

CODE OF BUSINESS CONDUCT FOR

**Ervia Employees including Employees of Ervia Group Subsidiary and
Joint Venture Companies (including Irish Water and Gas Networks
Ireland)**


1. INTRODUCTION

- 1.1. Ervia is responsible for the delivery of gas and water infrastructure and services in Ireland. It is an important national organisation occupying a high profile position in Ireland.
- 1.2. Ervia’s reputation and the trust and confidence of those with whom we deal is one of our most vital corporate resources and the protection of this resource is of fundamental importance to Ervia and a key ingredient for success.
- 1.3. Given Ervia’s public profile and the visibility of everything that it does, it follows that its employees must be seen to be beyond reproach in their conduct.
- 1.4. Ervia will comply with the Code of Practice for the Governance of State Bodies issued by the Department of Finance (the “Code of Practice”), the provisions of which apply to all Ervia employees as appropriate, and the highest ethical standards are required of all Ervia personnel.
- 1.5. This Code of Business Conduct (the “Code”) applies to all employees of Ervia including all employees of Ervia Group subsidiary and joint venture companies (“Employees”). In this Code the expression “Ervia” shall be deemed to include all subsidiary and joint venture companies of the Ervia Group.
- 1.6. This Code is drawn up to prevent the development of unethical practices and to protect and provide guidance to Employees in relation to dealing with any potential conflict of interest that may arise.

2. OBJECTIVES

2.1. The objectives of the Code are as follows:-

- the establishment of an agreed set of ethical principles;
- the promotion and maintenance of confidence and trust in Ervia including the protection of Ervia’s good name; and
- the prevention of development or acceptance of unethical practices.

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2.2. It is impractical to legislate in sufficient detail to cover every eventuality that could arise that would present Employees with a conflict of interest. Accordingly, Employees should be aware that the spirit as well as the precise wording of the Code should be observed.

2.3. Non-compliance with this Code may be treated as a disciplinary matter.

3. CONFLICTS OF INTERESTS

3.1. All Employees have a primary duty to be loyal to Ervia as their employer. Ervia requires all Employees to conform to the highest standards of personal and business ethics in all of their dealings which may impact on the business activities of Ervia.

3.2. All Employees are required to disclose in writing to their line manager details of any conflict of interest which might affect their impartiality in carrying out their duties as soon as they become apparent, including:


- any interest, shareholding or possible conflict of interest an employee has with any firm or organisation from which Ervia purchases supplies, works or services, or through whom Ervia proposes to sell property or services;
- any interest of an employee's immediate family (spouse, children, parents, brothers and sisters) that could involve such a conflict of interest.

3.3. Where a conflict of interest situation could arise for an Employee, he/she must desist from dealing with the contract giving rise to that situation and may not attempt in any way to influence Ervia's decision on the matter. An Employee who has a concern or query into his or her particular circumstances which may give rise to a situation where there is an actual or potential conflict of interest should consult with the Group Chief Legal Officer.

3.4. Involvement by an Employee in outside employment/business interests in conflict or potential conflict with the business of Ervia is prohibited.

3.5. An Employee who is at any time involved in any gainful employment and/or the running of any business or company outside Ervia must inform his or her line manager in writing at the earliest possible opportunity. This applies likewise to consultancy and contract work undertaken by an Employee outside his or her employment. Any activity which has the potential to impair an Employee's ability to execute his or her duties or to fulfil his or her primary role in Ervia, is prohibited.

3.6. It is recommended that the acceptance by an Employee of an engagement and/or employment where the potential for conflict of interest arises should be avoided during a reasonable period of time after the exercise of a function in Ervia has ceased. In good time before taking up an

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engagement and/or employment which will or might involve a conflict or interest, a former employee should consult with the Group Chief Legal Officer.¹


4. INTEGRITY AND BUSINESS ETHICS

- 4.1. All Employees should conform and be seen to conform to the highest ethical standards and should be open, truthful and honest in all their dealings, both internally and external to Ervia.
- 4.2. Those ethical standards should be adhered to when conducting the business activities of Ervia with its customers, suppliers, contractors and third parties. Employees should compete vigorously and energetically but also ethically, honestly and lawfully in Ireland and in overseas markets. Established procedures, regulations and authority levels already govern the conduct of much of Ervia’s business and this Code is intended to be complementary to them.
- 4.3. Employees and/or their families should not participate in promotional offers, campaigns or competitions where the benefits of these are not available to Ervia staff in general or to the general public.
- 4.4. Employees must not use the resources or time of Ervia for personal gain, for the benefit of persons/organisations unconnected with Ervia or for the benefit of its competitors.
- 4.5. Employees must ensure that Ervia promotes a culture of claiming vouched expenses only as appropriate to business needs and in accordance with good practice in the public sector generally and the Ervia Expenses Policy.
- 4.6. Employees must ensure that Ervia’s accounts/reports are accurate and not misleading.
- 4.7. Employees must not acquire information or business secrets by improper means.
- 4.8. Equal care should be taken in dealings with public officials abroad as in Ireland to ensure that every interaction, at every level of Ervia (and within its subsidiaries), is ethical, honest and lawful. Employees should be familiar with the policies and procedures Ervia has in place to prevent bribery and corruption.

5. INFORMATION AND CONFIDENTIALITY

- 5.1. Employees are required to comply with the Ervia’s “Acceptable Usage Policy” (PD82) when accessing Ervia’s information assets, hardware devices, computer networks, systems and facilities.

¹ These provisions are in addition and without prejudice to any relevant terms of a contract between the employee and Ervia.

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As outlined in the Acceptable Usage Policy, data owned, used, created or maintained by Ervia or third parties on Ervia’s behalf, is classified into the following four categories:

Not Classified/Public	Information available to the general public and approved for distribution outside the organisation
Internal use only	Information not approved for general distribution outside the organisation and which does not clearly fit into the other classifications
Confidential	Information not approved for general distribution outside Ervia and of which disclosure could have an adverse impact on Ervia. Includes data covered by the Data Protection Acts under the category of “personal data”*. Confidential also includes information considered to be “commercially sensitive”† to Ervia.
Strictly Confidential	Information which is strictly prohibited from general distribution outside Ervia and of which disclosure could have a serious adverse impact on Ervia. Includes data covered by the Data Protection Acts under the category of “sensitive personal data”** May also include information considered to be “commercially sensitive” †


* “Personal Data” means data relating to a living individual who is or can be identified either from the data or from the data in conjunction with other information. Examples of personal data include a customer name, address, contact details etc.

** “Sensitive Personal Data” relates to specific categories of personal data which include, amongst other criteria, information relating to the physical and mental health of an individual. Indicators used by Ervia to identify priority or special services customers are considered sensitive personal data.

†”Commercially Sensitive Data” relates to any information held by Ervia that if disclosed to an unauthorised party could:

- Result in loss or material financial damage to Ervia.
- Confer unfair commercial advantage or disadvantage.
- Result in reputational damage to Ervia.

5.2. The need for observing confidentiality with regard to Ervia company affairs is paramount. The unauthorised release of confidential or strictly confidential information directly or indirectly to third parties, including the media, represents a gross breach of trust which can be highly damaging to Ervia and is strictly prohibited. This also includes the loss, misuse or disclosure

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directly or indirectly of confidential or strictly confidential information or the disclosure of proprietary information, for example in relation to competitive matters, the introduction of new services, contracts or property transactions etc., information not in the public domain, personal data, information received in confidence, etc.

- 5.3.** Particular attention is drawn to Section 20 of the Gas Act 1976 (as amended) which provides that a person shall not, without the consent of the Board, disclose any information obtained by him while performing duties as a member, officer or servant of the Board. A breach of this duty is an offence liable on summary conviction to a fine. Attention is also drawn to Section 11 of the Water Services Act 2013 which provides that a person shall not disclose confidential information obtained by him while performing functions as a director or a member of the staff of Irish Water unless he is duly authorised by Irish Water to so do.
- 5.4.** Employees must ensure that all supplier and tender information relating to tender processes in which Ervia is involved is treated in the strictest confidence and disclosure of such information, in particular to another interested party, is strictly prohibited.
- 5.5.** Employees shall observe appropriate prior consultation procedures with third parties where, exceptionally, it is proposed to release sensitive information in the public interest and in particular will ensure compliance by Ervia with all relevant statutory provisions, including the provisions of the Data Protection Acts 1988 and 2003.
- 5.6.** In certain circumstances, Ervia and/or its subsidiaries may hold information to which it is appropriate to restrict access from other parts of the business, in particular commercially sensitive information regarding customer, financial or regulatory information. In order to ensure that information is not released or used inappropriately:
- Employees should only release commercially sensitive information to authorised persons within the business;
 - If Employees are unsure whether information is commercially sensitive, or whether the requester is authorised, Employees should consult with their line manager.

Employees are also obliged to comply with Ervia’s Data Protection Policy (PD64) when sharing information both within the business and externally.

- 5.7.** The terms of engagement of consultants employed by Ervia should be reviewed to ensure that they are subject to appropriate confidentiality obligations in carrying out their services.
- 5.8.** Employees are required to comply with Ervia’s Regulation of Lobbying Policy (PD4) which aims to give effect to the obligations and provisions of the Regulation of Lobbying Act 2015 with a view to bringing about significantly greater openness and transparency in respect of any lobbying activities in which Ervia engages. In addition, Ervia has adopted a Transparency

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Policy to ensure it is transparent in its operations and accountable for the responsibilities it manages. The Freedom of Information Act 2014 (the “FOI Act”) is in place to enable members of the public to obtain access, to the greatest extent possible consistent with the public interest and the right to privacy, to information in the possession of public bodies. Ervia is not subject to the FOI Act. However, Irish Water and Gas Networks Ireland are subject to the terms of the Act. Both Irish Water and Gas Networks Ireland have prepared and published Publication Schemes on their websites in accordance with the requirements of Section 8 of the FOI Act. In addition, under the FOI Act, information provided by Ervia to public bodies subject to the FOI Act may become the subject of a freedom of information request. All Employees should be mindful of FOI publication obligations when entering into commercial agreements.

5.9. Employees must take all steps to ensure compliance by Ervia with the provisions of the FOI Act. In order to assist in maintaining the confidentiality of Ervia and its subsidiaries’ information, Employees should ensure that when any confidential (including commercially sensitive) or strictly confidential information is submitted to Government Departments or other public bodies, appropriate wording is inserted to protect the documentation under the provisions of the FOI Act. In addition, it is important to ensure that appropriate confidentiality agreements are in place to ensure the confidentiality of any information released to consultants/ advisers appointed to assist Government Departments in relation to any dealings with Ervia and its subsidiaries. Queries and concerns in relation to freedom of information can be directed to Ervia’s Freedom of Information Officer by email to foi@water.ie.


5.10 Employees should be aware that bonds issued by Ervia are listed on the Irish Stock Exchange. This requires Ervia to comply with provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 (as amended) dealing with the disclosure to the market in a controlled and timely manner of information which, when made public, may have a significant effect on the price of such bonds. Any such information should, therefore, be treated in the strictest confidence until released to the market in the required manner.

5.11 Employees should be aware that any attempt to engage in insider dealing or market manipulation with respect to bonds issued by Ervia and listed on the Irish Stock Exchange is strictly prohibited and may constitute a criminal offence. The Company Secretary will maintain a list of all persons within Ervia who have, from time to time, possession of information that may be regarded as inside information.

6. WORK/ EXTERNAL ENVIRONMENT

6.1. Employees should endeavour to minimise any detrimental impact of operations on the environment.

6.2. Employees should ensure that community concerns are fully considered.

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- 6.3. Employees should be committed to placing the highest priority on preserving the health and safety of their fellow Employees.
- 6.4. Employees shall comply with all resolutions, regulations and directions from time to time laid down by Ervia and any Government Department including but not limited to compliance with the Code of Practice and the Ethics in Public Office Acts 1995 and 2001.

7. FAIRNESS

- 7.1. Employees should value customers and treat all categories of customers equally.
- 7.2. Employees should ensure that their work is guided by Ervia’s commitment to fairness in all its business dealings.
- 7.3. Employees must comply with employment equality and equal status legislation.

8. OBLIGATIONS

- 8.1. Employees are required to conduct themselves in a professional and courteous manner in all of their dealings which may impact on the business activities of Ervia.
- 8.2. Employees should not either during or after their engagement by Ervia:-
- disclose any privileged or confidential information, or business or trade secrets of Ervia; or
 - accept positions of employment and/or engagement that could give rise to a potential conflict of interest.
- 8.3. Employees must ensure that Ervia’s purchasing activities of goods/services are carried out in accordance with best business practice.
- 8.4. Employees must comply with applicable tendering and purchasing procedures as well as complying with prescribed levels of authority for sanctioning any relevant expenditure.
- 8.5. Employees must comply with controls introduced to prevent fraud, including adequate controls to ensure compliance with prescribed procedures in relation to the claiming of expenses for business travel.
- 8.6. Employees must co-operate fully with Internal Audit in the internal audit process.
- 8.7. Employees must fulfil all regulatory and statutory obligations imposed on Ervia.

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9. RAISING CONCERNS

9.1. In urgent or sensitive situations where confidential advice is required by an Employee or where concerns arise which cannot be appropriately addressed through normal channels these should be directed to the line manager, where appropriate. However, if an Employee feels that this is not appropriate, concerns can be raised directly to the Group Chief Legal Officer. If neither of these options is appropriate or if an Employee does not wish to raise a concern directly to any particular person, then an Employee can email (anonymously or otherwise) a confidential email address or leave a message on a confidential voicemail; both options will be directed to the Group Chief Legal Officer and the Group Head of Internal Audit (as Anti-Fraud Champion). Details of these confidential communication options are outlined below. In circumstances regarding possible financial improprieties, concerns can alternatively be directed to the Chairman of the Audit and Risk Committee at the email address provided below.

The following are the contact details for raising concerns under this Policy:-

Group Chief Legal Officer

Rory Williams

Telephone: 01 - 8925407

Email: rory.williams@ervia.ie

Confidential email address (directed to the Group Chief Legal Officer and the Group Head of Internal Audit)

Confidential@ervia.ie

Confidential voicemail (directed to the Group Chief Legal Officer and the Group Head of Internal Audit)

01-8230333 (external)


30333 (internal)

Chairman of the Audit and Risk Committee

Email: auditandriskchairman@ervia.ie

9.2. Ervia encourages Employees to raise any concerns internally and is committed to addressing these concerns while protecting the employee(s) making the disclosure. In line with that commitment, an employee who has concerns about any aspect of Ervia’s activities is encouraged and expected to come forward and voice those concerns and may do so without fear of victimisation, subsequent discrimination or disadvantage as a result of the disclosure. .

9.3. Other, external, reporting channels may also be available as prescribed in sections 7 – 10 of the Protected Disclosures Act 2014 and the May 2012 “External Whistleblowing Policy” of the Northern Ireland Authority for Utility Regulation (“NIAUR”), based on the Public Interest Disclosure (NI) Order 1998. The NIAUR policy applies in respect of a business that is subject to

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regulation by NIAUR (at present GNI (UK) Limited) and relates to qualifying disclosures (including a criminal offence, a breach of a licence or other legal obligation, damage to the environment and an anti-competitive practice) which a person reasonably believes has or will occur or is occurring.

9.4. Under the Criminal Justice Act 2011, a person (including Ervia, a Board Member and a director or member of staff of Ervia) who has information that he or she knows or believes might be of material assistance in preventing the commission of or in solving or prosecuting certain crimes (such as theft and fraud) must disclose that information as soon as it is practicable to do so to the Garda Síochána. A person need not comply with the obligation if he or she has a reasonable excuse for not doing so. Any concern in respect of this provision should be discussed with the Group Chief Legal Officer.

10. GIFTS AND HOSPITALITY & SPONSORSHIP


10.1 As a general principle, subject to the exceptions set out below, Employees should avoid the giving or receiving of corporate gifts, hospitality, preferential treatment or benefits which might affect, or appear to affect, the ability of the donor or the recipient to make an independent judgement on business transactions. If gifts, hospitality, or preferential treatment or benefits, are offered or received in accordance with this Code, Employees should bear in mind the fundamental principle of integrity and in accepting such gifts and hospitality, from parties with which Ervia does business, or from parties seeking or likely to seek business from Ervia, particular care should be taken not to compromise the high standards expected by Ervia in such matters.

10.2 Particular attention is drawn to persons who occupy designated positions of employment in Ervia (as defined under the Ethics in Public Office Acts 1995 and 2001) to the requirements regarding the disclosure of gifts and hospitality under the Ethics in Public Office Acts.

10.3 Gifts and other benefits

10.3.1 Employees should be aware that by virtue of the Prevention of Corruption Acts 1889-2010, it is an offence for any Employee to solicit or accept a gift, consideration or “advantage” from any person for himself, herself or another person, as an inducement or reward, in return for any Employee doing, or omitting to do, any act in relation to his or her position or Ervia’s business.

10.3.2 With respect to Ervia's operations or dealings in the UK, it is an offence under the UK Bribery Act 2010 to either entice or reward a person with a financial or other “advantage” to improperly perform his or her duties or to accept financial or other “advantage” in return for the improper performance of a duty. Similar laws apply in many other countries (such as the US).

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10.3.3 In light of the above, Employees may only accept gifts or other benefits provided that:-

- the gift/benefit is unsolicited;
- the gift/benefit is not being offered in an attempt to influence decision making;
- the gift/benefit is not being offered by a person or an agent of a person seeking to obtain a contract from Ervia;
- the gift/benefit is one of small intrinsic value (e.g. diary, calendar, bottle of wine/spirits etc.); and
- not more than one gift/benefit is accepted in a year from any one source.

10.3.4 In all other cases, gifts, etc. should be returned to the sender, with a note advising that acceptance would be contrary to Ervia policy. In no circumstances may cash or cash vouchers be accepted.

10.3.5 Details of any gifts, benefits, etc. received and/or returned by Employees must be notified to their relevant line manager.


10.3.6 In circumstances where Employees are unsure as to whether or not it is appropriate to accept a gift or benefit of small intrinsic value, even after consulting this Code, they should discuss the matter with their relevant line manager.

10.4 Hospitality

Modest hospitality (including lunch/dinner, social/sporting events and golf outings) may be accepted by Employees in their capacity as such provided:

- the frequency and scale of hospitality is not more than Ervia might be expected to give in return;
- the number of Employees availing of the hospitality is kept to a minimum;
- invitations do not include the provision of travel or overnight accommodation;
- availing of the hospitality does not identify Ervia in a public way with any particular supplier or contractor; and
- that if the person offering the hospitality is seeking, or is likely to seek, to do business with Ervia or to gain some advantage which Ervia can give, extreme care is taken. It is essential to avoid any suggestion of improper influence.

On a monthly basis direct reports of the Executive Team are required to provide details of all hospitality extended/accepted by them to the relevant Ervia Executive.

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In circumstances where an Employee is unsure as to whether or not it is appropriate to accept hospitality even after consulting this Code, he or she should discuss the matter with their line manager.

10.5 Sponsorship

Sponsorship must never be solicited by an Employee from suppliers, contractors or other persons doing or seeking to do business with Ervia. Where sponsorship is offered it may only be accepted when expressly approved by the Group Chief Executive.

11. REVIEW

Ervia will review this Code on an annual basis. Ervia welcomes engagement with Employees on the provisions of this Code. Any comments or queries relating to the Code can be directed to the Group Chief Legal Officer.

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