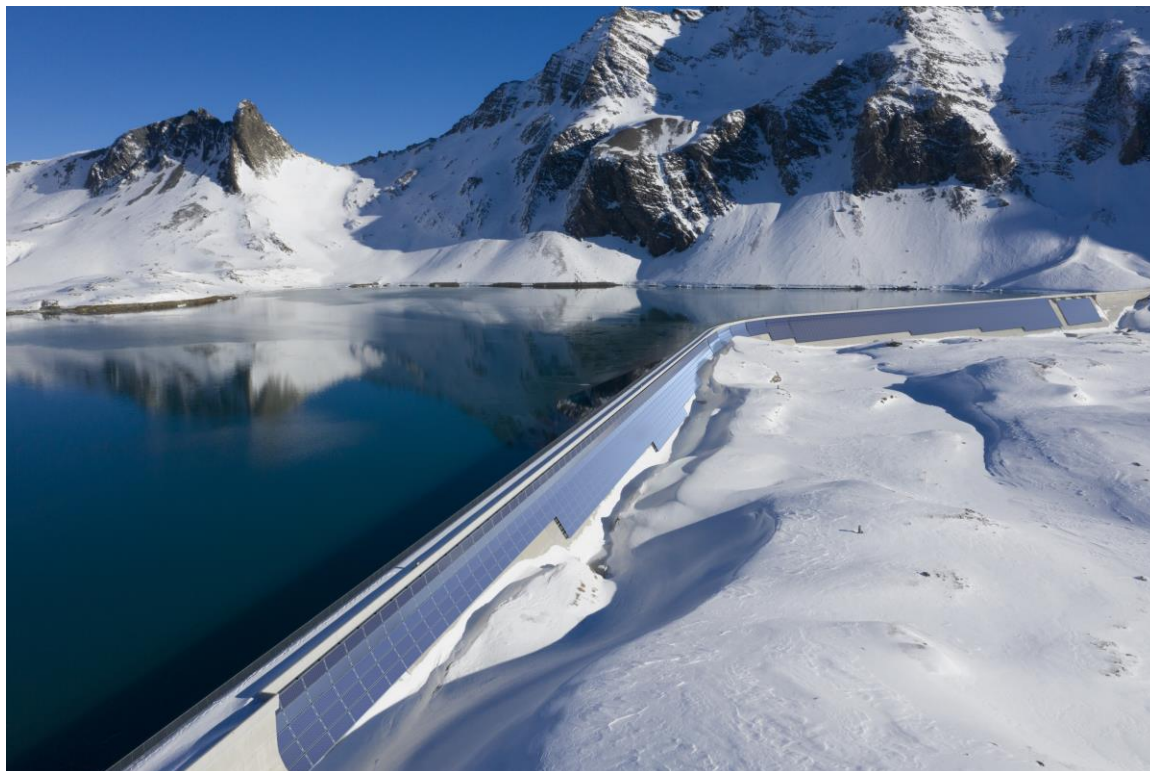


## Code of conduct

Our commitment to compliance, integrity and ethics



Issued by the Board of Directors of Axpo Holding AG

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## Our commitment to compliance, integrity and ethics

**Dear Colleagues**

**Dear Members of the Board of Directors of Axpo Holding AG**

**Dear Members of the Board of Directors of Axpo Group Companies**

**Axpo Group is committed to reliability, sustainability and innovation. As employees and executives of the company, we are all responsible for embodying these values by acting with complete integrity, responsibility and transparency and behaving respectfully towards each other. We commit ourselves wholeheartedly to this pledge in all areas at all times and irrespective of what others might expect or demand.**

Compliance (commitment to the law, integrity and ethics) is non-negotiable and cannot be delegated. Each employee and executive is a representative of Axpo Group and as such is personally responsible for adhering to the law, fundamental ethical principles and our own internal rules. No commercial transaction must be allowed to endanger the reputation and existence of Axpo Group by violating regulations.

Taking entrepreneurial action is crucial for the further development and future success of Axpo. The values and business principles outlined in the code of conduct are the foundation and key guidelines for making business decisions without compromising on compliance.

This code of conduct defines and specifies the conduct we expect of you. In implementing the code of conduct, our management always leads by example and provides a clear model of conduct. By adhering to the code of conduct, you protect not only yourself but also Axpo Group: authorities, business partners and customers trust a company that observes rules and laws and that always does the "right thing".

If you have any questions about the code of conduct or are not sure about the right path to follow in a specific situation, please do not hesitate to ask your line manager, the Chief Ethics & Compliance Officer, any other responsible Compliance Officer or the undersigned for advice.

Thank you for your support – we are pleased to count you among our employees.

Baden, 11 June 2021



Thomas Sieber  
Chairman of the Board of Directors  
Axpo Holding AG



Christoph Brand  
Chief Executive Officer  
Axpo Holding AG

## Our business principles

**Entrepreneurial thinking is crucial for the further development and future success of Axpo. It shapes our actions without us compromising on compliance. The following principles are an integral component of the code of conduct and underline the commitment of Axpo Group to compliance, integrity and ethics. The fundamental principles must be observed by all employees of Axpo Group<sup>1</sup> in the context of their daily work and by our business partners.**

### Integrity

Our business activities are conducted in line with justice and the law and as employees we adhere to the code of conduct – in all areas, at all times and irrespective of what others might expect or demand. Our management always leads by example in this regard.

### Security

Safety and the protection of people and the environment are a priority for Axpo. Adhere to security, occupational safety and environmental protection rules and report any infringements to us.

### Protection of personal rights

Our conduct towards colleagues is respectful, tolerant and courteous at all times. Harassment, discrimination or any other violations of the personal rights of employees are prohibited. We respect the privacy and personal data of employees, clients and business partners.

### Competition

We respect the principles of fair competition and do not engage in any anti-competitive collusion regarding prices, conditions, clients, markets, volumes or areas. In addition, we do not exchange such information with business rivals or competitors.

### Corruption

We do not give or accept bribes. Our business is based on the quality of our products and services, and not on corrupt practices. Theft, fraud, embezzle-

ment of assets and other criminal activities with regard to Axpo or employees will not be tolerated; the right to institute proceedings under civil and criminal law is reserved.

### Gifts

Gifts, invitations and other gratuities or benefits shall not be accepted, promised or granted if this will or is intended to influence a person unlawfully. Appropriate gifts, invitations and other gratuities or benefits of limited commercial value are permissible as tokens in the context of normal business and social appreciation or courtesy, for advertising purposes or for legitimate client care.

### Conflicts of interest

Private interests and relationships must be kept separate from business interests and existing or potential conflicts of interest must be disclosed immediately. As employees, we respect our duty of loyalty to Axpo.

### Business partners

We work with business partners that share our values and recognize the business principles of the code of conduct. If there is any doubt about the integrity of a business partner or the legality of their financial assets, please inform your line manager or the Compliance Officer immediately.

### Confidentiality

Confidential and non-public information and business secrets of Axpo or other companies that may be disclosed to you as an employee must remain confidential (even after termination of the employment or contractual relationship)

<sup>1</sup> Hereafter includes: «Axpo employees» or «employees». The term «employees» also includes the relevant directors or officers.

and must not be abused for personal advantage or for the enrichment of third parties. Axpo business information belongs to Axpo. Business documentation and data must remain in the possession of Axpo after termination of the employment or contractual relationship.

### **Communication**

Utilize (never abuse) our information and communication technology for your daily work with professionalism and respect. As an employee, always communicate in a considered and appropriate manner and always ensure that you are willing to stand by what you say or write.

### **Doubt**

A single employee can permanently harm Axpo through dishonest or illegal conduct. If you are uncertain about the right path to follow in a specific situation, always ask your line manager or the responsible Compliance Officer for advice.

### **Infringements of regulations**

Infringements of regulations and punishable offences can harm us all and must therefore be reported to your line manager and the Compliance Officer. No employee will be disadvantaged for reporting with honest intent any infringements of regulations by employees or third parties.

### **Fostering diversity and equal employment opportunities**

Axpo creates equal employment opportunities and fosters an inclusive and diverse working environment. At Axpo we are committed to diversity and do not tolerate discrimination or harassment. Decisions on employment, promotion or training are based on objective job-related requirements only. We embrace the diversity of our colleagues and promote a fair workplace that strengthens our culture of mutual respect, collaboration, trust and openness. We treat our colleagues with dignity and encourage each other to support the firm's diversity and inclusion initiatives.



## 1. Introduction



## **1.1 Scope and applicability of the code of conduct**

### **1.1.1 Objective and Structure of the code of conduct**

The code of conduct is designed to ensure that we achieve our objectives in a sustainable manner, taking into account our values and by adhering to our business principles.

The code of conduct is structured in two parts:

- ▶ The introduction outlines the applicability and scope of the code of conduct.
- ▶ The actual rules of conduct make up part two of this document and describe Axpo Group's expectations for conduct in the individual areas of compliance as well as other important issues.

### **1.1.2 Compliance with legislation, internal rules and ethical standards**

**In the context of their daily work, all employees of Axpo Group<sup>2</sup> must always comply with applicable legislation, this code of conduct and the fundamental ethical principles it contains as well as other internal rules – in all jurisdictions where we conduct business and irrespective of what others might expect or demand.**

Axpo Group<sup>3</sup> (hereafter also «Axpo») is unreservedly committed to compliance. Axpo rejects the policy of «business at any price». Full legal and ethical compliance is a prerequisite for sustainable (i.e. not short-term) success and protecting the good reputation of the company. As employees, we act with integrity and responsibility and treat each other with trust, tolerance and respect in line with our vision and mission. This code of conduct is a guide for our activities and conduct as employees and a commitment by Axpo to comply with applicable legislation and supervisory requirements, industry best practices and standards, internal Axpo regulations and fundamental ethical and social norms in all its business activities.

### **1.1.3 Our expectations**

**This code of conduct is a guide for your assistance and defines the conduct we expect from you as employees.**

Entrepreneurial action is crucial for the further development and future success of Axpo. The values and business principles set out in this code of conduct are the foundation and key guidelines for making business decisions without compromising on compliance. The fundamental rules and principles contained in the code of conduct of Axpo are our definition of proper business conduct and what the company expects from you to prevent potential violations and related harm. The code of conduct will provide you with guidance in difficult situations and give advice on how to proceed in these cases. However, the code of conduct can clearly not cover every conceivable situation, which is why it is supplemented and expanded by compliance guidelines and directives at Group-level and at the level of the group companies.

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<sup>2</sup> Hereafter includes: «Axpo employees» or «employees». The term «employees» also includes the relevant directors and officers.

<sup>3</sup> The term «Axpo Group» is used for all Axpo companies. Axpo Group comprises the parent company Axpo Holding AG and its subsidiaries Axpo Power AG, Axpo Solutions AG, Axpo Grid AG, Centralschweizerische Kraftwerke AG (CKW AG), and Axpo Services AG, including affiliates in which it holds 100% or a majority of the shares.

#### **1.1.4 Only the right path is the objective**

##### **We must not deviate from the right path.**

Taking entrepreneurial decisions without compromising on compliance shapes our actions. Despite the diversity of issues addressed in the code of conduct, we must be aware of the fact that business practices that are today regarded as normal and tolerated by the authorities may be seen in a different light tomorrow<sup>4</sup>. As employees and as the company, we must therefore be certain at all times that we are on the right path and not violating any norms. For this reason, please do not hesitate to ask for advice if you are uncertain about which approach to choose. Unlike actions taken with good intentions, questions have never hurt anybody! But in any ethically conflicting situation, always apply basic common sense and good judgment in the spirit of the code of conduct and the applicable law.

#### **1.1.5 Your personal integrity is essential**

##### **Your personal integrity is the key to success.**

No code of conduct and no guideline can take the place of your personal integrity, which is of key importance. Each of our employees is personally responsible for the legality and integrity of his or her actions as a representative of Axpo. Our management leads by example in this regard.

The merest suspicion of improper conduct by an individual employee can risk the reputation of Axpo, so it is essential that every employee understands the applicable legislation and our internal rules and uses these as the basis for their actions.

The claim that «I didn't know it was unlawful» or comments like «My intention was good» are no ex-cause for misconduct. Nevertheless, we regard it as our duty to provide support in the form of appropriate training and information<sup>5</sup> to ensure that you familiarize yourself with the code of conduct and the applicable norms.

#### **1.1.6 Scope of the code of conduct**

**This code of conduct applies to all employees of Axpo Group. Third parties that collaborate on a regular basis with Axpo must comply with the business principles incorporated in the code of conduct.**

This code of conduct applies to all employees of Axpo Group. Axpo Group companies can supplement the code of conduct with additional rules as required (e.g. to incorporate specific regional issues). Alternatively, the responsible body can also rule individual provisions/paragraphs to be non-relevant for their operational areas; such exclusions must not, however, detract from the fundamental principles contained in the code of conduct. Applicable law shall take precedence over the code of conduct where the law prescribes stricter regulations, but not in cases where it defines a lower standard than that provided for in the code of conduct.

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<sup>4</sup> The code of conduct will therefore be reviewed on a regular basis in order to reflect the requirements brought about by legislative changes and the expectations of the authorities, our clients and business partners and the general public. The Chief Ethics & Compliance Officer welcomes any ideas and suggestions regarding the code of conduct.

<sup>5</sup> A wide range of compliance information and documents is available on our intranet.



Where possible, independent associated companies shall be required by the responsible Axpo management to issue and implement provisions equivalent to the code of conduct.

Axpo employees who collaborate with external business partners (for example with contractors,

advisors, suppliers, etc.) that work for Axpo on a regular basis must ensure that:

- ▶ these business partners understand the business principles of the code of conduct and recognize them as an integral component of the business and contractual relationship.
- ▶ they take the necessary measures (even including cancellation of the contract) if the external business partner fails to comply with the applicable business principles of the code of conduct or other applicable compliance rules.

### **1.1.7 Duties of our management**

**Axpo management implements the code of conduct by setting an example and ensuring a compliance culture that is characterized by ethics, integrity and trust.**

Compliance – i.e. legal compliance, integrity and ethics – is non-negotiable and cannot be delegated. Every individual employee is personally responsible for compliance with the code of conduct and its rules. Axpo management leads by example in this regard and provides a clear model for employees by:

- ▶ developing a culture of compliance where employees understand their responsibility and feel empowered to speak up on compliance issues without fear of negative consequences.
- ▶ ensuring that the attainment of commercial results is never given precedence over compliance with laws, ethical principles and our internal compliance rules when defining business targets.
- ▶ defining processes and decision-making structures in such a manner that compliance problems are avoided as far as possible and, where they do occur, can be identified and resolved quickly and efficiently.
- ▶ using compliance and ethical conduct in an appropriate manner as the basis for assessing and remunerating employees.

### **1.1.8 The golden rule: ask for advice**

**The opposite of «good» is «good intentions». You should therefore ask for advice if you have doubts, questions or concerns.**

If you are uncertain about which path to follow in a specific situation or if you have any questions or concerns, please approach your line manager, the Chief Ethics & Compliance Officer or the responsible Compliance Officer. «Good intentions» can often result in the wrong course of action, which can be avoided by timely advice.

Ask yourself the following straightforward questions that can often help to identify the right choice:

- ▶ «Am I acting in line with justice, the law and fundamental ethical norms?»
- ▶ «Am I being fair and honest?»

- ▶ «What would be the effect if an article on my action/decision were to be published on the front page of the newspaper?»
- ▶ «What will I think about this in hindsight?»
- ▶ «Are there alternative options?»
- ▶ «Can I justify this to my colleagues?»

When facing a complex business transaction that you may have doubts about, the following questions can be useful:

- ▶ «What is the purpose of the transaction? Is it morally and legally defensible?»
- ▶ «What are the intentions of the client? Is there unreasonable time pressure and if so, why?»
- ▶ «Do I understand the overall structure? Have I consulted the right specialists?»
- ▶ «Are my actions compatible with the long-term value proposition of Axpo?»

## 1.2 Infringements of rules

### 1.2.1 Reporting infringements of rules

**Report actual or suspected infringements of Axpo rules or the law to your line manager and/or Ethics & Compliance – it will help us all.**

The best code of conduct is meaningless if the company does not know about infringements of its rules and regulations. Axpo espouses a culture of trust and mutual respect where our values and the fundamental rules contained in our code of conduct can and should be discussed in a sincere, honest and open manner. All employees have the right to raise concerns at any stage without fear of negative consequences.

We therefore ask you to report any actual or suspected infringements of the law, the code of conduct or other internal rules of which you may be aware to your line manager, the Chief Ethics & Compliance Officer or the responsible Compliance Officer immediately. The same applies if you are incited by another person to infringe these rules or principles.

Please report any concerns, important observations or concrete suspicions to us immediately, before any (further) harm is caused. Going public with your concerns should not be the first step. Axpo takes your concerns seriously and will give them the appropriate attention in every case.

### 1.2.2 SpeakUp system

**Axpo's SpeakUp system allows for anonymous reporting of compliance concerns.**

As raising compliance concerns directly with a line manager or your responsible Compliance Officer may not always be possible, you have the option to report them on SpeakUp or to compliance@axpo.com. Reports to the SpeakUp System can be made in your native language and anonymously.

Your report will be treated with the greatest possible confidentiality in the context of an investigation. In particular, your identity and the information you report will only be

disclosed on a “need to know basis” and where it is essential for the investigation of the case.

### **1.2.3 Prohibition of reprisals**

**No employee will be punished or disadvantaged for compliance with the code of conduct or for reporting infringements of rules by employees or third parties.**

Axpo prohibits any wrongful treatment of employees (such as punishing, disadvantaging or making reprisals) who comply with the code of conduct. Furthermore, Axpo also prohibits any wrongful treatment of employees who report (in good faith) actual or suspected infringements of the code of conduct or other regulations by employees or third parties or who help in investigating such infringements.

Malicious or false reports about apparent infringements of rules by employees or third parties will be followed up with disciplinary measures.

### **1.2.4 Sanctions for infringements**

Infringements of the code of conduct or fundamental ethical principles of Axpo will not be tolerated.

All Axpo employees must comply with the code of conduct in word and spirit. Infringements of the law, the code of conduct or other Axpo rules will lead to disciplinary measures or proceedings under labour or criminal law.

### **1.2.5 Official investigations into or proceedings against Axpo employees related to their professional activities**

**Official investigations into or proceedings against Axpo employees related to their professional activities can have a negative impact on Axpo and must therefore be reported to your line manager, the responsible HR officer and the Compliance Officer without delay.**

The personal integrity of our employees is of central importance to Axpo. As an employee, you therefore have a duty to inform your line manager, the responsible HR unit or Ethics & Compliance immediately if any proceedings under civil, administrative or criminal law have been threatened or instigated against you related to your professional activities.

## 2. Rules of conduct





## **2.1 Responsibility towards people and the environment**

### **2.1.1 Safety**

**Safety and the protection of people and the environment are top priorities at Axpo. For the welfare of all employees, society and the environment, please follow the security and occupational safety rules and report any infringements to us.**

#### **The safety of people and the environment has priority**

Axpo strives to create a safe and healthy working environment for all employees and to prevent harm to the environment and society. As employees, you must contribute to this goal by following the occupational safety, security and environmental protection rules and reporting any actual or suspected infringements of these rules.

#### **Rules of conduct**

##### **Prohibited:**

- Disobeying safety, security and environmental protection rules
- Endangering the safety and security of Axpo employees, third parties or the environment.
- Placing profit before safety.

##### **Please note:**

- ▶ Safety always has priority over profit.
- ▶ You need to feel personally responsible for your own safety and the safety of others.
- ▶ Report any accidents, dangerous labour practices, gaps in safety provisions or other concerns in this context to your line manager, the Chief Ethics & Compliance Officer or the responsible Compliance Officer immediately.
- ▶ Always be diligent and responsible in your decisions and take heed of the risks that are associated with our business.

### **2.1.2 Harassment and discrimination**

**Nobody is entitled to threaten the personal integrity of our employees through harassment, dis-crimination or any other harmful behaviour. Physical and psychological violence of any type to-wards employees is prohibited.**

#### **Prohibition of harassment and discrimination**

Axpo strives to create a corporate culture of mutual respect, tolerance and courtesy. Axpo does not tolerate harassment, discrimination, intimidation or any other form of prejudice towards employees based on personal attributes such as race, ethnic origin, gender, language, religion, disability, ideology, age or sexual orientation by other employees or third parties (including clients and business partners). Infringements shall be punishable by disciplinary measures or, where necessary, proceedings under criminal law.



## Rules of conduct

### Prohibited:

- Any form of harassment, intimidation, prejudice, discrimination or other injury directed at Axpo employees, for example :
  - Verbal harassment (explicit or offensive and unwelcome jokes, name calling, insults, derogatory comments);
  - Physical harassment (unnecessary and unwelcome physical contact, assault, physical interference which prevents a person from doing their work in a normal manner);
  - Visual harassment (sexually suggestive images, objects, posters, caricatures, drawings, etc.);
  - Hidden allusions/insinuations;
  - Action and behaviour that qualifies as bullying; or
  - Physical and psychological violence

### Please note:

- ▶ All Axpo employees are responsible for maintaining a working environment that is free of harassment by being tolerant towards other employees and showing mutual respect.
- ▶ Axpo employees are entitled to protection of their personal integrity at the workplace and the right to lodge a formal complaint against any misconduct and to request an investigation.
- ▶ Any investigation shall guarantee confidentiality as far as possible.
- ▶ Do not hesitate to report any infringements of the prohibition of harassment and discrimination to your line manager, the responsible HR officer or a person you trust, the Chief Ethics & Compliance Officer or the responsible Compliance Officer.

### 2.1.3 Sustainability

**We operate our business with consideration for the environment and society and foster open dialogue with our stakeholders. Our sustainability policy reflects our responsibility, which we fully embrace in the design of our products and in the framework of our services.**

#### Our commitment to sustainability

As a leading public sector company, Axpo is particularly committed to achieving financial success and conducting business in a socially and environmentally responsible manner. Responsibility and awareness of safety issues characterise our attitude towards people and the environment. We strive to create a safe and healthy working environment for our employees. We place a lot of value on the environment, safety and health and undertake the necessary measures to minimize risks appropriately.

#### Sustainability policy

We regard sustainability as our duty to satisfy the need to be economically viable and ecologically sound and to exhibit a sense of social responsibility in pursuing our corporate objectives. Axpo always strives to find a balance between the environmental, social and financial objectives in its business operations. We are committed to using natural resources efficiently and handling technology in a responsible manner.

**Please note:**

As employees, you contribute to our responsibility for sustainability by:

- ▶ knowing and following the applicable environmental laws and safety regulations;
- ▶ promoting the business operations of Axpo appropriately in open dialogue by conducting yourself as an empowered representative in your contact with the relevant stakeholder and interest groups.

**2.2 Compliance with market rules****2.2.1 Free competition**

**Axpo is committed to fair competition and does not engage in collusion with business rivals or competitors regarding prices, clients, markets, volumes or areas, nor do we exchange information in this regard.**

**Commitment to fair competition**

Axpo is committed to fair competition – the foundation of our economic system and the free market economy. Market participants must differentiate themselves and achieve success via economic performance, and not through unfair business practices, abuse of market dominance or illegal cooperation. Each individual employee is personally responsible for compliance with the applicable competition laws. Axpo does not tolerate conduct that undermines competition.

**Horizontal or vertical collusion**

Prohibited anti-competitive behaviour includes inter alia collusion (of any kind) and harmonized action which significantly reduces (or facilitates the reduction of) competition in a market for a specific product or service and which cannot be justified for reasons of economic efficiency, as well as collusion (of all kinds) which counteracts effective competition. In particular, this includes collusion over prices, conditions and supply areas. Anti-competitive collusion is prohibited at both the horizontal level (i.e. between competitors, defined as companies at the same market level<sup>6</sup>) and the vertical level (i.e. between companies at different market levels)<sup>7</sup>.

**Abuse of market power**

Abuse of a dominant market position is prohibited under competition law. Prohibited abuse of a dominant market position is demonstrated when a company abuses its market position to prevent other companies from entering the market or engaging in competition or to disadvantage competitors in the market.

**Electricity market regulation**

Switzerland's electricity market legislation calls for a fair and non-discriminatory electricity market, where clients or a specific client group can freely choose their electricity suppliers. Axpo respects this regulation and never abuses its market position or uses its position in an anti-competitive manner. In particular, we respect the statutory provisions for the separation of grid operations from other business areas.

<sup>6</sup> The market levels in the electricity sector can be defined broadly as follows: electricity production, electricity transmission, electricity distribution, end-user delivery and electricity trading.

<sup>7</sup> Agreements within Axpo Group are not considered anti-competitive collusion but are defined in law as intra-enterprise privilege. This applies for Axpo subsidiaries and their controlled companies (especially power plants) inasmuch as the latter are fully incorporated in the organisational structure of Axpo Group and the controlled companies to do not enjoy commercial autonomy.

This includes the prohibition against using commercially sensitive information or revenue from electricity grid operations to favour other business areas (termed «unbundling»). Such information must be treated with confidentiality<sup>8</sup>. The information must not be made accessible to employees or their line managers from the energy distribution and energy trading areas. Furthermore, this information must not be deployed in any way in business areas where its utilization would give Axpo a competitive advantage over other energy provision companies.

### **The form of the collusion is immaterial**

The form of the anti-competitive collusion is immaterial in relation to its prohibition – the material issues are whether or not it restricts competition and the extent to which it restricts competition. Verbal or informal anti-competitive collusion (e.g. a gentlemen's agreement) is therefore just as illicit as a formal written agreement or a secret collusive scheme (e.g. a «side letter»).

### **Prohibition of parallel conduct**

The regulations to protect competition also apply to preventing deliberate and intentional parallel conduct between individual companies with the objective of restricting competition in specific markets.

The term «parallel conduct» refers to situations where one party gives an indication to another party (purposefully and with intent) of the manner in which it plans to act, thereby affecting competition. This can be done through regular publications or announcements of price increases to business rivals or publicly (e.g. via press releases or official announcements) when the party releasing the information knows or expects that competitors will take similar action.

### **Implications**

The implications of competition law infringements are significant and include permanent damage to reputation, civil law proceedings (brought by clients), and consistently high fines imposed on the company<sup>9</sup> as well as criminal prosecution in many cases. Operational disruptions due to ongoing investigations are an additional consequence.

### **Rules of conduct**

#### **Prohibited:**

- Making formal or informal agreements or holding discussions with competitors and business rivals<sup>10</sup>, business partners or clients to:
  - fix prices;
  - allocate or agree on products, markets, volumes, areas or clients;
  - avoid competition in another manner<sup>11</sup>; or
  - agree on the process related to participating in tenders.
- Exchanging<sup>12</sup> information with competitors and business rivals about current or future prices, conditions, market shares, volumes, profit margins, costs, offers, distribution practices, sales conditions, specific clients or traders.
- Agreeing with clients on the resale of our products at specific prices or requiring such resale agreements from our clients (second-hand price agreements)<sup>13</sup>.

<sup>8</sup> The grid operation must be separated for accounting purposes from the other business areas.

<sup>9</sup> In some countries, competition law fines can also be imposed on the person at fault.

<sup>10</sup> In terms of competition law, cantonal utilities and end distributors must be regarded in principle as business rivals for the supply of end clients. Cantonal utilities are also treated as competitors for the supply of end distributors and end clients.

<sup>11</sup> An agreement on a competition embargo can be permissible under certain circumstances – such agreements must be submitted by the service function of the central legal unit or the local legal unit in advance.

<sup>12</sup> Similar information that Axpo may receive on an unsolicited basis must be expressly rejected.

<sup>13</sup> In addition: «or agreeing to any prescribed resale prices from suppliers.»

- Discriminating against trading partners using prices or other terms and conditions to abuse market position or statutory/contractual obligations to provide basic services, e.g. by:
  - forcing prices that are disproportionately high from a fair and objective perspective (no correlation to the commercial value of the service) or disproportionate and unusual (objectively unjustifiable) terms and conditions;
  - undertaking negotiations which would unfairly favour one client against another client that competes with the first client (differentiated treatment of similar clients or users);
  - refusing to enter into or extend a business relationship with a client or user without objective justification;
  - agreeing on packaged deals, i.e. the conclusion of contracts where conditions are linked in such a manner that the contractual partner accepts or provides additional services.
- Unlawfully failing to cooperate in the case of searches<sup>14</sup> or proceedings by the competition regulator.

#### **Permitted:**

- Rejecting a business relationship for objective reasons<sup>15</sup> that can be documented and tracked.
- Giving differentiated treatment to clients for objective reasons<sup>16</sup> that can be documented and tracked.
- Linking a primary transaction with a subsidiary transaction if these are inseparably related to each other (e.g. technical necessity).

#### **Please note:**

- ▶ Distribution agreements with exclusivity provisions must always be submitted to the legal unit for review.
- ▶ The claim that «I didn't know it was unlawful» is not an excuse for the competition regulator.
- ▶ Each energy provision company independently decides on the clients it chooses to supply and the prices for each client based on its specific assessment criteria.
- ▶ No one is obliged to provide a free client with an offer.
- ▶ We will cooperate with searches of premises or proceedings by the competition regulator without prejudice to all due legal defence.
- ▶ Please contact the Chief Ethics & Compliance Officer or the responsible Compliance Officer if you have any questions about compliance with competition legislation or doubts about the admissibility of a specific procedure.

<sup>14</sup> There are specific guidelines in this regard for the individual Axpo Group companies.

<sup>15</sup> An example of an objective reason would be capacity problems.

<sup>16</sup> Examples of an objective reason for differentiated treatment would be higher collateral requirements for a financially weak client or user or commercially justifiable special conditions in favor of a client or user that buys large quantities of energy if this effectively results in reducing costs.

## 2.2.2 Business and industry associations

**In your function as an employee of Axpo Group, you may only participate in the meetings of recognized business and industry associations that are held for permissible and appropriate business, scientific or industry purposes.**

### **The most important points in brief**

None of the anti-competitive activities described above may be the subject of a discussion or an agreement in the context of business and industry associations – whether formally as part of the agenda at events or informally in the course of meetings or conversations with business rivals on the periphery of such events.

### **Rules of conduct**

#### **Prohibited:**

- Undertaking or supporting anti-competitive activities in the context of business and industry associations.
- Participating in business and industry associations or their events where their activities violate competition law.

#### **Permitted:**

- Participating in business and industry associations where their activities respect competition law.

### **Please note:**

- ▶ Prior to your participation, discuss any dubious or questionable agenda points with your line manager, the Chief Ethics & Compliance Officer or the responsible Compliance Officer.
- ▶ In the context of business and industry associations: if an inappropriate issue is raised or you witness activities which appear or even are unlawful, you should:
  - formally distance yourself from the discussion or the meeting and propose ending the discussion;
  - raise your objections and request that your objections be recorded in the minutes accordingly (where necessary, with the support of a witness);
  - leave the meeting, if the unlawful discussion or activity is not terminated;
  - without delay, inform your line manager, the Chief Ethics & Compliance Officer or the responsible Compliance Officer about the occurrence.

## 2.2.3 Trade and business restrictions (embargoes)

**For transactions with an international dimension it is necessary to ensure compliance with the applicable trade and business restrictions (embargoes).**

### **The most important points in brief**

Due to its business areas, Axpo is active across borders and is therefore engaged in many foreign markets and regions. National and international trade and business restrictions, for example to protect national security or the domestic market or to underpin the foreign policy objectives of a specific country, can limit the cross-border shipping of goods, offering and delivering services and transferring of technologies.



### **Embargo formats**

Trade and business restrictions<sup>17</sup> may impact on Axpo business in two ways by:

- ▶ prohibiting Axpo from or restricting Axpo entering into business with specific persons or business partners in specific countries; or
- ▶ subjecting Axpo to fines or other penalties if Axpo executes or supports prohibited transactions, whether with intent or not.

### **Responsibility**

For transactions with an international dimension, the responsible employees in the relevant business area must ensure compliance with the trade and business restrictions applicable to Axpo and its business.

### **Warning signals**

In the case of the following warning signals in particular, you must meet with your line manager, the Chief Ethics & Compliance Officer or the responsible Compliance Officer to clarify the situation before the transaction is finalised:

- ▶ Clients/business partners provide unsatisfactory answers to questions about the end user(s), supply data or location.
- ▶ Unusually favourable payment conditions.
- ▶ Unusual invoices (e.g. the value and price do not correlate; incomplete description of goods; failure to identify country of origin, etc.).
- ▶ Suspicious and/or undocumented payments in excess of the invoice.
- ▶ Transactions with links to the military or involving third parties with links to the manufacture or supply of weapons.

### **Rules of conduct**

#### **Prohibited:**

- Undertaking cross-border activities for Axpo if these will contravene applicable trade and business restrictions.

#### **Permitted:**

- Undertaking cross-border activities if compliance with the applicable trade and business restrictions is ensured.

### **Please note:**

- ▶ Axpo employees responsible for cross-border business must take the necessary measures to ensure that no applicable trade and business restrictions are violated.
- ▶ If you have any questions, contact your line manager, the Chief Ethics & Compliance Officer or the responsible Compliance Officer.

<sup>17</sup> It is important to note that the list of trade and business restrictions is subject to continuous amendments.

## 2.3 Integrity in business

### 2.3.1 Bribery and corruption

**No employee shall bribe or take bribes. Our business is based on the quality of our products and services and not on such practices.**

#### **The essentials in brief**

Bribery and corruption are treated as criminal offences in all jurisdictions in which Axpo conducts its business activities.

At Axpo, bribery and corruption is defined in the broadest possible sense, and may occur in connection with:

- offering or granting payments or other benefits to public officials, holders of office or business partners,
- requesting, agreeing to accept or accepting such benefits,
- consultants and intermediaries acting on behalf of Axpo.

The code of conduct outlines the key principles and is supplemented by further internal guidance. They set the minimum requirements for all business activities. Local regulations may be more stringent.

#### **Public Officials and Office Holders**

As a very limited scope for legally granting benefits to public officials and holders of office exists, no benefits should be granted to such individuals without prior consulting with Ethics & Compliance.

#### **Business Partners**

Axpo allows the offering, granting or accepting of socially adequate benefits for legitimate purposes in a common business context and in accordance with Axpo's procedures and value limits.

#### **Rules of conduct**

##### **Prohibited:**

The promise or granting of benefits to public officials or office holders without the prior written approval from the line manager and Ethics & Compliance.

##### **Permitted:**

The offering, granting or acceptance of socially adequate benefits to/from business partners for legitimate purposes in a common business context in accordance with Axpo's guidance.

### 2.3.2 Conflicts of interest

**Conflicts between personal interests and the business interests of Axpo must be avoided. Always keep business and private interests separate and conduct yourself as an Axpo employee in the interests of the company without allowing personal considerations or relationships to influence you. Immediately disclose any unavoidable conflict of interest.**

## Separation of private and business interests

A conflict of interest generally exists if employees or their family<sup>18</sup> are engaged in private activities that impede their objectivity in their work. Business and private interests must always be kept separate to avoid potential conflicts between your personal interests and the interests of Axpo<sup>19</sup>. This applies to dealings with our business partners, clients and authorities as well as dealings within the company. Avoiding conflicts of interests and fulfilling your duty as an employee of loyalty to Axpo are issues of personal integrity.

## Conflict of interest situations

Conflicts of interest may arise, for example, in the following situations:

- ▶ Taking up additional activities that require approval and have not been approved beforehand.
- ▶ Holding offices at business partners, clients or competitors that have not been approved beforehand.
- ▶ Accepting advantages or gratuities from business partners, clients or competitors that are offered to you solely on the basis of your function and position at Axpo (to influence you).
- ▶ Holding personal financial or other stakes in a business partner, client or competitor that allow significant influence to be exercised.
- ▶ Business relationships with relatives, family or friends.

## Secondary occupations

During the term of the employment relationship, employees are prohibited from engaging in gainful employment for third parties. In particular, the duty of loyalty to Axpo must not be violated in any manner nor is any competition to Axpo permitted. If an employee intends to take up public office or a paid/unpaid secondary office or similar secondary occupation, authorization from the responsible internal unit must be obtained<sup>20</sup>.

## Rules of conduct

### Prohibited:

- Not fulfilling your duty of loyalty to Axpo.
- Doing the following without authorization from the responsible unit:
  - While in an employment relationship with Axpo, taking up an external position or activity that is related to the business area of Axpo, requires major time commitment or is (could be) in conflict with your work at Axpo<sup>21</sup>;
  - Representing Axpo in a transaction or business relationship in which you or family members, domestic partner, friends or close associates have a (financial or other) personal interest;
  - Appointing, promoting or directly managing family members, close relatives, associates or friends;
  - Undertaking personal transactions, i.e. undertaking transactions for your own account, which are comparable to those that you were instructed to do by Axpo (or your employer) within the scope of your employment relationship. Personal transactions are also understood to include transactions un-

<sup>18</sup> The term is defined as relatives living in the same household.

<sup>19</sup> To avoid conflicts of interest, as an employee you should generally not participate in Axpo business activities where personal circumstances (could) prevent you from making fair and objective decisions in the interests of Axpo. Similarly, you should not engage in any personal non-occupational activities that (could) impair your ability as an employee to act in the interests of Axpo.

<sup>20</sup> Generally the line manager and/or Human Resources.

<sup>21</sup> For example, with an existing or potential competitor, business rival, supplier or client of Axpo; or due to the time requirements of the activity.

dertaken by employees for third parties if these parties are not the employer or a company associated with the employer<sup>22</sup>.

- Holding significant (majority or otherwise controlling) stakes in a business partner, client or competitor of Axpo<sup>23</sup> that allow significant influence to be exercised on this party.
- Abusing your position or function as employee for personal enrichment or using Axpo funds to promote or support activities (private or personal) external to Axpo.
- Concealing or suppressing information from or misrepresenting information to Axpo decision makers for personal advantage or for your own enrichment (or the enrichment of third parties) that would be essential or significant for the decision-making process of these persons in the interests of Axpo.

#### **Permitted:**

- Performing personal activities or transactions that do not impinge on your duties as an employee or conflict with the interests of Axpo and where there is no possibility of influence.
- As an employee, accepting gratuities from third parties as defined in the code of conduct if there is no possibility of conflicts of interest or influence<sup>24</sup>.

#### **Please note:**

- ▶ Report existing or potential conflicts of interest to your line manager, the responsible HR officer, the Chief Ethics & Compliance Officer or the responsible Compliance Officer immediately.
- ▶ Activities external to Axpo, secondary occupations or private mandates do not require authorization if they are not related to the business area of Axpo, do not pose any potential conflict of interest and do not require major time commitment.

### **2.3.3 Business partners**

**Our business partners that work together with us regularly on a long-term basis must comply with the business principles of the code of conduct and respect our values. Anyone unwilling to do this should not be our business partner.**

#### **Collaborating only with partners of integrity**

Under certain circumstances, the conduct and business activities of our business partners<sup>25</sup> can also affect the reputation of Axpo or result in (co-)responsibility or liability on the part of Axpo. For this reason, Axpo maintains regular and long-term working relationships with business partners that have a spotless reputation and conduct their business in line with the law and ethical considerations in the mould of Axpo<sup>26</sup>.

We therefore require our business partners to commitment themselves to the business principles of our articles of association as they appear in the code of conduct and to respect our values. Anyone not willing to do this cannot and should not be our business partner. If you have any doubts about the integrity of one of our business partners,

<sup>22</sup> The Group Executive Board or management may authorize exceptions upon application by the responsible Compliance Officer as long as there is no abuse.

<sup>23</sup> Private investments within a normal scope are not included in this provision.

<sup>24</sup> As a rule of thumb, gratuities may generally be accepted up to CHF 300 per gift or CHF 400 per year and business partner (see previous section on gifts and invitations).

<sup>25</sup> The term «business partner» includes contractors, suppliers, advisors, etc. with whom Axpo maintains a regular or long-term contractual and business relationship.

<sup>26</sup> The Compliance unit or management can effect what are termed «Integrity Due Diligence» processes in this regard.

report your concerns to your line manager, the Chief Ethics & Compliance Officer or the responsible Compliance Officer.

### **Warning signals**

As an employee, pay attention to the following warning signals when entering into a business relationship with third parties:

- ▶ The appointment of contractors is based on criteria other than an open tender in compliance with fair competition;
- ▶ There are conflicts of interest in the selection of contractors (e.g. improper gifts or gratuities);
- ▶ A contract is given to a company that is managed or owned by a relative, associate or close friend of an employee;
- ▶ A contractor does not meet safety provisions or obviously does not comply with environmental standards.

### **Additional guidelines for dealings with third parties**

In the context of our business relationships, the following points should be borne in mind:

- ▶ Payments to intermediaries must comply with local statutory provisions and, as far as possible, must be effected in the country where the service was provided. All such payments must be duly accounted for by all parties.
- ▶ Agents, agency contracts and payments to agents must be documented separately and disclosed to internal and external audits.
- ▶ All financial transactions must be accounted for truthfully, transparently and in line with the applicable accounting rules (no «off the books» payments).
- ▶ All agreements must comply with the laws of the country where they apply.
- ▶ We give preference to partners and their clients who conduct their business on the basis of fairness and respect towards people, the environment and society.

### **Rules of conduct**

#### **Prohibited:**

- Working together on behalf of Axpo with business partners that do not comply with our business principles or the code of conduct.
- Accepting, eliciting or demanding improper advantages or gratuities<sup>27</sup> from or offering or giving improper advantages or gratuities to (existing or potential) Axpo business partners for oneself or others (directly or indirectly).
- Using Axpo business partners to give or offer improper gratuities to other persons (e.g. public office holders or employees of clients).
- As an employee, when entering into a business relationship, giving priority to your own interests over the interests of Axpo.
- Making payments or gratuities «off the books» or not duly accounting for and documenting such payments or business processes.

<sup>27</sup> For example, discounts, kickbacks, special processing fees, underhand payments, gifts or invitations.



#### **Permitted:**

- Working with business partners:
  - where there is no doubt about their integrity;
  - that have committed themselves to the business principles of the code of conduct and respect our values.
- Based on the provisions of the code of conduct, accepting, eliciting, offering or giving appropriate gifts, invitations and gratuities from/to Axpo business partners.

#### **Please note:**

- ▶ Our long-term business partners:
  - must acknowledge the business principles of the code of conduct.
  - must demonstrate that they are able to provide the business or services offered on the basis of their qualifications and resources.
- ▶ The fees or commissions agreed with business partners must be commensurate with the value of the service provided.
- ▶ Business partner costs and expenses must be transparent, in line with the market and verifiable.
- ▶ All payments and business processes must be duly accounted for and documented by all parties.
- ▶ All agreements must clearly define the applicable duties and responsibilities of the parties (Axpo and the business partner) and the basis for payment.
- ▶ If you have questions or in case of doubt, contact your line manager, the Chief Ethics & Compliance Officer or the responsible Compliance Officer.

### **2.3.4 Government authorities and officials**

Our conduct is always professional in the context of business relationships with Government authorities and we comply with the applicable laws and fundamental ethical values. All forms of exerting unlawful influence on public office holders or authorities are prohibited.

#### **Professional conduct when dealing with authorities**

As a public sector company, Axpo has business relationships with governments and state-owned enterprises. Our daily work therefore often involves contact with government authorities, officials and national and international government agencies. In our contact with these authorities, we always comply with the provisions of the code of conduct and the law.

#### **Rules of conduct**

##### **Prohibited:**

- Exerting unlawful influence on public office holders or authorities.
- Giving gratuities that do not comply with statutory regulations, local or regional regulations or the code of conduct to political parties, commissions, candidates or holders of political office.

**Please note:**

- ▶ If you have questions about public office holders or authorities, contact your line manager, the Chief Ethics & Compliance Officer or the responsible Compliance Officer.

### **2.3.5 Money laundering**

**We do not enter into business relationships with partner or clients that we do not know. Any suspicions about illegal financial transactions or doubts about the origin or legality of assets must be reported.**

**The most important points in brief**

Persons or companies that are involved in criminal activities, including terrorism, drug trafficking, corruption and fraud, often attempt to launder the proceeds of these crimes to make the funds appear legal. Money laundering<sup>28</sup> includes all cases where legal (or illegal) funds are used for criminal purposes, e.g. to finance terrorist activities. Money laundering is a punishable offence; penalties for those convicted range from fines to prison sentences and the reputation of the parties involved can be significantly damaged. It is therefore of central importance that we as a company and as employees always know the parties in our business relationships.

**Sequence of events in money laundering**

The process by which money from illegal sources is laundered into legal financial channels generally involves the following three stages:

- ▶ Placement is the first stage where illegal funds (normally in the form of cash) is introduced into the financial system via deposits into legitimate accounts.
- ▶ The layering stage is used to disguise when and how the money was introduced into the system originally. In general, this is done at an international level using numerous transactions to hide the origin of the funds. The money is moved through various financial products and a number of financial institutions<sup>29</sup>.
- ▶ The integration stage sees the money integrated as legitimate assets that are used to finance further activities or investments.

**Know your client**

The most important pillar in combating money laundering is the identification of business partners, clients and beneficial ownership. For Axpo, this highlights the selection and knowledge of our clients – what is termed the «know your client» (KYC) principle. Axpo maintains relationships only with trustworthy business partners and clients that demonstrate integrity. According to our information, their operational and financial equity is derived without doubt from proper and legal sources.

The employee responsible for the business relationship is also responsible for ensuring proper compliance with and implementation of the KYC principle (by obtaining the necessary information about the business partner<sup>30</sup>).

<sup>28</sup> Money laundering includes a range of activities where money from a criminal origin is laundered to hide its origins and introduce it into legal economic circulation. These illegal funds can be derived from crimes such as drug trafficking, corruption, embezzlement, kidnapping, blackmail or human trafficking.

<sup>29</sup> There are many techniques used in this process: for example, money can be stored temporarily in an offshore financial center (e.g. banks located abroad) and then transferred to Switzerland using a bank transfer. Often a number of accounts across several countries are used and then combined at a later stage. This technique makes it very difficult to uncover the criminal origin of the money.

<sup>30</sup> For example, by obtaining proof about the identity and business operations of the applicable business partner, including the origin of their assets and the purpose of the relevant transaction.

## Warning signals

In the following situations, you should be vigilant and – where necessary with the assistance of your line manager, the Chief Ethics & Compliance Officer or the responsible Compliance Officer – institute further research (even if the business partner in question is a long-standing and well-known partner – even these partners can unknowingly be used for the illegal purposes of money laundering):

- ▶ Clients, representatives or potential business partners who provide information unwillingly or who provide insufficient, incorrect or suspect information or who are intent on circumventing or avoiding the reporting and documentation processes.
- ▶ Payment types that have no identifiable link to the client or that are known to be often used as money laundering methods.
- ▶ Attempts by clients or potential business partners to pay in cash.
- ▶ Early repayment of loans using cash or near-cash funds.
- ▶ Orders, purchases or payments that are unusual for the industry sector or business operations of the client or business partner.
- ▶ Unusual or complex transaction and payment patterns that are not commercially justifiable or unusually generous payment terms.
- ▶ Unusual transfers to or from countries that have no relation to the specific business or the client/business partner.
- ▶ Business in jurisdictions that are known for money laundering, drug trafficking or terrorist activities.
- ▶ Business involving foreign offshore and shell banks (banks with no physical presence in the place of their registered offices) or unlicensed financial institutions.
- ▶ Transactions structured in such a manner that they attempt to circumvent reporting processes and archiving requirements (e.g. multiple transfers that are always below the reportable threshold).
- ▶ Attempts to effect payments or refunds to third parties or to unknown and untraceable accounts.

## Rules of conduct

### Prohibited:

- Maintaining business relationships with clients or partners if there are doubts about their integrity or any questions about the legality of the origin of their funds.

### Permitted:

- Working with business partners and clients:
  - if there is no doubt about their integrity;
  - that we know and, according to our information, their operational equity is derived from proper and legal sources.

**Please note:**

- ▶ Axpo group companies are obligated to execute the KYC principle appropriately and where necessary by implementing adequate risk-based due-diligence processes and designing internal control processes in such a manner that unlawful payments are identified and prevented.
- ▶ Report any suspicions of possible money laundering or any other observations or findings in this context to your line manager, the Chief Ethics & Compliance Officer or the responsible Compliance Officer immediately.

**2.4 Handling of assets****2.4.1 Theft, fraud and embezzlement of assets**

**No employee is entitled to steal from or defraud Axpo or employees or to embezzle or otherwise abuse Axpo assets and property or the assets and property of employees. The right to institute proceedings under civil and criminal law is reserved.**

**Due diligence**

The property and assets of Axpo must be handled appropriately and with the necessary diligence and be protected by our employees and executive bodies as far as possible from loss, damage or abuse. Private use of Axpo assets is permissible within an appropriate and reasonable limit, provided that Axpo and its business operations are not endangered or adversely affected.

**No tolerance of theft, embezzlement or fraud**

Axpo does not tolerate any criminal activities by employees with regard to the assets and property of Axpo or employees. Theft, fraud or embezzlement of property and assets belonging to Axpo or employees or the perpetration of similar criminal acts by employees (or third parties) will result in proceedings under civil and criminal law. Fraud and embezzlement include, for example, falsifying business documents of any type, intentionally providing or entering false information in documents or systems or maliciously omitting the required details in business documents or Axpo systems.

**Rules of conduct****Prohibited:**

- Committing criminal activities such as theft, fraud, embezzlement or similar acts with regard to Axpo or employees.
- Abusing the assets and property of Axpo or employees.

**Permitted:**

- Using Axpo infrastructure and the information/communication systems (such as e-mail, internet, telephone etc.) for private purposes in exceptional cases only and within an appropriate and reasonable limit that does not endanger or adversely affect Axpo and its business operations.

**Please note:**

- ▶ Axpo will institute proceedings under civil and criminal law against employees or third parties who commit criminal activities with regard to Axpo or who abuse Axpo property and assets.
- ▶ Report any information or suspicions about actual or possible criminal activities (by employees or third parties) to your line manager, the Chief Ethics & Compliance Officer or the responsible Compliance Officer immediately.

**2.4.2 Intellectual property**

**We protect the intellectual property of Axpo and respect the copyright of third parties.**

**Protecting the intellectual property (of Axpo and third parties)**

The intellectual property of Axpo represents a significant asset. All employees have the obligation to protect, through appropriate familiarity with and knowledge of the relevant provisions, our copyright, trademarks, patents and other legally protected business information from damage and abuse. Axpo also respects the property rights of third parties. Unlawful use of the intellectual property of third parties by Axpo employees may result in civil and criminal proceedings with high fines (for Axpo as well as for employees) and is therefore prohibited.

**Rules of conduct****Prohibited:**

- Abusing the intellectual property of Axpo for own purposes.
- Infringing the intellectual property rights of third parties (e.g. unauthorized downloads of images from the internet).
- Retaining intellectual property of Axpo after termination of employment.

**Please note:**

- ▶ Your conditions of employment contain additional provisions regarding the transfer of copyright and patent rights and other intellectual property to your employer.
- ▶ New Axpo products and services must always be reviewed appropriately regarding possible third-party intellectual property.
- ▶ Axpo property, business information and Axpo assets protected in terms of intellectual property rights remain the property of Axpo and must be returned to Axpo automatically upon termination of employment.

**2.5 Handling information****2.5.1 Protecting confidential information**

**Confidential information about Axpo, Axpo business and industrial secrets and business secrets and confidential data entrusted to us by third parties must be protected.**

**Business information is an important asset**

Confidential information about Axpo which has not been made public belongs to Axpo and represents a significant asset, which must not be abused by employees for personal advantage or otherwise. Axpo therefore places great value on protecting confidential internal information about Axpo itself and handling information entrusted to us by third



parties in a confidential manner. Information covered by the concept «business and industrial secrets» is also protected from unlawful use under the penal code.

### **In principle, internal Axpo information is not made public**

Axpo makes certain information freely available to the public, e.g. financial reports, press releases, product information and other official documents. All other information that Axpo employees receive in the context of their work must in principle be regarded as internal Axpo information or (if classified) as confidential and must not be made available to the public or third parties unless instructed otherwise<sup>31</sup>.

## **Rules of conduct**

### **Prohibited:**

- Abusing confidential and non-public information, information protected in terms of intellectual property rights and business secrets of Axpo or other companies that may be disclosed to you as an employee or disclosing such information to third parties.
- Using commercially sensitive information from one business area of Axpo unlawfully for other areas<sup>32</sup>.
- Keeping Axpo business information without authorization upon termination of your employment.

### **Please note:**

- ▶ The following points are important when dealing with confidential business information:
  - Classify confidential documents accordingly.
  - Store confidential material securely and protect confidential documents from unauthorized access by third parties<sup>33</sup>.
  - Restrict the list of recipients to persons who need the applicable information for their work (termed the «need to know» principle).
- ▶ Do not discuss Axpo business information in public or in locations where others may overhear you, such as airports, public transport, restaurants, lifts, break rooms, etc.
- ▶ Avoid careless talk at company events.
- ▶ In case of doubt, treat Axpo business information as internal or confidential and not intended for the public.
- ▶ Axpo business files and documents and industrial information and data about Axpo is the property of Axpo and must be returned to Axpo upon termination of the employment or business relationship.
- ▶ The obligation of confidentiality regarding legally protected Axpo information shall continue to apply after termination of the employment, business or contractual relationship with Axpo.

## **2.5.2 Financial information and accounting practices**

**Our business transactions must be accounted for truthfully, transparently and in line with the applicable accounting rules. Unlawful, incorrect or misleading entries in our financial accounts are prohibited.**

<sup>31</sup> In this manner, Axpo aims to prevent third parties from copying our work or poaching clients. In addition, Axpo has an obligation to its business partners and clients to prevent the unlawful disclose of information entrusted to Axpo.

<sup>32</sup> In such cases, this requires setting up and complying with specific information barriers («Chinese walls»). This applies in particular for compliance with the unbundling rules.

<sup>33</sup> For example: in a locked office or locked container (cupboard, drawer, etc.).

### «True and fair view»

The financial accounting of Axpo reflects our work as a business enterprise. It forms the basis for timely, up-to-date and accurate information for our shareholders, clients, business partners and other stakeholders. The credibility of Axpo as a company depends largely on our financial accounts being accurate, complete and correct, so any form of illegal bookkeeping or improper entries in our accounts is prohibited.

### Rules of conduct

#### Prohibited:

- Making unlawful, incorrect or misleading entries in our financial accounts.
- Effecting payments or gratuities «off the books», i.e. not duly accounting for such payments.

#### Please note:

- ▶ The financial accounts of Axpo must always comply with the applicable accounting rules and must reflect all business-relevant transactions correctly, in full and as per the correct period.

### 2.5.3 Insider trading

**Significant information about a company that has not (yet) been made public and that may have a considerable effect on the price of this company's securities if it is made public must not be abused for personal enrichment or passed on to a third party.**

#### Insider trading is a crime

Insider trading is a criminal act and has implications under civil and criminal law for the perpetrator and the company. Axpo employees are not permitted to trade directly or indirectly (e.g. via a third party) in equities or other securities<sup>34</sup> of a company about which they have insider information<sup>35</sup>, i.e. significant information about a company that has not (yet) been made public and that may have a considerable impact on the price of the securities of this company if it is made public<sup>36</sup>. Furthermore, there are also specific periods when employees are not permitted to trade in securities of Axpo Group companies (called an embargo period for trading)<sup>37</sup>.

#### Prohibition of «giving tips»

It is also unlawful to pass on insider information to third parties (e.g. asset managers, employees, family members, relatives, associates or friends) or to facilitate third parties using this information («giving tips»).

#### Prerequisite: considerable effect on the market price

To be relevant in terms of insider trading, an event must have a considerable impact on the market price and must be capable of influencing an average market participant in making an investment decision. The assessment of the effect on the market price cannot be made in concrete percentage figures because too many external factors can influence

<sup>34</sup> The term «securities» includes equities, bonds, options, other certificated rights and exchange-traded or off-exchange traded electricity products.

<sup>35</sup> Irrespective of whether your knowledge of the insider information was gained personally or (directly or indirectly) via a third party. Employees who receive insider information in the context of projects must sign a declaration of confidentiality.

<sup>36</sup> Mere rumours, ideas, planning options, intentions or forecasts are generally not included in this category.

<sup>37</sup> An embargo period for trading applies 10 trading days before and 24 hours after each official information event (financial results press conference, presentation of half-year results, etc.).

price performance. Assessments of the potential of an event having a considerable effect on the market price must therefore be made on a case-by-case basis<sup>38</sup>.

As a rule, a considerable effect on the market price is assumed if:

- ▶ a change in the market price significantly in excess of the normal fluctuation range can be expected; or
- ▶ an average market participant would use the knowledge of this event as the basis for making an investment decision<sup>39</sup>.

### **Examples of events that might have a considerable effect on market prices**

There is no exhaustive list of potential events that might have a considerable effect on market prices. Some examples:

- ▶ Financial results (annual and interim results): these are primary events in terms of their potential effect on market prices.
- ▶ Changes to business results: significant changes in profit (substantial drop in profit, suspending a dividend, profit warning) or restructuring.
- ▶ Structural changes: mergers, acquisitions, splits, asset sales, restructuring.
- ▶ Capital changes: capital increases or decreases, share buyback programmes, changes in the type of participation rights.
- ▶ Major personnel changes: changes to the board of directors, the executive board or other key positions; change of auditors.
- ▶ Changes in business developments: new distribution partners or strategic alliances, new and significant products, withdrawal or recall of a significant product, important new contracts, termination of important contracts.

### **Rules of conduct<sup>40</sup>**

#### **Prohibited:**

- Trading directly or indirectly in the securities of a company about which you have insider information (i.e. significant information about a company that has not (yet) been made public and that may be price-sensitive)<sup>41</sup>.
- Giving insider information to third parties or facilitating the use of this information by third parties (giving tips).
- Not complying with an embargo period for trading.
- As a trader, executing unauthorized securities transactions.
- Intentionally circulating incorrect or misleading information in public about Axpo or listed companies.
- Publicly announcing internal Axpo information that is or could be relevant to investors without authorization or consultation with the responsible communications unit or selectively releasing such information to third parties.

<sup>38</sup> Even the potential of having a considerable effect on the market price is sufficient to qualify as a criminal offence. It is therefore not necessary for the event to indeed have had an effect on the market price.

<sup>39</sup> A question such as: would the market participant buy, sell or hold the relevant securities based on the new, unreleased information because they believed that the current share price does not sufficiently reflect the information?

<sup>40</sup> Additional disclosure and reporting obligations apply to bond issuers (such as Axpo Holding AG)

<sup>41</sup> Including the following: trading for own account before finalization of all client transactions (front running); trading for own account in the same securities of a client order (parallel running).

**Permitted:**

- Trading in the securities of companies:
  - about which you have no insider information; and
  - where no embargo period for trading applies.

**Please note:**

- ▶ The best way to prevent the abuse of confidential information is to keep it secret: you should therefore classify confidential information accordingly.
- ▶ Only give confidential information to persons who need it for their work (termed the «need to know» principle).
- ▶ If you have questions or if you suspect there a case of insider trading, contact your line manager, the Chief Ethics & Compliance Officer or the responsible Compliance Officer.

## 2.5.4 Protecting personal data

**Every employee is responsible for data protection and ensuring the privacy of employees, clients and business partners.**

**Data protection is the responsibility of every employee**

The protection of data and the privacy of employees, clients and business partners as well as the conscientious and careful handling of such data is a priority for Axpo. Every Axpo employee is responsible for data protection by handling personal data conscientiously and with due care.

**Rules of conduct**

**Prohibited:**

- Collecting, processing or disclosing personal data/information and character assessment profiles of employees, clients or business partners in violation of data protection regulations.

**Permitted:**

- Collecting, processing or disclosing personal data/information and character assessment profiles of employees, clients or business partners if this is permitted by law and in compliance with the applicable data protection regulations.

**Please note:**

- ▶ Inform the applicable data protection officer, your line manager, the Chief Ethics & Compliance Officer or the responsible Compliance Officer if you find that:
  - personal data is used in violation of the code of conduct or statutory data protection provisions; or
  - the security of systems containing personal data has been compromised.

## 2.5.5 E-Mail and internet usage

**Utilize (never abuse) Axpo information and communication technology (ICT) for your daily work with professionalism and respect. Always give consideration to what you are communicating and how to say it.**

### **The most important points in brief**

The Axpo information and communication technology (ICT) systems and the information stored and processed on them are fundamental to the activities and success of our company. They are the property of Axpo. Every business e-mail and internet communication via the ICT of Axpo is therefore regarded as Axpo business information. High priority must be accorded to the security and proper use of our ICT, which is why the defined security and user standards must be observed by all (internal and external) persons with access rights to the Axpo ICT. Axpo reserves the right to access this data if irregularities are identified or for other operational reasons and to evaluate or use it – to the extent permitted under the law – in line with its authority.

### **Professional and proper utilization of ICT**

Axpo ICT (such as e-mail, internet, and system applications) and other communication tools or equipment provided by Axpo (such as mobile phone, telephone etc.) should be used to support your business activities and must not be abused or unlawfully used by you. It is the personal responsibility of each employee to use Axpo ICT and communication equipment conscientiously and lawfully.

### **Private use**

By way of exception, the private use of Axpo ICT and communication equipment is permitted if the resources used (work time, network capacity, costs, etc.) are negligible, normal work processes are not excessively impeded or restricted and there is no negative impact on Axpo ICT security.

### **Rules of conduct**

#### **Prohibited<sup>42</sup>:**

- Setting up, connecting or installing unauthorized or private equipment and data carriers on the company network.
- Unlawfully downloading, copying, transferring or installing any kind of data or software.
- Intentionally interrupting the operation of information and communication systems.
- Entering or attempting to enter external information systems without authorization (hacking).
- Analysing internal or external networks and computers or intercepting communication connections without authorisation.
- Unlawfully obtaining passwords and other authentication elements.
- Utilising external user or network keys.
- Circumventing or disabling protection and security functions.
- Using or forwarding data containing depictions of violence, racism, sexism or pornography.
- Sending messages or e-mails with the intention of deception or harassment or in the form of non-business mass mailings.
- Using or forwarding malicious software (e.g. viruses, trojans, worms or spyware).

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<sup>42</sup> This list is not exhaustive.

#### **Permitted:**

- Using Axpo ICT professionally and conscientiously according to the principle: think first, then write.
- Using Axpo ICT, infrastructure and the information/communication systems (such as e-mail, internet, telephone etc.) for private purposes in exceptional cases only and within an appropriate and reasonable limit that does not endanger or adversely affect Axpo and its business operations.

#### **Please note:**

- ▶ Always communicate in a considered manner with professionalism and accuracy – do not write something you wouldn't want to be identified with later.
- ▶ Always work on the assumption that your electronic communication could be used as evidence in a legal case or official investigations.
- ▶ Do not leave any room for misunderstandings or incorrect interpretations.
- ▶ Select the most suitable communication form – a telephone call or personal meeting can be more appropriate than e-mail under certain circumstances.
- ▶ Ask yourself if you would be comfortable seeing your e-mail on the front page of the newspaper tomorrow.
- ▶ Structure written reports and documents precisely and accurately as if they are formal letters.
- ▶ Avoid irony, sarcasm or exaggerations, as these forms of expression can often be misunderstood in electronic communication.
- ▶ Ensure that the correct classification is used when you send confidential or sensitive information.
- ▶ Only use the Axpo internet for purposes related to your work – limit your private use to the minimum.
- ▶ Report abuse of Axpo ICT or any other security concerns to your line manager, the ICT security officer, the IT hotline, the Chief Ethics & Compliance Officer or the responsible Compliance Officer immediately.

### **2.5.6 Communication**

**Axpo fosters open dialogue with its stakeholders and communicates in an honest, transparent and professional manner.**

#### **No public statements without authorisation**

We foster dialogue with our business partners, clients, the authorities, the media and the general public. The consistent and accurate presentation of the interests of Axpo Group to these stakeholders is of central importance to Axpo. Employees who make statements or present information about Axpo Group as representatives of Axpo therefore require the necessary authorisation. Public statements must be arranged in advance with the responsible communications unit.



## Rules of conduct

### Prohibited:

- Making official statements on behalf of Axpo without authorisation.
- Expressing private and personal opinions in public or to third parties in the name of Axpo.

### Permitted:

- Making public statements and providing information about Axpo as an authorized employee and in consultation with the responsible communications unit.

### Please note:

- ▶ Please refer requests for public statements to the responsible communications unit if you are not authorized to make official statements.
- ▶ In case of doubt, check in advance with the responsible communications unit to find out if you are authorized to make official statements about Axpo Group.

## 2.6 Social responsibility

### 2.6.1 Sponsoring and donations

**Axpo is a good corporate citizen and promotes the common good. In line with our corporate strategy, we allocate funds accordingly where legally permitted and in line with our philosophy of social responsibility.**

#### Support for the common good

In line with its corporate strategy, Axpo sponsors and donates to a number of selected national and regional projects and organisations that make an important contribution to healthy social and environmental development in Switzerland. Axpo is committed to a supportive role in a wide range of areas including sports, youth, education, culture, environmental protection and social and community-based service. Sponsoring is also a key element of Axpo corporate communications. By allocating financial and/or material resources as sponsorship or donations, Axpo can obtain communicative usage rights on a contractual basis to present itself, its services and products to a potential client group, its employees or the broader public.

### Rules of conduct:

#### Prohibited:

- Abusing Axpo sponsorships or donations to obtain unlawful influence.
- Using Axpo assets and resources for sponsorships or donations in contempt of the applicable laws or in breach of internal Axpo rules.
- Not accounting for sponsorship/donation funds truthfully and in full in the financial accounts of Axpo.

**Please note:**

- ▶ Axpo sponsorships and donations are defined as a partnership with a long-term perspective in order for both parties to achieve their objectives and to promote the development of the projects and organisations.

## 2.6.2 Taxes and duties

**Axpo pays taxes and duties that are legally due in compliance with the applicable rules.**

**The most important points in brief**

We take our social responsibility as a company seriously and pay taxes and duties that are legally due to the responsible authorities. Axpo obeys tax legislation and regulations that are applicable to our activities as a business and provides the relevant business information to the responsible authorities truthfully, in full and in good time.

**Rules of conduct**

**Prohibited:**

- Unlawfully accounting for or misrepresenting relevant information about taxes and duties to the responsible authorities.
- Unlawfully withholding taxes and duties from the responsible authorities that are legally due from the business activities of Axpo.
- Acting in the name of Axpo or having such intentions to assist business partners, clients or employees in such a manner that they can claim unlawful or unethical personal or business tax advantages.

**Please note:**

- ▶ If you have any questions, contact the responsible tax unit or your line manager.

Rev Version / Date	Changes	Approved
1.0 / 01.07.2023	Adaption of section 1.2.2 ff. due to introduction of new SpeakUp system complying with GDPR. Alignment of section 2.3.1 Bribery and Corruption with Group Directive Anti-Bribery and Anti-Corruption.	BoD / 02.06.2023