

SCOTTISHPOWER

COMPLIANCE DIVISION

July 2019

Speaking Out Guidelines

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Guidelines Objective

ScottishPower (the “Company”) has a reputation for conducting business fairly and honestly. The Company also has a responsibility to safeguard against the actions of individuals who behave improperly or breach the law and, as a result, may harm the Company.

The Company takes non-compliance with Company Policies and the Code of Ethics very seriously.

The Speaking Out Guidelines (‘the Guidelines’) details the types of incidents and suspicions that you should be alert to and report. Information is also provided on various formal routes for reporting, tailored to suit the different circumstances you may experience, including an independent anonymous reporting service. These Guidelines also include information on Whistleblower Protection provided to any individual who wishes to make a report if they reasonably believe the disclosure to be in the public interest. ScottishPower will treat any report received in relation to a security incident, breach of Company Policies, threat, fraudulent act or other form of non-compliance in the strictest confidence.

Guidelines Scope

The Guidelines apply to all employees of ScottishPower, regardless of seniority, length of service, geographical location or other distinguishing factors. In addition the Guidelines also apply to the following:

- Temporary employees (including those on work experience and secondments from other parts of the Iberdrola Group);
- Agency employees;
- Suppliers, including independent contractors and subcontractors where their activities require them to work on ScottishPower’s behalf.

Whistleblower Protection

An employee can’t be dismissed because of whistleblowing. An employee will be eligible for protection if they honestly think what they’re reporting is true and they think they’re telling the right person.

Individuals working at any level within the organisation could be the first to know when someone inside or connected with our business is doing something illegal, unlawful or whose behaviour fails to meet the required standards. However, you may be worried about communicating or reporting concerns. You are encouraged to speak out regarding such matters, in the knowledge that you may do so without fear of Company retaliation.

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The Guidelines place specific responsibilities on management regarding appropriate action in case of suspected improprieties, and protection for a “Whistleblower” as described below. This is also intended to be one element of the Company’s compliance with the Public Interest Disclosure Act 1998 and the Enterprise and Regulatory Reform Act 2013.

“Whistleblower” is a general term which refers to an individual who notifies management of an activity or event which that person believes may be fraudulent, dishonest or clearly violates the law. All employees are invited to speak out about any improper behaviour. Individuals reporting in good faith, and without malice, will therefore be considered as Whistleblowers making protected disclosures, and will be afforded certain protections. Company policy strictly prohibits retaliation or subjecting any employee to detriment of any kind against a Whistleblower for notifying such matters.

Employment-related concerns should continue to be reported through normal channels such as your manager, Trade Union representative, 1HR etc. Where employment related matters are investigated under a specific HR Policy, for example, Bullying and Harassment, specific protections available to employees are included within the detailed policy. If in doubt as to the appropriate process, please contact 1HR for advice.

Protection Rights

Company policy (and the law) protects Whistleblowers against retaliation (which includes but is not limited to all the actions described below). The Company will treat Whistleblower identities as confidential unless:

- The person agrees to be identified.
- Identification is necessary to allow ScottishPower or law enforcement officials to investigate or respond effectively to the report.
- Identification is required by law or other regulatory requirement.
- The person accused of the violations is entitled to the information as a matter of legal right.

The Company and its employees shall not retaliate against a Whistleblower with the intent or effect of adversely affecting the terms or conditions of employment including but not limited to:

- Threats of physical harm
- Loss of job, demotion
- Punitive work assignments
- Harassment
- Negative impact on salary or wages.

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Whistleblowers who believe that they have been retaliated against or suffered detriment as a result of a protected disclosure may raise this with the Compliance Division, Legal Department or Human Resources. If the complaint is upheld, then disciplinary action against the retaliating person may follow. Individuals can be personally liable for harassment or victimisation of an employee under the Enterprise and Regulatory Reform Act 2013.

If the Whistleblower has chosen to identify themselves the Compliance Division will meet with them at agreed intervals to ensure that there has been no retaliation.

“Whistleblowers” should be cautious to avoid making malicious or baseless allegations. Anyone making malicious or baseless allegations may be subject to disciplinary action by the Company and/or legal claims by individuals who are accused of misconduct.

Reportable Incidents

To protect the interests of the Company, its employees and its customers, employees have a duty of care and obligation to make the Company management aware of any incident, issue, behaviour or practice which does not comply with The Code of Ethics, and the ScottishPower Code of Conduct and Disciplinary Rules.

The following examples are incidents that should be reported if detected:

- Criminal offences (other than routine driving offences outside the workplace)
- Offers of goods, services, money and other things as an inducement to gain a commercial advantage
- Insider trading
- Improper sales and marketing practices
- Disclosing confidential/proprietary information to outside parties, without authority, for personal gain
- False or inaccurate financial or business descriptions or disclosures in public documentation
- Forgery or improper alteration of any financial document, record or accounting entry
- Fraudulent or intentionally improper accounting, or false financial reporting or auditing
- Destruction or removal of financial or other records in violation of Company policies
- Failure to observe company accounting, financial or disclosure controls
- Theft or misappropriation of any Company property
- Falsifying expense claims or payments
- Unapproved use of Company assets or facilities for personal use

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- Serious computer misuse (e.g. introducing viruses, hacking tools or introducing offensive materials into business systems)
- Outside/second employment not disclosed to employee's line manager where potential conflict of interest
- Conflicts of Interest
- Known or suspected breaches of business separation licence conditions
- Any other suspicion of wrongdoing, criminal activity, breaches of laws or regulations
- Incorrect handling of actions which are intended to conceal any of the above.

This list is not exhaustive. Should you feel concerned about any issue please communicate it to the Company using either independent reporting or internal reporting channels, as explained in the following section.

Reporting Options

Reports of actual or suspected fraudulent acts, misconduct or breaches of any company Policy can be reported to management or directly to the ScottishPower Compliance Division. If you have any concerns then they can be reported in one of the following ways:

- SP Chief Compliance Officer
- Business Compliance Officer
- Director of HR or 1HR Direct
- Compliance division mailboxes :
 - compliancedivision@scottishpower.com
 - liberalised.compliance@scottishpower.com
 - networkscompliance@scottishpower.com
 - renewablescompliance@scottishpower.com
- Expolink external reporting service (details below)
- Line manager

Suppliers may wish to report concerns through their ScottishPower contract manager, via Expolink, or via the contact details on our external website:

www.scottishpower.com/pages/suppliers_ethics_mailbox.asp

All Personal data obtained will be treated in line with EU GDPR requirements.

All concerns received from any source, that could lead to criminal liability for a ScottishPower company or which carry significant reputational risk should be reported to

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the SP Chief Compliance Officer, who will liaise with the relevant departments to investigate the incident and recommend appropriate measures to prevent a recurrence.

Compliance Division Mailboxes

The 'Compliance Division' mailboxes noted above are transparent channels which allow individuals to report any irregular or illegal conduct that may be in violation of the Code of Ethics or the ScottishPower Code of Conduct and Disciplinary Rules. The mailboxes are managed by Business Compliance Officers for their respective business area and the SP Chief Compliance Officer, who has an independent reporting line within the company to the ScottishPower Audit & Compliance Committee.

Expolink Confidential & Anonymous Call and On-line Reporting Service

To facilitate independent reporting of concerns the Company has engaged the services of Expolink.

This company provides the following facilities:

- Free phone number (0800 374 199)
- Web Reporting tool (wrs.expolink.co.uk/scottishpower)
- 24 hours a day 7 days a week availability to enable reports to be made outside normal office hours
- Anonymous reporting advice
- 100% confidentiality
- Secure call log/report reference number system enabling anonymous checking for responses to your report

You are encouraged to make full use of the Independent Reporting service for raising your concerns. Reports received through this independent channel are referred immediately to the SP Chief Compliance Officer, which ensures prompt and direct investigation, an assessment the severity of the issue, and for the Company to initiate any required action taken in the shortest possible time frame.

Anonymous Allegations – These Guidelines encourages employees to put their names to allegations because appropriate follow-up questions and investigation may not be possible unless the source of the information is identified. Concerns expressed anonymously will be explored appropriately, but consideration will be given to:

- The seriousness of the issue raised;
- The credibility of the concern; and
- The likelihood of confirming the allegation from attributable sources.

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How to Use Expolink

Reports are made to Expolink and communicated to ScottishPower in the following manner:

Dial the free phone number 0800 374199 (UK)

- Your call will be answered by one of Expolink's impartial staff.
- You will be asked to supply the name of the company you work for.
- You will then be asked to make your report.
- You will be asked if you wish to leave contact details but will not be pressurised into doing so.
- At the end of your call you will be provided with a secure call log number that will enable you to check back for responses to your report anonymously.

Calls are not recorded under any circumstances, to prevent identification of the caller however the Expolink operator will make a transcript or written record of the call.

The transcript of the call will be sent within 24hrs to the SP Chief Compliance Officer. A copy of all reports received by ScottishPower will be available to the SP Audit and Compliance Committee.

Web Reporting Tool (wrs.expolink.co.uk/scottishpower)

- You will be prompted to complete a series of questions relating to the issue being reported.
- If you are unable to complete any sections please answer N/A to move to the next section
- At the end of your report you will be provided with a secure report reference number that will enable you to check back for responses to your report.

Copies of the reports will be sent within 24hrs to the SP Chief Compliance Officer.

A copy of all reports received by ScottishPower will be available to the SP Audit and Compliance Committee.

Further External Sources

ScottishPower encourages individuals to raise any concerns via one of the reporting routes described above to allow the Company to investigate promptly and implement any corrective action.

Reports can also be made to the following external bodies where they will deal with disclosures under the relevant legislation. Further details and contact information can be found as follows:

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The Public Interest Disclosure Act 1998 (PIDA):

All UK prescribed persons and bodies are listed here, including Ofgem and the FCA.

[Whistleblowing: list of prescribed people and bodies - Publications - GOV.UK](#)

The Public Interest Disclosure Act (Northern Ireland) Order 1998 (PIDO): Northern Ireland Authority for Utility Regulation

[Whistleblowing Policy - updated December 2015 - Utility Regulator](#)

The Investigations Process

The SP Chief Compliance Officer is responsible for carrying out or co-ordinating all investigations into potential Code of Ethics breaches. An Investigations Manual has been prepared to document the processes which will be followed in order to coordinate the investigation of any reported incidents and avoid:

- Malicious allegations
- Premature notice to persons suspected of misconduct and/or disclosure of suspected misconduct to others not involved with the investigation
- Violations of a person's rights under law.

The Chief Compliance Officer can provide feedback on the status of the investigation to the person who has made the allegation, for example that the investigation has commenced, is progressing or concluded and to advise that any actions identified will be progressed in line with the appropriate Company policy.

Anyone found to have engaged in improper conduct will be subject to disciplinary action by the Company which may include suspension from duties or termination of employment, and civil or criminal prosecution when warranted. Further information on company corrective action may be found in the Specific Regulation of the Code of Ethics and the ScottishPower Code of Conduct & Disciplinary Rules.

How a Manager Must Deal With Reported Incidents

Managers have a responsibility for detecting improper acts or behaviours in the work place. These may be matters that managers either become aware of themselves or have had referred to them through internal reporting as set out previously. The Compliance Division or HR can be contacted for advice about the correct course of action to take.

Managers also have a responsibility to record all complaints or referrals under these Guidelines (ensuring confidentiality and data security is maintained) and to refer these to the Chief Compliance Officer for independent coordination of the investigation and, where applicable, for subsequent reporting to the SP Audit and Compliance Committee.

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A manager faced with a reported incident that is being investigated:

- Should not discuss the case with anyone other than the Chief Compliance Officer, or the person(s) appointed to conduct the investigation, unless specifically directed to do so by this individual.
- Should direct to the Chief Compliance Officer all inquiries from the suspected individual, their representative or their lawyer. The manager's proper response to such an inquiry should be, "I'm not at liberty to discuss this matter." Under no circumstances should there be any reference to "what you did," "the crime," "the fraud," "the forgery," "the misappropriation," etc.
- Should direct all inquiries from the media to the Corporate Communications Office, or in the event that Corporate Communications cannot be contacted, to the Legal Department. Should not contact the person suspected to further investigate the matter or demand restitution.

Reporting Checklist: Do's and Don'ts

In the event of an actual or suspected breach of any ScottishPower's Policies, Codes or Procedures you should consider the following checklist:

 <p>Do</p> <p>Do make a report regardless of how small you think an issue might be.</p> <p>Do write down notes, specific incidents, conversations and observations (including: names, dates, times).</p> <p>Do be patient, sometimes an investigation can be a lengthy process.</p>	 <p>Don't</p> <p>Do not attempt to obtain absolute proof or improper conduct before making a report.</p> <p>Do not attempt your own investigation including browsing the computer for evidence of wrongdoing.</p> <p>Do not make accusations or interview a suspect or any witness.</p> <p>Do not speak with the media or start rumours.</p>
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Related Documents and Where to Find Them

These Guidelines sets out the key principles which ScottishPower employees and suppliers must adhere to. Further relevant information and guidance can be found in:

- The Code of Ethics
- ScottishPower Code of Conduct and Disciplinary Rules
- ScottishPower Anti-Bribery and Corruption Policy

These documents may be found in the following locations.

- The Compliance Division Intranet site
[Corporation > Compliance > Compliance Division >Policies and Procedures](#)
- The HR Intranet site