

Northern Ireland Electricity Networks Limited

ANTI BRIBERY, CORRUPTION, FRAUD AND OTHER UNLAWFUL ACTIVITIES POLICY

Northern Ireland Electricity Networks (NIE Networks)

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*Document description	This policy details NIE Networks' zero tolerance approach to bribery, corruption, fraud and other unlawful activities and outlines the standards of behaviour expected of all employees and contractors. The offering or acceptance of gifts/hospitality over the value of £ 50 (per annum) must be approved by the employee's Line Manager <u>in advance</u> and notified to the Company Secretary who will maintain a register.

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1. INTRODUCTION

- 1.1 It is Northern Ireland Electricity Networks' (NIE Networks) policy to conduct all of its business in an honest and ethical manner and to comply with all applicable legal and regulatory requirements. NIE Networks takes a zero-tolerance approach to bribery, corruption, fraud, other unlawful activities and wrongdoing and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates and implementing and enforcing effective systems.
- 1.2 NIE Networks will uphold all laws relevant to countering bribery, corruption, fraud, other unlawful activities and wrongdoing. It remains bound by the laws of the UK, including the Bribery Act 2010, in respect of its conduct both at home and abroad.
- 1.3 The purpose of this policy for **employees** is to:
- (a) to encourage a culture of awareness and vigilance and ensure that preventative and detection measures are in place to recognize and minimize the risk of fraud, bribery or corruption or any other unlawful activity or wrongdoing, malpractice, impropriety in the workplace (all of which are collectively referred to below as "wrongdoing");
 - (b) to define what is meant by bribery, corruption, fraud, other unlawful activities and wrongdoing;
 - (c) to summarise the standards of behaviour expected from all employees (please refer to NIE Networks' Code of Ethics for further information) in how they work and in preventing and detecting bribery, corruption, fraud, other unlawful activities and wrongdoing;
 - (d) to reiterate NIE Networks' zero tolerance approach to bribery, corruption fraud, other unlawful activities and wrongdoing;
 - (e) set out the roles and responsibilities in managing, investigating and reporting of bribery, corruption, fraud, other unlawful activities, and wrongdoing;
 - (f) provide information and guidance to those working for NIE Networks on how to recognise and deal with bribery, corruption, fraud, other unlawful activities, and wrongdoing issues;
 - (g) To take appropriate action (disciplinary and/or legal) against perpetrators of bribery,
 - (h) corruption, fraud, other unlawful activities, and wrongdoing and comply with any external reporting obligations in relation thereto; and
 - (i) To learn from any occurrence of bribery, corruption, fraud, other unlawful activities, and wrongdoing in order to prevent it from being repeated.
- 1.4 Bribery and corruption are punishable for individuals by up to ten years' imprisonment and if NIE Networks is found to have taken part in corruption it could face an unlimited fine and damage to its reputation. NIE Networks therefore takes its legal responsibilities very seriously. Fraud is also a criminal offence and may be punishable by imprisonment.
- 1.5 In this policy, **third party** means any individual or organisation you come into contact with during the course of your work for NIE Networks, and includes actual and potential customers, suppliers, distributors, business contacts, agents, clients, advisers, and government and public bodies, including their advisors, representatives and officials,

politicians and political parties.

2. WHO DOES THIS POLICY APPLY TO?

- 2.1 This policy applies to all permanent and temporary staff working at all levels and grades within NIE Networks, consultants, contractors, trainees, seconded staff, agency staff, agents, or any other person associated with NIE Networks, wherever located (collectively referred to as **workers** in this policy).

3. DEFINITIONS

- 3.1 This policy covers bribery, corruption, fraud, other unlawful activities, and wrongdoing. As a general matter, all staff, as well as third parties doing business with NIE Networks' are expected to comply at all times with the laws of the UK and any other country in which they may be working.
- 3.2 Corruption may refer to 'Active' corruption, - corruptly offering or giving a gift, consideration or advantage to any person as an inducement to, or reward for, doing an act in relation to that person's office, employment, position or business.
- 3.3 Corruption may also refer to 'Passive' corruption, is corruptly requesting or accepting a gift, consideration or advantage as an inducement to, or reward for, doing an act in relation to the recipient's office, employment, position or business.
- 3.4 A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage. Examples are provided in **Appendix 1**.
- 3.5 Fraud is wrongful or criminal deception intended to result in financial or personal gain.
- 3.6 Wrongdoing is a broad collective term for fraud, bribery or corruption or any other unlawful or dishonest activity, malpractice or impropriety in the workplace
- 3.7 Unlawful Activities includes (but is not limited to) the following:
- (a) Stealing/theft/embezzlement of money and/or goods belonging to NIE Networks or others (including the theft of electricity);
 - (b) Forgery, for example, altering documents or forging signatures;
 - (c) Misuse or misappropriation of NIE Networks funds;
 - (d) False accounting, making fraudulent statements with a view to personal gain or gain for another: eg false claims for pay/expenses;
 - (e) Falsely representing NIE Networks or dishonestly failing to disclose information legally required to be disclosed, with intention of making a gain for self or another or causing loss to another;
 - (f) Bribery/corruption, for example offering or accepting inducements or facilitation payments aimed at influencing someone or awarding a contract in return for a personal payment or other personal favour;

- (g) Extortion, for example obtaining favours by the use of threats;
- (h) Conspiracy, collusion and corruption, for example, agreeing with others to carry out illegal activities;
- (i) Breach of market abuse laws, i.e. 'insider trading' type laws applying to NIE Networks' listed debt; and
- (j) Planning to carry out any of the foregoing activities.

3.8 It should be noted that a breach of this policy may constitute a breach of NIE Networks' Code of Ethics and be reported / investigated under this policy.

4. GIFTS AND HOSPITALITY

4.1 This policy does not prohibit normal and appropriate hospitality (given and received) to or from third parties.

4.2 The giving or receipt of gifts is not prohibited, if the following requirements are met:

- (a) it is not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
- (b) it does not include cash or a cash equivalent (such as gift certificates or vouchers of any monetary value);
- (c) taking into account the reason for the gift, it is of an appropriate type and value and given at an appropriate time: for example, in the UK it can be customary for small gifts to be given at Christmas;
- (d) it is given openly, not secretly; and
- (e) gifts should not be offered to, or accepted from, government officials or representatives, regulators or representatives or politicians or political parties, without the prior approval of the Managing Director and in accordance with agreed authority levels.

4.3 If you wish to offer or have received an offer of any gift or hospitality (valued at £50 or more in a 12-month period), this must be declared and reported as soon as possible by completing the Gift and Hospitality Notification Form which is available at **Appendix 3** of this policy, or on The Wire. Further information about the declaration of gifts and hospitality may be found within the Code of Ethics.

5. WHAT IS NOT ACCEPTABLE?

5.1 It is not acceptable for you (or someone on your behalf) to:

- (a) give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- (b) give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure;
- (c) accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them;

- (d) accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by NIE Networks in return;
- (e) threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy; or
- (f) engage in any activity that might lead to a breach of this policy.

6. FACILITATION PAYMENTS AND KICKBACKS

- 6.1 NIE Networks does not make, and will not accept, facilitation payments or "kickbacks" of any kind. Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official. They are not commonly paid in the UK, but are common in some other jurisdictions
- 6.2 If you are asked to make a payment on NIE Networks' behalf, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should always ask for a receipt which details the reason for the payment. If you have any suspicions, concerns or queries regarding a payment, you should raise these with the Company Secretary.
- 6.3 Kickbacks are typically payments made in return for a business favour or advantage. All workers must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by NIE Networks.

7. DONATIONS

- 7.1 NIE Networks does not make contributions to political parties. NIE Networks only makes charitable donations that are legal and ethical under local laws and practices. No donation must be offered or made, by NIE Networks, unless given in accordance with agreed procedures.

8. ROLES AND RESPONSIBILITIES

8.1 Staff

- (a) Staff (this includes NIE Networks' employees, consultants, contractors, trainees, seconded staff, agency staff, or any other person associated with NIE Networks, wherever located and where Terms and Conditions have been agreed) must ensure that you read, understand and comply with this policy. You should also comply with NIE Networks' Code of Ethics and Whistleblowing Policy, copies of which are available on The Wire.
- (b) The prevention, detection and reporting of bribery, corruption, fraud, other unlawful activities and wrongdoing are the responsibility of all those working for NIE Networks or under NIE Networks' control. All workers are required to avoid any activity that might lead to, or suggest, a breach of this policy.
- (c) All staff must, at all times, ensure compliance with applicable laws in carrying out their duties for NIE Networks.

- (d) You must notify your line manager and the Company Secretary as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future. For example, if a client or potential client offers you something to gain a business advantage with NIE Networks, or indicates to you that a gift or payment is required to secure their business. Further "red flags" that may indicate bribery or corruption are set out in **Appendix 2**.
- (e) Any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct. NIE Networks reserves its right to terminate its contractual relationship with other workers if they breach this policy.

8.2 Management

Those employees of NIE Networks having management responsibilities shall be expected to carry out the following roles:

- (a) Ensuring compliance with this policy and implementing its key principles across NIE Networks.
- (b) Allocating sufficient and appropriate resources to implement this policy effectively, including ensuring that staff complete any organisational training and ensuring communication and awareness among employees.
- (c) Operating and maintaining an effective governance framework to promote the prevention, detection and investigating of bribery, corruption, fraud or other wrongdoing.
- (d) Encouraging openness and transparency, fostering an environment that is supportive of staff who raise concerns under the reporting arrangements referred to below.
- (e) Considering exposure to the risk of bribery, corruption, fraud, other unlawful activities and/or wrongdoing, and implementing initiatives to enhance risk management effectiveness, including procedures which facilitate the reporting to management by employees of any concerns.
- (f) Reporting all suspected cases of bribery, corruption fraud, other unlawful activities and/or wrongdoing by an employee to the Company Secretary and supporting the investigation of those incidents.

8.3 Internal and External Auditors

Internal and External auditors appointed by NIE Networks will be expected to deal with the following in their audit:

- (a) Consideration of bribery, corruption, fraud, other unlawful activities and/or wrongdoing in all internal and external audit reviews.

8.4 Company Secretary

The NIE Networks Company Secretary is responsible for the following:

- (a) Maintenance of this policy, including primary and day-to-day responsibility and dealing with any queries on its interpretation
- (b) In consultation with management, agreeing the terms of reference of, and appointing investigators for, investigating breaches of this Policy and for providing independent oversight of all investigations undertaken;
- (c) Recommending best practice in the prevention and investigation of bribery,

- corruption, fraud, other unlawful activities and/or wrongdoing.
- (d) Informing the Finance and Regulation Director of all incidents reported.
 - (e) Co-ordinating investigation of reported bribery, corruption, fraud, other unlawful activities and/or wrongdoing as required.
 - (f) Regularly reporting bribery, corruption, fraud, other unlawful activities and/or wrongdoing, and investigation thereof, to the NIE Networks Finance and Regulation Director, NIE Networks Executive Committee, NIE Networks Audit and Risk Committee/Board and NIE Networks' Internal Audit (as appropriate).

8.5 NIE Networks Audit & Risk Committee and Board

The NIE Networks Board and Audit and Risk Committee shall be responsible for the following:

- (a) Communicating a clear commitment to this Policy through leading by example ("tone at the Top")
- (b) Determination of corporate policy in respect of bribery, corruption, fraud, other unlawful activities and/or wrongdoing.
- (c) Facilitating a culture of openness and respect in the organisation that supports the disclose of wrongdoing
- (d) Review of the internal control framework and controls identified to support the ongoing implementation of this policy.
- (e) Ensuring this policy complies with NIE Networks legal and ethical obligations, and that all those under NIE Networks' control comply with it.
- (f) Reviewing and approving changes to this policy.

9. RECORD-KEEPING

9.1 You must ensure that all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with NIE Networks' expenses policy. You must notify your line manager of any gift or hospitality that you are offered or offer to another. You must ensure that the offering and acceptance of any gifts or hospitality which, when taken together with any other hospitality/gifts received in the preceding 12 month period, amounts to over £50 in value are approved by a Member of the Executive Committee and notified to the Company Secretary who maintains a central register. The Gift and Hospitality Notification Form should be used (see **Appendix 3**). Any offers of gifts or hospitality which you decline should also be reported on this form.

9.2 All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept "off- book" to facilitate or conceal improper payments.

10. HOW TO RAISE A CONCERN OR QUERY

10.1 You are encouraged to raise concerns about any issue or suspicion of corruption, fraud, wrongdoing or unlawful activity at the earliest possible stage. If you are unsure whether a particular act constitutes bribery, corruption, fraud, other unlawful activity or wrongdoing, or if

you have any other queries, these should be raised with the Company Secretary. Section 8 of the NIE Networks Whistleblowing Policy provides a mechanism for employees to raise concerns while Section 9 provides information on how an investigation into concerns will be carried out.

11. TREATMENT OF THOSE REPORTING SUSPICIONS

- 11.1 NIE Networks will not tolerate any victimisation or unfair treatment of any employee as a result of him or her reporting suspected corruption, fraud, wrongdoing or other unlawful activities in good faith. Any such victimisation should be reported to a senior HR manager and will be considered a disciplinary matter for any person engaging in such behaviours.

12. WHAT TO DO IF YOU A VICTIM OF BRIBERY OR CORRUPTION

- 12.1 It is important that you tell your line manager and the Company Secretary as soon as possible if you are offered a bribe by a third party, are asked to make one, suspect that this may happen in the future, or believe that you are a victim of another form of unlawful activity.

13. TRAINING AND COMMUNICATION

- 13.1 Training on this policy forms part of the induction process for all new workers. All existing workers will receive guidance in relation to this policy.
- 13.2 NIE Networks' zero-tolerance approach to bribery and corruption must be communicated to all suppliers, contractors and business partners at the outset of the business relationship with them and as appropriate thereafter.

Examples of bribery

Offering a bribe

You offer a potential client tickets to a major sporting event, but only if they agree to do business with us.

This would be an offence as you are making the offer to gain a commercial and contractual advantage. NIE Networks may also be found to have committed an offence because the offer has been made to obtain business for it. It may also be an offence for the potential client to accept your offer.

Receiving a bribe

A supplier gives your nephew a job, but makes it clear that in return they expect you to use your influence in NIE Networks to ensure the company continues to do business with them.

It is an offence for a supplier to make such an offer. It would be an offence for you to accept the offer as you would be doing so to gain a personal advantage.

Bribing a foreign official

You arrange for the company to pay an additional payment to a foreign official to speed up an administrative process, such as clearing our goods through customs.

The offence of bribing a foreign public official has been committed as soon as the offer is made. This is because it is made to gain a business advantage for the company. NIE Networks may also be found to have committed an offence.

Appendix 2

RED FLAGS

The following is a list of possible red flags that may arise during the course of you working for NIE Networks and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only. If you encounter any of these red flags while working for NIE Networks, you must report them promptly to the Company Secretary:

- (a) you become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- (b) you learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials;
- (c) a third party insists on receiving a commission or fee payment before committing to sign up to a contract with NIE Networks, or carrying out a government function or process for NIE Networks;
- (d) a third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- (e) a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- (f) a third party requests an unexpected additional fee or commission to "facilitate" a service;
- (g) a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- (h) a third party requests that a payment is made to "overlook" potential legal violations;
- (i) a third party requests that you provide employment or some other advantage to a friend or relative;
- (j) you receive an invoice from a third party that appears to be non-standard or customised;
- (k) a third party insists on the use of side letters or refuses to put terms agreed in writing;
- (l) you notice that NIE Networks has been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- (m) a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us; or
- (n) you are offered an unusually generous gift or offered lavish hospitality by a third party.

Gift and Hospitality Notification Form

Please refer to NIE Networks' Anti Bribery, Corruption, Fraud and Other Unlawful Activities Policy (available on The Wire) before agreeing to accept any gift or hospitality from a third party of any value. This form must be completed when an employee receives or offers any gift or hospitality over the value of £50 in any 12-month period.

PLEASE NOTE THAT A GIFT OF CASH OR A GIFT VOUCHER OF ANY MONETARY AMOUNT CANNOT BE ACCEPTED AND MUST BE RETURNED TO THE OFFERER AT ALL TIMES.

SECTION 1: PERSONAL DETAILS			
Name:		Location:	
Job Title / Area of Responsibility:			
Phone:		Email:	
Head of Department:			

SECTION 2: DETAILS OF GIFT/ HOSPITALITY	
<u>Details of gift/hospitality offered:</u>	
Date offered:	

Was the gift/hospitality accepted: <input type="checkbox"/> declined <input type="checkbox"/>

Date the gift/hospitality received (or to be received):

SECTION 3: DETAILS OF OFFEROR / RECEIVER OF GIFT/ HOSPITALITY		
Name:		
Company:		
Position in Company:		

<u>Nature of Gift/Hospitality:</u> <i>(include details of gift including estimated value. Include <u>full</u> details of all hospitality offered)</i>
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<u>If offer accepted – give the business reason for accepting the gift/hospitality:</u>

OR

<u>If offer declined – give the reason for declining the gift/hospitality:</u>

SECTION 4: DECLARATION	
I confirm that the acceptance of the gift/hospitality is in line with the guidelines set out in NIE Networks' Anti Bribery, Corruption, Fraud and Other Unlawful Activities Policy	
Employee signature:	Date:
SECTION 5: APPROVAL <i>(all forms must be signed and authorised by a Member of the Executive Committee)</i>	
Name:	
Position:	
Executive Committee Member Signature:	
Completed form to be submitted to NIE Networks Company Secretary, olivia.carr@nienetworks.co.uk	
Office use Only:	
Details entered in NIE Networks' Register of Gifts/Hospitality by:	Date:
<p><i>Employees and line managers must refer to NIE Networks' Anti-Bribery, Corruption, Fraud and Other Unlawful Activities Policy before offering any gift or corporate hospitality to a third party and ensure that expenses are properly authorised under NIE Networks' Expenses Policy.</i></p> <p><i>Where any gift/hospitality over the value of £50 is offered by NIE Networks a copy of the completed Expenditure Authorisation Form must be submitted to NIE Networks' Company Secretary for inclusion in NIE Networks' Register of Gifts/Hospitality.</i></p>	