

Code of Ethics

October 2024



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A foreword from our CEO

We are forging a path to a sustainable future for everyone. Our vision is to create a future where everyone has access to reliable, clean and affordable energy. Our work will be a catalyst for change and our Code of Ethics outlines how our people are expected to behave.

Our code is shaped by our four core values: accelerate progress, be curious, create belonging and build trust. These underpin how we behave towards each other as colleagues and how we show up externally to our stakeholders, customers and consumers.

This Code applies to everyone, from our Chairman to our Non-Executive Board of Directors, the Executive Leadership Team and every colleague who works for National Energy System Operator (NESO).

The Code will not only uphold the ethical expectations of our colleagues but will also help enhance our reputation as a transparent and trusted organisation. Ethical decisions and actions are crucial to ensuring we deliver our roles and responsibilities as NESO and lead the way to a carbon free energy future.

Our individual and collective actions matter. We are all empowered to, and accountable for, calling out behaviours, actions and decisions that we feel are not in line with our ethical standards. We have robust policies, guidelines and procedures in place for every colleague to speak up, and in our Code of Ethics you will find details of where to find information, gain advice and how to report any concerns.

We operate in a culture where it is safe to say, and I encourage everyone to speak up if something doesn't feel right so we can take action where needed and learn from those situations.

Please make some time to read this Code and familiarise yourself with our expectations and standards.

Fintan Slye

CEO, National Energy System Operator



Background to NESO

National Energy System Operator, NESO, is a new independent, public corporation at the centre of the energy system taking a **whole system view** to create a world where everyone has access to **reliable, clean and affordable energy**.

Our work will be the **catalyst for change** across the global community, forging the path to a **sustainable future for everyone**.

The challenge:

Tackling climate change is truly the challenge of our generation; addressing energy security, sustainability and affordability for everyone is at the forefront of the global agenda and drive to meet net zero.

It is our job to transform the whole energy system to meet these challenges and transition to a low-carbon future, embracing new technologies and cleaner generation sources, always with the cost to the consumer in mind.

Purpose (why we exist)

Our purpose is **to forge the path to a sustainable future for everyone**.

We are addressing the biggest energy issues and ensuring a reliable supply that is clean and affordable.

By embracing emerging technologies and always looking for new innovative solutions, we will be pivotal to reducing carbon emissions and ultimately combating climate change.

Our work will be a catalyst for change across the global community. We will empower people to have a voice in energy decisions and foster collaboration with industry to implement long-term strategies that drive down the cost to consumers and protect our landscapes.

We will:

- Accelerate the transition to net zero.
- Enhance energy resilience for the whole country.
- Drive efficiency with a strategic oversight.
- Foster collaboration and a shared vision that benefits everyone.
- Drive value for money for consumers.
- Protect our environment and landscapes.

Vision (where we're going)

Our vision is a future where everyone has access to reliable, clean and affordable energy.

Values (what we believe in and how we behave)

We are committed to:

- Accelerating progress (being dynamic, visionary, ambitious and forward-thinking).
- Being curious (embracing new ideas and pushing boundaries).
- Building trust (acting with integrity, transparency and credibility).
- Creating belonging (collaborating and empowering, giving everyone a voice, and moving forward together with a shared vision).

Our story

We are at the heart of the energy landscape, energised by collaboration, curiosity, and innovation; creating a future where everyone has access to clean, affordable, reliable energy.

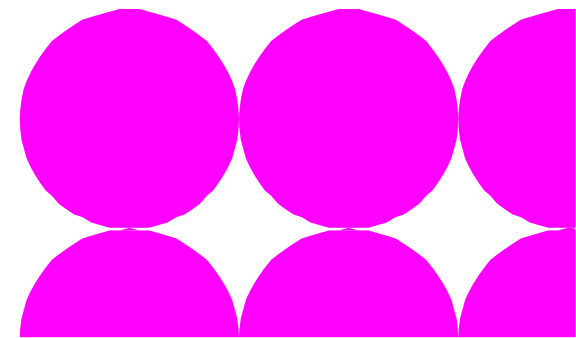
We embrace the opportunity to be the catalyst for the energy transformation, working hand-in-hand with government and industry, for the benefit of communities across the nation.

Every voice matters and everyone needs to be included. We are driven by inclusivity, diversity and a sense of belonging, building trusted relationships and empowering one another.

Our aspiration ignites innovation; our passion accelerates progress. We forge a dynamic and ambitious path, and harness this momentum to drive towards a sustainable future.

Together, we are energising progress.

Together we are NESO.



What is expected of us?

As an Employee

I will comply with the laws, regulations and company requirements that apply to my job.

I will follow the guidelines set out in this code and demonstrate NESO Values.

I will not tolerate poor ethical standards in others and will speak up promptly about possible misconduct.

I will treat all colleagues, customers and third parties with respect, fairly and truthfully.

I will cooperate fully with internal and external auditors, lawyers, People and Culture, the Ethics and Business Conduct team and any other people involved in investigations.

I will speak up and promptly report any Ethical or Business Conduct issues that I become aware of.

As a leader

I will model compliance with this code and other relevant NESO policies.

I will lead by example by demonstrating NESO leadership skills and Values.

I will listen to and follow up with employees who raise concerns and ensure that any that relate to breaches, or potential breaches, of our Code of Ethics are reported to the Ethics and Business Conduct team.

I will build trust and create an environment that makes it comfortable and safe for employees to speak up to share ideas and concerns.

I will make Ethics and Business Conduct an essential part of leadership accountability.

I will cooperate fully with internal and external auditors, lawyers, People and Culture, the Ethics and Business Conduct team and any other people involved in investigations.

I will speak up and promptly report any Ethical or Business Conduct issues that I become aware of.

As NESO

We will conduct our business in line with our Values.

We will promote an environment where everyone does the right thing and feel comfortable raising any concerns about actions or decisions that they think are unethical.

We will investigate the facts thoroughly and fairly where concerns are raised in good faith and ensure appropriate actions are taken.

We will not tolerate retaliation or victimisation of any kind and we will take action against any employee who is found to have victimised a person for raising a concern.

Making the right choices

We have policies and guidelines to support us in making the right decisions. However, they cannot cover every situation we may face. As such, we must always take time to think "Do our behaviours reflect our Values?" and "are we acting in line with our policies?"

When we're not certain, we should stop, seek expert advice, involve others where appropriate and be accountable.

Key considerations when facing ethical dilemmas

When facing ethical dilemmas, determining the appropriate course of action is not always easy. In such cases, we need to step back and ask ourselves:

- Is it fair and honest, with no intention to deceive or mislead?
- Is it within the spirit of our Values, policies or Code of Ethics?
- Is it in the best interest of NESO?
- Is it in the best interest of the communities we serve?
- Does it avoid creating a sense of obligation?
- Can I justify it to my manager, co-workers, friends and my family?
- Would I feel comfortable reading about it in the press?
- Is it lawful?

If we are able to answer 'yes' to all these questions, we are heading in the right direction. However, if we answer 'no' to any of these questions, we should seek advice using the avenues available and described in the 'Who should I contact?' section.

If we answer 'yes' to all these questions, we are heading in the right direction. However, if we answer 'no' to any of these questions, we should seek advice using the avenues available and described in the 'Who should I contact?' section.

Who should I contact?

We all have a responsibility to speak up if we have an ethical query or concern, or if we are made aware of any ethical concerns that we haven't witnessed ourselves. You don't have to have all the facts or evidence available to report a concern, the key requirement is to ensure it is reported. The following options are available to all of us to support the process of raising ethical queries or concerns and includes access to confidential external helplines.

Please be aware that if you choose to remain anonymous, the action taken will be limited by the information provided at the time. It is therefore important that as much information as possible is provided at the time of reporting an ethical issue or concern.

Are you comfortable speaking to your immediate Line Manager or another Manager?

↓ No

↓ Yes

Do you feel comfortable speaking to someone in a supporting function?

Discuss your query or raise your concern with the Manager

↓ No

↓ Yes

Contact the external third party helpline 24/7 all year round where you have an option to remain anonymous.

Telephone:
0800 026 0477
Email:
report@seehearspeakup.co.uk
Website:
<https://fileaconcern.org/neso>

Discuss your query or raise your concern with the Ethics team or Employee Relations

The Ethics team can be contacted in person or via

Email:
box.soa.Ethics

Employee relations can be contacted through your HR business Partner

By reporting concerns, you are supporting us in addressing them proactively and minimising the likelihood of repeat instances, thereby limiting negative impacts to our people, customers and organisation.

What we need to do when reporting a concern

When reporting a concern, please provide as much information as possible, so we can conduct a thorough investigation. If you provide your name, we will make every effort to protect your identity. In some cases, it may not be possible to keep your identity confidential because of the nature of the investigation.

Retaliation

Retaliation, in this context, is negative action against an employee for raising a concern or participating in a company investigation. We do not tolerate retaliation of any kind, against anyone who raises concerns about conduct they believe doesn't comply with our Code, policies, or the law, even if the concern isn't substantiated. As long as you don't knowingly make a false report, you can speak openly without fear of dismissal, discrimination, harassment, intimidation or of any other adverse impact. Knowingly making false reports or providing false information is prohibited and could result in discipline, up to and including termination.

What happens when I report a concern?

Once a concern is raised, it is reviewed to determine whether there is an alleged breach of applicable laws, regulations, our Code of Ethics, or other NESO policies. If there is an allegation of unethical conduct or breach of legal obligations and there is sufficient information to proceed with an investigation, the matter is usually assigned to an investigator to conduct a fair, thorough, and timely investigation. All investigations are independent, treated confidentially and objectively and comply with any applicable legal requirements.

NESO thoroughly reviews every ethics concern to determine if it is related to serious misconduct. Those that are not deemed to be serious misconduct may be referred to the People Function or an appropriate manager in the business to address the concern. Any concerns that are related to serious misconduct will be investigated independently.

During the investigation process, we will:

- Assign an independent and objective person to conduct the investigation.
- Obtain the facts through interviews and /or the review of evidence/documents.

- Attempt to reach conclusions, based on the evidence and the facts in the case.
- Provide the person who raised the original concern (where that person is known) with feedback on the outcome, while maintaining the confidentiality and privacy of all involved in the matter.

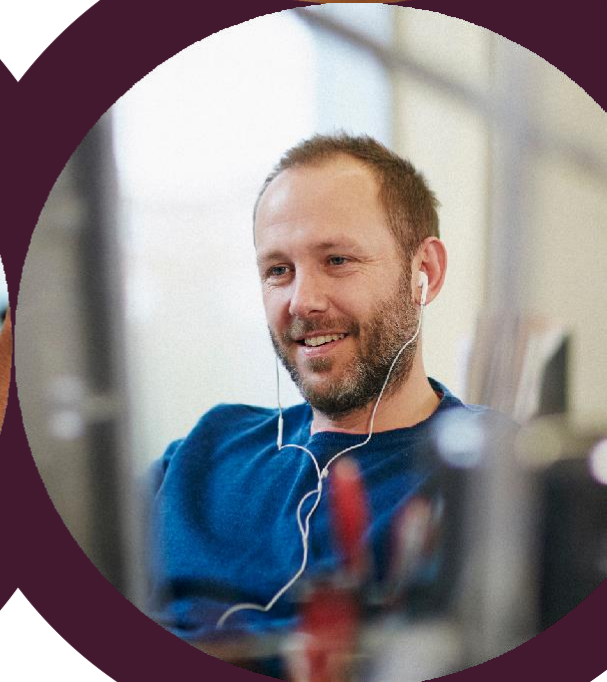
Consequences of breaching the code of ethics

A breach of the Code of Ethics can have different outcomes depending on the severity and detrimental impact to people and our organisation. Outcomes can range from coaching and training through to written warnings and even dismissal.



Examples of serious misconduct are not limited to, but include the following:

- Sexual harassment.
- Fraud.
- Bribery.
- Theft.
- Acts of violence, including acts of destruction.
- Serious negligence which causes or may cause loss, damage or injury.
- Breaches of the Drug & Alcohol Policy.
- Discrimination/Bullying/Harassment.
- Retaliation/Victimisation.
- Serious Health and Safety breaches.
- Serious breaches of the Code of Ethics (and related policies outlined in the following sections of this Code).
- Criminal charges or convictions, either inside or outside of work, which may affect an employee's suitability to work for NESO or which may affect NESO's relationships with work colleagues, customers or the public.



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Fraud, Bribery and Corruption

What we need to know

Fraud is a crime. It's a deception that's designed to benefit someone or cause a loss to someone else. Some examples of fraud include theft of time or resources such as IT equipment, or using company resources for personal gain.

Bribery is when anything of value is given in return for influencing the way someone performs their duty. It could include a duty to carry out a public office (such as a police officer or official who approves permits), a commercial duty (such as an employee who should act in the best interest of their employer) or some other legal duty. An example of bribery is paying a Government official to approve a decision in your favour. Bribery doesn't have to involve an actual payment changing hands. In fact, it can take many forms, including: a gift; lavish treatment during a business trip; property; an offer of employment; or tickets to an event.

Corruption is illegal, dishonest or fraudulent behaviour, especially by people in positions of power.

What is expected of us?

- Take personal responsibility for ensuring that we never engage in corrupt or unethical conduct such as fraud, bribery or other types of corruption to accomplish our business objectives.

- We will never participate or engage in fraudulent activity, offer accept bribes or engage in other corrupt business practices.
- Colleagues, contractors, suppliers and agents will comply with the laws that prohibit bribery and corruption, wherever we work in the world.
- We're all responsible for controlling the risks of fraud, bribery, financial crimes, money laundering and corruption in our own work environment.
- If we know about, or suspect, any illegal activity, we will report it to the ethics team, regardless of who is responsible.
- We will protect company resources and assets from misuse, theft or loss.
- We will never make false financial or non-financial statements and shall complete company records honestly and without omission.

Policy section owner

Chief Finance Officer

Political Interactions and Lobbying

NESO must uphold its independence in line with its licence and our reputation. This is of particular importance when having political interactions. No political or lobbying interactions should take place without pre-agreement with External Affairs. Upfront agreement will ensure this Code is upheld and ensure our licence and reputation is protected. This section reflects the unique responsibilities and commitments of a company operating as National Energy System

Operator, emphasising transparency, integrity, accountability, and responsible advocacy in the energy sector.

What's expected of NESO employees?

- We will not offer or accept money or gifts to or from politicians, government officials or regulators.
- We understand that this applies to any interactions with public officials or public employees in any setting, on or off NESO property and applies in all jurisdictions we work in.
- We will comply with the laws and regulations that apply to interactions with elected/public officials and regulators.
- When we're working with politicians, government officials or regulators, we will keep our own political interests or activities separate from our role as a NESO employee.
- If working in the UK or Europe, we will always let the UK and EU Public Affairs team know if we would like to meet or work with any of the following on behalf of NESO:
 - A politician.
 - A member of a Westminster government department (such as the Department for Energy Security and Net Zero or His Majesty's Treasury).
 - A devolved government department
 - A non-governmental organisation (such as the Committee on Climate Change).
 - An interest group (such as Greenpeace or Green Alliance).

- When dealing with EU officials, we adhere to the requirements of the EU Transparency Register which regulates the relationships between stakeholders and EU officials.
- We will record in Scotland's Regulated Lobbying register any instances of lobbying with Members of the Scottish Government and Parliament (a Member of the Scottish Parliament (MSP); a Member of the Scottish Government (Cabinet Secretary, Junior Minister or Law Officer); the Scottish Government's Permanent Secretary and a Scottish Government Special Advisor) and when discussing Scottish Government or Parliamentary functions, in accordance with the Scottish Lobbying Act 2016.

Policy section owner

NESO Director of External Affairs

Business Travel and Expenses

We have policies and guidelines for incurring reimbursable business-related expenses on behalf of the organisation. Our policies are designed to enable adequate controls to minimise costs ensuring accuracy of cost allocations and legitimacy of all business expenses claimed. We will reimburse allowable and reasonable expenses you incur on behalf of the organisation when you: correctly submit claims for these expenses and comply with the Business Travel and Expense Policy.

Principles

- We all take responsibility for the legitimacy of expenses that we claim, and the adequacy and authenticity of supporting documents that we submit, including but not limited to any required receipts.
- We will submit expenses in a timely manner, within 90 days.
- We will comply with relevant cost allocation guidelines, supporting systems and reimbursement procedures.
- We will obtain management approval for all categories of business travel and expenses before incurring them, where practical.
- If we are an approving manager, we will apply due diligence by making sure all claims are accurate, prudent and reasonable business expenses that have been incurred wholly and exclusively for legitimate business purposes and have proper back-up documentation.

Where you can find more information:

The Business Travel and Expense Policy which can be found on **NESO@Home**.

Policy section owner

NESO People Director

Gifts & Hospitality

We do business with many customers, suppliers and vendors. Sometimes they, or we, might offer meals, hospitality and business entertainment. There may also be certain circumstances where we receive gifts from, or offer them to, people outside NESO. We have controls in place to protect ourselves and our organisation. All employees have an ongoing obligation to complete a Gifts and Hospitality declaration if they wish to offer, receive or decline gifts and hospitality.

Principles

- We must not allow decisions to be influenced, or appear to be influenced, by gifts or hospitality that our suppliers, vendors, customers or others may offer. Similarly, we must not try to influence, or appear to be trying to influence, others by providing gifts or hospitality.
- Before offering or accepting gifts or hospitality, we will ask ourselves these important questions:
 - Am I serving a legitimate business purpose?
 - What would our customers think?
 - What would our stakeholders think?
 - Is the hospitality or gift proportionate to the business purpose?
- We will declare all gifts and hospitality that we have accepted, offered or declined, regardless of value, in the Gifts and Hospitality system.

Gifts

Although discouraged, you may, in certain circumstances, accept or give gifts as part of a business relationship. Please refer to the Gifts and Hospitality Policy for the criteria and approvals required.

Reporting of Meals, Entertainment and Hospitality

In some cases, entertainment or hospitality may be received or offered if it serves a legitimate business purpose. Please refer to the Gifts and Hospitality Policy for the criteria and approvals required.

What this guidance means to you

As an employee, you must complete a Gifts and Hospitality declaration if you wish to offer, receive or decline gifts and hospitality.

You can find more information by referring to the Gifts & Hospitality Policy.

Policy section owner

NESO Director of Legal and Regulation

Use of Company Resources

Assets such as facilities, equipment and information are essential to our success. We take responsibility for using Company assets and resources carefully and conscientiously. The Company assets we rely on for our work (for example, computers, tablets and phones) are intended to be used for business purposes. Whilst limited personal use of the Company laptop is permitted, this does not extend to use for personal gain such as secondary employment. Any data on Company systems is Company resource and must be used for NESO business purposes only.

For more information, refer to the Security Policy, Data Policy, Acceptable Use Policy, and Working Abroad Procedure.

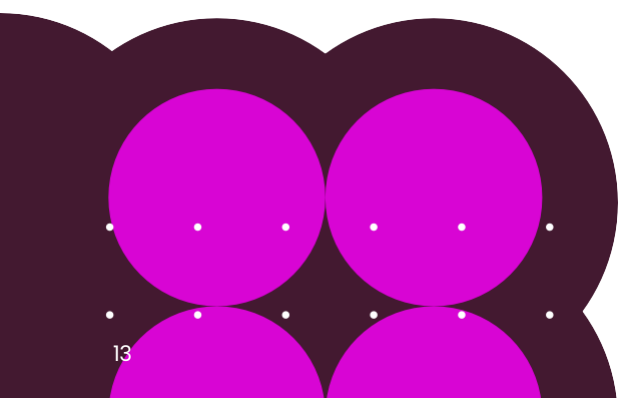
Assets such as facilities, equipment and information are essential to our success. We take responsibility for using Company assets and resources carefully and conscientiously.

We will only use our Company mobile device for limited occasional personal use, but this will not interfere with our work or the work of others, breach IT policies, break any laws, cause any reputational harm, or incur significant cost to the Company.

- We only use Company property and resources such as facilities, equipment and information. for Company business and not personal use or personal gain.
- We take responsibility for the security of the Company equipment we use.
- We take responsibility for the security of the Company equipment we use.
- We will comply with NESO’s security controls when travelling with Company equipment and will comply with the working abroad procedure, where appropriate.
- We will not use any company resources for gambling purposes.

Policy section owner

NESO Director of Digital, Data & Technology



Competition

We support and encourage a competitive marketplace by complying with the laws designed to promote free and open competition wherever we do business. Where competition doesn't naturally occur, we still behave in a fair manner and adhere to regulations.

Competition law applies to all our activities and is generally recognised as a good thing – it helps businesses assert their own rights and protect their position in the marketplace but also benefits consumers as it helps keep prices for goods and services down.

Competition may naturally occur where there are several players in the market, for example between supermarkets. Where it doesn't naturally occur, for example where there are monopolies (no natural competitors in the market), regulation may be needed to ensure businesses that have limited, or no competitors still behave in a fair manner and are prevented from behaving in ways that are ultimately to the detriment of consumers.

If you have any queries or concerns about discussions relating to competitors, any information you have received or been asked to share that may be competitively sensitive please contact the Legal Team.

Responsibilities

- Always seek internal, or, if necessary, external legal advice before entering into arrangements that might be viewed as anti-competitive (including sharing confidential or commercially sensitive information).
- Always act fairly and do not place anyone, including affiliated entities, at an unfair commercial advantage or disadvantage.
- Be objective, fair and non-discriminatory in all dealings with potential customers and suppliers.
- Maintain an accurate documented account of our decisions and interactions with customers, suppliers and competitors and ensure all communications are written clearly, professionally and responsibly. We will ensure resources are not cross subsidised.
- Be aware that an informal understanding or agreement that may affect competition will be treated by the competition authorities in the same way as a formal legal agreement.

FAQs

What do I do if I'm worried that I might have broken, or be about to break, competition law?

Contact the Legal Team, who will be able to advise you.

What takes priority, competition law or the licences?

Neither – both apply where relevant, although Ofgem is required to consider using its competition powers, where appropriate, before using its regulatory powers.

What this guidance means to you

This guidance will help you make sure we act fairly and don't give anyone an unfair commercial advantage or disadvantage. You should never agree to 'fix' any market and you must be seen to be acting in a non-discriminatory way at all times. Always record the reasons behind your decisions. This will help you demonstrate that what you are doing isn't breaking the rules.

Policy section owner

NESO Director of Legal and Regulation



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Acting Responsibly

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Health, Safety & Wellbeing

As an organisation we have legal and moral obligations for Health, Safety & Wellbeing. We expect everyone who works for and on behalf of our organisation to recognise that they have a role to play in ensuring the Health, Safety & Wellbeing of themselves and others. This requires our people to be actively engaged and responsible for optimising their Health, Safety and Wellbeing by understanding and assessing the risks, consistently applying good practice controls, and demonstrating the expected Health, Safety and Wellbeing behaviours.

Principles

- We always raise Health, Safety and Wellbeing issues and challenge unsafe activity or behaviour that doesn't align with our culture.
- We identify Health, Safety and Wellbeing risks and take action to make improvements to our environment, our performance and our processes.
- We encourage each other to learn about, and try out, new Health, Safety and Wellbeing enhancing behaviours.
- We take time to listen, observe and act, ensuring colleagues are heard and supported, to be safe and well at work.

FAQ's

Do I really have to report all incidents?

Yes. You must report all incidents, no matter how minor. We look at all incidents – however trivial they may seem. The data from all incidents helps us to identify trends and potential areas of risk and enables us to identify controls and take action to prevent further incidents from occurring.

What this guidance means to you?

We are all responsible for ensuring the Health, Safety & Wellbeing of ourselves and each other. You should always constructively challenge unsafe behaviours, and you must always report all incidents and hazards, so we can investigate and take appropriate action.

Where you can find more information

For further information please refer to NESO Health, Safety & Wellbeing Policy.

Policy section owner

NESO Director of Legal and Regulation

Environmental Protection

NESO is a new independent, public corporation at the centre of the energy system taking a whole system view to create a world where everyone has access to reliable, clean and affordable energy.

Protection of the environment is a significant component of our reputation as a responsible business. It is critical that we do the right thing for our society, environment, and business through our practices.

How will we achieve this?

We commit to:

- Identifying our key environmental risks (and opportunities) and developing a strategy to mitigate them.
- Protecting the environment from the negative impact of our business operations, including minimising waste and preventing pollution.
- Seeking to reduce our impact on climate change and integrate recognised environmental best practice into our business.
- Reducing our consumption of resources and improving the efficient use of those resources.
- Complying with all relevant regulations and requirements, following our environmental procedures, and seeking specialist advice to inform our decisions.
- Seeking ways to enhance the natural value of the areas where we operate directly for the benefit of local communities and the environment.
- Setting expectations of those who work on our behalf to demonstrate commitment to the environment and work with our supply chain to contribute to sustainable procurement practices in line with our values.
- Creating an Environmental Management System and continually improving this by reviewing and challenging our performance using feedback from stakeholders and benchmarking against our contemporaries.

We will ensure all our employees have the training, skills, knowledge and resources necessary to achieve the requirements of our internal standards.

Policy section owner

NESO Director of External Affairs

Insider Threats

We will minimise the risk of security threats occurring and reduce the impact of these threats with robust prevention, detection, response, and recovery measures.

What we need to know:

If an employee or contractor misuses NESO information intentionally or accesses it to harm our Company, this is referred to as an 'insider act.' Insider acts can include criminal activities such as sabotage, terrorism and commercial or state sponsored espionage. A person from outside NESO could also pose a threat by exploiting a relationship they have with one of our colleagues or contractors.

Where we have any security concerns, such as those related to changes in behaviour, we will raise these with our line manager or contact the Security team on **01926 653773**.

For more information, refer to the Security Policy.

We will minimise the risk of security threats occurring and reduce the impact of these threats with robust detection, response, and recovery measures.

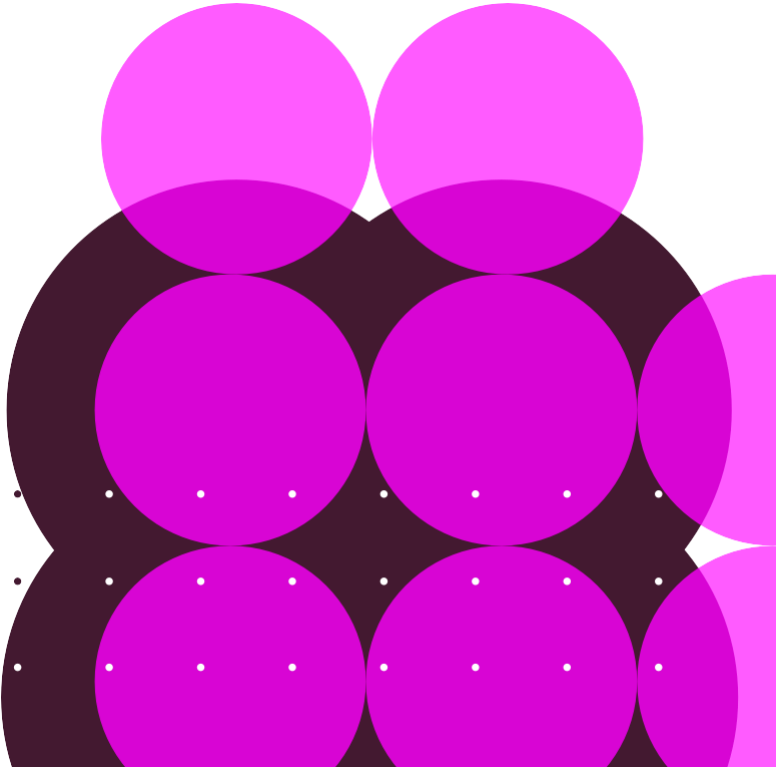
What is expected of us?

- We ensure that, prior to their start date, background checks for all new colleagues and contractors are completed to ensure they do not pose an unacceptable risk. Where this is not possible, an approved risk assessment must be in place prior to new colleague / contractor having access to our systems.
- We will always remain vigilant in the workplace and adopt the approach of always speaking up: If you see something, say something by contacting the Security team on **01926 653773**.
- It's important to be aware of any shifts in colleagues' attitudes, mindsets, and loyalties, as these changes might lead to misuse of access to systems or assets, potentially causing harm.

Any suspicious or unusual behaviour should be reported, and security concerns addressed promptly. However, colleagues should support each other without making assumptions or judgments about changes in behaviour, so showing concern and communicating respectfully can be helpful.

Policy section owner

NESO Director of Digital, Data & Technology



Physical Security

The safety of our colleagues, contractors, visitors, and members of the public is our number one priority.

What we need to know:

Visible security and ensuring ALL in scope parties, including employees, and any organisation in contract with NESO participate in security fundamentals help us guard against criminal activity, such as theft, vandalism, sabotage, and terrorism. We are an Operator of Essential Service (OES) and as such we must ensure the necessary steps are taken to protect our assets whilst complying with the relevant laws and regulations. Report any security concerns by contacting the Security team on **01926 653773**.

For more information, refer to the Security Policy, Physical Security Policy, Personnel Security Policy and visit the International SOS website.

What is expected of us?

- We will challenge anyone who isn't wearing an employee security pass / badge or visitor badge.
- We report any loss or theft from NESO.
- We report suspicious activity – if you see something, say something.
- We will use the security arrangements and controls we have in place (for example, locking gates and doors) or report them if they're not working correctly.
- We report all potential or actual security incidents – they may indicate a trend or persistent problem.
- We will only take photographs or use cameras or recording equipment in secure areas where there is a clear business reason and approval has been received from Security.
- We will ensure that we never follow closely behind someone to avoid security barriers or allow others to do so.
- We protect our sites and people by not revealing any security arrangements or sensitive information to people outside our Company, except for when required to by regulators.

Policy section owner

NESO Director of Digital, Data & Technology

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Conflicts of Interest and Disclosure

As an Independent System Operator, it is crucial that we build trust. We will build trust by avoiding situations where personal interests could conflict in fact or appearance with the purpose, vision, and values of NESO. We will at all times ensure our personal relationships, interests or activities do not affect our ability to perform our duties or make unbiased decisions on behalf of NESO.

Principles

It is not feasible to note every scenario where a conflict may occur in fact or appearance, but as a minimum, the Ethics team and line management will be informed immediately:

- Where we, a relative, a friend or business associate holds a position or has involvement in any business enterprise other than NESO that:
 - Supplies goods, services or property to NESO, including any relationship with providers under a transitional service agreement.
 - Competes for business with NESO.
 - Purchases goods, services or property from NESO.
 - Acts as a regulatory body to NESO.

- Where we, or a relative, owns or operates a business, or holds a significant financial interest that is, or could, create the appearance of conflict of interest.
- Where we:
 - Hold, or plan to take up, any external directorships (including non-executive positions) or second jobs, or
 - Have a political affiliation role(s) e.g. candidate for parliament or local authority.
- Where we have a close personal relationship at work that is or could be considered:
 - A romantic relationship.
 - A relationship in which employees cohabit.
 - A relationship with a relative who works in NESO.
- Where we or our closely associated persons have direct ownership of shares, securities and related financial instruments (shareholdings) within the GB energy sector. Please refer to NESO Share Ownership and Dealing Policy for further details.

We understand that maintaining and building trust is paramount to fulfilling our objectives and that NESO reserves the right to take action to address any situations involving individuals with an actual or perceived conflict of interest.

Conflicts of Interest Declaration

Through the Conflicts of Interest Declaration process, all employees have an obligation to disclose actual or perceived conflicts when joining NESO and to maintain the declaration during the year should circumstances change.

When declaring any external directorships, we will provide details of time commitment and monetary benefit.

What this guidance means to you

As an employee, you must report any actual or perceived conflict of interest immediately.

You can find more information by referring to the Conflicts of Interest and Disclosure Policy and Share Ownership and Dealing Policy.

Policy section owner

NESO Director of Legal and Regulation

Share ownership and dealing

As an independent, impartial and expert organisation at the centre of Great Britain's energy system, it is crucial that all stakeholders can trust that our organisation is and is perceived to be completely independent from outside influences, and that we are able to make unbiased decisions.

Our licences require us to have policies in place to achieve this independence and to avoid conflicts of interest.

Principles:

Our Share Ownership and Dealing Policy applies to all employees, from our Board Members and senior leaders down, including Contractors and temporary staff, who work for NESO. Whilst the rules vary depending upon the status of employment and levels of seniority, all employees (including Non-Executive Board members, and temporary staff – e.g. contractors) must abide by the rules relevant to them to the extent applicable.

Our personal financial transactions should never influence, or be influenced by, our work at NESO and the Share Ownership and Dealing Policy sets out rules regarding restrictions on owning and selling shares and how you must record these. Please refer to the Share Ownership and Dealing Policy.

What this guidance means to you

As an employee, you must comply with the Share Ownership and Dealing Policy, the Conflicts of Interest and Disclosure Policy and the associated reporting requirements. Company Secretariat can be contacted for further queries.

You can find more information by referring to the Conflicts of Interest and Disclosure Policy and Share Ownership and Dealing Policy.

Policy section owner

NESO Director of Legal and Regulation

Relationship with Third Parties

What we need to know

Our relationships with third parties and customers are vulnerable to real and apparent conflicts of interest, so we all need to be extra vigilant and exercise caution in our day-to-day business.

Suppliers, contractors and business partners of NESO are held to the same standards of conduct as NESO colleagues. This is described in NESO Supplier Code of Conduct.

There may be circumstances where, under the normal terms and conditions of that contractor or supplier, special arrangements have been negotiated by NESO for the benefit of all colleagues.

We can purchase goods or services from a NESO vendor for private use as long as:

- We are using personal funds.
- The transaction is managed separately from our NESO role.
- We do not receive any preferential treatment or discount unless it has been negotiated by NESO and is available to all colleagues or is a discount provided to all customers of the vendor.

For more information, refer to the Supplier Code of Conduct.

The UK administers and enforces economic sanctions against countries, groups, companies, sections of the economy and persons (e.g. terrorists and narcotics traffickers). The sanctions can be either comprehensive or selective, using the blocking of assets, financial, travel and trade restrictions to accomplish foreign policy and national security goals.

Other non-sanctions trade controls relate to the sale of certain items, goods and services, including those that can be used in both civilian and military applications ("dual use"). Employees are bound to NESO treasury, finance, procurement and other processes that contain the relevant embedded Company sanctions controls. For further guidance on sanctions/trade controls program, policies and contacts, see the Supplier Code of Conduct.

What is expected of us?

- When we are managing supplier contracts or overseeing contractors, we will ensure we understand the terms of the contracts and the obligations or our role in contractor oversight where appropriate.
- We will not use our position to obtain preferential or advantageous treatment to purchase goods or services of any contractor or supplier retained by NESO for private purposes.
- When we buy goods or services on behalf of NESO, we will use the Conflicts of Interest process and Procurement Stakeholder Declaration process (where applicable) to disclose any personal interests or associations that might appear to impair or conflict with our ability to make objective procurement decisions.
- When asked to provide references for third parties we will ensure any information provided complies with our Supplier Code of Conduct and does not create any actual or perceived conflicts of interest.
- If we are involved in procurement tender events, we will keep all bidding information confidential.

- We will follow applicable NESO diligence, screening, financial and procurement procedures and policies when onboarding vendors, suppliers and agents.
- We understand that we are required to remove or recuse ourselves from certain transactions, due to sanctions-related restrictions, as detailed in the Supplier Code of Conduct.
- We will comply with the Procurement policies that relate to identifying potential suppliers, bids, negotiations, contracts or sole source justifications, managing orders and contractors, and payment of invoices.
- We will raise any potential or identified sanctions/trade control issues, concerns or non-compliance immediately with NESO Legal before taking any action.

Policy section owner

Chief Finance Officer

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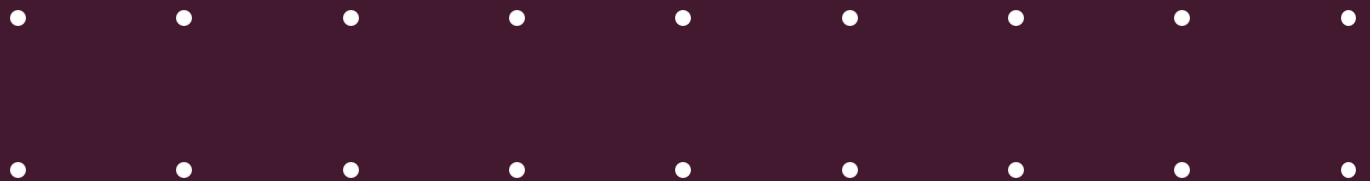
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Information and Communication

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Social Media

We have a Social Media Policy which urges caution when representing personal views on platforms where you can be identified as an employee of the organisation.

We exercise caution when we hold positions that might make us appealing targets for social engineers or criminals. These positions could include working in the control room or departments such as Procurement, Finance, People Function, or Security. However, it's essential to recognise that any role could potentially become a target for a creative adversary. As part of your security clearance obligations, you are not to publicly disclose your level of security clearance.

We are careful about sharing details of business (or any) travel and we do not post photos of colleagues without obtaining permission from the individual. We do not share photos/videos of security controls such as security passes, security cameras at site or IT equipment externally.

For more information, refer to the Social Media Policy, Security Policy, and the Acceptable Use Policy.

Policy section owner

NESO Director of External Affairs

Data Privacy

We're committed to protecting people's privacy rights by making sure we handle their personal information responsibly, protect it and process it fairly and in line with the law to maintain the confidence and trust of our colleagues, customers, vendors, suppliers and regulators and to reduce the risk of it being lost, misused, inappropriately accessed, released, altered or destroyed.

What we need to know?

Privacy and data protection laws are designed to protect personal information and how it is collected, stored, accessed, used and passed on. Personal data is any information that relates to an identifiable 'natural person,' or 'data subject,' who can be identified directly from the data itself, or indirectly when that data is combined with other data available to the business. Examples of personal data would be the name of the person, a photograph, an email address, bank details, posts on a social media website or a computer IP address.

It can be factual, such as a person's name, address, contact details, or date of birth. It can also be an opinion, such as how a manager thinks they performed at an interview or an appraisal.

Sensitive personal information needs to be treated more carefully due to the harm that could result from its loss or unauthorised disclosure. Examples of this include a person's national insurance number, details from their driver's licence or passport, employment details such as sickness, absence and disciplinary action, financial details such as debit or credit card details, racial or ethnic background, political opinions, religious beliefs, trade union membership, health, sexuality, alleged crimes and court proceedings.

It is important to note personal information must only be shared with others when it is necessary, relevant and lawful to do so. On that basis it can be shared with others if doing so meets the lawful basis for processing. Where possible, data should be de-identified (direct identifiers removed) or anonymised (rendered irreversibly non-identifiable) before sharing or processing. If there is any reasonable doubt about how or what information can be shared within a specific report, please contact a member of NESO's Data Privacy Team for advice.

If you have inadvertently sent personal information to someone who has no business reason to receive it, you must report it immediately to your line manager and the cyber response helpline.

For more information, refer to NESO Data Privacy Policy.



What is expected of us?

- We will ensure we understand data privacy policies and procedures.
- We will comply with privacy policies and procedures and follow procedures, including addressing privacy related incidents, complaints and disputes.
- We will ensure we understand what consent is required before we collect, use or disclose any personal information.
- We will only collect or disclose personal information in accordance with NESO’s Data Privacy Policy and applicable Data Privacy legislation.
- We will only use personal information for the business purpose for which it was intended.
- We will only retain personal information for as long as required by legal requirements and thereafter appropriately dispose of such information.
- Where we have personal information, we will provide individuals with access to their personal information in accordance with established regulations.
- We will protect personal information against unauthorised access, use and disclosure.

Policy section owner

NESO Director of Digital, Data & Technology

Managing Sensitive Data

We all need to ensure that we follow the rules around creating, handling, and exchanging sensitive data, both with third parties and within NESO. Sensitive data is data that, if compromised, could cause damage to NESO, our customers and stakeholders, or individuals. This includes market-sensitive information, data related to national security, personally identifiable information, financial records, proprietary data, trade secrets, or any other information that requires special protection due to its sensitivity.

What we need to know

We understand the critical nature of sensitive data and the potential implications if mishandled. This is reflected in our licence conditions to properly manage the identification, disclosure, and use of sensitive data with third parties and in our internal policies for classifying, accessing, and securing data. By prioritising the protection of sensitive data, we maintain the trust of our customers and stakeholders, and contribute to safeguarding market integrity and national security.

We must correctly classify and label our sensitive data in accordance with NESO Data Classification policy. This includes data in our systems as well as user data such as e-mails and documents.

We understand that appropriate robust security controls must be applied to safeguard sensitive data. This includes technical, physical, and administrative safeguards to protect against unauthorised access, disclosure, alteration, or destruction of sensitive data. Some of these security controls are the responsibility of everyone handling sensitive data, including ensuring the data is not shared without proper permissions, not discussing sensitive information in public, securing sensitive documents, and locking computers when away from your desk.

We understand that we must identify and report any potential data breaches or security incidents involving sensitive data to NESO’s Security Team in a timely manner.

If there is a requirement to share data externally, this data must undergo a review process where the appropriate legal & security checks will be assessed (for example, we may be able to make data available to share if we remove certain sensitive data fields or anonymise personal data).

For more information, refer to NESO Data Classification and Data Sharing policies.



What is expected of us?

We will ensure we understand and comply with NESO Data Classification and Data Sharing policies. This will allow us to ensure:

- We correctly classify and label data that we receive, use and share.
- We handle sensitive data in line with the security measures appropriate for the data classification.
- We report any potential or actual breach of sensitive data to facilitate effective remediation measures.
- All data undergoes the required review process prior to sharing with anyone outside of NESO.

Information Security

We're all responsible for protecting information.

What we need to know:

Information covers all forms of written, printed, verbal and electronic material. It includes information that:

- You talk about or hear in meetings.
- Originates from informal discussions or conversations.
- Is saved on storage media (for example memory stick or hard drive).
- Is held on a computer/mobile device.
- Is being sent over communications lines (including instant messages, Microsoft Teams chat, WhatsApp, Phone texts, Yammer etc.).

- Is held in digital, graphic, text, voice, or image format.
- Is held in an electronic form on your personal devices.

We're all responsible for protecting information from deliberate, accidental, or unauthorised access, and from being altered, destroyed, or disclosed. This applies to information held electronically (soft copy) on paper (hard copy), or in our minds (have knowledge of).

Sharing information and ideas within NESO is great for our business and allows us to make the most of information technology. But there are associated risks, and impact to our licencing conditions if this is done improperly.

If our confidential information falls into the wrong hands, it could be used to damage our (and our partners') reputation and business operations. The same applies to confidential information we have about our business partners or suppliers.

Company information must only be accessed via a Company provided device and there are controls in place to detect information leaving the Company.

For more information, refer to the Security Policy, Data Policy, and the Code of Ethics sections on Managing Sensitive Data and Managing Records.

What is expected of us?

- We understand the data classifications and classify information we create and handle.
- We store and dispose of information in line with our relevant policies.
- We will protect our access to information by having strong passwords/passphrases, being careful where we have confidential conversations, and keeping our workspace clean.
- We will not abuse any system access or privileges that our role provides for the purpose of carrying out our work.
- We will not send Company documents or confidential information to our personal laptops, mobiles, or email accounts, except for printing Company documents from a personal printer, connected to a NESO asset.
- We will only access data/information that we are entitled to use to fulfil our role.
- We will only share information with those that are entitled to receive it.
- We will keep passwords/passphrases confidential and will not share details of these with anyone, unless specifically approved for our job function, e.g., IT.

Managing Records

Our business, regulators, auditors and shareholders rely on accurate Company accounts and other records and we need to maintain complete, accurate and timely records.

What we need to know

We're all responsible for protecting NESO's assets, including information and records in all media (hard copy, digital, video, audio, etc.). Records must be stored safely while being accessible to those who need them throughout their lifecycle.

A record is information created, received and maintained as evidence and information by an organisation or person, in relation to legal obligations or in the transaction of business. Retention schedule templates are available on NESO@home and you can consult with NESO Data Privacy, Protection, and Information and Records Management Team for support with completion.

We must maintain records unless we've verified that there are no legal, regulatory or business reasons to retain the records. A legal hold may be used in certain circumstances and is an order issued by legal counsel that prohibits destruction of specified records, because such records are or may be relevant to litigation or an investigation.

Refer to the Information and Records Management Policy and the appropriate Retention Schedule.

Digitising records is recommended to save space and make it easy to access documents regularly referenced, provided required standards for classification, indexing and secure record storage are followed. For guidance on converting hard copy records to digital format, please contact NESO Data Privacy, Protection, and Information and Records Management Team.

Depending on the record category, physical records may be destroyed or sent to an appropriate Record Centre for vital records protection/business continuity purposes. Please contact a member of NESO Data Privacy, Protection, and Information and Records Management team for guidance.

For more information, refer to the Information and Records Management Policy.

What is expected of us?

- We must enter complete and accurate information in any Company account, expense statement, purchase order or other record.
- We will securely maintain records (both electronic and hard copy) for their appropriate record retention and dispose of them in accordance with our Records Management policies.
- We will save whatever is required under a legal or contractual obligation, internal control or best practices. If we are unsure what to save, we will consult with the Data Privacy/Records Management team.

- We will ensure all records are sufficient in content, context and structure to accurately reflect our activities and transactions.
- We will keep all related Company information when we become aware of impending legal action or where we have been issued a 'legal hold' order.

Policy section owner

NESO Director of Digital, Data & Technology

Electronic Communications

We must protect our computer systems and networks by following the Acceptable Use Policy.

What we need to know:

Our networks and systems are critical Company assets, and improper use of these resources can negatively impact the Company's ability to serve our customers.

NESO provides the communication tools we need to effectively carry out our work, such as laptops, phones and email accounts, and improper use of these tools can negatively impact our business. It is important to use good judgement in our electronic communications including email, text, voicemail, and social media. If in any doubt about the validity of any email you have received, you must not open any links contained within the email and should report these to Security via the Report Phish button.

You should be aware that all information stored within our systems is discoverable and could be used for investigative purposes if required, unless appropriately classified by the Legal team. the Legal team.

Working from abroad raises security risk to the Company. Our people, the devices they carry, our systems and data could be targeted by hostile nation states, fraudsters, and other criminals, because of a known connection to NESO. Before taking any Company devices abroad, approval must be obtained, and the Working Abroad Procedure must be followed.

Personal use:

Incidental personal use of devices, internet and email is permitted if that use is limited, is done in your own time, and is in line with the requirements set out in this Code and associated policies. Such use cannot:

- Interfere or create conflict with our work.
- Give rise to any risk, liability, potential loss, or expense for the Company.
- Have any negative effect on the Company (refer to Social Media section for further details).

For more information, refer to the Acceptable Use of Devices Policy, and Security Policy.

We must protect our computer systems and networks.

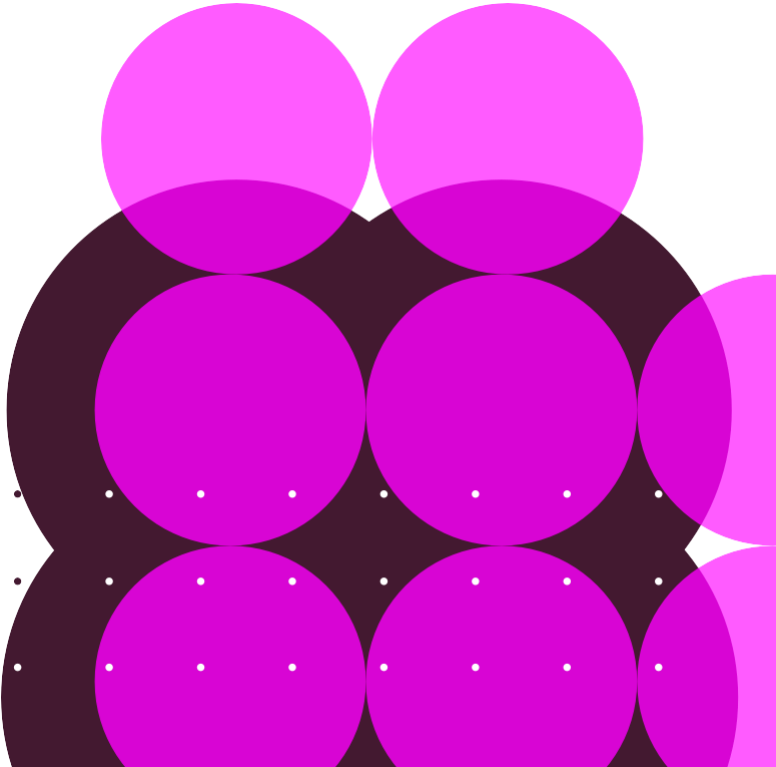
What is expected of us?

- We will use our Company email, internet access and applications responsibly and in line with NESO policies and procedures.
- We will only use personal information for the business purpose for which it was intended.
- We will not use Company equipment to:
 - Download, stream, or pass on material that is inappropriate, dangerous, offensive, illegal or that may contain malware.
 - Conduct any illegal activities.
 - Send or solicit messages that are political, religious, or activist.
 - Violate any licence agreement, copyright, or trademark law.
 - Impersonate anyone online or maliciously change any messages.
 - Produce, introduce, or forward chain letters or personal video clips.
 - Send unsolicited junk messages.
 - Send inappropriate/libellous content.
- We will be wary of unsolicited external emails and never click links or attachments in emails or text messages when we do not know the sender.

- We will only use our Company email address for NESO business or work-related sites.
- We will not use any Company resources including email to conduct secondary employment.
- We will comply with NESO’s Acceptable Use Policy and security controls when accessing our communication systems or internet facilities, or when travelling with Company equipment.
- We will follow the working abroad procedure.

Policy section owner

NESO Director of Digital, Data & Technology



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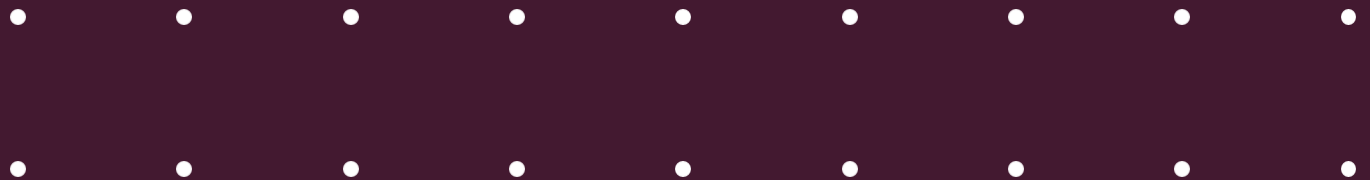
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People & Behaviour



Drugs and Alcohol

We are committed to having a workplace free from alcohol and drugs and any other substance that may affect your ability to safely perform all aspects of your job.

We understand that there will be circumstances where you may be taking controlled and prescribed drugs. In such instances you need to consider whether they could negatively affect your performance at work. To protect your safety and that of your colleagues you should seek advice from your doctor about any potential effects that could impact your ability to perform effectively and/or safely at work. You must inform your line manager who will liaise as appropriate with Occupational Health or HR.

Principles

- We understand that help and support is available to anyone who voluntarily reports a drug or alcohol dependency and that anybody needing support should contact Occupational Health or HR.
- We take responsibility and accountability for ensuring we are not under the influence of alcohol or illegal drugs whilst working for the organisation.
- We are aware that drug and alcohol tests can be carried out if required by law; before a job offer; after an incident or if there is a good reason to believe that a person's work is affected by their use of alcohol or drugs.

Where you can find more information:

The Drug and Alcohol Policy which can be found on NESO@home.

Respect at Work

Discrimination means treating someone less favourably than someone else because of their gender, ethnicity, disability, race, religion, national origin, age, sexual orientation or any other status protected by law. Less favourable treatment can be anything that puts someone with a protected characteristic at a disadvantage, compared to someone who does not have that characteristic.

What is discrimination?

Discrimination means treating someone less favourably than someone else because of their gender, ethnicity, disability, race, religion, national origin, age, sexual orientation or any other status protected by law. Less favourable treatment can be anything that puts someone with a protected characteristic at a disadvantage, compared to someone who does not have that characteristic.

What is harassment?

Harassment can include any verbal, visual or physical conduct and relates to unwanted behaviour that either violates a person's dignity or creates an intimidating, offensive, degrading, humiliating or hostile work environment.

What is sexual harassment?

Sexual harassment is any unwanted behaviour of a sexual nature including but not limited to unwelcome sexual advances, requests for sexual favours and all other verbal or physical conduct of a sexual nature.

What is bullying?

Bullying is any health-harming verbal or physical abuse or mistreatment that threatens,

humiliates or intimidates an individual. Bullying or harassment can be between two individuals, or it may involve groups of people, it may be persistent or an isolated incident and can occur in written communications, by phone or through email, not just face to face.

Bullying is the unwanted behaviour from a person or group that is either offensive, intimidating, malicious or insulting or an abuse of power that undermines, humiliates, or causes physical or emotional harm to someone.

We have a responsibility to always demonstrate expected behaviours both inside and outside the workplace, whether working on site, at customer locations, online, working from home or otherwise. This includes Company social events and interacting with work colleagues or work-related third parties.

Principles

- We will treat others fairly and equitably.
- We will not tolerate any type of discrimination, harassment or bullying.
- If we are subjected to discrimination, bullying or harassment, we will report it promptly.
- We will report any behaviours that we witness that could be considered to be discriminatory, harassing or bullying.

Where you can find more information:

The Respect at Work Policy or Employee Relations or contact [.box.employeerelations](#)

Policy section owner

NESO People Director

Workplace Violence

We believe in providing a safe work environment for our employees. Anything that threatens the safety of the workplace, or any person is not permitted. This includes threats or violence against other employees, customers, or property. It also includes any other type of behaviour that puts, or could put, the safety of anyone at risk. We have zero tolerance for any form of workplace violence, threats of violence, intimidation or attempts to instil fear in employees, consultants, vendors, customers or contractors.

Principles

- If we are witness to or are subjected to any acts of violence or threatening behaviour in the workplace we have a duty to report it at the next available opportunity.
- We understand that we are not allowed to carry weapons or other dangerous objects and substances while working for or representing National Energy System Operator.
- Our personal safety and that of our colleagues is of paramount importance and we will remove ourselves from any situations that threatens to jeopardise that.

Where you can find more information:
Employee Relations .box.employeerelations

Policy section owner
NESO People Director

Useful Contacts

If you have any questions relating to the content of the Code of Ethics, you should contact your manager in the first instance or alternatively contact a member of the Ethics Assurance Team.

To report a concern, please contact the Ethics Assurance Team using the details below:

In-house

Email: **.box.soa.Ethics**

Or contact our External service provider SeeHearSpeakUp, where you can choose to remain completely anonymous:

External

Business conduct helpline: **0800 026 0477**

Email: **<https://fileaconcern.org/neso>**

* (lines are open 24 hours a day, seven days a week)

Employee Assistance Helpline

Freephone: **0300 300 0555**



National Energy System Operator

Faraday House
Warwick Technology Park
Gallows Hill
Warwick
Warwickshire
CV34 6DA

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Data Criticality: Core
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