

Ethics and Compliance Policy

Vendors and Suppliers Affiliated

With or Referred, Recommended, or

Requested by Public Officials

LE-AC-POL8-003
Revision 4
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1. PURPOSE

- 1.1. Constellation Energy Corporation, along with its subsidiaries (“Constellation” or “the Company”), is committed to selecting qualified, reputable vendors and suppliers who share our commitment to integrity. At times, the Company receives requests, recommendations, and referrals from external sources, including public officials, to contract with a particular vendor or source materials from a particular supplier. Public officials may also have an ownership interest in or affiliation with vendors or suppliers that seek to do business with the Company. Hiring a vendor or supplier that is recommended by a public official, or owned by or affiliated with a public official, requires heightened scrutiny to ensure that the public official’s relationship with the vendor does not potentially violate the law or interfere with our commitment to a robust sourcing and contracting process. This Policy sets forth the standards and requirements applicable to any request, recommendation, or referral from a public official – directly or through an agent or intermediary – for Constellation or its subsidiaries to select a particular vendor or supplier, as well as the process to review vendors and suppliers owned by or affiliated with public officials who seek to contract with Constellation or its subsidiaries. This Policy does not address the selection of lobbyists and political consultants, which is addressed by *Interactions with Federal, State, and Local Public Officials (LE-AC-POL8-001)*, and *Due Diligence and Monitoring Procedure for Third Parties Engaged in Political Consulting and Lobbying Activities (LE-AC-PCD8-001)*.
- 1.2. This Policy governs all employees, officers, and directors of the Company, and applies to the hiring of vendors and suppliers by all business units. See *Spending and Authorization to Contract with Suppliers Policy (SM-AC-POL1-001)*.
- 1.3. This Policy sets forth the following:
- The requirements to centralize and track requests, recommendations, or referrals from public officials, or their intermediaries or agents, that

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the Company contract with a particular vendor or source materials from a particular supplier (collectively referred to as “Requests”);

- The requirements to identify vendors and suppliers who are owned or affiliated with public officials (collectively referred to as “Covered Vendor/Supplier”); and
- The escalation, review, and approval requirements that apply to any vendor or supplier who is the subject of a Request and any Covered Vendor/Supplier to ensure procurement decisions comport with Company policies and due diligence procedures.

2. TERMS AND DEFINITIONS

2.1. The following are definitions for terms used in this Policy.

2.2. “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.

2.3. “Requests”: Any requests, recommendations, or referrals from public officials, or their intermediaries or agents, that the Company contract with a particular vendor or source materials from a particular supplier.

2.4. “Covered Vendor/Supplier”: Any vendor or supplier with an owner, beneficial owner (someone who has a 10% or greater financial interest in a vendor or supplier), director, officer, or Key Employee (a “Key Employee” is an agent, representative, broker or employee who will be compensated for or involved in conducting business with the Company); who is either:

(a) a current or former government official (within the past two years); or

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(b) the spouse, domestic partner, child, sibling, parent, or parent/child/sibling-in law of a current or former government official (within the past two years).

A publicly-traded company is not a Covered Vendor/Supplier for purposes of this Policy unless a Key Employee involved in the vendor's relationship with the Company is a current or recent former government official as described above.

3. POLICY

3.1. Reporting and Tracking Requests and Covered Vendors/Suppliers

- 3.1.1. Requests under this Policy may come to the Company from different avenues (emails, phone calls, in-person conversations), directly from public officials or indirectly by others acting on their behalf, and to Company personnel at different levels of seniority and in different business units. No matter how a Request is communicated to the Company, all personnel have an obligation to report Requests to Constellation's Chief Ethics and Compliance Officer.
- 3.1.2. The Ethics and Compliance Office shall implement a system to document all Requests, including but not limited to who made the Request, the date of the Request, who received the Request, and the vendor(s) or supplier(s) that are the subject of the Request ("Tracking System"). The Ethics and Compliance Office shall be responsible for determining which function in the Company has responsibility for reviewing the Covered Vendor/Supplier pursuant to the Company's established vendor selection processes reflected in the Spending and *Authorization to Contract with Suppliers Policy (SM-AC-POL1-001)*. Those functions include Supply as well other business units in the Company that have responsibility for selecting and contracting with vendors and suppliers outside of Supply.
- 3.1.3. The Tracking System shall be used to ensure compliance with this Policy; to inform relevant stakeholders, including personnel in Supply, Government Affairs, and the Legal Department, of vendors and suppliers who are the subject of Requests; and to facilitate semi-annual reporting of

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Requests and their disposition to Constellation's Board of Directors and Audit Committee, per Section 3.4 below.

- 3.1.4. A due diligence process will be implemented to identify whether a vendor or supplier is a Covered Vendor/Supplier. Covered Vendor/Suppliers will be tracked by the Ethics and Compliance Office in the Tracking System.

3.2. **Prohibited Conduct**

- 3.2.1. Constellation is committed to making procurement decisions based on objective criteria, including the qualifications and reputation of the vendor and the needs of the business units. In certain circumstances, granting a Request or selecting a Covered Vendor/Supplier may create the impression that a public official has undue influence on Company procurement decisions, or could constitute a violation of our policies or anticorruption laws. It is prohibited to select a vendor or supplier for the purpose of influencing a public official to take official action for the benefit of the Company, even if no public official has made a Request with respect to the vendor or supplier.

- 3.2.2. Consistent with *Corporate Anti-Bribery and Anti-Corruption Policy* (LE-AC-60) and *Interactions with Federal, State, and Local Public Officials* (LE-AC-POL8-001), if a public official makes or appears to make a Request in exchange for offering to perform, or as a reward for, an official act for Constellation or any of its subsidiaries:

- The Request must be reported immediately to the Company's Chief Ethics and Compliance Officer; and
- The vendor or supplier who is the subject of the Request shall be disqualified from consideration to provide any goods or services to the Company.

- 3.2.3. The Company's Chief Ethics and Compliance Officer, together with the business unit responsible for the procurement, shall ensure that a vendor or supplier subject to the prohibition in Section 3.2.2 of this Policy is not hired by the Company and the decision is appropriately documented in the

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Tracking System and the responsible business unit's procurement due diligence documentation.

3.3. **Consideration of Vendors and Suppliers Subject to Requests and Covered Vendors/Suppliers**

3.3.1. Any vendor or supplier who is the subject of a Request, and not otherwise disqualified from consideration under Section 3.2 of this Policy, and any Covered Vendor/Supplier, may be considered for contracting and sourcing with the Company subject to the following requirements:

- The vendor or supplier must meet the qualifications and requirements for the contracting and sourcing work, as determined by the business unit responsible for the procurement decision;
- The vendor or supplier must go through the standard due diligence process administered by the business unit responsible for procurement; all vendors and suppliers subject to review by Supply must be reviewed in accordance with the *Materials and Services Procurement Procedure (SM-AC-400)*, including a competitive bidding process if applicable;
- If the vendor or supplier is being awarded a single-source or sole-source contract, the justification for not competitively bidding the contract and required approvals must be documented and maintained. (For vendors or suppliers subject to review by Supply, that process is specified in the *Single Source Procedure (SM-AC-4011)*.)
- Due diligence documentation for vendor selection including competitive bid evaluations and/or rationales for sole-source contracts, and information captured in the Tracking System, will be submitted to the following (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.

3.3.2. Before selecting and contracting with a Covered Vendor/Supplier or a vendor or supplier subject to a Request, the reasons to support the

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selection must be documented in the Tracking System and final written approval must be obtained from each of the following: (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. The final determination regarding whether to award a contract to the vendor or supplier under consideration also shall be documented in the Tracking System.

3.3.3. All Covered Vendors/Suppliers who are contracted to provide goods or services to the Company are subject to ongoing monitoring during the time they provide goods or services to the Company. The monitoring will be performed by the Company department responsible for managing the relationship with the Covered Vendor/Supplier. The monitoring will comply with the requirements prescribed by the *Contract Administration Procedure (SM-AC-403)* and include, but not be limited to the following:

3.3.3.1. Review of invoices to determine whether the invoices are consistent with contract terms and are supported with appropriate detail; and

3.3.3.2. Review of any proposed expansion of the goods or services to be provided by the Covered Vendor/Supplier.

3.4. Semiannual Reporting

3.4.1. Every six months, the Company's Chief Ethics and Compliance Officer shall report to the Audit Committee of the Company's Board on all Covered Vendors/Suppliers awarded contracts, and Requests received under this Policy and their status across all subsidiaries.

4. REPORTING POTENTIAL POLICY VIOLATIONS AND NON-RETALIATION

4.1. 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

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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).

- 4.2. 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.