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ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

1. INTRODUCTION

Ervia's values are collaboration, performance, customer service, safety and integrity. These values define the character of the organisation, guide our actions and decisions and provide a framework for how we interact with our colleagues, customers and stakeholders. We expect everyone working for or on behalf of Ervia to maintain the highest ethical standards and to report any suspicions of wrongdoing.

Ethical standards must underpin how we conduct our business on a daily basis. 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 value in Ervia. It is one of a number of policies that has been put in place to help inform the ethical behaviour that Ervia expects from its staff, from contractors and from agents who do business on behalf of Ervia. It should be read in conjunction with the policies set out in Appendix A, in particular the Code of Business Conduct (PD 16), the Protected Disclosures Policy (PD 9), the Anti-Fraud Policy (PD84) and the Regulation of Lobbying Act Policy (PD 4).


2. PURPOSE

The purpose of the Policy is:

- (a) to set out Ervia's position on bribery and corruption;
- (b) to provide guidance on recognising bribery and corruption in their various guises, including, but not limited to, disclosing gifts and hospitality in order to ensure transparency; and
- (c) to set out what is expected from those to whom the Policy applies in relation to preventing and reporting acts of bribery or corruption.

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);
- Protected Disclosures Act 2014 (RoI);
- Companies Act 2014 (RoI);

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- Regulation of Lobbying Act 2015 (RoI); and
- Criminal Justice (Corruption Offences) Act 2018.

3. POLICY STATEMENT

Bribery and other forms of corruption will not be tolerated within Ervia. Ervia actively promotes a culture where acts of 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.

4. SCOPE

This Policy covers Ervia and its operating companies and businesses (Gas Networks Ireland, Irish Water and Aurora) and all 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.

5. 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;
- “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.

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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.

6. 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.

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 them.

All parties to whom this Policy applies have a responsibility to be vigilant. None of the conduct set out in Section 5 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.

7. 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.

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8. REPORTING

If any conduct is or has occurred that is suspected to constitute an act of bribery or corruption, report it without delay to your line manager. If this is inappropriate in the circumstances, the report may be made to the Group Chief Legal Officer or Group Head of Internal Audit. Ervia is committed to ensuring that all parties to whom this Policy applies can raise a concern relating to an act of bribery or corruption or suspicions thereof without fear of victimisation, knowing that the strictest confidence will be maintained. For further information you should consult Ervia’s Protected Disclosures Policy (PD9).

Discovery of a potential act of bribery or corruption Dos and Don’ts	
Do	Don’t
Do report the incident.	Do not discuss the matter with your colleagues or other parties.
Do report all known facts.	Do not attempt to investigate the matter unless expressly asked to do so by the Ervia Group Chief Legal Officer or Group Head of Internal Audit.
Do report your concern/the incident immediately.	Do not confront the individual(s) involved.

9. INVESTIGATION & RESULTING ACTION


Ervia commits to investigate all acts of bribery or corruption that are discovered or suspected. Every case will be thoroughly investigated and dealt with appropriately without regard to the position held or length of service of the individual(s) concerned, or their relationship to Ervia.

The Group Chief Legal Officer has the primary responsibility for the co-ordination of investigation of all suspected acts of bribery and corruption as defined in the Policy.

No person who suspects or discovers an act of bribery or corruption should attempt to conduct their own investigations.

All investigations will be conducted in accordance with the principles of natural justice, fair procedures and relevant collective agreements.

Ervia treats all information received confidentially. Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect Ervia from civil liability.

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10. ENFORCEMENT

Any individual who is under investigation for a suspected or discovered act of bribery or corruption may be suspended, pending the outcome of the investigation.

Where the allegations are substantiated, disciplinary action up to and including termination of employment may be taken.

The employee's constitutional right to natural justice and fair procedure will be upheld in accordance with all relevant legislation. In this regard, the provision of appropriate representation, if requested, will be considered.

Where the allegations are substantiated and implicate third parties to whom this Policy applies, Ervia may terminate their contract and/or take appropriate action against the individual(s) concerned, including seeking legal redress.

11. IMPLICATIONS OF NON-COMPLIANCE WITH THE POLICY

Non-compliance with the Anti-Bribery and Anti-Corruption Policy by Ervia employees may be treated as a disciplinary matter.

Non-compliance with the Policy by any other party to whom it applies may result in a recommendation to terminate their contract with Ervia or to terminate the engagement of the individual(s), within that contracting entity, found to be in breach of the Policy.

12. 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.

12.1 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 is 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 expected or perceived to be expected in connection with the gifts or hospitality.

Please refer to the practical guidelines regarding Hospitality, Gifts & Entertainment set out in the Ervia Code of Business Conduct (PD16) for more details on acceptable practices in relation to gifts and

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hospitality and the requirement to disclose to the Company Secretary details of all gifts and hospitality (received/rejected/extended) for the purpose of recording on a notification register.

12.2 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.


12.3 Supply Chain Activities

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;

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- 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.

12.4 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 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)

12.5 Lobbying

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

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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.

12.6 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.

12.7 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.

12.8 Donations to Political Organisations


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.

12.9 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 Pleanala in accordance with the Planning and Development (Strategic Infrastructure) Act 2006. For more detail please reference the Ervia Community Gain Policy.

13. COMMUNICATING, MONITORING AND REVIEWING

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**POLICY
DOCUMENT**



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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.

14. FURTHER INFORMATION

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

Acting Group Chief Legal Officer

Claire Madden

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Company Secretary

Liam O'Riordan

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Appendix A

The Anti-Bribery and Anti-Corruption Policy should be read in conjunction with the following related policies, including but not limited to:

- 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.

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