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ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

1. INTRODUCTION & POLICY STATEMENT

Ervia's five values are collaboration, performance, customer service, safety and integrity. These values define the character of the organisation, they guide our actions and decisions and provide a framework for how we interact with our colleagues, customers and stakeholders. Underpinning these values is Ervia's commitment to conducting its business with honesty and integrity. We expect all personnel working on behalf of Ervia to maintain the highest ethical standards, and we want our staff to report any suspicions of wrongdoing.

Bribery and other forms of corruption will not be tolerated within Ervia (see section 4 below for relevant definitions). Ervia actively promotes a culture where bribery and corruption are never acceptable. This culture will be promoted and led by the Ervia Board, Executive and extended senior leadership team. Nobody within Ervia, or acting on behalf of Ervia, may give or accept, directly or indirectly, a bribe or inducement in any form or solicit a bribe, directly or indirectly.

A reputation for ethical conduct is a priceless asset and, as such, ethical standards must be a part of our business each and every day. The far-reaching consequences of committing an act of bribery or corruption reinforce the need to have robust procedures in place.

The application of this policy is core to the integrity of Ervia, its reputation and long term success and for this reason, any instances of bribery perpetrated will result in disciplinary action, up to and including dismissal. Compliance with this policy forms part of the terms of employment with Ervia and of the terms of its doing business with our contractors or agents.

2. PURPOSE

This policy sets out Ervia's position on bribery and corruption and provides guidance on recognising bribery and corruption in its various guises including, but not limited to, disclosing gifts and hospitality in order to ensure transparency.

This policy relates to the following statutory obligations:

- Bribery Act 2010 (UK);
- Public Interest Disclosure (NI) Order 1998 (NI);
- Public Interest Disclosure (Prescribed Persons) (Amendment) Order (Northern Ireland) 2014 (NI);
- Ethics in Public Office Act 1995 (RoI);
- Standards in Public Office Act 2001 (RoI);
- Criminal Justice Act 2011 (RoI);
- Prevention of Corruption (Amendment) Act 2010 (RoI);

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- Protected Disclosures Act 2014 (RoI);
- Companies Act 2014 (RoI);
- Regulation of Lobbying Act 2015 (RoI); and
- Criminal Justice (Corruption Offences) Act 2018

This Policy should be read in conjunction with the following policies:

- Code of Business Conduct (PD16);
- Anti-Fraud Policy (PD84);
- Protected Disclosures Policy (PD9);
- Corporate Giving and Sponsorship Policy (PD83);
- Regulation of Lobbying Act Policy (PD4);
- Procurement Policy (PD2);
- Community Gain Policy; and
- Other procedures for investigating concerns as set out in our HR policies e.g. the Dignity at Work Policy, the Grievance Policy, the Disciplinary Policy and other policies as may be developed from time to time.

3. SCOPE

This Policy covers Ervia and its operating companies and businesses (Gas Networks Ireland, Irish Water and Aurora) and any of its subsidiaries in any geographic region. It applies to all Board members and employees of Ervia including consultants, contractors, volunteers, trainees, work experience students, interns, part-time, full-time, casual workers and agency workers and anyone with whom Ervia may deal directly or indirectly through supply chain activities.

4. DEFINITION OF “BRIBE” AND “CORRUPTION”

“Bribe” means any advantage whether monetary or other form, including but not limited to, undue influence, receipt of favours and corruption.

“Corruption” is an abuse of power that involves acting dishonestly or improperly in return for money, personal gain, or anything of value.

Examples of prohibited behaviour include:

- Offering, promising or giving any form of bribe;
- Agreeing to accept or accepting a bribe;
- Attempting to bribe “officials” (normally staff and appointees of a government);
- The failure by a company to put in place measures to prevent bribery;

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- “Covering up” the type of conduct that constitutes or may constitute bribery;
- Use of company funds or assets for any illegal, improper or unethical purpose;
- Facilitation payments – giving money or goods to government officials to perform, or speed up the performance of an existing duty.

It should be noted that bribery involves the giving or receiving of anything of value and is not limited to cash. This could include providing business opportunities or favourable contracts.

Whether a particular action or payment violates this policy often depends on unique facts and circumstances. While it is impossible to anticipate all of the possible scenarios that may raise red flags or corruption concerns, below are a few common examples to look out for:

- Giving or receiving excessive gifts or hospitality that may be construed as compromising independence.
- Receipt of gifts or rewards in return for sharing confidential information outside the organisation.
- Requests for poorly documented or incomplete expenses.
- Accepting kickbacks for preferential treatment, for example in supplier selection or work allocation process.
- 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.
- A third party requests to be paid in cash for services that are typically paid by bank transfer or other non-cash means.
- A third party requests that payments be made to another party, to a third-country bank account, to a specific employee’s personal bank account, or through other unusual financial arrangements.
- A third party provides incomplete or inaccurate information in required disclosures or due diligence questionnaire.
- Minimal details on invoices.

The onus is on all who work within or for Ervia to be vigilant. None of the conduct set out above is acceptable. Before doing anything that is felt may be in conflict with or amount to a breach of this policy, advice should be sought from the Group Chief Legal Officer. If any conduct is or has occurred that is suspected to constitute a breach of this policy, report it without delay to your line manager. Be assured that the strictest confidence will be maintained and for further information you should consult Ervia’s Protected Disclosures Policy (PD9).

5. RESPONSIBILITY FOR ANTI-BRIBERY ACTIONS:

The Group Chief Legal Officer is responsible within Ervia for overseeing all anti-bribery actions and the Group HR Director is responsible for communication of the policy to all new staff during induction.

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Heads of Function and Line Managers must implement this Policy within their area of functional responsibility, lead by example and provide guidance to employees reporting to her or him.

6. TRAINING

Employees must familiarise themselves with this Policy. All employees are required to participate in anti-bribery and anti-corruption training, read communications, use resources and consult where necessary to stay informed about the laws, professional standards and policies that apply to their work. All new employees must receive specific training as part of their induction process.

7. SPECIFIC AREAS OF APPLICATION

The application of anti-bribery and anti-corruption rules affects a range of activities and operations across the organisation and is considered in greater detail below.

7.1 Hospitality, Gifts and Entertainment

Employees and directors should not accept gifts or hospitality if this means that the giver might expect preferential treatment from the organisation in return. Equally, employees and directors should not offer gifts or hospitality in order to gain preferential treatment or be perceived as potentially influencing decisions.

This does not mean that receiving gifts and hospitality are inappropriate in all circumstances. Gifts or hospitality should be given or received only where they are suitably modest and it is customary and proper (normal recognised business practice) to do so, provided no obligation could be or perceived to be expected in connection with the gifts or hospitality.

In addition to the practical guidelines regarding Hospitality, Gifts & Entertainment set out in the Ervia Code of Business Conduct and the relevant Expenses policies, a notification register has been established in order to record the details of all gifts and hospitality and the onus will be on the employee to ensure full disclosure. The Company Secretary, Liam O’Riordan, is responsible for the maintenance of this register.

The notification register has **not** been established to prevent acceptance of gifts and hospitality but to ensure transparency and assist staff and directors adhere to this Policy.

All employees and directors who receive gifts and/or hospitality will be obliged to disclose the details of those gifts and hospitality, where in a calendar year i.e. January to December, the cumulative value of those gifts/hospitality exceed the threshold of €100.00/£90.00.

Once this threshold has been reached during the calendar year, any further gifts or hospitality received in that period shall be notified by sending an email to the Company Secretary, copying their manager,

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setting out the nature of gift or hospitality, the person/corporate entity offering the gift or hospitality and time and location of the hospitality event. This obligation to disclose shall also apply to the giving by Ervia employees and directors of gifts and hospitality to third parties in excess of a cumulative value of €100.00/£90.00 during a calendar year period.

For the purposes of valuing gifts and hospitality received or offered, employees and directors shall not be required to take into account when calculating whether they have reached the above threshold in a calendar year, low value items of hospitality such as teas, coffees or lunches under €20.00. These items are not notifiable for placing on the register regardless of whether the threshold has been reached or not.

As integrity is a guiding value for Ervia and is at the heart of this policy, the deliberate non-declaration of gifts or hospitality or other inducement, may result in disciplinary proceedings up to and including dismissal.

The Notification Register will be kept private and confidential and periodically (no less than annually) reviewed by the Head of Internal Audit and the Company Secretary and reported to the Executive team and Audit and Risk Committee.

If the Company Secretary considers a gift or hospitality notified to the register as inappropriate, he will inform the employee and the employee's manager, copying the Head of Internal Audit that this gift should not be accepted and should be politely declined.

7.2 Financial Reporting

To ensure compliance with anti-bribery laws and this policy, all business transactions must be properly authorised and must be completely and accurately recorded in Ervia's and its operating companies' company books, records and accounts. Accurate record keeping is important to establish that Ervia 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 bribes and/or entries that are falsified to disguise bribes and/or failing to make entries for payments by or to an Ervia Group Company. Controls are in place to ensure these requirements are met, including detailed financial procedures, budgets, finance system automated workflows, external audit process, internal audit process and Audit and Risk Committee oversight of the financial statements. Employees are reminded that they must liaise with internal audit where necessary and adhere to all financial controls and approval procedures.

7.3 Supply Chain Activities

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Everyone doing business through consultants, intermediaries, subcontractors, distributors, partners, agents or other third parties must ensure that such parties comply with the rules set out in this policy. Both individuals and Ervia Group Companies can be held legally accountable for the actions of such third parties.

The most important step the organisation can take to protect itself from liability for improper payments made by third parties is to choose our business partners, agents and consultants carefully. All employees and directors must be vigilant in monitoring the activities of third parties on an ongoing basis. Excessive, false or inadequately described payment requests, unusual or overly generous subcontracts, unusual or incomplete documentation and refusals or failures to provide requested documentation may be signs of bribes by third parties.

As part of its risk management and procurement, the following measures are in place with regard to third party relationships:

- All parties with whom we deal must adhere to applicable Ervia Group policies;
- All parties tendering to provide goods or services must provide detailed company information in order to enable proper assessment of the company and individuals involved;
- Ervia's terms and conditions enable audits to take place as part of a policy of ensuring adherence to policies; and
- Ervia's Procurement Policy (PD2) requires that the purchase of goods and services is subjected to competitive tender to ensure that contracts are awarded fairly and to reputable companies and individuals.

7.4 Landowner Compensation Payments

Processes have been developed for landowner compensation payments associated with Ervia Wayleaves and Land Acquisition. These processes place strict controls around the approval of these payments.

The associated processes across Ervia are listed in the table below. Please contact the relevant Department in Ervia (GNI Land Management Department (Asset Programmes), Major Projects Wayleaves or Irish Water (Asset Delivery)) for more information on respective processes and/or Standard Operating Procedures.

Pursuant to these processes, it is the responsibility of all approvers to ensure that they are achieving value for money, taking account of the overall economic impact on the level of compensation payments.

Business Unit	Guidance Document /SOP
GNI Land Management (Asset Programmes)	Wayleave Payment Process AM/BP/115

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	Wayleave Consent Cases AM/BP/117 Land Management Cheque Payment Procedure (Rev 4)
Irish Water (Asset Delivery)	Process for Land and Wayleave Acquisition by Agreement Engineering Services Payment Process (Step 8)
Major Projects	Standard Operating Procedure (MP-SOP-600) Wayleaves and Land Acquisition for Irish Water Projects within Major Projects Portfolio (Sections 8.4, 8.11 and 9.0)

7.5 Lobbying

Lobbying concerns attempts to influence public and government officials in order to obtain a particular outcome for an organisation or business.

Lobbying should not be used for any corrupt or illegal purposes, or to improperly influence any decision. For detailed guidance on lobbying, refer to PD4 Regulation of Lobbying Policy.

7.6 Charitable donations

Ervia has established relationships with specific charities and any donations, or organised events to raise funds for charity must be done with the express approval of the Chief Communications and Marketing Officer.

Donations involving Ervia, including those made through Corporate Social Responsibility, should not be made without such express approval. Such donations should not be made by members of staff, contractors or other associated persons purporting to act on behalf of Ervia, even if made from personal funds.

7.7 Sponsorship

All sponsorship must be provided in accordance with Ervia’s Corporate Giving and Sponsorship Policy (PD83) and with the express approval of the relevant Group Executive and Ervia CR Steering Group.

No sponsorship should be offered or provided by members of staff, contractors or other associated persons purporting to act on behalf of Ervia, even if made from personal funds.

7.8 Donations to Political Organisations

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Ervia does not align itself with any political organisation and, accordingly, it is in breach of this policy for any member of staff, contractor or other associated person of Ervia purporting to act on Ervia's behalf to make or offer donations to any such organisation.

Ervia recognises that employees and directors are free to make their own private political contributions as individual citizens but they will not be compensated or reimbursed by Ervia and employees/directors must ensure that they avoid any conflicts of interest between their personal interests and that of Ervia.

7.9 Community Gain

Within Ervia "Community Gain" is defined as goodwill for the benefit of communities affected by Strategic Infrastructure Development in the short, medium or long term.. Ervia's *Community Gain Policy* refers only to Strategic Infrastructure Development Projects being progressed through An Bord Pleanála in accordance with the Planning and Development (Strategic Infrastructure) Act 2006 only. For more detail please reference the Ervia Community Gain Policy.

8. COMMUNICATING, MONITORING AND REVIEWING

Ervia's Board Members and Directors of Ervia's group companies have been briefed on the terms of this Policy by the Company Secretary and are required to comply with the terms of this Policy.

This Policy is communicated directly to all new employees upon commencement of employment. A copy of this Policy can be also found on the Zone or by contacting Secretariat or HR directly.

This Policy is monitored by Group Secretariat and reviewed annually.

This Policy is brought to the Ervia Board for review every two years.

9. FURTHER INFORMATION

For further information, or advice on any aspect of this policy, please contact either the Chief Legal Officer or the Company Secretary:

Group Chief Legal Officer

Rory Williams
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Email: rory.williams@ervia.ie

Company Secretary

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