

ESB Employee

Code of Business Ethics





INTRODUCTION FROM CHIEF EXECUTIVE

ESB has a proud record of ethics and compliance and every employee must be true to ESB in this regard. Our reputation is one of our most valuable assets and is critical to our success. We pride ourselves on being open and honest in our interactions with others. There is an onus on all of us to comply with the law and with Company policies to safeguard our reputation and build upon our success. We are committed to doing business safely, honestly, legally and ethically in every country where we operate.

I am asking each staff member to make a personal commitment to follow not just the letter of this Code but also the spirit of the policies it contains. Our continued success depends on adherence to the highest standards of ethical behaviour in all aspects of our work.

A handwritten signature in black ink that reads "Pat O'Doherty". The signature is stylized and cursive.

Pat O'Doherty
Chief Executive
2012

SUMMARY

This booklet sets out the Code of Business Ethics which applies to all employees of ESB and its subsidiary companies (the ESB Group). All third parties with whom ESB does business are also expected to conduct themselves in accordance with the principles enshrined in this Code. This Code should be read in conjunction with the ESB Policy on Fraud and Unlawful Activities and with all other ESB ethical and compliance policies.

The underlying principle of this Code is that we will strive to perform our duties in accordance with the highest standards of integrity, loyalty, fairness, and confidentiality and that we will comply with all legal and regulatory requirements.

The key objectives of this Code of Business Ethics are to:

- > Establish an agreed set of ethical principles in line with best practice;
- > Give clear advice and practical guidance to employees to ensure compliance with the requirements of the Code;
- > Encourage compliance with all legal obligations and with the requirements of relevant regulatory bodies;
- > Prevent the adoption of unethical practices; and
- > Preserve and strengthen the reputation and integrity of the ESB Group.

Each of us has an obligation to comply with the letter and spirit of this Code and help others do the same.

Do	Don't:
<ul style="list-style-type: none"> • Always conduct your business with integrity; • Ensure that you do not engage in or support an outside activity or organisation which is in competition with ESB; • Recognise where there is a potential conflict of interest between your work in the ESB and any outside personal interest and deal with it appropriately and inform your manager in writing if any conflicts arise; • Ensure that you work in compliance with all applicable laws and regulations (including taxation) in the countries in which we operate; • Make yourself aware of all relevant ESB policies and procedures. • Notify the Confidential Helpline/Web Facility described below if you are aware of, or suspect unlawful or unethical activity, and cannot for some reason report it to your Line Manager or another ESB Senior Manager: 	<ul style="list-style-type: none"> • Offer or receive any inducements which are or could reasonably be perceived as unethical or illegal; • Utilise ESB tools, equipment or resources for non-ESB Group business activities or purposes; • Break any law or regulation; • Participate in any decision/transaction where you or to your knowledge someone else has a conflict of interest which has not been disclosed to ESB; • Disclose details of confidential company information to third parties unless required by law to do so; • Behave in any manner which may damage the reputation of ESB Group including seeking to influence the recruitment or employment decisions of suppliers or contractors.

If you have any doubt about an ethical issue ALWAYS ASK your Line Manager or any Senior Manager within ESB, or if you prefer, the Company Secretary, Group Internal Auditor, Group Company Lawyer or a member of the Executive Director Team.

Concerns raised about compliance will be treated confidentially and fully investigated.

ETHICS AND VALUES

As a representative of the ESB Group, you must operate, and be seen to operate, to the highest standards of business ethics and conduct yourself in accordance with the following values:

Integrity

You are expected to act with integrity and honesty at all times. Integrity will include ensuring that:

- The ESB Group's resources are used in pursuit of the ESB Group business and are not used for personal gain, directly or indirectly;
- The offering or receipt of gifts, hospitality, preferential treatment or benefits that might reasonably be thought to influence an employee in the performance of his/her duties are avoided;
- The conduct of purchasing goods/services is in accordance with ESB policies and procedures and
- Expenses claimed are appropriate to business needs and in accordance with ESB policies and procedures.

Loyalty

You have a responsibility to be loyal to the ESB Group and to be fully committed to all of its regulatory and business activities. In your personal dealings you must avoid any conflict of interest and not engage in or support an outside activity or organisation which is in competition with ESB. You must be alert to the fact that conflicts of interest or potential conflicts of interest can arise due to:

- An outside employment and/or business interest
- Your interest in commercial transaction involving ESB
- Family members and relatives doing business or interacting with ESB

If you think that a conflict may exist, or may be perceived as such, you must disclose this in writing to your Line Manager or to an appropriate officer of the company (if in doubt disclose to the Company Secretary). You must promptly take action to eliminate any conflict if requested by ESB to do so.





Fairness and Respect for Others

You must, at all times, be committed to fairness in the ESB Group's regulatory and business dealings and in dealings with each other and with those engaged by ESB Group to assist in its work.

As well as being responsible for your own conduct you also have a duty to treat colleagues, customers and suppliers with courtesy and respect and to have due regard for their safety, health and welfare. You must all adhere to the health and safety laws and ESB policies to create a safer more sustainable working environment. You must not discriminate against anyone on the basis of gender, marital status, family status, age, disability, sexual orientation, race, religion, or membership of the traveller community.

It is ESB policy that all employees are recruited and promoted on merit. The ESB Group is committed to maintaining a work environment that is free from discrimination or harassment and to providing a safe working environment for all staff. For more details on all ESB HR policies, please visit <http://esbnet/>

All suppliers are entitled to fair treatment and should each have a reasonable opportunity to compete successfully for business.

Confidentiality

You should treat all information obtained through your role as confidential. You must comply with relevant legislation, including Data Protection legislation, Regulatory Licences and internal ring-fencing arrangements relating to the disclosure of confidential information.

You may not, without the specific approval of the Board, the CEO or an officer authorised to act on behalf of ESB, release confidential information in respect of any aspect of the ESB Group's activities to any third party (including the news media and social media), other than when required to do so by law. These obligations do not cease when your employment in the company has ended. You must not acquire information or business secrets by improper means.

Confidential information must not be used for personal gain for self or others. You should also be familiar with the Policy on Dealing in ESB Group Listed Securities – please visit <http://esbnet/> for more information.

Compliance with Laws

ESB employees, contractors and all persons doing business with ESB are expected to comply at all times with the laws of Ireland and any other country in which they may be working.

You have a responsibility to comply with all regulatory and statutory obligations imposed on the ESB Group by legislation and other statutory authorities.

If you hold a Designated Position of employment under the Ethics and Standards in Public Office legislation you must ensure your compliance with the provisions of that legislation.

You may be asked to sign-off that you have read and understood the contents of this Code of Business Ethics.





Anti-Bribery and Anti-Corruption

Bribery is defined as the conferring of a financial payment or other advantage, with the intent or expectation that a function will be improperly performed in order to give a party a commercial advantage. As an employee of the ESB Group you must never offer or accept a bribe and must not participate or facilitate corrupt or illegal activities.

Many countries in which the ESB Group does business have anti-bribery and anti-corruption laws that are intended to prevent companies and/or individuals from gaining an unfair advantage. The Bribery Act 2010 in the United Kingdom is of particular relevance to ESB Group as we do business in the UK. Under that Act the following offences were created:

1. Active bribery: promising or giving a financial or other advantage
2. Passive bribery: agreeing to receive or accepting a financial or other advantage
3. Bribery of foreign public officials
4. The failure of commercial organisations to prevent bribery by those acting on their behalf
5. No facilitation payments

If convicted of an offence under this UK Act an individual is liable to up to ten years imprisonment and there are unlimited fines for companies shown to have committed an act of bribery.

CODE OF BUSINESS ETHICS VIOLATION

Violation of the Code is considered an extremely serious matter and anyone found guilty of such violation following a disciplinary hearing will be penalised in such a way as to reflect the seriousness of the offence. Penalisation may include dismissal.

APPLICATION OF ETHICS AND VALUES WITHIN THE BUSINESS

Some examples of areas where issues relating to ethics and the values set out above may arise are as follows:

Financial Integrity

Financial control procedures in the ESB Group exist to help protect assets, financial integrity, business information of the company, and that the Group's financial accounts and reports accurately reflect performance and are not misleading.

Each business/location has appropriate and clearly defined authority and financial procedures which must be complied with. If in doubt check with your Line Manager and/or business area Financial Controller.

Procurement

Purchasing/procurement in the ESB Group is governed by ESB purchasing procedures (which adhere to EU procurement regulations). It is the policy of the ESB Group to acquire all bought-in works, supplies and services above local purchase limits by open and competitive tender. Please visit <http://esbnet/> for detailed ESB purchasing procedures.

You must disclose any actual or potential conflict of interest that may arise in the course of your purchasing responsibilities. If this situation arises you should refrain from any further involvement in the purchasing decision.

You must not accept any gifts that could be, or could be, perceived as a bribe, kickback or bartering from any supplier. If you are offered such an inducement you should immediately bring it to the attention of your Line Manager.



Gifts and Entertainment

An important element of any successful business arrangement is the ability to effectively engage in key relationships: existing and potential customers, suppliers, government or regulatory officials and other third parties. There are social interactions which typically arise with such people that are part and parcel of doing business, but there are sensible boundaries to these, which need to be observed to protect the ESB Group from damaging accusations of undue influence or bias.

For example, it can be customary at Christmas to send or receive gifts of small value to staff, suppliers or clients that we have been dealing with during the year. This is acceptable provided:

- > The gift is unsolicited, and of low value (such as a modest bottle of wine);
- > Not more than one gift is accepted from a single source each year and
- > Details of all gifts are provided to your Line Manager.

Consideration should be given to donating any such gifts to a charity.

Staff and client entertainment is also a typical feature of doing business, and is acceptable, provided it is within reasonable boundaries, such as a meal at a modest local restaurant or a ticket to a sporting event at a local venue. Accepting a weekend away, flights or a residential stay in a hotel paid for by a client or gifts of cash or gift vouchers would clearly not be acceptable. If foreign travel is necessary for investigation of or sale of products or services, ESB will pay for the trip.

In all cases, details of all gifts or entertainment must be provided to your Line Manager.

These examples are intended to provide guidelines to you in deciding what is and is not acceptable behaviour in dealing with third parties during the course of our work. In many cases, the right answer will be obvious, but if you are in any doubt your Line Manager should be consulted.

In summary, you should not accept gifts, benefits, sponsorship or hospitality of any kind that could be deemed to influence and/or secure favourable treatment from the employee or ESB. Particular care should be exercised when tender processes are being conducted.

Business Development Activities

The ESB Group believe in a healthy rivalry with our competitors and support a free, open, competitive marketplace, which gives us the opportunity to succeed. Staff involved in business development should ensure that they are familiar with the relevant laws and customs of the country in which they are doing business and should comply with ESB Corporate Governance Guidelines.

Social Media

If you are participating in social media communications you must adhere to the highest standards of Ethics. A policy has been developed for staff who participate in social media in either a professional or personal capacity.

REPORTING

Confidential Helpline

ESB has made available a Confidential Helpline/Web Facility which staff can use to report suspected Unlawful Activities or unethical behaviour within the organisation. This facility operates 24 hours a day, 7 days a week. The Confidential Helpline/Web Facility offers a safe, confidential and, if necessary, an anonymous means for staff who would otherwise feel uncomfortable coming forward to their Line Manager to report illegal or unethical behaviours, using either of the following methods:

- By calling 1800-481-098 (International calls: 00 353 1 703 7201) at any time, or
- By completing an online report form at <https://esb.alertline.com>

The Helpline & Web Facilities are managed and operated by an independent company separate from ESB. Callers to the Helpline will be asked by trained operators for details of their suspicions and will be guided through a series of questions to fully describe the suspected Unlawful Activity or unethical behaviour. Similar questions are used in the web facility. At the end of the telephone interview or submission of an online report, a report number will be allocated to facilitate call back or subsequent access to the website to check for a response, or to facilitate the provision of additional information. ESB Group Internal Audit will receive reports from the Confidential Helpline / Web Facility Service and will follow up in accordance with this policy.



PRACTICAL GUIDANCE

Some Practical Examples:

The following are some examples of situations in which these guidelines may apply:

During tender evaluation, the client representatives make it known to you that if you agree to make a payment to the client representative/third party, the client will award you the contract. What do you do?

Refuse the offer and report it to your Line Manager.

A supplier offers you cash in return for their company winning a contract. What do you do?

You decline the cash, report the incident to your Line Manager and in general the supplier will thereafter be disqualified from tendering for ESB work.

As project manager, you need to get professional advice relating to the project. What do you do?

You follow ESB procurement procedures which describe how you appoint professional advisors.

A supplier asks you out to dinner to update you on their latest product/service. What do you do?

If the produce/service is of interest to the business, you can accept the offer of dinner.

A supplier offers to pay for you to go on a weekend away to attend a sporting event, conference or sales show. What do you do?

You should refuse. If you need to attend the conference for business reasons, ESB will pay the cost.

A supplier sends you an expensive gift. What do you do?

Advise your Line Manager and return the gift with a note thanking the client for the offer and advising them that it is against company policy to accept such gifts.



You are signing up to a social media channel e.g. Facebook, Twitter. What should you do?

You should never use your ESB email address when signing up to a social media site. The only exception is authorised staff who represent and speak on behalf of ESB. In all cases confidential and commercially sensitive information should never be disclosed.

A family member owns a company that supplies goods/services to ESB. Is that a prohibited conflict of interest, no matter what part of ESB Group you work in?

You should disclose this to your Line Manager and exclude yourself from dealing with this company.

A friend suggests that you join him in a windfarm business. Is this permissible?

As an employee of an ESB Group you cannot have an interest in a business that is in competition with ESB. You should disclose this to your Line Manager in writing. You may be required to divest yourself of that interest.

A neighbour has asked you to carry out some repairs in his house. Can you use your ESB tools and equipment to help out?

It is not acceptable to use ESB tools, equipment and resources for non-ESB business.

An important supplier has invited you to attend an outing for his key clients. Can you attend?

You can attend provided it has a clear business justification and it could not be deemed to influence ESB inappropriately and/or secure favourable treatment from ESB. Particular care should be taken to avoid hospitality during tender processes. Details of the outing should be provided to your Line Manager.

Your local sports club is completing a new development. Can you ask business contacts whom you know through ESB to support the club by enquiring if they would be interested in buying advertising?

No, it is inappropriate as it is a conflict of interest.

You learn that a supplier has new positions of employment to offer. Can you mention that a relative/friend may be interested?

No, it is inappropriate, given the business relationship and it is a conflict of interest.

You are doing a thesis in college. Is it acceptable to use information about company plans and strategies?

You should discuss this with your Line Manager and seek specific approval in advance. Steps must be taken to protect the confidentiality of sensitive ESB information and comply with relevant legislation.



IF YOU ARE UNCERTAIN WHAT TO DO...

As a guide in deciding on a course of action, follow these steps and ask yourself these questions:

Recognise the Event, Decision or Issue

- Are you being asked to do something that you think might be wrong?
- Are you aware of potentially illegal or unethical conduct on the part of others at ESB Group or at a customer?
- Are you trying to make a decision and are you unsure about the ethical course of action?

Think Before You Act (Summarise and clarify your issue)

- Ask yourself, why the dilemma?
- Consider the options and consequences.
- Consult others.
- Consider who may be affected.

Decide on a Course of Action

- Determine your responsibility.
- Review all relevant facts and information.
- Refer to applicable ESB Group policies or professional standards.
- Assess the risks and how you could reduce them.
- Consult others.
- Contemplate the best course of action.

Test Your Decision

- Apply 'ESB values' to your decision.
- Make sure you have considered laws and professional standards and ESB Policies.
- Consult others - enlist their opinion of your planned action.

Proceed With Confidence

- Communicate your decision and rationale to stakeholders.
- Reflect upon what was learned.
- Share your success stories with others.



CONCLUSION

In summary:

1. ESB does not wish to engage in any contract or transaction that would require any staff member to act unethically or fraudulently.
2. You owe loyalty and commitment to ESB and in your personal dealings you must not engage in or support an outside activity or organisation which is in competition with ESB.
3. If you have ethical concerns with any proposal or transaction always seek guidance or support from any Senior Manager or call the Confidential Helpline on 1800-481-098.
4. There are clear guidelines, policies and procedures for all aspects of ESB's business. Please make sure you are familiar with those relevant to your work.

