

ESB Group Supplier Charter

Enabling Net Zero Through Sustainable Procurement

Foreword by Chief Procurement Officer

Sustainable procurement plays a pivotal role in the delivery of ESB's strategy Driven to Make a Difference – Net Zero by 2040. With the organisation's annual procurement spend approaching €2 billion, engagement with our supply chain partners is key to achieving our strategic objectives of decarbonised electricity, resilient infrastructure, and empowered customers.

Whether it's what we buy, who we buy from, or how we buy – procurement is at the heart of our sustainability goals. We recognise that we can only deliver on these goals by collaborating with our business partners within ESB and throughout our supply chains.

This Charter sets out our sustainable procurement principles and our expectations of suppliers in this area, as part of ESB's commitment to being sustainable and socially responsible across all our activities.

Conor O'Regan Chief Procurement Officer



Foreword by ESB Group Head Of Sustainability

At ESB, sustainability is at the heart of everything we do, guiding our purpose and strategy as we strive to achieve net-zero emissions by 2040. Our Sustainability Leadership Plan, built on the core pillars of Planet, Place, and People, shapes our approach to embedding sustainable practices across every aspect of our operations. Central to this is the adoption of circular economy principles, which help us minimise waste, maximise resource efficiency, and create long-term value.

Our Supplier Charter reflects this commitment, setting out the principles and values that define our partnerships and ensuring that sustainable procurement acts as a key enabler of our broader sustainability ambitions. By working together with our suppliers, we aim to lead the way in creating a resilient, low-carbon society that delivers positive impacts for our communities, the environment, and future generations.

Thank you for joining us on this important journey.

Sharon McManus

Group Head of Sustainability

1. Overview

1.1 Introduction

Since ESB was established in 1927, we have been committed to tackling society's biggest challenges, finding solutions that benefit the customers and communities we serve. Today that means empowering the sustainable energy transition by undertaking transformational changes across our business.

Our strategy 'Driven to Make a Difference: Net Zero by 2040' sets a clear direction for ESB to take action and exercise leadership in addressing climate change, in a way that supports our customers and ensures our continued growth.

We understand that to achieve our net-zero ambitions, an integral part will be played by third parties from whom we procure goods, works and/or services – and their respective value chains. This Charter sets out the principles, policies and requirements for our engagement with these parties as we work together towards our goals.

In this Charter, "Suppliers" means contractors and suppliers of goods, works and/or services to the ESB Group.

"Supplier Personnel" means all persons (including sub-contractors of all tiers and their employees) employed or otherwise engaged by a Supplier in the provision of goods, works and/or services to the ESB Group.

ESB expects to collaborate with all Suppliers and Supplier Personnel to ensure that goods and services provided by them are provided in a manner that will have the most positive environmental and social impact over their entire lifecycle.

1.2 Purpose

The purpose of this Charter is to set out guiding principles by which we expect to collaborate with Suppliers who provide goods, works and/or services to the ESB Group.

1.3 Scope of Charter

This Supplier Charter applies to all ESB business units, including all wholly owned and majority-owned subsidiaries, and to their engagement of Suppliers who provide goods, works and/or services to those business units.

This Charter applies to all Board members, employees, contractors, casual workers and agency workers (collectively referred to in this Charter as "staff") in the ESB Group. As a general matter, all staff are expected to comply at all times with the principles set out in this Charter.

2. Key Principles

The key principles underpinning ESB's approach to sustainable procurement are as follows:

2.1 Sustainability at ESB

ESB is committed to leading the transition to a net-zero energy future – a future that delivers for our customers, for the communities in which we operate, and for the economy by maintaining energy security and affordability. Through electricity as an enabler of regeneration, ESB is driven to make a difference across the three pillars of Planet, Place and People, as set out in our Sustainability Leadership Plan.

ESB requires all Suppliers to be familiar with this plan and to support its objectives in the delivery of goods, works and/or services that they provide to the ESB Group.

Further details of ESB's Sustainability Leadership Plan can be found here

2.2 Sustainable Procurement

ESB's procurement policy is aligned to ISO 20400 Sustainable Procurement. It is our policy to procure goods, works and services in a manner that has the most positive environmental, social and economic impact possible over the entire lifecycle.

ESB typically engages in dialogue prior to launching significant tenders to optimise our specifications, ensuring that the latest sustainability trends and practices are considered when finalising our requirements. ESB will work with Suppliers over the lifecycle of the contract to realise all opportunities to introduce sustainable and circular economic practices. ESB expects that in return Suppliers will introduce similar practices in their own value chains.

2.3 Sustainability by Design

ESB recognises that to achieve the most sustainable outcomes, sustainability and sustainable practices should be embedded into specifications. To support this, ESB will, where possible and appropriate, promote the use of sustainable materials, adopt circular economy principles and promote supplier innovation in the delivery of works and services.

ESB expects that its Suppliers will adopt similar practices throughout their respective value chains, ensuring a fully transparent value chain from source to end use and beyond.



2.4 Sustainability as a Requirement

ESB understands that at times, given the nature of particular goods, works and/or services, it might not be possible to capture all of the opportunities for sustainability in its specifications. In these cases, ESB will embed sustainability into its tender award criteria and related contracts.

ESB will incorporate quantifiable and verifiable award criteria into its tender documents together with appropriate contractual clauses within its contracts to enable effective contract management.

Further details of ESB's Procurement Policy can be found here

2.5 The Circular Economy

ESB is committed to reducing the use of non-recyclable materials and to increase the use of re-usable products and materials in all areas of its business.

ESB will work with Suppliers to ensure that end of primary use plans are in place for key materials and expects that all Suppliers will have similar plans in place throughout their own supply chains.

3. Supply Chain Sustainability School

ESB is a founder member of the Irish Supply Chain Sustainability School. The school's aim is to support and develop skills and knowledge in sustainability in the built environment by ensuring that the relevant tools and resources are readily available to all Suppliers. Access to the school and its resources is available free of charge to all Suppliers.

ESB provides details of how to access the school in its tender documents and requires Suppliers to sign up to the school and participate in its free learning sessions.

Further details can be found here: Supply Chain Sustainability School Ireland



4. Related ESB Policies

4.1 ESB's Health & Safety Policy

Health and safety is a core value within ESB. We are fully committed to protecting the health and safety of our colleagues, contractors, customers and the public. ESB promotes an open and proactive health and safety culture with the full involvement of all our staff and contractors.

ESB expects that all contractors working on its behalf promote an open culture of good health, safety and wellbeing practices within their organisations and their supply chains.

ESB's Group Policy on Health, Safety and Wellbeing can be found here.

4.2 Our Code

ESB's Code of Ethics, known as 'Our Code', sets out the principles and standards that all staff must adhere to in carrying out their roles at ESB. Our Code is applicable to all ESB staff.

ESB expects Suppliers to be familiar with ESB's 'Our Code' and to confirm that they will operate in accordance with its principles prior to award of contract. ESB also expects that Suppliers will operate in a similar manner right along their own respective value chains.

ESB's 'Our Code' can be found here.



4.3 Modern Slavery

ESB has a zero-tolerance approach to modern slavery and is committed to acting ethically and with integrity in this regard across all its business operations. We oppose slavery in all its forms and will work to prevent it by whatever means we can. We are committed to ensuring that there is transparency in our own business and throughout our value chain. We expect the same high standards from our Suppliers.

We operate a confidential helpline that enables any Supplier, any of their employees or agents, or any member of the public to report their concerns. We expect that our Suppliers will make their own employees aware of the right to report any concerns and we expect that Suppliers will confirm, prior to contract award, that they have reviewed ESB's Policy on Modern Slavery.

ESB's Group Policy on Modern Slavery can be found here

5. Requirements for Suppliers

5.1 Requirements for Third Parties

All Suppliers are required to contractually agree to comply with certain requirements as set out in ESB's Requirements for Agents, Suppliers, Contractors, Advisors and other Third Parties arising in connection with ESB Policies. These requirements cover ethical behaviour, compliance with anti-bribery and corruption laws, compliance with employment laws, antislavery and human trafficking, and sanctions.

Further details can be found here: Supplier Information at ESB

5.2 Contractor Employment Standards

It is ESB's policy that Contractors and Service Providers should be aware of and committed to complying with employment legislation applicable to their staff. ESB's approach in this regard is set out in its Group Policy and Procedures on Contractor Employment Standards, which, amongst other things, sets out minimum employment standards that are incorporated by reference into all Supplier agreements, including minimum standards relating to compliance with applicable laws, rates of pay and auditing rights.

ESB's Group Policy and Procedures on Contractor Employment Standards can be found here: <u>Supplier Information at ESB</u>

6. Ongoing Communication

ESB Procurement welcomes feedback on how ESB can improve how we procure goods, works and/or services, and how we collaborate with our Suppliers. If you are a Supplier to ESB and have feedback, you are invited to contact us at <u>esprocurement@esb.ie</u>

7. Charter Amendments

This Supplier Charter will be maintained and regularly reviewed by ESB Procurement.



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