

Ethics and Compliance Procedure

Due Diligence and Monitoring

Procedure for Third Parties Engaged in

Political Consulting and Lobbying

Activities

LE-AC-PCD8-001
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Page 1 of 20

1. **PURPOSE**

- 1.1. Constellation Energy Corporation and its subsidiaries (“the Company” or “Constellation”) are actively engaged in legislative, regulatory, and public policy issues at all levels of government and are committed to conducting public affairs with integrity and the values expressed in Constellation’s Code of Business Conduct and all applicable laws. As set forth in *Interactions with Federal, State, and Local Public Officials (LE-AC-POL8-001)*, Constellation seeks business partners who share its commitment, and accordingly requires due diligence and ongoing monitoring of all third parties that engage in political consulting or lobbying activities on its behalf. This Procedure describes the due diligence to be performed on those third parties.

2. **TERMS AND DEFINITIONS**

- 2.1. The following are definitions for terms used in this Procedure. Certain of the terms below may have different meanings in different states. Therefore, it is critical that you also consult the local requirements applicable to the jurisdictions in which you do business and seek advice from the General Counsel’s office and/or the Chief Ethics and Compliance Officer if you have questions.
- 2.2. “Covered Third Party”: All current and proposed External Lobbyists and Political Consultants, as defined below.
- 2.3. “Public official” or “government official”: Any official, officer, or employee of or candidate for a federal, state, local or municipal government department or agency, whether elected, appointed, retained or otherwise employed. An “official, officer, or employee” of a government department or agency, for purposes of this definition, is an individual with a role or position that involves oversight of or influence over the Company’s interests.

Due Diligence and Monitoring Procedure for Third Parties Engaged in Political Consulting and Lobbying Activities

- 2.4. **“Lobbying Activities”**: For purposes of this Policy, Lobbying Activities are those activities that are defined by law in various jurisdictions as lobbying.

The following activities *may* constitute Lobbying Activities under the lobbying laws of any given jurisdiction: any oral or written communication with a public official for the purpose of influencing their decision-making regarding (1) federal, state, or local legislation (for example, contacting a state legislator or staff member in an attempt to influence the passing or introducing of new or revised legislation); (2) a formal rulemaking or ratemaking by a federal, state, or local executive branch agency (for example, contacting the state utilities commission to influence ratemaking); or (3) the award or terms of a federal, state, or local government contract, or any other official decision of a governmental body.

- 2.5. **“Internal Lobbyists”**: Internal lobbyists are employees of the Company who engage in Lobbying Activities on behalf of the Company to accomplish specified policy objectives.

- 2.6. **“External Lobbyists”**: External Lobbyists are individuals or entities, that are under contract with the Company, and that engage in Lobbying Activities on the Company’s behalf.

- 2.7. **“Political Consultants”**: Political Consultant means any person or entity that does not engage in Lobbying Activities, but that provides, or holds itself out as providing, consulting services based on communications with governmental bodies or advice concerning political processes or actions, but does not include persons or entities (a) acting as a consulting or testifying expert in connection with litigation or other formal proceedings pending before a court or administrative agency, (b) performing analyses of public policy based on publicly available information, or (c) providing legal representation or advice.

3. APPLICABILITY; ENGAGEMENT OF COVERED THIRD PARTIES

- 3.1. These procedures apply to Covered Third Parties.

Due Diligence and Monitoring Procedure for Third Parties Engaged in Political Consulting and Lobbying Activities

- 3.2. No individual who is, or is associated with, a Covered Third Party may provide Lobbying Activities or services to Constellation if that individual is a current public official.
- 3.3. The Company shall not use or engage a Covered Third Party if such use or engagement would be inconsistent with the Company's commitment to conduct public affairs with integrity and in conformance with the values expressed in Constellation's Code of Business Conduct and applicable laws. In making this determination, Constellation shall consider, among other factors:
- 3.3.1. The qualifications of the Covered Third Party;
- 3.3.2. Whether the Covered Third Party or any person associated with the Covered Third Party is the spouse, domestic partner, child, sibling, parent, or parent/child/sibling-in-law of a current public official who:
- 3.3.2.1. Is in the same governmental body, office, or agency where the individual will engage in activities on behalf of the Company; or
- 3.3.2.2. Serves in a role or position that involves oversight or influence over the Company's interests;
- 3.3.3. The history and reputation of the Covered Third Party and individuals associated with it; and
- 3.3.4. Whether the Covered Third Party has policies and procedures in place to ensure compliance with applicable laws and ethical standards.

4. ROLES AND RESPONSIBILITIES

4.1. Government Affairs:

- 4.1.1. These procedures are administered by the Government Affairs function at the business unit engaging the services of the Covered Third Party. It is critical for Government Affairs to clearly document the due diligence steps taken on each Covered Third Party and raise any warning signs identified in the process to Constellation's Chief Ethics and Compliance Officer.

Due Diligence and Monitoring Procedure for Third Parties Engaged in Political Consulting and Lobbying Activities

4.2. Chief Ethics and Compliance Officer:

- 4.2.1. Constellation's Chief Ethics and Compliance Officer shall oversee Government Affairs with respect to implementing this procedure. Government Affairs will provide quarterly reports to the Chief Ethics and Compliance Officer regarding Covered Third Parties' activities on behalf of the Company as required in Section 5.3 below.

5. **PROCESS**

5.1. ***Due Diligence Steps***

- 5.1.1. All Covered Third Parties must be identified and submitted to the head of Government Affairs for the relevant business unit for review. The Company will not engage, or continue to engage, or compensate any Covered Third Party unless the Covered Third Party has been reviewed and approved pursuant to this procedure. For any Covered Third Party approved to provide services to the Company under this Policy, Government Affairs will update the due diligence on the Covered Third Party at least annually, as set forth in section 5.3.2.2 below.

- 5.1.2. Government Affairs will complete the following due diligence steps on all Covered Third Parties:

- 5.1.2.1. Review the Covered Third Party's qualifications to engage in activities on behalf of the Company. Among the factors to be considered are the following:
- Reputation of the Covered Third Party, particularly with regard to the firm's principals and the specific professionals expected to perform the work;
 - The Covered Third Party's ability to assist with the Company's key stakeholders;
 - Substantive subject matter expertise of the Covered Third Party;

Due Diligence and Monitoring Procedure for Third Parties Engaged in Political Consulting and Lobbying Activities

- Whether the Covered Third Party has a proven track record of providing client companies with advice on issues and positions;
 - Whether the Covered Third Party will take a proactive lobbying approach, such as bringing opportunities to Constellation; and
 - Recommendations that bear on the Covered Third Party's credentials and reputation.
- 5.1.2.2. Require the Covered Third Party to complete a *Due Diligence Questionnaire* (attached as Exhibit 1).
- 5.1.2.3. Review the completed *Due Diligence Questionnaire* and follow up with the Covered Third Party for any responses that require further information or clarification.
- 5.1.2.4. If Government Affairs determines that the Company should proceed with the Covered Third Party, based on information provided in the Due Diligence Questionnaire and its own assessment of the criteria in 5.1.2.1 above, Government Affairs will prepare an *Assessment and Recommendation for Engagement of Lobbyist or Political Consultant* (attached as Exhibit 2). The head of Government Affairs for the relevant business unit will submit the assessment and recommendation to the SVP responsible for Government Affairs of the business unit for review and approval along with the completed Due Diligence Questionnaire.
- 5.1.2.5. If the SVP responsible for Government Affairs at the business unit level recommends that the Company discontinue its relationship with an existing Covered Third Party, the SVP responsible for Government Affairs must notify the Chief Ethics and Compliance Officer and the General Counsel and designee.
- 5.1.3. Decision-Making:
- 5.1.3.1. Before any Covered Third Party can be engaged, the following approvals must be obtained concurrently: (1) SVP responsible for Government Affairs, business unit; (2) General Counsel or designee; (3) Chief Officer, business unit; and (4) Chief Ethics and Compliance Officer.

Due Diligence and Monitoring Procedure for Third Parties Engaged in Political Consulting and Lobbying Activities

5.1.4. Record Retention:

5.1.4.1. Government Affairs shall maintain and retain the completed *Due Diligence Questionnaire* and *Assessment and Recommendation for Engagement of Lobbyist or Political Consultant* for all approved Covered Third Parties while the Covered Third Party is engaged by the Company, and for a period of at least five years after the engagement ends.

5.1.4.2. Government Affairs shall also maintain and retain the completed *Due Diligence Questionnaire* for Covered Third Parties that were reviewed and not approved for engagement under this procedure for a period of at least five years.

5.2. **Written Agreement**

5.2.1. All approved Covered Third Parties shall have written contracts with the Company. Consistent with *Interactions with Federal, State, and Local Public Officials (LE-AC-POL8-001)*, the contract must include the following minimum terms:

- A clearly defined scope of work and terms of payment, including the particular public officials or bodies that are the subject of the work to be performed by the External Lobbyist or Political Consultant;
- For External Lobbyists and Political Consultants, representation of compliance with applicable state or local training requirements for lobbyists, lobbying registration, ethics rules, and reporting laws and rules; agreement to provide written certifications upon request that describe the measures taken by the External Lobbyist or Political Consultant to ensure compliance with those applicable laws and rules;
- Agreement to complete any lobbying or related training session that may be designated by Constellation or the subsidiary for which it is providing services;
- Agreement to retain records as may be required by law or regulation and by Constellation, and provide reports of activities undertaken on behalf of the Company;

Due Diligence and Monitoring Procedure for Third Parties Engaged in Political Consulting and Lobbying Activities

- Representation of compliance with anti-corruption laws and all provisions in Constellation's Code of Business Conduct that govern interactions with public officials;
- The Company can terminate for convenience with no penalty;
- Agreement to provide monthly invoices with reasonably detailed description of services provided;
- Prohibition on the ability of the Covered Third Party to subcontract any portion of their work to another party; and
- The failure to participate in regular performance reviews (described in Section 5.3.2.2 below) shall result in immediate termination of the contract without further payment.

5.2.2. Government Affairs will be responsible for ensuring that each approved Covered Third Party has a written agreement consistent with these required terms. Government Affairs shall use the standard template agreement – Form 202, Government Relations Consulting Agreement (attached as Exhibit 3) – and must obtain review and approval from the Chief Ethics and Compliance Officer before the agreement is finalized.

5.3. ***Monitoring Covered Third Party Relationships Under Contract with the Company***

5.3.1. Once a Covered Third Party is approved and subject to a written agreement, Government Affairs also is responsible for monitoring the activities and services provided by the Covered Third Party during the course of its relationship with the Company. Monitoring these critical relationships helps ensure that the activities and services provided are consistent with the written agreement, Constellation's policies and Code of Business Conduct, as well as federal, state, and local lobbying laws and regulations. If Government Affairs identifies any indication that a Covered Third Party may be engaged in conduct that could violate Company policies, lobbying laws or regulations, or anti-bribery laws, it has an obligation to immediately escalate that information to the Chief Ethics and Compliance Officer and the General Counsel or designee.

Due Diligence and Monitoring Procedure for Third Parties Engaged in Political Consulting and Lobbying Activities

- 5.3.2. For each Covered Third Party, Government Affairs (or Regulatory Affairs or Corporate Affairs if either function has vetted and engaged a Political Consultant) shall perform the following monitoring activities:
- 5.3.2.1. Review and Approval of Invoices:
- Review each invoice submitted by the Covered Third Party, including invoices for retainers, to ensure it is consistent with the Company's written agreement with the Covered Third Party, and includes information describing the activities, services performed, or other value to the Company to support payment.
 - Approve invoices before they can be paid by Accounts Payable. An invoice may not be approved unless the reviewer has determined that the Covered Third Party has provided value to the Company to support payment of the invoice.
- 5.3.2.2. Mid-Year and Annual Performance Reviews:
- In addition to routine monitoring of Covered Third Parties' activities required in section 5.3.1, the Company personnel in Government Affairs in charge of supervising the engagement with the Covered Third Party shall conduct a mid-year and annual performance review with the relationship contact at the Covered Third Party ("Performance Review") and prepare a *Lobbying/Political Consulting Firm Performance Review Assessment Form* (attached as Exhibit 4). The SVP responsible for Government Affairs, or his or her designee in Government Affairs, shall conduct one of the Performance Reviews with an in-person or virtual meeting with the relationship contact at the Covered Third Party.
 - The Performance Review will include but is not limited to work performed by all employees of the Covered Third Party on behalf of the Company; the specific activities performed by the Covered Third Party during the review period, such as who from the Covered Third Party had contacts with public officials, which public officials were contacted, and subject and content of those contacts; the quality of services provided, including advice and expertise; whether the activities are

Due Diligence and Monitoring Procedure for Third Parties Engaged in Political Consulting and Lobbying Activities

commensurate with the compensation provided; the Covered Third Party's compliance with lobbying regulations, certifications, and training; and a review of any change in the Covered Third Party's qualifications, including any material changes or updates to information provided in response to the *Due Diligence Questionnaire*.

- The Government Affairs personnel conducting the Performance Review shall prepare a summary of information learned during the Performance Review, and provide a certification that the Performance Review was completed. The certification shall indicate whether continued engagement of the Covered Third Party is warranted, or that the Performance Review warrants termination of the engagement.
- For the mid-year Performance Review, the business unit level SVP responsible for Government Affairs shall each provide a certification to Constellation's Chief Ethics and Compliance Officer that Government Affairs completed a Performance Review for each Covered Third Party providing services for that business unit, and that the business unit level SVP responsible for Government Affairs took appropriate action based on that review.
- For the annual Performance Review, the following personnel will be notified of the completion of the performance review, provided a copy of Exhibit 4 for each lobbying or political consulting firm, and informed of the continued engagement of Covered Third Parties: (1) SVP responsible for Government Affairs, business unit; (2) General Counsel and designee; (3) Chief Officer, business unit; and (4) Chief Ethics and Compliance Officer.

5.3.3. Documentation on Covered Third Parties:

5.3.3.1. In addition to Section 5.1.4 in this procedure, Government Affairs shall be responsible for maintaining:

5.3.3.1.1. All written agreements with Covered Third Parties required in Section 5.2;

5.3.3.1.2. All Performance Reviews and certifications prepared under Section 5.3.2.2;

Due Diligence and Monitoring Procedure for Third Parties Engaged in Political Consulting and Lobbying Activities

5.3.3.1.3. Documentation of all invoices received and payments made to Covered Third Parties;

5.3.3.1.4. Documentation of termination of Covered Third Parties, including the reason for the termination; the date of the termination; communication of the termination to the Covered Third Party; and final payment to the Covered Third Party (date and amount).

5.3.4. Reporting:

5.3.4.1. Constellation's Chief Ethics and Compliance Officer will provide semi-annual reports on Covered Third Parties' activities to the Audit Committee of Constellation's Board of Directors, based on the Performance Reviews and any other information obtained from Government Affairs or other sources regarding the activities and performance of Covered Third Parties.

6. REPORTING POTENTIAL POLICY VIOLATIONS; NON-RETALIATION

6.1. Compliance with this Policy is critical to sustaining Constellation 's integrity in its interactions with public officials. Constellation is committed to a culture that encourages employees to speak up when we see something that violates – or could possibly violate – the law or our policies and seek help when we are unsure about the proper course of action. If you suspect a violation, or possible violation, of this Policy, you have an obligation to report your concerns. There are a number of ways to report possible violations, including to:

- The Ethics and Compliance Office at EthicsOffice@constellation.com
- The Ethics Help Line and Web Portal, both of which have anonymous reporting options and are available 24 hours a day, every day of the year.

For additional information on how to report concerns, you can consult Constellation 's policy, *Reporting Potential Violations of the Code of Business Conduct* (LE-AC-204).

Due Diligence and Monitoring Procedure for Third Parties Engaged in Political Consulting and Lobbying Activities

LE-AC-PCD8-001

Revision 5

Page 11 of 20

- 6.2. All reports will be treated confidentially to the fullest extent possible under the circumstances. Constellation will not tolerate retaliation against anyone who, in good faith, raises a question or concern about a potential violation of this Policy, our Code of Business Conduct, or potential non-compliance with any laws or regulations. Retaliation in any form - threats, harassment, intimidation, violence, reassignment, demotion, or firing - impedes our progress, has no place in our organization, and is subject to discipline, up to and including termination.

Due Diligence and Monitoring Procedure for Third Parties Engaged in Political Consulting and Lobbying Activities

Exhibit 1

Due Diligence Questionnaire for Lobbyists and Political Consultants

Thank you for considering engaging in business with Constellation and the companies listed on Attachment 1 (collectively “Constellation” or the “Company”). To move forward with a business relationship with your company, Constellation will need information about your organization (the “Business”) and its experience in the areas that your company is considering doing business with Constellation. Constellation will maintain the confidentiality of the information you provide, unless the Company receives a lawful request for the information and is required by law to disclose it.

Instructions:

Upon completion and execution of this Due Diligence Questionnaire, please return it to the Company representative with whom you are discussing the proposed relationship. Please attach additional pages as necessary to fully and completely provide the information requested, or you may attach documentation with the requisite information.

1. Name, address, and legal status of Business (e.g., corporation, partnership, limited liability company), how long it has been known by its current name, and any prior names used:
2. How long has the Business been providing lobbying and/or political consulting services?
3. Describe the Business’s qualifications or background to provide lobbying and/or political consulting services to Constellation.
4. Names and addresses of Business owners and beneficial owners, and percentage of ownership interest:

Due Diligence and Monitoring Procedure for Third Parties Engaged in Political Consulting and Lobbying Activities

5. Names, addresses (if different from the business address), and titles of officers and directors of the Business:

6. Names, address (if different from the business address), and title of key employees who will be involved in conducting business with the Company (“Key Employees”).

7. Names and addresses of any affiliated businesses (parent, subsidiaries, etc.):

8. Is any owner, beneficial owner, officer, director or Key Employee of the Business, or of any affiliated business, a former Company employee or a close relative (spouse, domestic partner, child, sibling, parent, or parent/child/sibling-in-law) of a current Company employee (Company includes all of the Constellation entities listed in Attachment 1)? If yes, state the person’s name.

9. Does any owner, beneficial owner, officer, director, or Key Employee of the Business, or of any affiliated business, currently hold a position with any unit of government, or any executive branch agency or regulatory body at the federal, state or local level?
 - a. Has any owner, officer, director, or Key Employee held such a position in the past two years?

 - b. If “yes” to either, please describe in detail including the person’s name, the person’s title, the name of the agency or business for whom the person worked or is working, the person’s duties, and the dates of government employment.

Due Diligence and Monitoring Procedure for Third Parties Engaged in Political Consulting and Lobbying Activities

- c. If “yes” to either, please provide the dates such person has held such an ownership interest in the Business.
10. Does any owner, beneficial owner, officer, director, or Key Employee have a close relative who holds or held (in the past two years) a position with any unit of government, or executive branch agency or regulatory body at the federal, state or local level?
 - a. If “yes,” describe in detail including the person’s name and relationship to the owner, officer, director, or Key Employee, the person’s title, the name of the agency, or business for whom the person worked or is working, the person’s duties, and the dates of government employment.
11. Does any government entity, or department, agency or arm of a government entity, own or control the Business in whole or in part, directly or indirectly?
 - a. If “yes,” describe in detail.
12. Does the Business hold any contracts with any government, agency of government, or any government owned business?
 - a. If “yes,” describe in detail.
13. Does the Business have a Code of Conduct? If so, please provide a copy.
14. Has the Business, its owners, beneficial owners, officers, directors, Key Employees ever been:

Due Diligence and Monitoring Procedure for Third Parties Engaged in Political Consulting and Lobbying Activities

- debarred by any governmental entity (federal, state, local or foreign) from conducting business or entering into any contract with such governmental entity;
 - charged criminally;
 - investigated by or responded to an inquiry from any regulatory body or enforcement agency concerning fraud, lobbying practices, ethical misconduct, bribery, or the Business's business practices; or
 - suspended from doing business for any reason?
 - a. If "yes," describe in detail.
15. Does the Business comply with the requirements of applicable lobbying laws and regulations and anti-bribery laws?
- a. Is the Business prepared to certify to such compliance on an annual basis?
16. The Company demands strict compliance with lobbying laws and regulations and anti-bribery laws. Describe any internal controls, policies, training, etc. that are intended to prevent corruption and bribery by the Business:
17. Has the Business been provided a copy of the Company's Code of Business Conduct and *Interactions with Federal, State, and Local Public Officials (LE-AC-POL8-001)*?
18. Does the Business understand Constellation's commitment to ethical and lawful business practices and assure that it will engage in ethical and lawful business practices when acting on the Company's behalf?

Due Diligence and Monitoring Procedure for Third Parties Engaged in Political Consulting and Lobbying Activities

Due Diligence and Monitoring Procedure for Third Parties Engaged in Political Consulting and Lobbying Activities

Exhibit 2

Assessment and Recommendation for Engagement of Lobbyist or Political Consultant

Instructions for Completing This Assessment:

- After receiving the Due Diligence Questionnaire from the Covered Third Party, Government Affairs should:
 - Complete this Assessment.
 - Forward a copy of the completed Due Diligence Questionnaire from the third party, and this Assessment to Constellation's Chief Ethics & Compliance Officer.
 - Retain a copy of both completed forms.
1. Name of Covered Third Party and primary contact person at the third party:
 2. What services will the Covered Third Party provide and for what purpose?
 3. Please state the jurisdiction or locations in which the Covered Third Party will be providing services.
 4. What is your assessment of the reputation of the Covered Third Party, particularly with regard to the firm's principals, and the basis for your assessment? If not based on personal knowledge, please identify how you made the assessment.
 5. What is your assessment of the skill set, experience and resources that the Covered Third Party can provide to advance the Company's policy objectives?

Due Diligence and Monitoring Procedure for Third Parties Engaged in Political Consulting and Lobbying Activities

6. What substantive subject matter expertise does the Covered Third Party offer?
7. Please list all recommendations received in support of this Covered Third Party?
8. How was the Covered Third Party first identified as a candidate for this engagement? Was the Covered Third Party referred by a government official or an official's agent or intermediary?
9. Is the Covered Third Party a government official or affiliated with any government official, or otherwise answer "yes" to any of questions 6 through 10 on the Due Diligence Questionnaire?
 - a. If "yes," describe in detail and any additional information you have learned about the affiliation.
10. Was the Covered Third Party provided a copy of Constellation's Code of Business Conduct and *Interactions with Federal, State, and Local Public Officials (LE-AC-POL8-001)*?
11. Does the Covered Third Party have its own Code of Conduct?
 - a. If "yes," did you receive a copy?

Due Diligence and Monitoring Procedure for Third Parties Engaged in Political Consulting and Lobbying Activities

- b. If "yes," what does it say about Covered Third Party's employees or independent contractors providing anything of value including gifts, meals, entertainment and travel?
 - c. If "yes," what does it say about Covered Third Party's employees and independent contractors accepting anything of value, including gifts, meals, entertainment, and travel?
12. How will the Covered Third Party be paid (e.g., retainer, hourly, commission, etc.)?
13. How does the rate or fee for services compare with other potential providers of similar services?
14. Why is it more advantageous to retain this Covered Third Party rather than other possible third parties?
15. Are there any warning signs that cause you to question whether the third party will act in accordance with the Company's Code of Business Conduct, *Interactions with Federal, State, and Local Public Officials (LE-AC-POL8-001)*, applicable lobbying laws and regulations, and anti-corruption laws? For each warning sign, identify any relevant facts that explain the circumstances to your satisfaction.

Due Diligence and Monitoring Procedure for Third Parties Engaged in Political Consulting and Lobbying Activities

Conclusion

It is my opinion, based upon my review and evaluation of the Covered Third Party's business record, business reputation, and experience, as described herein, that there is no basis upon which to believe that the Covered Third Party will fail to comply with Constellation Energy Corporation's Code of Business Conduct, *Interactions with Federal, State, and Local Public Officials (LE-AC-POL8-001)*, applicable lobbying laws and regulations, and anti-corruption laws.

Signature _____

Position _____

Date _____