

Ausgrid

Code of Conduct

February 2016



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This is not intended to be a rule book. Rather, this Code sets out what ethics means for our business and how to avoid some of the more obvious pitfalls.

The Code should be read in conjunction with Ausgrid’s policies and procedures located on The Wire or available through your manager/supervisor.

Foreword

What we expect of you at work

Ausgrid is committed to fostering a workplace culture where our employees are safety focused, customer centred, performance driven, fair and just, and ethical at all times.

Ausgrid's *Code of Conduct* aims to set out the kind of behaviour expected of us by defining our corporate values and ethical principles. These values and principles must form the basis of everything we say and don't say; what we do and don't do.



In clearly setting out how we are expected to behave, this Code supports our efforts to build a fair and just culture. The Code does not attempt to provide an exhaustive list of what to do in every aspect of our work. Instead, it provides an ethical framework that will help each of us to make the right choice when faced with an ethical issue. It should be read in conjunction with Ausgrid's policies and procedures located on The Wire.

Occasionally, we may face an ethical challenge in the course of our work. When this happens, it is important to think carefully about our choices and their possible consequences. And, of course, we should refer to the guidance provided in this Code and comply with the law in everything we do.

I encourage you to take the time to read this Code to remind yourself of the values and principles we are all expected to apply in our daily work. If you have any questions about how this Code applies to you, please speak with your manager.

A handwritten signature in black ink, appearing to read 'Trevor Armstrong'.

Trevor Armstrong
Acting Chief Executive Officer

Our Values

Working at Ausgrid requires our employees¹ to understand and support our corporate values. These five values and their associated behaviours are the basis for everything we do.



Safety excellence

- Put safety as your number one priority
- Do not participate in unsafe acts, and challenge unsafe behaviours
- Think before you act
- Lead by example
- Take responsibility for the health and safety of yourself and others



Respect for people

- Treat all people with respect, dignity, fairness and equity
- Demonstrate co-operation, trust and support in the workplace
- Practise open, two-way communication



Customer and community focus

- Deliver value and reliable service to our customers and communities
- Use resources responsibly and efficiently
- Be environmentally and socially responsible



Continuous improvement

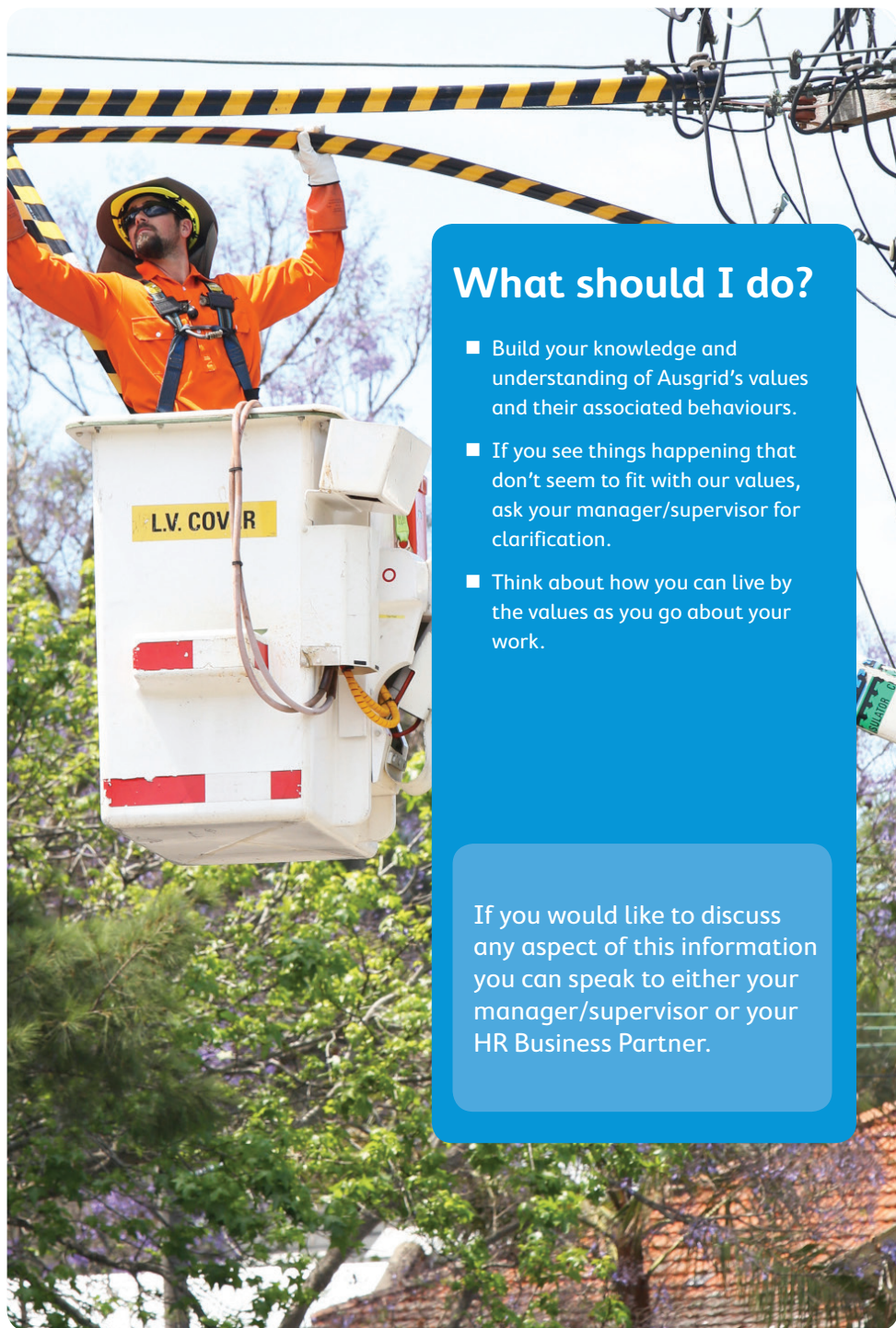
- Look for safer and better ways to do your job
- Improve our financial performance
- Support innovation to add value to our business



Act with integrity

- Act honestly and ethically in everything you do
- Be accountable and own your actions
- Follow the rules and speak up

¹ Employees are defined as permanent employees (full time or part time) and any other person undertaking work in Ausgrid, including contractors and their agents or employees.



What should I do?

- Build your knowledge and understanding of Ausgrid's values and their associated behaviours.
- If you see things happening that don't seem to fit with our values, ask your manager/supervisor for clarification.
- Think about how you can live by the values as you go about your work.

If you would like to discuss any aspect of this information you can speak to either your manager/supervisor or your HR Business Partner.

Standards of Personal and Professional Conduct

Employee integrity is an essential part of customer and community confidence and as an employee you have a major role to play.

Every employee must exhibit the highest ethical standards at all times. This includes taking pride in your work and behaving in a way that is consistent with the values and principles outlined in this booklet.

As an Ausgrid employee you also need to operate within all the laws that apply to our organisation.

Failing to deal fairly or honestly with consumers could be a breach of the Competition and Consumer Act 2010 and, if proven, could result in heavy fines for both the organisation and the relevant employee. More importantly, it will negatively impact our organisation's reputation and your personal reputation.

You are ultimately responsible for your own conduct and behaviour. This requires a thorough understanding of:

- what your job is
- how your job is to be performed
- the results you need to achieve.

Ausgrid is committed to fairly and consistently managing responses to employees' conduct and behaviour through a Fair and Just Culture. We achieve this by providing an environment where:

- Everyone knows what is expected of them
- The right workplace behaviours are recognised and reinforced
- The right responses are applied to the wrong behaviours.

If you are not sure of what's expected of you, please discuss the matter with either your manager/supervisor or your HR Business Partner.

Performing your duties

In performing your duties, you must:

- act professionally at all times and never make (written or verbal) representations without first checking the underlying facts
- act impartially, with integrity, be fair and do not mislead people
- provide efficient and effective service to our customers
- be honest in all your dealings and never be a party to anti-competitive behaviour
- be prepared to demonstrate the reasons for your decisions
- be alert for any conflicts of interest, real or perceived, and take appropriate steps to deal with them
- protect the confidentiality of all information made available to you or to Ausgrid
- look after and do not misuse Ausgrid's assets
- not commit fraud or engage in other forms of corrupt conduct
- comply with Ausgrid's policies and procedures and the organisation's operating licences
- satisfactorily meet the requirements of your position and follow instructions that are reasonable and lawful and within your capability and training
- abide by the law
- protect the good name of Ausgrid.



Delegated authority

When making business decisions on behalf of Ausgrid, or if you are entrusted with a delegation, you should check that:

- the decision or action is within your position's delegation
- it complies with all decision making requirements and policies and procedures required by the delegation and any relevant law
- the decision and the evidence upon which it is based are properly documented.

If you are in any doubt about the limits of your delegation, you should talk to your manager/supervisor. A copy of the delegations policy can be accessed through The Wire.

The 'once removed' principle

If you are making a decision about an activity or purchase and there is a possibility that people might think you are gaining a personal benefit or that there may be a perception of a conflict of interest, you must inform your manager/supervisor and obtain approval. This must happen before you make the decision.

The 'once removed' principle applies to an approval of expenditure within your delegated authority if it is possible that the goods or services to be purchased could give you some kind of personal benefit or a benefit for a family member.

Remember it is always better to tell your manager/supervisor that you are planning to do something – before you do it.

Behaviour towards others

Ethics play a major role in the way we behave towards others in that we all need to respect each other. As an Ausgrid employee you need to:

- follow all health and safety rules, policies and procedures and ensure that you work in a safe manner and don't put yourself or others at risk
- treat customers and other employees with respect and be sensitive to their rights provide appropriate assistance and, if necessary, provide guidance
- lead by example and encourage your colleagues to exercise similar personal and professional behaviours
- ensure that employees and resources are appropriately managed so that any risk of unethical behaviour is reduced
- avoid and prevent any form of bullying, intimidation or harassment toward a fellow employee or any other Ausgrid stakeholder.

Alcohol and drugs

The influence of alcohol or illicit drugs could affect your ability to perform work safely. It is important that you arrive at Ausgrid worksite fit for work.

You must not come to work if you are under the influence of alcohol or illicit drugs. You must not consume alcohol or illicit drugs during working hours.

If you are taking medication that could affect your ability to perform work safely, you should inform your manager/supervisor, your HR Business Partner or your Health & Safety representative of the likely effects of the medication.

What does inappropriate behaviour look like?

Inappropriate behaviour can take many different forms. Sometimes it's very obvious but at other times it can appear to be 'just a bit of fun' between people. The big issue everyone needs to avoid is failing to act if they see inappropriate behaviour. The things to look out for include:

- insensitive jokes or name calling
- pranks or practical jokes
- excluding and isolating people from conversations or activities such as overtime
- not being sensitive to other people's cultural values.

If you would like to discuss any aspect of this information you can speak to either your manager/supervisor or your HR Business Partner. Policies relating to bullying and harassment can be located on The Wire.

Conflict of Interest

The perception of a conflict of interest could happen if there is a situation which leads a reasonable person to think that you could be unfairly influenced.

What is a conflict of interest?

You are at risk of having a conflict of interest if there is even a perception that your personal interests (or the interests of people close to you) will conflict with your ability to impartially perform your work duties. Conflicts of interests can be actual, perceived or potential.

A conflict of interest is:

- actual when you are in a position to be influenced by your private interests when doing your job
- perceived when you are in a position to appear to be influenced by your private interests when doing your job
- potential when you are in a position where you may be influenced in the future.

Conflicts of interests are also categorised as pecuniary and non-pecuniary. A pecuniary conflict of interest exists when a person has a financial interest or the capacity to make a financial gain or loss. Pecuniary interests include shareholdings, superannuation, spouse/partner financial interests, gifts and hospitality and property ownership.

A non-pecuniary conflict of interest does not have a financial component. It can arise from personal or family relationships, or involvement in sporting, social or cultural activities.

Some conflict of interest examples include the following situations:

- knowing that you or your friends or relatives stand to benefit from a matter in which Ausgrid is involved
- having a personal relationship with an Ausgrid business contact that goes beyond a normal professional working relationship
- harbouring personal beliefs or attitudes that influence the impartiality of your advice or actions
- using business information that you have acquired through your work with Ausgrid for personal gain
- having a second job that compromises your integrity or impacts on your ability to perform your employment with Ausgrid
- engaging in party political activities or making adverse political comments that relate to Ausgrid's business.

Customers, suppliers and colleagues need to be confident that all decisions made by Ausgrid are fair and impartial. Because an individual employee is often the only person who is aware of the potential for conflict they are responsible for identifying and disclosing any real or perceived conflict of interest.

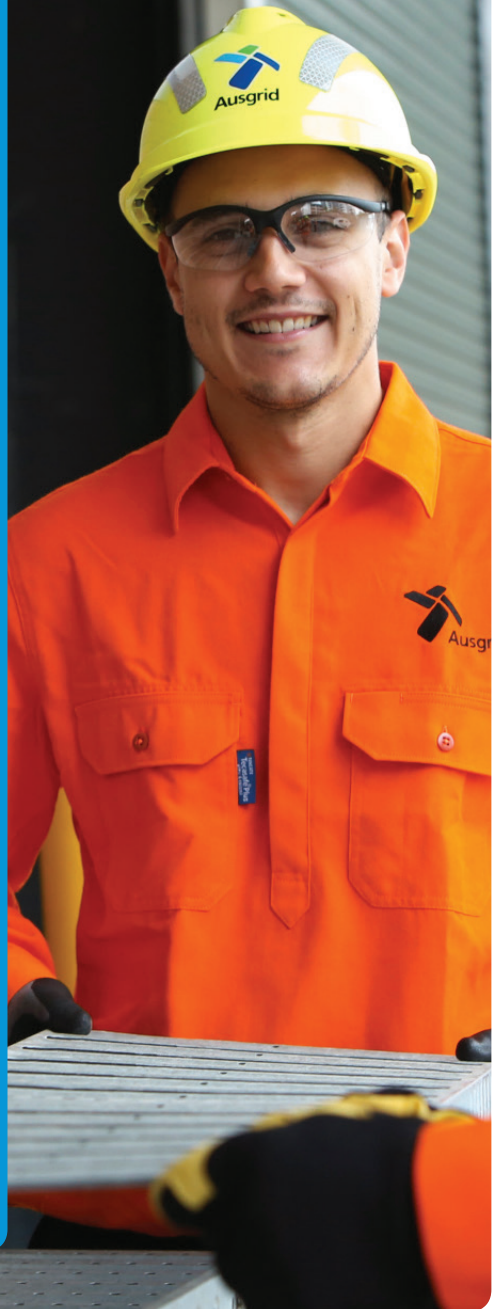
Making a decision that is not impartial can be considered as corrupt conduct. If you think you have a conflict of interest, or that other people may perceive there is a conflict of interest, you must talk to your manager/supervisor about how the situation can be resolved.

What should I do to manage conflicts of interest?

The six major options for managing conflicts of interest are:

- **register** all potential conflicts of interest with your manager/supervisor and follow the approach determined with your manager/supervisor to manage the conflict
- **restrict** your exposure to potential conflicts
- **recruit** an impartial third party to oversee the process that deals with the matter
- **remove** yourself from the conflict issue or situation
- **relinquish** the private interest causing the conflict
- **resign** from your position.

If you would like to discuss any aspect of this information you can speak to either your manager/supervisor or your HR Business Partner.



Acceptance of Gifts and Benefits

Ausgrid has a 'no gifts' policy. This means that under no circumstances can you receive a gift from any third party as a result of your association with and your role within Ausgrid.

You must never solicit or request any gift or benefit for yourself or anyone else in connection with your employment. You must not accept any personal benefits that are offered under frequent flyer schemes, Fly Buys or other promotions as a result of the expenditure of Ausgrid funds or in connection with any official travel.

Offers of a gift or benefit made and refused, must be reported to your manager/supervisor. Gifts of cash (including gift cards) and alcohol from external organisations or individuals must never be accepted.

If a gift or benefit is offered to you to influence the way you do your work, you must report this immediately by following the procedure found on the intranet for reporting and investigating fraud and corruption.

If you receive an unsolicited gift or benefit in circumstances that you cannot refuse it or the gift cannot be returned, you must forward it to the Manager Governance, Risk and Compliance for registration. Arrangements will be made for the gift to be donated to a charity.

Acceptance of invitations

You can only accept an invitation if you and your manager/supervisor believe that a reasonable person would not think it affected your ability to impartially do your job.

If the invitation has a retail value greater than \$50, it can only be accepted with the prior approval of your manager/supervisor. If approved by your manager/supervisor, these invitations must be registered by submitting the completed and signed form to the Manager Governance, Risk and Compliance.

If the invitation is in exchange for you doing something in your official capacity you must report the matter immediately by following our procedure for reporting and investigating fraud and corruption.

Public Comment

It is not appropriate for you to make public comment about, or on behalf of, Ausgrid. This includes statements to the media and using all types of social media, unless authorised by Ausgrid.

If you are asked to comment, please refer the enquiry to Ausgrid's Corporate Affairs team.

Outside working hours, if you undertake speaking engagements, express views in letters to newspapers, on social media, in books or in notices that appear in the public arena, or make statements at community meetings, you must avoid commenting on behalf of Ausgrid without prior approval from Ausgrid's Corporate Affairs team.

Whenever you are associated with Ausgrid through your clothing, badges or company vehicle, or any other identifier it is important that you see yourself as an ambassador for the Ausgrid and conduct yourself accordingly.

Giving references

Verbal references may be given about employees if requested by third parties. However, written Supplier Acknowledgement Requests must not be given without the approval of Ausgrid's Corporate Affairs team.

"Our customers and the communities we serve expect us to be honest and professional and to act with integrity."



Corporate Information

Information relating to our commercial activities is an important part of our business success and must be protected.

You must not use information about Ausgrid, its employees, customers or business relationships to gain personal advantage for yourself or others. You must also avoid the risk of damaging Ausgrid, other people or organisations through the misuse of corporate information. Similarly, you must also protect information from, or about, third parties.

You should store all corporate records in accordance with your organisation's policies.

Business information that is not confidential should be communicated accurately and in an honest and unbiased manner. If you are unsure whether information is confidential, ask your manager/supervisor.

Employees are also responsible for protecting the privacy of personal information held by Ausgrid and are not permitted to make any unauthorised release of it. You should seek the advice of your manager/supervisor if you are asked to do so.

Dealings with former employees of Ausgrid

When talking to, or in dealings with, former Ausgrid employees you must not give them any confidential or personal information about other employees or contractors.

Similarly, former Ausgrid employees must avoid divulging any confidential information about the organisation or their job, or to pass on any confidential information about Ausgrid, its employees, suppliers or customers.

In any new job or business venture, you must not make use of any confidential information you gained during the course of your employment with Ausgrid.

Ausgrid's Resources

Our resources are vital to our business and exist solely to help us meet customer needs.

You are expected to be careful, efficient and economical in your use and management of the organisation's resources, including your work time.

Ausgrid's resources include:

- material, tools, equipment and vehicles
- cash, cheques, credit cards, accounts and securities
- documents, records, data, information and systems
- time and employees.

As a general rule, the organisation's resources cannot be used for private purposes without specific permission. However, employees are allowed to have reasonable personal use of the telephones, faxes, photocopiers, computers and mobile devices, including email and Internet access for private purposes. Unauthorised interstate and international telephone usage (including calls and data) must not be made and you should be aware of the organisation's policy on the use of email and Internet facilities.

Motor vehicles are to be used in accordance with the policies and procedures dealing with the use of vehicles. Ausgrid's resources and equipment must not be used in the course of secondary employment.

Secondary Employment

We are committed to ensuring that employees undertake their duties with the highest degree of integrity and that no safety risks, conflicts of interest or contractual breaches result from other paid employment.

In some cases, secondary employment will not have any impact on an employee's job with Ausgrid. However, at other times this secondary employment could lead to a real or potential conflict of interest.

Some of the other major risks associated with secondary employment include fatigue, misuse of resources, security of information, and availability for work.

Employees who wish to have a second job must seek approval by submitting the appropriate form.

If you have an approved second job you must, while performing that second job:

- not use Ausgrid's resources (such as tools, equipment, computer systems)
- not use Ausgrid's information
- not reveal information about Ausgrid's business strategies
- be alert for any conflicts of interest, real or perceived, and take appropriate steps to deal with them
- take personal responsibility for your fitness for duty and be certain that the quality of your Ausgrid work is not affected.

Ausgrid's can require you to cease any secondary employment that adversely affects your employment with Ausgrid and if you fail to do so, disciplinary action may be taken.

Political and Community participation

Outside working hours employees are free to pursue whatever political or community participation activities they are interested in – providing these activities do not interfere with normal work.

Unless authorised to do so, you should not use working hours or Ausgrid resources to conduct political or other business or social activities, or involve Ausgrid in your personal outside activities.

If you wish to nominate yourself as a candidate in a local government, state or federal election, you should seek your own independent legal advice on the relevant legislation and its impact on your individual employment circumstances.

In addition, if you intend nominating, you must immediately notify your manager/supervisor and General Manager so that they can consider whether your nomination could create a conflict of interest. There are specific government policies that apply to employees who nominate for election.

Under no circumstances are Ausgrid funds to be used to make political donations. Further, employees cannot attend political events as representatives of Ausgrid.

If you are involved in volunteer and community work you must not use Ausgrid's assets for this, or any other type of work, unless formally authorised to do so by your manager/supervisor.

Breaches of the Code

Ausgrid is committed to the values, standards and principles outlined in this Code.

Breaches may lead to disciplinary action in accordance with Ausgrid's discipline policy. This may lead to termination of employment and/or civil or criminal proceedings. Criminal matters will be reported to the Police and/or other appropriate law enforcement or regulatory bodies.

Ausgrid must report suspected breaches that appear to involve corrupt behaviour by one or more employees to the Independent Commission Against Corruption (ICAC), which may elect to investigate the incident.

An ICAC investigation may result in criminal charges against individuals and findings against Ausgrid if it is evident that there are shortcomings in its systems and processes.

If you are aware of any breach of this Code, you must disclose it using the Ladder of Escalation on page 22. If you are aware of any involvement in fraud or corrupt conduct by others, you must make a disclosure as outlined in the 'Disclosing Reporting possible wrongdoing' section following.

All information will be treated in the strictest confidence.



"We are expected to conduct ourselves with the highest ethical standards as we go about our work."

Disclosing possible wrongdoing

You are responsible for acting honestly and for disclosing any wrongdoing of which you become aware.

Instances of wrongdoing include corrupt conduct, maladministration, serious and substantial waste of public money, and breaches of the Government Information (Public Access) Act 2009. If you honestly believe on reasonable grounds this conduct has occurred a confidential disclosure can be made in any of the following ways:

- call the Corruption Hotline – (02) 9283 4244
- call Disclosure Officer(s) John Renshaw (02) 9269 2930
- send an email to **reportcorruption@ausgrid.com.au**
- call the Head of Audit – (02) 8569 7088
- call the Acting Chief Executive Officer – (02) 9269 2115

You also have the option of contacting the following external authorities:

- The Independent Commission Against Corruption (ICAC) – for corrupt conduct
- NSW Ombudsman – for maladministration
- NSW Auditor General – for serious and substantial waste
- Information Commissioner – for breaches of the Government Information (Public Access) Act 2009.

If you voluntarily make a disclosure about wrongdoing you may be entitled to protection under the Public Interest Disclosures Act 1994. This law makes it a criminal offence for any person to take detrimental action in reprisal against a person who has made a public interest disclosure. Ausgrid is committed to ensuring that employees are not victimised as a result of such a disclosure.

However, you should be aware that protection is not available for disclosures that question the merits of Government policy, or are considered to be an attempt to avoid dismissal or disciplinary action. It is a criminal offence under the Public Interest Disclosures Act 1994 to wilfully make a false or misleading statement when disclosing wrongdoing. More information on Public Interest Disclosures can be located on The Wire.



For those not-so-easy-to-answer questions

Not all ethical decisions are clearly right or wrong. In fact, many complex situations we face in business fall somewhere in between.

When making decisions as an Ausgrid employee, you must use our values.

Thinking through the following steps will help you to apply our principles and values in your decision making.

Ethical decision making model

STEP 1: Define the issue

- What's difficult about the situation?
- Who else is involved and what's their perspective?
- What effect does your behaviour have on them?

STEP 2: Identify the underlying principles and values

- How does Ausgrid's Code of Conduct require you to behave?
- Do you have a personal conflict of interest?

STEP 3: Consider the options

Think of alternative options and consider for each:

- Does it conflict with Ausgrid's principles and values in the Code of Conduct?
- How could this impact Ausgrid and its different stakeholders?

- What are the consequences if I take this option?
- Get a second opinion from an independent, trusted person.

STEP 4: Ethics quick test

- What would your family, colleagues or manager/supervisor say about the decision you are about to make?
- How would you feel if this was reported in a newspaper or on TV?
- Would you be confident explaining your actions to external authorities?
- How might your behaviour be viewed in one year or five years from now?
- Would you be happy if you were treated this way?
- Would the issue cause damage to your own reputation and that of the company?

STEP 5: Make the right choice

Your behaviour must reflect Ausgrid's Code of Conduct and you must be able to justify your actions.

If you feel confident about the decision you have made following these steps, it is probably the right thing to do. If you're still in doubt give your manager/supervisor a chance to discuss the issues with you or talk to your HR Business Partner.

Remember that you are responsible for your own actions and decisions. It is your reputation and your integrity that will be judged by your family, friends and community. Making the right choice is always the best choice.



Ladder of Escalation: Ethical Issues of Concern

To play your part in raising concerns about ethical issues, there are several different options that are available to everyone at Ausgrid.

<div>1</div> <div>Speak up</div>	<p>If you see colleagues or contractors behaving in ways that may not fit with Ausgrid's Code of Conduct, ask yourself, 'Who should I raise my concerns with?'</p> <p>Consider speaking with the person(s) concerned.</p> <p>If possible check with your manager/supervisor or trusted colleagues to see if they also think there might be an issue around what you have seen or heard.</p> <p>If you have concerns speaking with the person(s) involved or people in your workgroup, and your concerns appear justified, then escalate the issue.</p>
<div>2</div> <div>Escalate the issue/Make a disclosure</div>	<p>Raise the issue with your manager/supervisor or to the immediate manager/supervisor of the person concerned. If the manager/supervisor forms the opinion that you are making a disclosure about a potential breach of the Code of Conduct they will either:</p> <ul style="list-style-type: none">• contact a HR Business Partner in cases of harassment, bullying or other people issues• contact a disclosures officer in cases of alleged corruption or criminal conduct. <p>If you are reluctant to raise the issue or make a disclosure to your manager/supervisor you can:</p> <ul style="list-style-type: none">• raise your concerns with your HR Business Partner for issues of harassment, bullying or other people• for other issues of concern or to make a confidential disclosure you can:<ul style="list-style-type: none">– call the Corruption Hotline on (02) 9283 4244– call a Disclosure Officer(s) John Renshaw (02) 9269 2930– send an email to reportcorruption@ausgrid.com.au– call the Head of Audit (02) 8569 7088– call the Acting Chief Executive Officer (02) 9269 2115 <p>If you believe that there is a breach of the Code of Conduct, you have a responsibility to disclose the issue.</p>
<div>3</div> <div>Seek external advice or report to an Authority</div>	<p>If you have concerns about reporting what you have seen or heard to Ausgrid, you can disclose suspected instances of:</p> <ul style="list-style-type: none">• corrupt conduct to the Independent Commission Against Corruption (ICAC) – (02) 8281 5999 or 1800 463 909• maladministration to the NSW Ombudsman – (02) 9286 1000• serious or substantial waste to the NSW Auditor General – (02) 9275 7100• breaches of the <i>Government Information (Public Access) Act 2009</i> to the NSW Information Commissioner – 1800 463 626.

My Ethics Checklist

Rate yourself on a scale of 1 to 3.

- 1 = I need more information
- 2 = I think I am on the right track
- 3 = I know what is expected of me when I work at Ausgrid

- ☐ I know the behaviours I need to adhere to that support Ausgrid's Code of Conduct
- ☐ I know what to do if I suspect I have a conflict of interest
- ☐ I know how to report issues if I see something that might be out of step with our values
- ☐ If I see colleagues behaving inappropriately, I am prepared to speak up

If you would like to discuss any aspect of this information you can either speak to your manager/supervisor or call the Corruption Hotline on (02) 9283 4244.

"For us, ethics is about applying the principles and values in the Code of Conduct and our policies and procedures to help us make the right choice."



The Code of Conduct booklet can
be found on The Wire.

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