

# EIRGRID - EMPLOYEE CODE OF CONDUCT

## **GENERAL PRINCIPLES**

The general principles underlying this Code of Conduct, which applies to all employees of EirGrid irrespective of level or location are:

### **INTEGRITY LOYALTY LEGALITY CONFIDENTIALITY FAIRNESS**

The central requirement of the Code is that as EirGrid employees we must all operate, and be seen to operate, to the very highest standards of business ethics. Because of the sensitive nature of activities carried out in areas such as Finance, Procurement, Recruitment, Audit and Property Transactions, specific guidelines are necessary and have been drawn up for these areas to complement this general Employee Code of Conduct.

#### **INTEGRITY**

We will be open, truthful and honest in all our business dealings. We will keep our promises.

We will ensure that there is no conflict of interest between our work in EirGrid and any outside personal interest. A conflict of interest arises where involvement or association with an outside activity could influence or be seen to influence how EirGrid carries out its business.

Where we have an outside interest that impacts on any matter that we may have to deal with in the course of our work, we will declare that interest in writing to our manager/supervisor. Specifically if we, or any family member, have a beneficial interest in any company which deals with EirGrid, this interest must be formally declared.

Unless directed otherwise we will not participate in dealing with the matter concerned. We will not use information gained in the course of EirGrid work for any personal profit.

#### **LOYALTY**

We acknowledge that we owe to EirGrid loyalty and commitment in all its business activities. We will not engage in, or support an outside activity or organisation which is in competition with EirGrid. In engaging in any other outside activity, we will ensure that we do not in any way impair our ability to give regular, punctual and satisfactory service to the company. We will support colleagues and the company in all matters related to EirGrid business activities. We will not undermine through action or omission the goals and objectives of EirGrid, its staff and management. Specifically all grievances and concerns will be progressed through agreed internal channels prior to any action which might affect public confidence or the good name of the company.

#### **LEGAL AND REGULATORY COMPLIANCE**

We will ensure that our work for EirGrid complies fully with the laws and regulations of the countries in which we operate. We will ensure that EirGrid complies with all regulatory requirements. In the case of any doubt about a given issue, the matter will be referred to the EirGrid compliance manager.

#### **CONFIDENTIALITY**

We will maintain confidentiality in relation to business transactions except when otherwise authorised by the parties involved, or if required by law. In particular, we will not disclose details of confidential company matters to third parties, including the media. Internal confidentiality (to support regulatory separation or "ring fencing") will be observed by all staff. Finally, we will fully honour the requirements of the Data Protection Act.

#### **FAIRNESS**

We will ensure that our work is guided by EirGrid's commitment to fairness in all its business dealings. We accept the need to value our customers and treat all customers equitably.

We will not accept any money or any significant gift from a customer. We will not accept any gift from a customer if it could reasonably be viewed as contributing to the giving of preferential treatment to a customer. All suppliers are entitled to fair treatment and should have a reasonable opportunity to win our business. Suppliers will be paid on time, in accordance with agreed

purchasing and payment terms. We will not accept any money or any significant gift from a supplier. We will not accept any gift from a supplier if it could reasonably be viewed as contributing to the giving of preferential treatment to that supplier.

The marketplaces in which we operate are highly competitive. We compete vigorously and energetically, but we also compete ethically and honestly. We will not attempt to acquire trade secrets or other confidential information that belongs to a competitor through any improper means.

We acknowledge that EirGrid places the highest priority on promoting and preserving the health and safety of its employees and the general public.

As employees we will take every reasonable precaution to avoid injury to ourselves, our colleagues and members of the public.

We will treat all our colleagues and our customers equally irrespective of marital status, sex, race, colour, creed, sexual orientation, political preferences, age or disablement. The recruitment and promotion of employees will be strictly on merit.

We recognise the effect of EirGrid activities on the community we serve.

We will ensure that our work for EirGrid always takes into account EirGrid's commitment to minimising the impact of its operations on the natural environment, consistent with the need to provide energy and infrastructure on a cost effective basis in order to promote Ireland's competitiveness in Global Markets.

## **GIFTS AND ENTERTAINMENT**

### **PRACTICAL GUIDELINES**

There are situations which routinely arise in the course of doing our jobs which are rightly regarded as unthreatening and above board.

For example it is customary for many suppliers to send unsolicited Christmas gifts to staff members with whom they have contact during the course of the year.

Staff members may accept Christmas gifts of small value - a bottle of whiskey is a typical example - provided:

- The gift is unsolicited.
- Not more than one gift is accepted in a year from any one source.
- Details of gifts received are notified at once to the employee's manager/supervisor.

Entertainment of employees by suppliers or customers is acceptable within normal commercial criteria.

These are defined as follows:

- A meal may be accepted by a staff member at a local venue (but this must not include residential stay).
- A ticket for a sports event or other public entertainment at a local venue may be accepted.
- Under no circumstances may cash or cash/gift vouchers be accepted.

If foreign travel is necessary to investigate products or services EirGrid will pay for the trip. Supplier's offers of foreign travel and/or hotel should not be accepted, as this could inevitably tend to colour judgement later.

Employees acting in a personal capacity, or on behalf of a club or society in EirGrid, should not solicit or request a gift, donation, support or sponsorship from suppliers/contractors of goods or services to EirGrid or from customers of EirGrid. Unsolicited gifts, donations or sponsorship should only be accepted on behalf of a club or society in EirGrid with prior manager/supervisor approval and then only if it could reasonably be viewed as not contributing to the giving of preferential treatment to the donor.

These examples are intended as guidelines to help make sensible decisions.

Most cases will be obvious. However, if doubt still exists ask your senior manager/supervisor.

## **ETHICAL GUIDELINES FOR SPECIFIC ACTIVITIES**

### **FINANCE PROCUREMENT**

#### **FINANCE**

The aim of these Guidelines is to set out the manner and the spirit in which business should be conducted in order that EirGrid may enjoy a reputation for high standards of professionalism, integrity and ethical conduct. These Guidelines complement EirGrid's general Employee Code of Conduct.

Fundamental principles of the code are:

#### **INTEGRITY**

All staff must observe the highest standards of honesty and integrity, i.e.:

- Not using confidential information for private gain.
- Not abusing one's position for gain.
- Fostering the highest standard of professional competency when dealing with EirGrid Subsidiaries, Banks and other bodies.
- Operating within EirGrid policies, guidelines, limits, etc.
- Avoiding gifts or hospitality which might affect one's ability to make independent judgements.
- Ensuring an even spread of business with the financial institutions subject to the proper commercial criteria.

#### **CONFIDENTIALITY**

Care should be taken over the use of information. No improper use should be made of confidential information. All staff should ensure that information regarding:

- EirGrid is safeguarded.
- Banks, Institutions, Lending Agencies and anyone else that we deal with in the course of our business, is also safeguarded. Internal confidentiality and appropriate segregation of financial transactions, (as required to support regulatory separation or "ring fencing"), will be observed by all staff.

#### **LEGALITY**

It is important that the Law of the country is complied with by:

- Fulfilling and co-operating with all regulatory obligations imposed on EirGrid by the Central Bank, Departments of Public Enterprise and Finance and other regulatory bodies.
- Ensuring that all information is accurate and not misleading or ambiguous.

#### **CONFLICTS OF INTEREST**

Any staff member engaged in a transaction where a conflict or possible conflict of interest arises should immediately bring it to the attention of his/her manager/supervisor, who will then decide what course of action should be taken.

# **PROCUREMENT**

## **INTRODUCTION**

These Guidelines complement EirGrid's general Employee Code of Conduct. Good commercial practice and security considerations demand strict regulations on tendering and purchasing procedures in any organisation. It is the policy of EirGrid to acquire all bought-in goods and services above the Local Purchases limit by open and competitive tender. All EirGrid purchasing procedures are based on this policy and they must not only be fair, but transparently so, to staff, suppliers and to the general public.

This Code of Conduct establishes a set of principles and guidelines for personal and corporate behaviour in the procurement area. It must be recognised, however, that personal integrity and good corporate behaviour cannot be created solely by the establishment of such a code - ethical behaviour depends essentially on individual choices and values. Also, a Code of Conduct cannot identify every possible situation where an ethical course of action may be clearly distinguishable from unethical behaviour. All cases of doubt must be referred to the Purchasing Manager or higher EirGrid Manager.

## **PRINCIPLES**

There are a number of fundamental principles of the Code. These are:

- INTEGRITY
- CONFIDENTIALITY
- LOYALTY
- DISCLOSURE OF INTEREST

## **INTEGRITY**

Staff whose duties include any aspect of purchasing must observe the highest standards of honesty and integrity in all their dealings. This injunction has a number of practical implications. It means:

- Never using confidential information for private gain or other personal advantage.
- Never abusing one's position for gain.
- Disclosing any conflicts of interest where such exist or are discovered, in writing, to your manager/supervisor.
- Refusing bribes, gifts of hospitality which might affect one's ability to make independent judgement and reporting all such incidences in writing to your manager/supervisor.
- Avoiding practices which could make one vulnerable to financial difficulties and induce further unethical conduct.
- Fostering the highest standards of professional competence at all times. Avoiding misrepresenting ones position or being ambiguously misleading.
- Rejecting any business practice which might reasonably be deemed improper.

## **CONFIDENTIALITY**

All staff with purchasing duties should maintain a high degree of discretion in relation to business transactions, contracts, vendors etc.

### **The implications of such a principle are:**

- Ensuring that both EirGrid and vendor information is safeguarded.
- Exercising due care in the course of communicating information.
- Ensuring that inside information is not used for private or personal gain.
- Ensuring that no improper use is made of confidential information.

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## **LEGALITY**

It is essential that all individuals and management units comply both in letter and spirit with the appropriate laws of the country.

### **This involves:**

- Fulfilling all regulatory and supervisory obligations imposed on EirGrid.
- Co-operating with the regulatory supervisory bodies.
- Avoiding false, inaccurate or misleading entries in records or in submission of records.
- Not engaging in illegal or criminal activities.
- Ensuring that actions comply with all contractual obligations.
- Encouraging the effective operation of fair competition at all times.

## **DISCLOSURE OF INTEREST**

Where a person has a financial, beneficial or any other interest in an issue which arises in the course of his/her purchasing responsibilities:

- He/she should disclose this in writing to his/her manager/supervisor.
- He/she should not seek to influence a company decision on this matter.
- He/she should refrain from any further involvement in the issue.

## **GUIDELINES ON GIFTS AND HOSPITALITY**

It is not uncommon for company representatives to offer or receive gifts, hospitality or entertainment especially at festive periods. These gifts etc. can simply be an indication of goodwill and friendship, but also may be intended to obtain preferential treatment for the giver or could in any case be so interpreted.

### **In order to maintain and enhance the high ethical standards of EirGrid staff, it is essential that:**

- Business gifts other than items of very small intrinsic value such as diaries, calendars, bottles of wine/spirits which have become accepted trade practice, should be refused or if delivered, should immediately be returned to the donor.
- Modest hospitality, being an accepted courtesy of a business relationship, should not be allowed by the recipient to reach a position whereby he or she might be, or might be deemed by others to have been, influenced in making a business decision as a consequence of accepting such hospitality; the frequency and scale of hospitality accepted should not be significantly greater than EirGrid would be likely to provide in return.
- Attendance by invitation to functions of an association or of public character such as golf, football, racing, concerts etc. should be regarded with discretion and not become habitual. The number of people representing EirGrid at Vendor functions should be kept to a minimum and such representatives should always behave in an appropriate manner.
- Identification in a public way by EirGrid staff with a particular supplier/vendor should be avoided.
- Endorsement of a particular supplier's design/product, to the exclusion of others, should be avoided, except where this accords fully with EirGrid policy.
- Invitations which involve the provision of travel and/or accommodation should be politely declined. If such a trip is required for business reasons (EirGrid should pay the associated costs) after the normal approval process, via the appropriate manager/supervisor, has been completed.
- When it is not easy to decide between what is and what is not acceptable in terms of gifts or hospitality, advice should be sought from the employee's Manager/Supervisor.

EirGrid staff must continue to observe the highest standards pertaining to the acceptance of gifts and hospitality. Each Manager should ensure that he/she is aware of all practices in this regard in his/her area of responsibility, and the advice of the EirGrid Purchasing Manager should be sought where necessary.

## **ETHICAL GUIDELINES FOR SPECIFIC ACTIVITIES**

### **RECRUITMENT INTERNAL AUDIT PROPERTY TRANSACTIONS**

#### **RECRUITMENT/PROMOTION**

These Guidelines complement EirGrid's general Employee Code of Conduct.

#### **The basic principles applying to the area of recruiting and promoting staff in EirGrid are:**

- All employees are recruited and promoted on merit.
- All employees shall be treated equally irrespective of marital status, sex, race, colour, creed, sexual orientation, political preferences, age or disablement which do not affect performance of the job.

Any member of the management and staff in EirGrid involved in this activity (either on a full-time or occasional basis), will therefore be bound by ethical principles arising under Integrity, Confidentiality, Legality and Disclosure of interest.

#### **In practice, the application of these basic principles requires that:**

- The highest standards of professional competence must be developed and applied at all times, and selections must be made on the basis of approved corporate criteria and standards only.
- The requirements of relevant legislation (e.g. Employment, Equality, Data Protection, etc.) must be upheld.
- Independence must exist and be seen to exist in the conduct of all stages of the selection process.
- The requirement to treat all candidates equally must apply at all stages of the selection process.
- The highest level of confidentiality must be maintained at all times, and information obtained in the course of selection must only be used for the purposes for which it is supplied.
- No-one shall serve on an interview panel, or seek to influence the company decision in any way, where he or she is related to one of the candidates.
- All members of management and staff should be extremely sensitive of their positions in dealing with candidates for recruitment to the company, so as not to suggest that they are prepared to intervene with the company on such candidates' behalf, in any fashion that conflicts with this Code of Conduct.
- As in other areas, good example from top management will ensure that proper ethical values are perpetuated and accepted at all levels in the company. It is vital, therefore, that any interaction by top management with the recruitment and selection process is supportive of the principles contained in this Code of Conduct.

## **INTERNAL AUDIT**

EirGrid's general Employee Code of Conduct outlines guidance on the ethical standards which all members of staff must observe. In addition to these requirements there are further requirements as follows applicable to Internal Audit staff.

### **CONFIDENTIALITY**

Each audit report is confidential and staff will ensure that its circulation will be limited to the approved circulation list only. Internal confidentiality (to support regulatory separation or "ring fencing") will be observed by staff as required.

### **INDEPENDENCE**

Independence must exist and be seen to exist in the conduct of all assignments. Independence is essentially an attitude of mind and is characterised by integrity, fairness and objectivity in our approach to each assignment. Of particular significance in the organisation may be difficulties potentially arising where we are auditing work of staff with whom we have close personal relationships.

Audit staff who have a shareholding or other interest in an external company should not become involved in any consultancy audit work which EirGrid may have with that company and should declare their interest to their senior manager.

### **PROFESSIONAL PROFICIENCY**

Staff are required to be proficient in the technical aspects of assignments which they undertake. Where staff are members of professional bodies or are otherwise qualified, they are required to keep abreast of current developments in their discipline.

The ethical guidelines applicable to their association must also be observed.

### **PERFORMANCE OF WORK**

All audit work must be performed with due skill and care having regard for Internationally accepted Auditing Standards.

### **NON-AUDIT WORK**

Where staff members are seconded to a department or are involved in an advisory capacity in the operations of a department they must not subsequently undertake an audit assignment that would involve them auditing work which they have previously carried out in that other capacity.

Audit staff are required to observe these ethical guidelines in the performance of all audit assignments.

Should a staff member feel that circumstances exist which may impact upon their ability to comply with these requirements in relation to any assignment, they must decline that assignment and advise their Manager of the circumstances surrounding their decision.

## **PROPERTY TRANSACTIONS**

These Guidelines complement EirGrid's general Code of Conduct.

Property transactions in which staff of EirGrid are involved include Purchases, Sales, Lease Renewals, Rent Reviews including submissions to Arbitrators, Valuations and appointment of Consultants.

In all of these staff owe a duty of care to EirGrid and its customers.

It follows that all transactions must be handled:

- in a professional manner,
- with absolute integrity,
- with a high degree of confidentiality.

## **PROFESSIONALISM**

A committed professional will take whatever steps are available to him/her to bring their professional competence/expertise to the highest possible level. This can be done by way of part-time study, attendance at lectures/seminars, membership of appropriate professional bodies, reading of relevant literature. Such training is a significant aid to staff to:

- Devote all due professional care to the management of properties entrusted to them
- Act prudently in all property transactions thereby safeguarding EirGrid, and their own reputations.
- Protect EirGrid against fraud, misrepresentation or unethical practices in property dealings.

## **INTEGRITY**

- No member of staff should acquire for themselves or a member of their family an interest in any property which EirGrid may be considering purchasing.
- In the event that either staff or their family have an interest in a property the purchase of which is being contemplated by EirGrid, this interest should be disclosed.
- No member of staff should value, on behalf of EirGrid, a property in which he/she has an interest.
- No reward of intrinsic value should be accepted from consultants or any other party and authority levels in relation to appointment of consultants should be strictly adhered to.
- No inducement should be accepted from a second party to a transaction to influence the outcome.
- Any staff or family interest in a property disposal being carried out by EirGrid must be disclosed.
- Any property disposal below market value must be accompanied by a written explanation for such a disposal, and approved at Managing Director level.

## **CONFIDENTIALITY**

In view of the adverse implications which a breach of confidentiality, whether deliberate or accidental, would have on the outcome of a property transaction the highest level of confidentiality must be maintained by all concerned, both EirGrid employees and external parties.

Quite apart from the risks involved, a property deal is a confidential transaction between two parties and may be disclosed to others only with the agreement of both.

## **BUILDING PROJECTS**

The role of EirGrid Property staff in relation to a building project will usually be either that of Project Manager or Client.

**The aim of both is to ensure that:**

- The requirement is justified.
- The brief reflects these requirements.
- The project is accurately priced.
- It is delivered within time and cost targets, and to the specified standard.

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**It behoves a Client/Project Manager:**

- To equip himself/herself with sufficient knowledge and expertise to understand broadly what is happening both on plans and on the ground.
- To ensure that Consultants, e.g. Architects, Quantity Surveyors, Structural Engineers and other Specialists, are recommended for appointment purely on their merits.
- To ensure that the appointments of the Main Contractor and, in due course, nominated Subcontractors are based on selective tendering in line with established purchasing procedures.
- To put in place adequate procedures to guarantee ongoing control.
- To be satisfied that all invoices/ certificates are duly certified before payment is made and that they reflect work actually done.
- It should be noted that all major building projects are audited on completion and occasionally at interim stages as well.

## **DO'S AND DON'TS**

This additional section provides an indicative checklist of actions and behaviours that are

- a) encouraged or mandated from all staff, and those that are
- b) discouraged and forbidden.

It is intended as a guideline and checklist and it is not meant to be exhaustive or definitive.

### **STAFF MEMBERS WILL:**

- Be truthful and honest in all business dealings.
- Ensure that there is no conflict of interest between our work in EirGrid and any outside personal interest.
- Inform their manager/supervisor in writing if any such conflicts arise.
- Ensure EirGrid obtains the best value for money in procurement and business dealings (subject to appropriate material specifications if relevant).
- Progress any concerns and grievances using in the first instance agreed internal processes.
- Ensure that work complies with all applicable laws and regulations in the countries in which we operate.

### **STAFF MEMBERS WILL NOT:**

- Participate in any matter or transaction where a conflict of interest exists.
- Disclose details of confidential company matters to third parties including the media.
- Accept any money, significant gift, material or service from a customer or supplier.
- Behave in any manner which may damage the reputation of EirGrid.