procurement of goods and services is an important requirement of the success of E.ON's business. In all E.ON's procurement processes E.ON requires human rights to be respected and environmental standards to be maintained throughout the entire supply chain. To this end, E.ON has introduced various policies and management processes.

## E.ON's approach

E.ON has a commitment to act ethically and responsibly in all its business relationships and has zero tolerance of slavery and human trafficking in any part of its business or supply chain. E.ON supports and is committed to upholding the UN Guiding Principles on Business and Human Rights and the core labour standards set out by the International Labour Organisation. E.ON has a wide range of internal policies, standards and processes in place to assist in tackling slavery and human trafficking, including:

1. E.ON Code of Conduct and E.ON's Human Rights Policy Statement;
2. E.ON Supplier Code of Conduct, with standards regarding human rights, working conditions, environmental impact and ethical business standards;
3. General Purchasing Conditions for suppliers to secure compliance with the E.ON Supplier Code of Conduct;
4. Defined and monitored onboarding and qualification processes of new suppliers before E.ON engages in business with them;
5. Frequent evaluations of our top suppliers and strategic orders, upon fulfilment of contracts;

6. Whistleblowing hotline to enable employees to report possible violations of the law or of company guidelines or policies.

For further Information about E.ON's responsible business practices please refer to E.ON's Sustainability Report.

### **E.ON's achievements in 2018**

E.ON recognises the benefits of upholding standards and continually improving supply chain performance through successful collaboration to further this aim:

1. E.ON revised its Code of Conduct in 2018, obliging our employees to contribute to a non-discriminatory and safe work environment and to respect human rights. The revised Code of Conduct for employees makes clear that E.ON supports the Universal Declaration of Human Rights of the United Nations and the European Convention for the Protection of Human Rights. In addition, a People Guideline provides guidance to employees to ensure they procure goods and services in line with our environmental, social and governance standards, which are based on the ten principles of the United Nations Global Compact.

2. E.ON has continued work started in 2017 to revise its supplier qualification process by adopting a fully digital supplier onboarding solution to ensure that new and existing suppliers comply with E.ON's minimum requirements and that potential risks to health, safety, the environment and corporate social responsibility, including the protection of human rights, are identified and mitigated. This means, that every non-fuel supplier whose individual transaction volume exceeds €25,000 (per event and per spend category) or whose health, safety and environment risk is medium or high must complete this process, which (besides other requirements) requires the suppliers to pass a compliance check and accept our Supplier Code of Conduct.

3. Following a comprehensive assessment conducted in 2017 assessing its non-fuel suppliers based on their annual spend and criticality to E.ON's business, E.ON increased the number of Supplier Performance Reviews it undertook in 2018 by 46%. The Supplier Performance Reviews enable E.ON to decide on its future relationship with a supplier based on performance across an array of indicators including social welfare, health, safety and ecological factors.

4. In 2018 E.ON continued a variety of actions to deepen its business relationships with suppliers and improve its ability to assess risks along its supply chain, especially in the area of corporate social responsibility. These actions included E.ON

increasing the number of audits conducted at its suppliers' production facilities, both inside and outside the EU. In cases where corrective action was required, follow up visits and repeated audits were conducted to ensure compliance was ongoing.

5. E.ON continued to provide training to both its new and existing supply chain employees with the aim of enhancing knowledge of all sustainability issues, including social welfare and human rights topics.

## Plans for 2019

In November 2018 E.ON began a human rights due diligence process to assess which factors and risks were relevant to E.ON's business. The next step will be to define focus areas for deeper analysis and, where necessary, develop measures to improve performance in this area. A first focus area that has been defined already is the development of a risk matrix to assess suppliers on the basis of industry type and country, where a high-risk rating would trigger a mandatory audit of the supplier's human rights practices and processes to assess their suitability as a supply partner.

The development and implementation of supplier health, safety and environment events is another focus topic for 2019. The aim of these events is to share knowledge, experience and best practice in these topics to the benefit of suppliers and their employees. The events also serve to underline the importance of these topics to E.ON and the expectations E.ON places upon its supply partners to uphold and improve standards relating to social welfare.

## E.ON's continued commitment

E.ON will continue to review its policies and processes in relation to the prevention of slavery and human trafficking in its business and supply chain, strengthening these where necessary to ensure continued alignment with the Act.

E.ON will also continue to train all employees on, and ensure compliance with, our Code of Conduct and will identify additional training needs where necessary.