



# ESB Group Policy on Anti-Bribery, Anti-Corruption and Fraud Prevention

<b>Policy Owner</b>	Executive Director, Group Finance and Commercial
<b>Policy Author</b>	Group Financial Performance and Governance Manager
<b>Approved by</b>	Audit and Risk Committee
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<b>Training Plan</b>	No – minor updates only

# 1. Policy Details

## 1.1 Purpose of Policy

In ESB, we strive to carry out our business activities in accordance with the highest standards of honesty, loyalty, fairness, and discretion and to comply with all applicable legal and regulatory requirements. A culture of openness and accountability is essential to prevent improper situations occurring and to address them promptly when they do occur. We have a zero-tolerance policy in relation to bribery, corruption, fraud and other wrongdoing. ESB's Anti-Bribery, Anti-Corruption and Fraud Prevention Policy ("the Policy") aims to facilitate those goals.

The Policy should be read in conjunction with ESB's Code of Ethics 'Our Code' (which sets out the principles and standards we must adhere to when conducting our business), ESB's Policy on Respect and Dignity for the Individual, ESB's Whistleblowing and Protected Disclosure Policy and ESB's Gifts and Corporate Hospitality Policy.

The aims of the Policy are:

- to encourage a culture of awareness and vigilance and ensure that preventative and detection measures are in place to recognise and minimise the risk of fraud, bribery or corruption or any other unlawful activity or other wrongdoing, malpractice or impropriety in the workplace (all of which are referred to collectively below as "wrongdoing").
- to define what is meant by bribery, corruption, fraud and wrongdoing.
- to summarise the standards of behaviour expected from staff (read in conjunction with Our Code) in how they work and in preventing and detecting bribery, corruption, fraud and other wrongdoing.
- to re-iterate ESB's zero tolerance approach to bribery, corruption, fraud and other wrongdoing.
- to outline the roles and responsibilities in managing, investigating and reporting of bribery, corruption, fraud and other wrongdoing.
- to reflect legal requirements prohibiting bribery, corruption and fraud in all jurisdictions in which ESB operates including Ireland. Ireland's legal requirements are consistent with the aims of the United Nations Convention against Corruption.

## 1.2 Scope of Policy

The Policy covers bribery, corruption, fraud and other wrongdoing. The Policy applies to ESB Board members and ESB employees, to other non-employee personnel including contractors, casual workers and agency workers (collectively referred to in this policy as "staff") and to third parties with whom we do business, including suppliers. As a general matter, all staff, as well as third parties doing business with ESB are expected to comply at all times with the laws of Ireland, the UK and any other country in which they may be working.

For application of ESB policies to non-wholly owned subsidiaries, please refer to the Group Guidelines for Governance of Non-Wholly Owned Entities. These guidelines require non-wholly owned subsidiaries to ensure a policy is in place for anti-bribery, anti-corruption and fraud prevention and to conduct their affairs in a manner consistent with the spirit of this Policy.

## 1.3 Definitions

- **Bribery:** The giving or receiving of anything of value for advantage (including personal, commercial, regulatory, contractual). This could include giving cash or providing business opportunities or favourable contracts.
- **Corruption:** Can arise in the following circumstances:
  - **'Active' corruption** is corruptly<sup>1</sup> offering or giving a gift, consideration or advantage to any person as an inducement to, or reward for, doing an act in relation to that person's office, employment, position or business.
  - **'Passive' corruption** is corruptly requesting or accepting a gift, consideration or advantage as an inducement to, or reward for, doing an act in relation to the recipient's office, employment, position or business.
  - **Active trading in influence** is corruptly offering, giving, requesting, accepting or obtaining a gift, consideration or advantage to induce another person to exert an improper influence over an Irish or foreign official.
- **Facilitation payments:** A payment made to secure or expedite the performance of a routine or necessary action to which the payer has legal or other entitlement.
- **Fraud:** Wrongful or criminal deception intended to result in financial or personal gain.
- **Wrongdoing:** A broad collective term for fraud, bribery, corruption or any other unlawful or dishonest activity, malpractice or impropriety in the workplace.

Bribery, corruption and fraud are criminal offences under Irish law (and there are legal requirements in relation to bribery, corruption and fraud in other jurisdictions which ESB operates in). Committing these offences can result in a fine and/or prison sentence being imposed. Examples of bribery, corruption and other wrongdoing prohibited by this Policy include (but are not limited to) the following:

- Giving or receiving of cash or a gift, or some other form of consideration (e.g. a hotel voucher) to a person knowing that it will be used to facilitate an offence of the above type.
- Giving or receiving of some other form of advantage (e.g. a supplier employing a family member of an ESB employee on favourable terms) as an inducement to obtain favourable treatment by ESB.
- Corruptly creating or using a document (which includes documents in electronic format and emails and texts held electronically on devices such as smartphones) knowing or believing it to contain a false or misleading statement with the intention of inducing another person to do an act in relation to his/her office, employment, position or business to the prejudice of that other person.
- Threatening harm to a person or their family with the intention of corruptly influencing that person or another person to do an act in relation to that person's office employment, position or business.
- Stealing/theft/embezzlement of money and/or goods belonging to ESB or others.
- Defrauding ESB by any means (including for example by submitting false expense claims or fraudulently recording working time).
- Forgery, for example, altering a document or forging a signature (e.g. forging an invoice in the name of an ESB company, or forging the signature of an ESB authorised signatory on a document).
- Misuse or misappropriation of ESB funds or assets or purchasing items for personal and non-business use using ESB funds (for example by creating a purchase order or using a

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<sup>1</sup> As per the Criminal Justice (Corruption Offences) Act 2018, corruptly includes acting with an improper purpose personally or by influencing another person whether (a) by means of making a false or misleading statement, (b) by means of withholding, concealing, altering or destroying a document or other information, or (c) by other means.

company procurement card to purchase and pay for non-business-related goods and services).

- False accounting (e.g. preparing fake invoices).
- Fraudulently evading tax (i.e. using dishonest means to avoid a tax liability imposed on an ESB company or facilitating tax evasion by another party (i.e. by aiding, abetting or inducing the evasion of tax by that third party)).
- Any attempt to engage in any of the above activities or to conceal or destroy information relating to any of the above.

Refer to ESB's Whistleblowing and Protected Disclosure Policy for further examples of wrongdoing.

## **1.4 Examples of "Red Flag" Scenarios**

Not all payments or the provision of gifts and hospitality to government or commercial associates are bribes. An important element of any successful business arrangement is the ability to effectively engage in key relationships with existing and potential customers, suppliers, government or regulatory officials and other third parties. Gifts and hospitality are allowable if in line with Our Code and ESB's Group Gifts and Corporate Hospitality Policy but should not inappropriately influence or be reasonably perceived by others as inappropriately influencing a business decision or to gain preferential treatment for ESB or staff personally.

Whether a particular action or payment violates this policy (and the law) may depend on the facts and circumstances in which it was done. While it is impractical to anticipate all of the possible scenarios that should raise red flags or corruption concerns, below are a few common examples to look out for:

- Accepting gifts or other rewards in return for sharing confidential information with a person outside the organisation.
- Submitting poorly documented, incomplete or false expense claims.
- Requesting/accepting kickbacks or payment of any type for preferential treatment, for example in supplier selection, recruitment, tender process and/or work allocation processes (e.g. connections, meter installation).
- Insistence by an employee on dealing with a particular service provider/supplier/bank account him/herself, or insistence of a service provider/supplier on dealing only with a specific employee.
- Third party requests to be paid in cash (e.g. for goods or services provided to ESB).
- Third party requests that payments be made to another party, to a third-country bank account, to a specific person's personal bank account, or through other unusual financial arrangements.
- The submission of incomplete or inaccurate information by a third party in required disclosures or due diligence questionnaires.
- Third party requests for payments to an intermediary to facilitate a transaction (unless done pursuant to a contract reviewed by ESB's legal department). This policy prohibits facilitation payments; if you are asked to make or accept one, consult with your line manager or ESB's legal department.

## **1.5 Anti-Bribery and Corruption Laws**

The application of anti-bribery and anti-corruption laws in Ireland and other jurisdictions in which ESB operates affects a range of activities and operations across the Group. While anti-bribery and anti-corruption laws in different countries generally reflect similar principles, there are differences, both in the laws themselves and in what is considered best practice in

complying with those laws. To provide guidance, some principles are considered in detail below as well as in Our Code and ESB's Gifts and Corporate Hospitality Policy. ESB's Sanctions and Related Matters Policy also provides guidance related to ESB's compliance with sanctions laws and activities in major sanctioned countries and regions.

If you are ever in doubt as to whether an action is appropriate or not, you should seek guidance from your line manager or ESB's legal department.

## **1.6 Financial Reporting**

- To ensure compliance with anti-bribery laws and this Policy, all business transactions must be properly authorised and must be complete and accurately recorded in ESB's and its operating companies' company books, records and accounts. Accurate record keeping is important to establish that ESB has adequate procedures in place to prevent corruption. These books and records must be maintained with sufficient detail to reflect transactions accurately and fairly, including recording a proper measure of value and the time period when the transaction occurred.
- It is expressly forbidden to make false or misleading entries that fail to reflect improper transactions e.g. kickbacks or payment and/or entries that are falsified to disguise bribes and/or failing to make entries for payments by or to an ESB Group company. Controls are in place to ensure these requirements are met, including detailed financial procedures, budgets, finance system automated workflows, external audit processes, internal audit processes and Audit and Risk Committee oversight of the financial statements. Staff are reminded that they must liaise with Group Internal Audit where necessary e.g. during internal audits and investigations and adhere to all financial controls and approval procedures.

## **1.7 Supply Chain Activities**

- ESB expects all sales agents, vendors, contractors, representatives, advisors and other third parties acting on behalf of, or providing services to ESB companies, to conduct themselves in accordance with the principles outlined in this Policy.
- With this in mind, as part of ESB's risk management and procurement procedures, all goods and services to be provided to ESB Group companies must be procured in accordance with ESB's Procurement Policy and Procedures (available on the ESB intranet) and all third parties providing such goods and services or acting on behalf of ESB must agree to be bound by the "Requirements for agents, suppliers, contractors, advisors and other third parties" as set out in Supplier Information on the ESB website ([www.esb.ie](http://www.esb.ie)). These requirements set out obligations for third parties in relation to compliance with ESB policies (including this Policy), employment standards, and anti-slavery and human trafficking laws.

## **1.8 Payments to Third Party Landowners, Acquisition / Disposals of Assets and Use of ESB Assets**

- ESB has procedures (including approval procedures) in place relating to landowner compensation payments associated with wayleaves and licences and the entry by ESB onto private land. Payments to landowners relating to the entry onto and/or placing of ESB infrastructure onto such land should be made only in accordance with these procedures.
- The acquisition or disposal of assets (including but not limited to land) should be conducted only in accordance with all relevant ESB policies and approval procedures (including Chief Executive Circular 15 and ESB's Consolidated Authority Levels).

- ESB’s assets, including facilities, vehicles and equipment, should be used by authorised ESB staff only for business purposes. ESB assets should not be used for non-business-related purposes or made available to third parties except for legitimate business purposes and in line with applicable approval processes.

## **2. Roles and Responsibilities**

The key roles and responsibilities across ESB in relation to this Policy are as follows:

### **Staff**

All staff (including ESB employees, officers, contractors, casual workers and agency workers, as noted above)

- are responsible for the successful implementation of this Policy and compliance with its requirements.
- are expected to familiarise themselves with this Policy, to participate in related training programmes provided by ESB, and to comply with related policies. All new employees must receive specific training as part of their induction.
- must, at all times, ensure compliance with applicable laws in carrying out their duties in ESB.
- are expected to be vigilant, to play an active part in preventing bribery, corruption and/or fraud and to report known or suspected instances of bribery, corruption or fraud in accordance with the reporting procedures below. Staff should also ensure that others who do so are not subjected to any form of penalisation as a result of doing so.

### **Board (supported by the Audit and Risk Committee)**

The Board is responsible for:

- communicating a clear commitment to this Policy through leading by example (“tone at the top”).
- determining corporate policy in respect of the prevention of bribery, corruption and fraud and other unlawful activities (i.e. this Policy).
- facilitating a culture of openness and respect in the organisation that supports the disclosure of wrongdoing.
- supporting the ongoing implementation of this Policy including:
  - reviewing the procedures for preventing and detecting fraud;
  - reviewing and monitoring the systems and controls for the prevention of bribery and corruption; and by
  - receiving reports on any non-compliance as notified to Group Internal Audit or as included in the annual internal control reporting.

### **Management**

Management is responsible for:

- ensuring that adequate measures and controls are in place to minimise the risk of incidents of bribery, corruption or fraud occurring. This includes taking day-to-day operational responsibility for the implementation of this Policy.
- allocating sufficient and appropriate resources to implement and ensure compliance with this Policy, including training and awareness, so as to ensure that staff know what to do if they encounter any instance(s) of bribery, corruption, fraud or other wrongdoing.
- operating and maintaining an effective internal control framework to promote the prevention, detection and investigation of bribery, corruption, fraud and/or other wrongdoing.

- encouraging openness and transparency, fostering an environment that is supportive of staff who raise concerns under the reporting arrangements referred to below and in which penalisation of any person who makes a Protected Disclosure is not tolerated.
- considering exposure to the risk of wrongdoing and implementing initiatives to enhance risk management effectiveness. This should include the identification of fraud risks and related controls in risk registers/risk control matrices for processes which are at high risk of fraud.
- ensuring that all employees for whom they are accountable are made aware of the requirements of this Policy and are made aware of bribery, corruption and fraud risks in their business unit.
- reporting incidents of wrongdoing to Group Internal Audit and supporting the investigation of those incidents.

## **Group HR**

- Arranging and providing, in consultation with the Group Governance Manager, Group Compliance Manager and Group Internal Audit, ongoing training and awareness in relation to this Policy, including for new hires.
- Ensuring employment policies, including this Policy are included in induction programmes for new employees at all levels.
- Providing advice to ESB's Fraud and Wrongdoing Triage Committee on HR considerations relating to bribery, corruption and fraud and in relation to any breaches of this Policy, including the investigation thereof.
- Overseeing implementation of disciplinary procedures arising in instances of breach of employment contracts and/or this Policy.

## **Group Internal Audit (GIA)**

- Independently assessing the governance framework in place for managing and detecting instances of bribery, corruption or fraud.
- Incorporating fraud assessments into individual audit reviews.
- Establishing and maintaining the Fraud Risk Management Framework.
- In consultation with management, agreeing the terms of reference of, and appointing investigators for, investigating breaches of this Policy and for providing independent oversight of all investigations undertaken.
- Maintaining a register of all instances of breach of this Policy as notified to them by staff, management, Financial Controllers or any other source.
- Reporting to the Executive Director, Group Finance and Commercial and the Audit and Risk Committee on instances of breach of this Policy. The Executive Director, People and Sustainability and the Deputy Chief Executive are also briefed as required.

## **Fraud Risk Manager (GIA)**

- Providing advice and insights to ESB management on all instances of breach of this Policy and incidents of any wrongdoing.
- Creating and maintaining a Fraud Risk Universe for the ESB Group with input from Governance Managers.
- Chair of ESB's Fraud and Wrongdoing Triage Committee.

## **Financial Controllers**

- Monitoring, managing and reporting on the effectiveness of ESB's internal control framework in preventing and detecting breaches of this Policy. This should include ensuring

that processes which are at high risk of fraud are identified and that reporting is taking place via the quarterly internal control attestation process regarding the operation of these controls.

- Reporting to Group Internal Audit on instances of breach of this Policy and during follow up investigations as required.
- Managing implementation of follow-up actions.

### **Group Compliance Manager**

- Ensuring an adequate compliance framework is established to ensure compliance with legal and regulatory obligations in ESB's business and providing assurance on the adequacy of the compliance framework.
- Participate in ESB's Fraud and Wrongdoing Triage Committee.

### **Legal**

- Providing legal advice to the Board, management, Group Compliance and Group Internal Audit on legal requirements relating to bribery, corruption and fraud and in relation to any breaches of this Policy, including the investigation thereof and any external reporting obligations arising.
- Providing advice to Group HR as required in relation to any disciplinary actions arising from or in connection with the investigation of any breaches of this Policy.

### **Fraud and Wrongdoing Triage Committee**

- Providing guidance to managers when an allegation of wrongdoing is received and assisting in an initial assessment of the allegation to determine whether there is sufficient information to merit a formal investigation.
- Monitoring investigations and close out of actions.

### **Governance Managers**

- Completing an annual Fraud Risk Assessment for their respective Business Unit.

### **Group Governance Manager**

- Author of this Policy.
- Participate in ESB's Fraud and Wrongdoing Triage Committee
- Coordinate the annual Internal Control Review and report to the Audit and Risk Committee and Board on its findings, including in relation to bribery, corruption, fraud or other wrongdoing.

## **3. Raising a Concern**

Every staff member has a duty to report any incident of bribery, corruption or fraud that he or she becomes aware of. In the case of ESB employees, any such incident should be reported in the first instance to the employee's line manager or otherwise in accordance with ESB's Whistleblowing and Protected Disclosures Policy. Contractors and third parties should report such incidences to any ESB manager. ESB's Whistleblowing and Protected Disclosure Policy provides detailed guidance on how to raise concerns, including by way of a confidential hotline. This policy can be found on the ESB website.

There are many ways to report your concerns but the most important thing of all is to speak up.



## 4. Policy Violations

- Any action in breach of this Policy by an employee is a disciplinary matter and will result in disciplinary procedures being invoked. This may result in penalties being imposed (up to and including dismissal).
- Any action in breach of this Policy by a contractor, casual or agency worker will be reported to the relevant person's employer and may result in termination of the contract between ESB and the relevant third-party company.
- In the case of either of the above, ESB may also take action to recover any losses incurred, which may include the issuing of civil and/or criminal proceedings against the employee/contractor and/or other individual or company concerned.
- Finally, the matter will also be reported to the relevant policing authority or other authority, where ESB is required (or elects) to do so.

## 5. Related Legislation and Related Documents

- This Policy reflects obligations arising under legislation including:
  - the Criminal Justice (Corruption Offences) Act, 2018
  - the Bribery Act, 2010 (UK) (which applies to ESB as an entity which carries on a business in the UK)
  - the Ethics in Public Office Act, 1995
  - the Standards in Public Office Act, 2001
  - the Protected Disclosures Act, 2014 (as amended by the Protected Disclosures (Amendment) Act, 2022)
  - the Criminal Justice Act, 2011
  - the Companies Act, 2014
  - the Taxes Consolidation Act, 1997 and the Criminal Finances Act, 2017 (in the UK)
  - the Regulation of Lobbying Act, 2015
  - the United Nations Convention against Corruption
- This Policy may be revoked, replaced or changed at any time whether to reflect new laws or otherwise. Staff will be informed of any material changes made to the Policy.
- This Policy should be read in conjunction with other related ESB policies including:
  - Code of Ethics ("Our Code")
  - ESB Policy on Respect and Dignity for the Individual
  - ESB's Whistleblowing and Protected Disclosure Policy
  - ESB Group Gifts and Corporate Hospitality Policy
  - Group Policy for Corporate Procurement Credit Cards
  - Consolidated Authority Levels and individual BU Authority Levels
  - ESB's Policy for Complying with the Regulation of Lobbying Act, 2015
  - ESB Group Policy on Sanctions and Related Matters

## Version History

### Document Control, Review and Approval

<b>Version No.</b>	<b>Date</b>	<b>Document Developer</b>	<b>Description of Change / Review</b>	<b>Approved by</b>
1.0	November 2019	William Young	Policy Update	Pat Fenlon & Audit and Risk Committee
2.0	December 2022	Ronan Byrne & Paul O'Riordan	Policy Update	Paul Stapleton & Audit and Risk Committee
3.0	September 2024	Lorraine Cody & Paul O'Riordan	Policy Update	Paul Stapleton & Audit and Risk Committee