



## **Code of Conduct for Directors**

April 2021

## **Contents**

1. Introduction .....	1
2. Purpose.....	1
3. Principles .....	1
4. Leading the Company by example .....	2
5. Acting with integrity .....	2
6. Treating all our stakeholders with respect .....	3
7. Using information carefully .....	3
8. Post Resignation/Retirement.....	4
9. Review .....	4

# 1. Introduction

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1.1 EirGrid Group’s strategy is shaped by various factors – climate change and the transformation of the electricity sector - notwithstanding our core remit of keeping the lights on and the money flowing. EirGrid has a unique role to play in leading the radical transformation that is required. Our strategy sums up our purpose and our response to these challenges. Our values of being transparent, collaborative, accountable and ambitious enable us to delivery this strategy.

# 2. Purpose

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2.1 The Board has adopted a Code of Conduct (Code) which puts our purpose, strategy and values at the centre of how Directors will conduct themselves. The objectives of the Code are:

- Establish a set of ethical principles underpinning Directors’ conduct;
- Promotion and maintenance of confidence and trust in EirGrid;
- Prevent the development, continuance or acceptance of unethical practices; and
- Provide a frame of reference for decision-making.

2.2 This Code shall be applied to all Directors of any subsidiaries of the Company.

# 3. Principles

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The Board is committed to the highest standards of conduct and business ethics which will be achieved by:

- Leading the Company by example;
- Acting with integrity;
- Treating all our stakeholders with respect; and
- Using information carefully.

Board members must lead by example and set the tone from the top. These values and behaviours are summarised as follows:

We will....	We will not...
✓ Conduct business with integrity, acting in at all times in the interests of the Company	× Tolerate unethical practices within the Company or those organisations we work with
✓ Lead by example	× Tolerate any form of bribery or corruption
✓ Encourage honest and open conversations	× Disclose confidential Company information to third parties unless required by law, or regulation, to do so
✓ Treat all our stakeholders with respect and communicate with them in a transparent manner	× Retain Company documentation post our tenure
✓ Disclose and resolve conflicts of interest	× Seek to hide or distort relevant information
✓ Protect information and records we are provided with	× Misuse or share inside information about the Company for personal benefit
✓ Use company property and assets responsibly	× Accept or offer gifts or hospitality that could influence to be perceived as influencing business decision
✓ Be mindful that our obligations persist post our tenure with the Company	× Tolerate harassment or bullying
✓ Value our people and embrace diversity	× Tolerate any form of reprisal against a staff member who raises concerns regarding compliance, ethical or safety issues
✓ Respect human rights	
✓ Encourage staff who see or hear something illegal, unethical or unsafe to speak up	

## **4. Leading the Company by example**

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4.1 As Board members we will lead the Company by:

### **4.1.1 Enacting Our Purpose to transform the power system for future generations**

- Aligning the strategy, values and behaviours with Our Purpose;
- Ensuring our values and behaviours are integral to decision making;
- Establishing remuneration policies and practices that are guided by Our Values; and
- Recognising the difference the Board can make for stakeholders and society.

### **4.1.2 Exercising independent judgement and objectivity**

- Challenging and questioning, in a constructive manner, management performance and proposals;
- Ensuring that there is no conflict of interest or perceived conflict of interest between our work for the Company and any outside personal interest. A conflict of interest is any situation in which a Director's personal interests or loyalties could, or could be seen to, prevent the Director from making a decision in the best interests of the Company or where the influence of third parties could compromise or override independent judgement. Such personal interests may be direct or indirect and can include interests of a person connected to the Director. In summary, Directors must:
  - Disclose outside employment/business interests in potential conflict with the business of the Company; and
  - Not be involved in outside employment/business interests in conflict or in potential conflict with the business of the Company.<sup>1</sup>
- Avoiding 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 independent judgement on business transactions; and
- Avoiding the use of the Company's resources or time for personal gain, for the benefit of persons/organisations unconnected with the Company or its activities or for the benefit of competitors.

### **4.1.3 Fulfilling all regulatory and statutory obligations imposed on the Company**

- Monitoring controls to prevent fraud including adequate controls to ensure compliance with prescribed procedures in relation to claiming of expenses for business travel;
- Conforming with procedures laid down by the Board in relation to conflict of interest situations, including in regard to acceptance of positions following employment and/or engagement by a State body that may give rise to the potential for conflicts of interest and to confidentiality concerns; and
- Acknowledging the requirement to at all times protect the interests of consumers of electricity in Northern Ireland and in Ireland.

## **5. Acting with integrity**

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5.1 We will be open, truthful and honest in all our business dealings through:

- Adhering to the policy on Board member expenses and leading by example by claiming expenses only as appropriate to business needs;
- Never engaging in bribery or corruption or conducting activities in breach of applicable economic sanctions; and
- Complying with all applicable EirGrid policies.

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<sup>1</sup> Refer to EirGrid's Policy on Disclosure of Interests

## **6. Treating all our stakeholders with respect**

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- 6.1 We respect each other, our employees, our contractors, the communities we engage with, our stakeholders and customers.

### *Respecting Each Other*

- 6.2 We question appropriately, have honest conversations, listen attentively and embrace diverse perspectives.
- 6.3 We place the highest priority on promoting and preserving the health, safety and wellbeing of employees.
- 6.4 We value diversity of thought and experience in the board room.
- 6.5 We respect human and labour rights in all our operating activities.

### *Respecting Our Communities*

- 6.6 We respect the communities and individuals that host grid infrastructure.
- 6.7 We work closely with communities, local farmers and landowners.
- 6.8 We gain the trust of communities by listening attentively and being authentic in our communications.
- 6.9 We encourage and support involvement in community activities.

### *Respecting the Environment*

- 6.10 We protect and sustain the natural environment.
- 6.11 We will use our skills and experience to provide leadership for delivering a low-carbon, cost effective power system.
- 6.12 We are committed to achieving the BITCI Low Carbon Pledge to set science-based carbon emissions reduction targets by 2024, which must include our entire carbon footprint (Scope 1, 2 & 3) and be in line with the Paris Agreement and the latest IPCC findings.

## **7. Using information carefully**

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- 7.1 We respect the confidential commercial information held by the Company. This would constitute material including but not limited to such as:
- commercially sensitive information (including, but not limited to, future plans or details of major organisational or other changes such as restructuring);
  - personal information; and
  - information received in confidence by the public body.

- 7.2 Observing appropriate prior consultation procedures with third parties where, exceptionally, it is proposed to release sensitive information in the public interest.

- 7.3 Complying with relevant statutory provisions e.g. Data Protection and Freedom of Information legislation.

- 7.4 Not disclosing confidential commercial information obtained while performing our duties in the Company unless we are duly authorised by the Company to do so or required to do so by law.

Specifically:-

- a Director shall keep strictly secret and confidential all confidential commercial information including but not limited to any books, documents or records relating to the business, affairs and accounts of the Company, including all subsidiary or associated companies.
- a Director shall not disclose confidential commercial information including but not limited to any books, documents or records relating to the business, affairs and

accounts of the Company, including all subsidiary or associated companies, directly or indirectly to third parties, including the media, as this represents a breach of trust and could be highly damaging to the Company.

- a Director shall not use confidential commercial information otherwise than solely for the benefit of the Company in the course of his or her duties.
- a Director should not use confidential commercial information for his or her own gain or for the gain of an affiliate, competitor to the Company or any supplier or customer of such competitors.
- each Director should take particular care to adequately safeguard all Company documents.
- a Director, on ceasing to be such, is personally responsible for ensuring that all Company documents in his or her possession are returned to the Company and that no copies are retained or other means used of reproducing the same.

### **8. Post Resignation/Retirement**

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- 8.1 In accordance with section 5.5 of the Code of Practice for the Governance of State Bodies, the acceptance by Directors of a position of employment/engagement where the potential for a conflict of interest with EirGrid or any part of EirGrid arises should be avoided for a three (3) month period after the exercise of a function in EirGrid has ceased.
- 8.2 Before taking a position which will or might involve such a conflict of interest, a former Director should consult with the Chairman.
- 8.3 Former EirGrid Directors in considering whether or not to accept any position or role are asked to give due weight to whether the position or role would:
- be likely to compromise their ability to comply with continuing obligations to respect the confidentiality of information obtained as a Director of EirGrid; or
  - be likely to cause material harm to EirGrid if such harm would not otherwise have arisen had they not been a Director of EirGrid.
- 8.4 Directors should not, after their engagement as Directors, disclose any privileged or confidential information, or business or trade secrets of EirGrid. This obligation does not cease when a Directorship has ended.
- 8.5 All commercial information received while acting in the capacity of a Director shall remain confidential indefinitely.
- 8.6 Unless required by law or authorised by the Chairman, Directors shall not disclose confidential information or allow such disclosure. Furthermore, Directors must use best efforts to avoid unintentional disclosure by applying special care when storing or transmitting confidential information.
- 8.7 Directors should not, after their engagement as Directors, retain documentation obtained during their term or employment. Directors should return all such documentation to the Company Secretary or otherwise provide confirmation that all such documentation in their possession has been disposed of in an appropriate manner.
- 8.8 In the event that former Directors require access to Board papers from the time of their term on the Board, this can be facilitated by the Company Secretary in appropriate circumstances.

### **9. Review**

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- 9.1 The Board shall make arrangements for and commit to reviewing this Code on an annual basis.