

DSO conflicts of interest policy and process

March 2026

1. Purpose

To ensure that situations with the potential to undermine the impartiality of SP Electricity North West's (SP ENW's) distribution system operation (DSO) activities, outputs or decisions are **identified, disclosed, assessed, controlled and managed** in a timely, consistent, and auditable manner, protecting SP ENW DSO's integrity, compliance obligations, and stakeholder trust.

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2. Principles

The key principles for this process are:

Early disclosure: All staff and relevant parties are required to report actual, potential, or perceived conflicts promptly.

Proportionality and objectivity: Controls scaled to risk.

Accountability: Clear roles, responsibilities and escalations.

Data protection: Personal data handled in line with data protection requirements.

Transparency: Complete, accurate records retained and independently reviewable.

3. Definitions

Conflict of interest: A situation that has the potential to undermine the impartiality of DSO activities, outputs or decision making.

Actual conflict: A conflict that currently exists.

Potential conflict: A conflict that could arise in the future.

Perceived conflict: A conflict situation or outcome that a reasonable observer might view as biased.

4. Roles and responsibilities

4.1 All SP ENW staff and relevant third parties

- Identify and promptly disclose any actual, potential, or perceived conflicts of interest.
- Cooperate fully with assessments, mitigation measures, and monitoring activities.

- Implement agreed controls and refrain from participating in decisions or activities where impartiality could reasonably be questioned.
- Provide accurate and timely information when completing the conflict of interest reporting form.

4.2 DSO Compliance Officer

- Act as the central point of receipt for all conflict of interest (Col) reports.
- Log each submission and ensure documentation is complete.
- Conduct initial assessment of conflicts, including categorisation (actual, potential, perceived) and application of risk scoring.
- Prepare assessment summaries for DSO distribution network operator (DNO) decision group review.
- Maintain the Col register, oversee quarterly reviews, and ensure that records are retained in accordance with data protection requirements.
- Monitor the ongoing effectiveness of mitigation measures and trigger re-assessment where context changes.

4.3 DSO DNO Decision Group

- Review the Compliance Officer's assessment and risk scoring for each conflict.
- Approve, request revisions to, or challenge the proposed assessment and scoring.
- Where consensus cannot be reached, escalate unresolved matters to the DSO strategic forum.
- Support consistent application of Col policy across operational and planning activities.

4.4 DSO Stakeholder Panel

- Provide independent, external-facing oversight of the end-to-end Col assessment process.
- Principles-based review of the assessment, risk scoring and proposed mitigation measures
- Approve or request revisions to ensure stakeholder confidence in impartial decision-making.

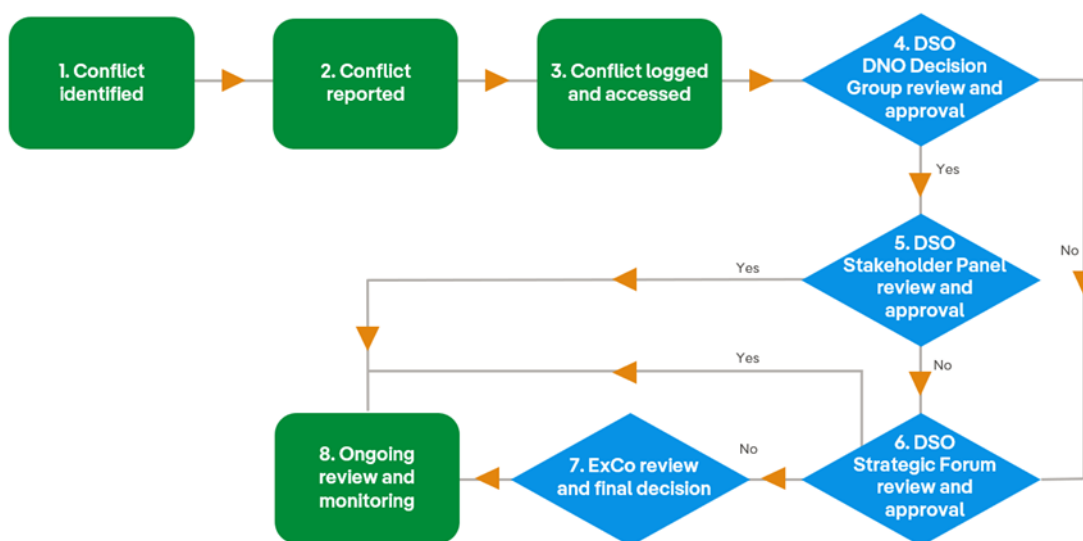
4.5 DSO Strategic Forum

- Act as the senior internal governance body for escalated Col assessments.
- Resolve disagreements raised by preceding governance groups by reviewing the rationale, scoring and proposed mitigations.
- Approve final determinations or escalate further to Executive Committee where consensus cannot be reached.

4.6 Executive Committee (ExCo)

- Serve as the final internal decision-making authority on Col cases where escalation is required.
- Review all evidence, assessments and proposed controls to reach a definitive outcome.
- Approve or amend mitigation measures and confirm whether a conflict can be managed or requires alternative actions (e.g., role reassignment, exclusion from decision-making).

5. Process stages



Stage 1 - Conflict identified

- Employee/stakeholder/commercial or funded partner recognises an actual/potential/perceived conflict.

Stage 2 - Conflict reported

- Complete conflict of interest reporting form and submit to DSO Compliance Officer.

Stage 3 - Conflict logged and assessed

- Form logged on conflicts of interest tracker.
- Conflict assessed as actual, potential or perceived.
- Risk scoring applied.
- Rationale documented.

Stage 4 - DSO DNO Decision Group review

- Assessment and risk scoring reviewed and **approved**. Proceed to stage 5; or
- Revised assessment and scoring proposed and **agreed**; or
- No agreement, escalation to DSO Strategic Forum – stage 6.

Stage 5 - DSO Stakeholder Panel review

- Assessment and risk scoring reviewed and **approved**. Proceed to stage 8; or
- Revised assessment and scoring proposed and **agreed**. Proceed to stage 8; or
- No agreement, escalation to DSO Strategic Forum – stage 6.

Stage 6 - DSO Strategic Forum review

- Assessment and risk scoring reviewed and **approved**. Proceed to stage 8; or
- Revised assessment and scoring proposed and **agreed**. Proceed to stage 8; or
- No agreement, escalation to ExCo – stage 7.

Stage 7 - ExCo review

- Assessment and risk scoring reviewed and **approved**. Proceed to stage 8; or
- Revised assessment and scoring proposed and **agreed**. Proceed to stage 8.

Stage 8 - Ongoing review

- Update register.
- Register reviewed on a quarterly basis by compliance manager, DSO DNO Decision Group and DSO Stakeholder Panel.
- Adjust mitigation and controls if context changes. Follow review process above.
- Close when conflict ceases or mitigation no longer needed.