

ESB Board

Code of Conduct

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## 1. Introduction

**Our Purpose** defines who we are as a business and why we exist – *to create a brighter future for the customers and communities we serve*. **Our Values** of being courageous, caring, driven and trusted are the compass that guide the actions and behaviours to help us live up to **Our Purpose**.

The Board has adopted a Code of Conduct (Code) which puts **Our Purpose** and **Our Values** at the centre of how Board members will conduct themselves.

## 2. Scope

This Code of Conduct is applicable to all ESB Board members and to ESB nominees on boards of subsidiary and associated companies.

## 3. Objectives

The objectives of this Code are to:

- establish a shared understanding of principles underpinning Board conduct;
- provide a frame of reference for decision making; and
- promote and maintain confidence and trust in ESB including the protection of the good name of ESB.

## 4. General Principles

The Board is committed to the highest standards of conduct and business ethics. This will be achieved by: -

- leading the company effectively
- treating everyone with respect
- engaging openly and honestly with our customers, communities and stakeholders and
- using information carefully

Board members must lead by example and set the tone from the top. These behaviours can be summarised as follows:-

We will....	We will not....
<ul style="list-style-type: none"><li>• conduct business with integrity, acting at all times in the interests of the company, leading by example</li></ul>	<ul style="list-style-type: none"><li>• tolerate any form of bribery or corruption</li></ul>
<ul style="list-style-type: none"><li>• disclose and resolve conflicts of interest</li></ul>	<ul style="list-style-type: none"><li>• accept or offer gifts or hospitality that could influence or be perceived as influencing a business decision</li></ul>
<ul style="list-style-type: none"><li>• require everyone we work with to operate safely and responsibly</li></ul>	<ul style="list-style-type: none"><li>• tolerate unsafe or unethical practices within ESB or in those organisations we work with</li></ul>
<ul style="list-style-type: none"><li>• protect information and records we are provided</li></ul>	<ul style="list-style-type: none"><li>• disclose confidential company information to third parties unless required by law to do so</li></ul>
<ul style="list-style-type: none"><li>• use company property and assets responsibly</li></ul>	<ul style="list-style-type: none"><li>• misuse or share inside information about ESB for financial or other personal benefit</li></ul>
<ul style="list-style-type: none"><li>• be mindful that our obligations persist post our tenure with ESB</li></ul>	<ul style="list-style-type: none"><li>• retain ESB documentation post our tenure</li></ul>
<ul style="list-style-type: none"><li>• communicate with our stakeholders in a transparent and authentic way</li></ul>	<ul style="list-style-type: none"><li>• seek to hide or distort relevant information</li></ul>

<ul style="list-style-type: none"> <li>• compete energetically, fairly and always within the law</li> </ul>	<ul style="list-style-type: none"> <li>• compete unfairly or illegally in any market where we are active</li> </ul>
<ul style="list-style-type: none"> <li>• value our people and embrace diversity</li> </ul>	<ul style="list-style-type: none"> <li>• tolerate harassment or bullying</li> </ul>
<ul style="list-style-type: none"> <li>• respect human and labour rights</li> </ul>	<ul style="list-style-type: none"> <li>• exploit individuals or seek to dilute their rights</li> </ul>
<ul style="list-style-type: none"> <li>• encourage staff who see or hear something illegal, unethical or unsafe to speak up</li> </ul>	<ul style="list-style-type: none"> <li>• tolerate any form of reprisal against an employee who raises concerns regarding compliance, ethical or safety issues</li> </ul>

## 5. Our Code

### 5.1 How we Lead

As Board members we will fulfil our role and build trust by: -

#### 5.1.1 Enacting Our Purpose

- i. Aligning the culture and strategy of ESB with Our Purpose;
- ii. Making purpose and values integral to decision making by considering both financial and non-financial metrics;
- iii. Establishing remuneration policies and practices that are guided by Our Values and
- iv. Focussing on the difference the Board can make for customers and society;

#### 5.1.2 Exercising sound and independent judgement and objectivity

- i. Avoiding conflicts of interest or undue influence (See Section 5 below for further guidance);
- ii. Challenging and questioning, in a constructive manner, management performance and proposals;
- iii. Acting at all times in good faith and in the best interests of ESB, while having regard to the interests of the shareholder(s), employees and other stakeholders; and
- iv. Avoiding the giving or receiving of corporate gifts, hospitality, preferential treatment or benefits of any kind which might affect or appear to affect independent judgement.

#### 5.1.3 Protecting ESB's reputation

- i. Upholding the highest standards of corporate governance and compliance with all applicable laws and regulations;
- ii. Guiding and supporting management in meeting ethical obligations including as a responsible taxpayer and employer; and
- iii. Maintaining high standards in our communications (including on social media) at all times.

#### 5.1.4 Acting with integrity

- i. Adhering to the Board Policy on Fees & Expenses and leading by example by claiming expenses only as appropriate to business needs;
- ii. Never engaging in bribery or corruption or conducting activities in breach of applicable economic sanctions; and
- iii. Complying with any ESB policies applicable to us as Board members (including ESB's Market Abuse Policy).

## 5.2 How we Treat Each Other

As Board members we will: -

- i. Question appropriately, debate constructively, challenge rigorously and listen sensitively to the views of others, inside and outside the Board;
- ii. Foster a safe and healthy working environment for all employees and encourage a culture of “speaking up” without fear of reprisal;
- iii. Pool our respective ideas and collective experience and knowledge to enhance company performance; and
- iv. Value diversity of thought and experience in the board room.

## 5.3 How we engage with our Customers, Communities and Stakeholders

As Board members we will: -

- i. Use our skills and experience to help solve the challenges of the transition to a low carbon energy future;
- ii. Encourage investments that contribute to providing our customers and communities with safe, secure, affordable and clean electricity, and which supports the shift to a more sustainable society;
- iii. Gain the trust of stakeholders by living Our Values and being authentic in our communications;
- iv. Encourage and support involvement in community activities which align to Purpose and are in keeping with Our Values;
- v. Encourage respect for the environment through our stewardship of environmental responsibilities.

## 5.4 How we use Information

As Board members we will: -

- i. Protect personal, commercial and confidential materials in all forms;
- ii. Only use approved ESB applications and encrypted devices to access board and related papers;
- iii. Not divulge confidential business information or inside information to third parties<sup>1</sup>, including the media/on social media. Unauthorised release of confidential information represents a gross breach of trust which can be highly damaging to the Company. The Board has resolved that, as a rule, only the Chairman and Chief Executive or persons authorised by them should deal with public officials, regulatory authorities and/or the media on matters relating to ESB;
- iv. Exercise caution when discussing ESB business matters with others;
- v. Return any and all confidential ESB information and company owned devices to the company at the end of our terms of office Board members;
- vi. Promptly notify the Company Secretary of any unintended disclosure of confidential ESB information; and
- vii. Continue to respect the confidentiality of matters relating to ESB even after departure from the Board.

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<sup>1</sup> Unless required by law

## 6. Conflicts of Interest

Behaving ethically, building and maintaining trust are at the core of this Code. Conflicts of interest can arise from time to time but should not be a problem if they are openly and effectively managed.

### 6.1 Requirement

Board members are governed by:

- General fiduciary duties as directors applying under Irish law.
- The Ethics in Public Office Acts 1995 and 2001 (Ethics Acts);
- The Code of Practice for the Governance of State Bodies 2019; and
- Regulations of the Electricity Supply Board.

In addition, Worker Directors are subject to disclosure obligations under Section 20 of the Worker Participation (State Enterprises) Act 1977<sup>2</sup>.

A conflict of interest is any situation in which a Board member's personal interests or loyalties could, or could be seen to, prevent the Board member from making a decision in the best interests of the company or where the influence of third parties could compromise or override independent judgement. Such personal interests may be direct or indirect and can include interests of a person connected to the Board member.

In summary, Board members must:

- disclose outside business interests and duties in conflict or potential conflict with ESB's business activities when joining the Board and as and when they arise;
- refrain from taking part in any decision making process relating to the matter in which the Board member has an interest; and
- where an actual conflict arises, not seek or retain any information or materials regarding that matter.

Appendix 1 sets out the procedures to be followed to record a conflict of interest and appropriate approaches for Board members to consider in these situations.

### 6.2 Advice

Statements submitted by Board members in accordance with the Ethics Acts will be reviewed by the Company Secretary to assess compliance and whether risk of a conflict of interest may exist. If a Board member has any doubt as to whether an interest should be disclosed or whether the interest declared is a material interest, he/she should consult with the Chairman and/or Company Secretary.

### 6.3 Post Resignation

It is recommended that the acceptance of further employment or other roles where the potential of conflict of interest arises should be restricted during a reasonable period of time after a Board member has resigned from the Board.

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<sup>2</sup> More detailed guidance on these matters are set out in the Board Members' Handbook available in the Resources section of Diligent Boardbooks.

## 7. Other

### 7.1 Review

The Board will review its Code of Conduct annually.

## Appendix 1 – Addressing a Conflict of Interest

### 1. Recording of Interests Disclosed

Details of interests disclosed by Board members will be kept by the Company Secretary in a confidential register, access to which is restricted to the Chairman and the Company Secretary and other authorised individuals. Details will only be provided to authorised third parties (e.g. Standards in Public Office Commission) where there is a legal obligation or requirement to so provide.

### 2. Disclosures of Interests: On Appointment and Thereafter

On appointment and annually thereafter, Board members shall furnish the Company Secretary or other nominated person a statement in writing of:

- (i) any interests of the Board member; and/or
- (ii) interests, of which the Board members has actual knowledge, of his/her spouse, civil partner or other family member,

which could materially influence the Board member in, or in relation to, the performance of his/her duties by reason of the fact that such performance could confer on, or withhold from, the Board member (or their spouse etc) a substantial benefit.

It is recognised that the interests of a Board member and persons connected to them can change at short notice. In these circumstances, the Board member must:

- return all materials relating to the matter to the Company Secretary as early as possible;
- at the meeting disclose the fact of such an interest and the nature of it;
- neither influence or seek to influence a decision to be made in relation to the matter;
- absent himself/herself from the meeting or that part of the meeting during which the matter is discussed;
- take no part in any deliberation of the Board or Committee relating to the matter; and
- not vote on a decision relating to the matter.

The disclosure of interest must be recorded in the minutes of the meeting concerned.

The Chairman has a determining role in relation to these matters.

### 3. Addressing a Conflict of Interest

In deciding what approach to take to a conflict of interest, the Board can consider if: -

- the conflict can be avoided or simply documented?
- the conflict will realistically impair the disclosing Board member's capacity to impartially participate in decision making?
- alternative options are available to avoid the conflict?
- there is the possibility of creating an appearance of improper conduct that might impair confidence in or the reputation of the company?



