



# United Nations Global Compact Initiative

Communication on Progress 2015

## Declaration of Support for the United Nations Global Compact



As a power generation company and energy services provider with international operations and more than 6,400 employees, STEAG bears a social responsibility – and we are conscious of that duty.

In that context, the Ten Principles of the Global Compact are our ethical yardstick in our global commercial activities. In detail, this means that our operational departments consult closely with the Legal and Compliance departments before concluding transactions. On the one hand, this is intended to ensure that we comply with local laws. On the other hand, we also want our business partners to adhere to the Ten Principles.

Environmental protection is also a central component of the Global Compact. Technical innovations and the development of our facilities and products make a measurable contribution to this, for instance by increasing the efficiency of conventional plants, expanding the use of energy from renewable sources and climate-friendly district heating, or the recycling of power plant by-products.

Responsibility starts at home, in our daily dealings with each other. Here, the focus is on our employees, for in times of continuous change, mutual respect and cooperation are and will always be a fundamental component of our corporate culture. Examples of this include our company health management system, our award-winning suggestions system and the shaping of a future-proof age and qualification structure for our staff.

I am very pleased to see many charitable activities of STEAG initiated by our employees and supported by their commitment. We are proud of our workforce, not only for that reason, and would like them to be proud of us too.

We want to put the values of the Global Compact into practice, and display them internally and externally with the fourth progress report from STEAG.

Joachim Rumstadt  
Chairman of the Board of Management

### Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights and

### Principle 2

... make sure that they are not complicit in human rights abuses.

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#### Implementation at STEAG

Upholding human rights and accepting responsibility are objectives of STEAG and the basis of its success.

STEAG has emphasized the importance of human rights in agreements with business partners.

STEAG is developing the local infrastructure at its bases abroad and improving the living conditions of the local people.

Over and above this, STEAG exhibits long-term social commitment at all its locations worldwide.

#### Systems, actions and achievements

In the past year, polling and verification mechanisms on respect for human rights in the context of concluding transactions and identifying new business partners were further refined. Additional clauses in the international framework conditions for coal trading were agreed, enshrining the topic of human rights and the principles of the Global Compact as such even in short-term deliveries from raw materials traders. The checks on our business partners before contracts are concluded were extended by way of Business Partner Screening. In that process, we investigate possible infringements worldwide, especially of human rights, and the safeguarding of the rights of indigenous peoples as set out in ILO Convention 169, for example with regard to resettlement. STEAG continues to make personal visits to mining operations from which coal is procured for the power plants worldwide, and is engaged in constant dialogue with operators and traders. In addition, further regions of origin across the globe

have been examined and the dialogue on this topic with non-governmental organizations, e.g. the Lutheran Church in Westphalia, intensified.

With its bases abroad, a special form of corporate responsibility devolves upon STEAG: the development of the local infrastructure so as to improve the living conditions of the local people. For many years, STEAG has been providing much more support than required. This includes, for example, the improvement of roads. The Turkish subsidiary Iskenderun Enerji Üretim ve Tic. A.S. (ISKEN), with its power plant in the Iskenderun region near Adana, has for over ten years now regarded itself as a good neighbor and supporter of local society. Its activities range from environmental protection through educational projects to support of the commercial infrastructure by strengthening small businesses in the region. This also includes assistance in the foundation of new businesses. Examples of projects with an ecological impact include the "Olive Farming Project" in the field of sustainable olive cultivation, and the "Fisheries Development Project" for fishing in harmony with nature. In the field of economic promotion, ISKEN takes part in the "Microcredit Program" in Turkey, through which women from socially disadvantaged backgrounds can obtain start-up capital for the establishment of their own small businesses. Furthermore, the "Cold Dairy Chain Project" improves the quality of local dairy products in firms in the vicinity. ISKEN equips these firms with refrigerated tanks and supports them with marketing advice and training courses. In the areas of education and infrastructure, ISKEN takes part in the governmental "Village and Town Improvement Project" and the "My School Project", and has done so in some instances for over 15 years.

In Colombia, the operating company of the STEAG coal fired power plant, COMPAÑÍA ELÉCTRICA DE SOCHAGOTA S.A. E.S.P. (CES), is expanding its cooperation with the Catholic Church and the local government of Paipa in the construction of a children's day care center. The aim is to improve the quality of life, nutrition and health of children up to five years old, and to reduce abuse and accidents. The children and families in the community are supported and attended to by nutritionists, teachers from the church, and doctors.

STEAG also provides broad support beyond the legal and official requirements in the Philippines. STEAG State Power Inc. (SPI), as the operating company of the power plant in the Province of Mindanao, has now been playing a permanent role for ten years in various Corporate Responsibility programs to strengthen the communities in the Mindanao region. The programs include, but are by no means limited to, measures to improve educational opportunities and to increase average income, to facilitate business start-ups, to provide access to fresh water, to expand the health service and to enable access to electricity. Some of the programs include coordinated measures for different target groups. SPI provides long-term support by including small businesses which are founded as a result of these programs among its suppliers. In addition, persons qualifying in the educational promotion programs are regularly employed by STEAG.

In addition to this permanent commitment, STEAG also provides emergency aid. Following Typhoon Haiyan in the Philippines, SPI together with the German-Philippine Chamber of Commerce launched appeals for aid in which over 20,000 euros of donations were collected and deliveries of medicines arranged from Germany. The damage caused by the storm is still serious. Many people are still living in emergency accommodation.

As in foreign countries, social commitment in Germany also starts with being a good neighbor and maintaining contacts with the vicinity and the local authorities of the areas in which the STEAG plants and facilities are at home. In Duisburg-Walsum, STEAG is supporting the State of North Rhine-Westphalia and the City of Duisburg in accepting refugees. The State Government is currently preparing for the construction of further initial reception

facilities so that the rising number of refugees can be appropriately sheltered and fed. Large sites are required for the erection of these additional temporary facilities, in which between 600 and 1,000 people are to be accommodated before moving on. STEAG has offered to make company land next to the Walsum heating power plant available for that purpose, and is currently assisting the City of Duisburg and the District Government of Düsseldorf in the studies for planning of the project, which is to be implemented in the near future.

For 25 years, STEAG has hosted a cheery Christmas market at the Scholtenhof, an organic farm owned by the company, which has become a kind of trademark. Last year, in addition, an Advent market was held in the turbine house of the Herne heating power plant, meeting with a good response from the power plant neighborhood.

Local social and cultural institutions and sports clubs are supported by STEAG, and in some cases have been for years. In the period under review, these include Essener Chancen e.V. and a lernHAUS operated by the German Child Protection Federation in Altenessen. In the cultural field, STEAG is also continuously involved by membership in several associations and sponsoring societies, such as the Zollverein Mine Foundation, the Society for Promotion of Cultural Assets in the Saarland, and the Saar Music Festival.

### **Voluntary activities by our employees continue to be an important part of our commitment:**

At the home of STEAG Power Minerals in Dinslaken, STEAG has expanded its support of the Dinslakener Tafel food bank with the help of the employees. For two years now, STEAG has collected groceries for the food bank and prepared presents for children in the run-up to Christmas. As in 2013, the staff at the company's locations in Dinslaken, Gladbeck and Lünen showed themselves to be extremely helpful during the advent period of last year, donating no less than 450 kilograms of foodstuffs to the food bank – and also numerous lovingly wrapped presents. In 2014, this commitment was extended to include cultural promotion. In order to provide children with access to cultural events independently of their parents' income, the Burghofbühne theater in Dinslaken, which is also a

sponsor of the food bank, created a children's club for the 2014/2015 season with STEAG Power Minerals as a co-sponsor. In that club, 8 to 12 year-old children have the opportunity to perform on stage before an audience. As part of the project, the young actors, guided by a professional drama teacher, write their own plays, rehearse and perform them.

**In Essen, also during this reporting period, two long-term projects involving voluntary work by STEAG employees have been continued:**

In the spring of 2014, the Renewable Energy project day took place for the third time at the Essen Youth Farm. Apprentices from the STEAG locations in Essen and Lünen organized an exciting project day on the neighboring youth farm for a total of 40 fourth-graders from two classes of the Adolf Reichwein Primary School in the Altenessen district. Jointly with the fourth-graders who came with their teachers, the STEAG apprentices built up a miniature energy world and familiarized the children playfully with renewable energy sources.

Each week, STEAG supports the diaconal soup kitchen with the "STEAG Tuesday". In their lunch break, employees serve hot meals to the needy. Just under 50 people per day make use of the diaconal soup kitchen in Essen.

One new activity in the field of social commitment is the support for the school project "School without racism – School with courage" at the Brambauer High School in Lünen by STEAG Power Minerals and the Hawar Group of Qatar, a long-standing business partner of the company. Over several project days, the school students campaigned for tolerance and against hostility to foreigners.

At numerous power plant locations, STEAG has been working successfully together with the local fire brigades for many years. This cooperation predominantly includes joint exercises for emergencies.

In the field of health and safety at work, STEAG has followed the call from the German statutory accident insurers (DGUV) to provide active support for the aim of "Vision ZERO". The umbrella campaign by the employers' liability insurance associations was incorporated in STEAG's annual program in 2015 under the motto of "Vision ZERO – Safety of colleagues by colleagues".

## Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; ...

## Principle 4

... the elimination of all forms of forced and compulsory labour; ...

## Principle 5

... the effective abolition of child labour; and ...

## Principle 6

... the elimination of discrimination in respect of employment and occupation.

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### Implementation at STEAG

STEAG puts the principles of the eight ILO core labor standards into practice and also expects them to be implemented by its business partners.

STEAG strengthens the responsibility of employees for their health.

STEAG supports the compatibility of work and family life with advice and support programs.

STEAG implements HR development focused on various target groups, and trains people for its own needs.

Within the scope of its corporate suggestions system, STEAG provides a framework for staff initiatives, so as to generate continuous improvements and savings.

Strong Works Councils support the STEAG strategies in Group-wide, multi-site cooperation.

### Systems, actions and achievements

The eight ILO core labor standards have been held in high regard in the operational business at STEAG for many years. In particular, the suppliers, who issue statements in advance questionnaires on the implementation of the principles of the Global Compact, confirm that compliance with the standards is a fundamental requirement for the development of good business relations. Compliance with the ILO core labor standards is also increasingly required by stakeholders in STEAG from the group of shareholders, financiers and society.

In STEAG's health and social management, the aim of strengthening the employees' own responsibility is being further pursued. Programs for preserving the health and efficiency of the staff represent an important component in this.

Furthermore, great importance is attached to the subject of health-oriented management behavior. The results of the health surveys at the German branches of the STEAG Group are available. On the basis of those results, two-day management workshops are to take place this year at all locations. The workshops will primarily focus on the

results of the health survey, the associated management role and the effects on the employees.

Family-conscious management is an expression of the company's social responsibility and an integral part of our HR strategy. A Group Agreement on the subject of "Work and Family" contains various offers which employees can take up in the context of improving the compatibility of work and family life. Some of these services are provided in cooperation with various organizations, such as the workers' welfare charity AWO. Examples include the following:

- Advice and agency services for family members requiring care
- Nationwide information on children's day care facilities, etc.
- Establishing contact with professional bodies concerning education
- Child care during the summer holidays
- Lectures on various topics, such as advance health care directives or care of family members

Human resources development at STEAG means growing on the basis of your own strengths and advancing in that way: with its managers of tomorrow program, STEAG develops the high potential of its employees across all divisions, ages and locations. In the spring, six high potential employees started a regular exchange of ideas in the Executive Development Group (EDG). This supervised group, whose membership changes in the course of time, focuses on communication and deepening knowledge of the STEAG Group, promotion of individual development and networking.

At the same time, the General Management Program (GMP) started with 15 potential high flyers from all the areas of the STEAG Group. For the full duration of the GMP, the candidates are supervised and supported by their line managers, their mentors and of course also by the members of the Personnel and Organizational Development department. In addition, STEAG is continuing its internal "Energy Development Program" (EDP), with the seventh group starting the program in 2015. At the same time, the participants in the sixth group have completed the program, increasing the total number of successful participants to almost 80.

STEAG faces up to its social responsibility and trains more people than it needs itself. Initial professional training ensures a continuous supply of qualified employees for the company. Moreover, STEAG also supports sandwich courses for trainees and junior employees in cooperation with local colleges and universities. In the technical disciplines course participants can earn a Bachelor of Science in Energy Engineering, and in commercial disciplines they can graduate as Bachelors of Arts in Business Administration or International Management.

Within the framework of personnel development, STEAG also ensures that people with disabilities can take part in working life, thus fulfilling the requirements of the UN convention on the rights of disabled persons. The aim of the convention is for disabled people to be accepted as full members of society and promotes inclusion, i.e. equal participation by all people in society. STEAG shares its good practical experience with inclusion and the involvement of disabled people in everyday work with specialists from institutions and associations, for instance in the interdisciplinary forum of the German Association for Rehabilitation.

STEAG's corporate suggestions and ideas management systems once again won awards from the Deutsches Institut für Betriebswirtschaft (dib) in its 2015 comparison of companies, again securing first place this year. The dib selects the best companies in their industries on the basis of the number of suggestions implemented in practice, the number of people submitting suggestions and the total savings achieved through the implemented suggestions. STEAG employees devoted especial attention to how workflows can be designed more efficiently and energy saved. In total, the suggestions resulted in an annual benefit of around 5.5 million euros for STEAG GmbH, STEAG Power Saar and STEAG New Energies.

Works Council activities in times of change are of special importance at STEAG. Within the STEAG Group, committees with broad responsibility such as the Group and General Works Councils and the Works Councils at each individual location ensure that the interests of the employees are represented. As decision-making bodies within the STEAG organization, they are also in continuous and constructive contact with the Group's executive boards

and exert a decisive influence on entrepreneurial actions. Trade union activity is broadly based in the STEAG Group, as is demonstrated by the existence of a separate STEAG local group of the IGBCE trade union for the mining, chemicals and energy industries in Essen.

STEAG is currently undergoing processes of change, which are reinforced and pursued in cooperation between all locations and an exchange of know-how throughout the Group. The Works Councils support these processes and work together intensively on the Group level. In the period under review, this work was accompanied by a series of workshops which promoted non-parochial thinking and helped to develop understanding of the situations in individual places.

### Principle 7

Businesses should support a precautionary approach to environmental challenges; ...

### Principle 8

... undertake initiatives to promote greater environmental responsibility; and ...

### Principle 9

... encourage the development and diffusion of environmentally friendly technologies.

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#### Implementation at STEAG

STEAG operates and develops supraregional supply networks for environmentally friendly district heating in cooperation with public sector partners.

STEAG is expanding its portfolio of wind farms and provides solutions for distributed facilities.

STEAG Power Minerals is continuing the development of pollution-reducing additives for construction materials.

STEAG is involved in the development of innovative storage and conversion technologies and researches in all directions.

STEAG implements active environmental protection in the area of its plants.

#### Systems, actions and achievements

At STEAG, the implementation of environmental protection goes hand in hand with innovative development and the market viability of the business lines, and is therefore not to be regarded as an abstract activity. STEAG contributes simultaneously to environmental protection and to the security of supply.

To supply the Ruhr area with environmentally friendly district heating as an ecologically sound alternative to storage heaters, oil or natural gas, the project company "Fernwärmeschiene Rhein-Ruhr GmbH" was founded in

the period under review by the shareholding companies STEAG Fernwärme GmbH, Energieversorgung Oberhausen and Fernwärmeversorgung Niederrhein GmbH. The aim is to link the district heating trunk lines of the Lower Rhine and the Ruhr, incorporating additional renewable or industrial sources of heat, for instance further power plants, without further CO<sub>2</sub> emissions by using their waste heat or by combined heat and power generation.

In the Elting district of Essen, conversion of the first Deutsche Annington housing block to district heating supply has also commenced. This is part of the "Innovation City Essen" project. Furthermore, a new biomethane unit-type combined heat and power plant, a joint project by STEAG Fernwärme and STEAG New Energies, ensures that several thousands of households in the south of Essen can be supplied with green heat and green electricity. This project is being performed together with Allbau as a partner. In the last reporting period, similarly, mine gas recycling systems in the Ruhr area were extended by STEAG in cooperation with other energy supply companies, so that environmentally friendly heat generation with feed-in to local district heating networks became possible. Corresponding actions are being taken at the Saar district heating trunk line, which is operated by companies including STEAG Power Saar.

In order to secure acceptance among consumers, STEAG Fernwärme has been using the successful "climate cavaliers" marketing campaign for several years.

The customers for district heating include private households and public buildings, including for example the cultural center at the Zollverein Mine in Essen and Völklinger Hütte near Saarbrücken, both of which are UNESCO World Heritage cultural sites.

It was recently announced that the decision had been made to award the title of “European Green Capital” to Essen in 2017. The initiatives by STEAG, especially in the district heating business unit, form an important component of that green scenario.

In the renewable energy sources business line, the number of wind farm projects was increased. In Germany, a wind farm was established at Ullersdorf in Brandenburg. In France, STEAG New Energies had invested in six wind farms in the last reporting period; the contracts on a further farm 120 km south west of Paris were signed in April 2014. Together with one wind farm in Poland, the largest individual project in the wind energy sector is located in Crucea in Romania. This facility was recently awarded the title “Renewable Energy Company of the Year 2015” by a national business magazine.

A further field of business associated with renewables is that of distributed facilities for improving energy efficiency. In the recent past, STEAG New Energies has designed or further developed over 200 plants, for example renewing the flue gas condensation system at the Buchenbach wood-fired power plant. These solutions are tailored to meet the individual customer’s requirements and, in this particular case, bring about an increase in efficiency of approx. 25 %, a significant reduction in CO2 emissions and a rise in production.

Our subsidiary STEAG Power Minerals markets power plant residues and by-products such as fly ash, gypsum from flue gas desulfurization and bottom ash. Fly ash is an environmentally friendly secondary raw material in the construction materials and cement industries. In the last reporting period, the product Photoment® had already been launched as a concrete additive. It consists of hard coal fly ash and titanium dioxide. Photoment has a photocatalytic effect that decomposes the harmful nitrogen oxides in the air which are mainly produced by road traffic. Photoment can, therefore, contribute to improving

the air quality and thus the quality of life, for example in highly polluted conurbations. Its effectiveness has been scientifically confirmed in practical tests by the Technical University of Berlin. Recently, as part of the Innovation City project in Bottrop, north-western Germany, an area of around 750 m<sup>2</sup> at a through road in the inner city with heavy traffic was paved with slabs containing the additive Photoment. Furthermore, STEAG Power Minerals sponsored the forum on “Pollution reduction in inner cities with heavy traffic” which also took place in Bottrop. Photoment was presented to representatives of local authorities there.

Since the 1980s, the STEAG power plants have been equipped with filter systems to collect nitrogen oxides which are harmful to the climate and to health. Our subsidiary STEAG Powitech is using the available know-how to market similar filter systems in the cement industry, with technology and function modified to meet the needs of that industry. The filters are controlled by software developed by Powitech, leading to a significant reduction in the use of polluting substances in the filtering process.

The expansion of energy storage technologies is a further building block in the move towards energy from renewable sources and in environmental protection. Following the successful launch of LESSY, Germany’s first lithium-ion battery storage system, STEAG is taking part in a further international project in the field of conversion and storage technology. With the Power-to-Liquid technology, carbon dioxide emissions are to be transformed into fuel. This Power-to-Fuel project is being sponsored with a grant from the EU research program Horizon 2020. The international team has started work at the STEAG power plant site in Lünen. Over and above this, STEAG is involved in other research projects in the field of conversion and storage technology, including Power-to-Gas and Power-to-Chemicals projects. These activities are designated internally as “Power-to-X”, and are being pursued without restriction to any particular approach.

Outside Germany, too, STEAG is making important contributions to environmental protection, both at its own sites and beyond. Experts from STEAG Energy Services have been supporting a German-Indian energy program on behalf of the German government for six years now.

With consultancy on the subject of energy efficiency and the training by STEAG employees of a hundred engineers from Indian utilities, a significant contribution has been made to reducing fuel consumption and emissions in conventional generating facilities in the country. A further focal area has been the interaction between conventional and renewable energy sources and the identification of potential efficiency measures. The EBSILON® Professional software developed by STEAG plays a decisive role in their evaluation.

At all its plants, STEAG has an Environmental Management System which covers the areas of pollution control, protection of water courses and handling of waste. The newly introduced audits by the supervising environmental authorities performed for the first time in accordance with the Industrial Emissions Directive (IED) had a very satisfactory outcome.

In addition, an Energy Management System to DIN EN ISO 50001 has been gradually introduced at all STEAG locations. Together with increases in energy efficiency, this also results in reduced costs and saving of resources. The existing Environmental Management System at STEAG has proved highly successful in recent years. All the power plant sites and a number of heating plants in Germany have been monitored by the authorities and inspected at least on an annual basis for compliance with all environmental requirements as set out in the Industrial Emissions Directive 2010/75/EU. The areas covered include pollution control, protection of water courses, handling of waste and operational environmental protection. In addition, inspections as required by the Hazardous Incidents Ordinance have been performed at all plants. STEAG complies with all the requirements. All requirements at the plants outside Germany are also fulfilled in accordance with the relevant national law.

STEAG has been working for years to ensure that its industrial facilities are accepted by the people living in the immediate vicinity. Together with social commitment, there are numerous ecological measures which have favorable effects and complementary results. Apart from the measures at the foreign locations which have already been described above, STEAG continues its active support of ecological recultivation. At the Mindanao location

in the Philippines, in this connection, STEAG State Power Inc. continues to implement reforestation and mangrove area restoration projects.

At the Lower Rhine in Germany, in the vicinity of the Voerde and Walsum power plants, STEAG owns and cultivates large areas of woodland and fields. An attractive local recreation area has been created by cultivating this land, and includes the Wohnungswald forest, an area of about 220 hectares of mixed deciduous forest with old beech and oak trees and a species-rich fauna. This conservation area has a well developed network of hiking trails and an internationally recognized natural conservation area of about 550 hectares, the Driesenbusch biotope. There, the local adult education institutes offer free tours to explore the landscape. In addition, the STEAG Group operates its own agricultural business.

### Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery.

#### Implementation at STEAG

STEAG would rather do without business than infringe anti-corruption regulations or internal directives.

Business partners at home and abroad are vetted with regard to corruption and compliance risks.

The STEAG Compliance Management System provides extensive training courses, advice and risk analyses to prevent corruption throughout the Group.

Infringements relevant to compliance are processed jointly by the Compliance department and the line or staff department concerned.

When corruption regulations are infringed, there are foreseeable sanctions for business partners or STEAG's own staff.

#### Systems, actions and achievements

The STEAG Code of Conduct sets down that STEAG will rather do without business than infringe anti-corruption regulations or internal directives. This stipulation is to be seen against the background of the development of STEAG's fields of business. The product and customer portfolios have become more particulate and differentiated, and the markets in which STEAG generates business have become faster-lived, for instance in electricity trading. The Compliance department takes account of these changes by, for example, including the background of the transaction and the way in which it is performed in the discussions when providing advice. Furthermore, STEAG has increased its business abroad. The preventive compliance measures are currently coordinated in close cooperation with the local operational units. Intercultural training has also sharpened the feeling of the Compliance department for special national features, e.g. in dealing with conflicts of interest. As a result, the STEAG principles

of not tolerating corruption can be implemented without reservations in all business units worldwide, and at the same time possible misunderstandings can be avoided.

In the last reporting period, Business Partner Screening was introduced for detection of corruption and compliance risks in the context of all contractual negotiations. The procedure stems from the checks performed for many years already in the context of agency contracts, and is now applied almost across the board when the company is to enter into a new business relationship. Research into possible infringements or suspicious cases in the past can assist in identifying potential risks in the selection of a suitable business partner.

One further focal point of prevention is training in dealings with officials. In almost all the countries in which STEAG operates, corruption in connection with that group of persons is subject to stringent penalties. In various fields of business, STEAG is in recurrent contact with officials, as is especially the case when working with municipal utilities. The demarcation of cases in which employees of public sector companies are to be treated as officials is made by the Compliance department. Since the last reporting period, the operational business units have nominated potential business partners for such decisions even before negotiations proper have started, so as to know right from the start whether a partner in future projects is an official or not.

Almost 700 employees attended the regular anti-corruption training courses at various STEAG facilities in Germany and in neighboring countries in the past year. These events are directed at target groups who, as a result of their function, are in contact with external business partners and are therefore exposed to a greater risk of coming into contact with circumstances relevant in terms of corruption. The Compliance department conducts the

training courses in small groups, in which the participants address corruption scenarios, act out possible solutions in interactive sessions and discuss the matters as a group.

For some years now, the Compliance department has also staged information events on the STEAG Code of Conduct and Compliance as part of the job preparation weeks for the trainees newly joining the company, so as to illustrate the relevance of the topic in everyday work and offer guidance at the very start of their professional lives.

Advice on the topic of corruption is provided in various ways. Since the establishment of the Compliance Management System, the department has completely assessed all agency contracts with regard to plausibility, transparency and with regard to the companies and persons involved, since this constellation entails a considerable risk of corruption. Findings from these reviews were incorporated in the general Business Partner Screening process in the past year. In internationally valid standard supply contracts, e.g. ScOTA, which regulate the purchase of coal, anti-corruption obligations have been successfully negotiated with the suppliers and added. Together with the obligations of the contractual parties themselves, these provide for measures with respect to sub-suppliers, and therefore represent a contribution to the establishment of a sustainable supply chain in the field of anti-corruption. They therefore follow the ideas of international anti-corruption laws such as the UK Bribery Act of 2011 and other new stipulations in numerous other national criminal laws.

Corruption often goes hand in hand with other crimes or infringements. The cooperation between the Compliance department and special representatives on topics with relevance to compliance was intensified in the last reporting period so as to facilitate optimum prevention. Around 250 employees from various business units and companies have for the first time been trained in the field of anti-trust law. For prevention of IT crime, the IT, Legal and Compliance departments are currently implementing the requirements of the German IT Security Act which recently came into force. In the near future, the issues of insider trading and money laundering are to be investigated in relation to possible risks which may arise for STEAG.

The newly drafted regular risk analyses not only contain questions on the area of corruption risks, but also cover the topic of anti-trust law, and are soon to be finalized in joint discussions with business units and Group companies whose business activities include possible risk scenarios. The preventive action to be taken will be directly coordinated with the results of those discussions.

The Compliance department pursues indications of corruption or infringements in the area of offenses against property through the Compliance Task Force committee, members of which also belong to other key areas such as Legal, Auditing and Human Resources. The Board of Management is also closely involved at an early stage, in particular to enable it to reach decisions on the further procedure to be adopted.

Regular meetings with Compliance Representatives of neighboring businesses and the local area of Essen have taken place since 2012 for an exchange of professional know-how. Over and above this, Compliance Officers from STEAG make an active contribution to the Federal Association of Compliance Managers by serving on regional and professional working panels.

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