INTRODUCTION

Hydro-Québec's *Supplier Code of Conduct* (the "**Code**") sets out the expectations of Hydro-Québec and its wholly-owned subsidiaries (collectively, "**Hydro-Québec**") with respect to suppliers with which they have business relations.

"Supplier" means any organization, including its representatives, shareholders, affiliates, directors, employees and subcontractors, regardless of rank or any self-employed worker who supplies goods or services to Hydro-Québec. This term also includes potential bidders, regardless of rank.

Business relations include all links and exchanges, whether verbal or written, between Hydro-Québec and its suppliers, whether or not the parties are bound by a contract.

This Code applies in addition to laws and regulations in force in Québec and to contracts between Hydro-Québec and its suppliers.

ETHICS AT THE HEART OF BUSINESS RELATIONS

Ethics are the cornerstone of this Code and define the basis of all business and employee conduct. Suppliers must act with integrity, honesty, professionalism and adhere to the highest ethical standards while respecting human rights and the environment in order to preserve the integrity of Hydro-Québec and its activities and the public's confidence.

RULES OF CONDUCT

Acting with integrity

- **Real or perceived conflict of interest:** Suppliers must act with prudence and diligence to prevent and immediately declare any real or perceived conflict of interest.
- **Collusion, corruption and other fraudulent practices:** Any form of or attempt at corruption, extortion, bid rigging, influence peddling, malicious or unauthorized acquisition or sharing of privileged information, mismanagement, falsification and other fraudulent practices are strictly prohibited.
- **Gifts, donations and invitations:** Suppliers must not place a Hydro-Québec employee in a situation that may compromise his or her integrity or ethical behavior, or that may be construed as such, by offering any item, meal, favor, service, advantage, cash payment, invitation or gift.
- **Obstruction:** Any act, concealment or omission intended to prevent Hydro-Québec from investigating alleged breaches to the Code is strictly prohibited. Suppliers must not interfere with Hydro-Québec's investigation into any alleged breach of this Code.
- **False or misleading statement:** All information provided must be true and accurate and must not be misleading. Making a false, deceptive or misleading statement as part of a bid, or submitting a false or misleading request for payment, is strictly prohibited.

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- **Participation in the activities of a criminal organization:** Any direct or indirect association with or participation in a criminal organization, including but not limited to the trafficking of drugs or other illegal substances, as well as the laundering of the proceeds of crime, is strictly prohibited.

Acting with loyalty and diligence

- **Business relations:** Suppliers must be honest, professional and fair in their business relations with Hydro-Québec, in particular with regard to the procurement process during which they must diligently account for their ability to satisfy all contractual obligations.

- **Hiring of former Hydro-Québec employees:** Suppliers must obtain Hydro-Québec's prior written approval before assigning Hydro-Québec mandates to any former employee who is retired or who left the organization less than two years ago.

Respecting people and the environment

- **Human rights and freedoms:** Suppliers undertake to:

  – Treat their personnel in a fair and equitable manner regardless of sex, race, color, origin, political or other opinion, sexual orientation, religion or any other generally recognized form of discrimination;

  – Respect applicable human rights legislation, such as the *Charter of Human Rights and Freedoms*, international instruments, including the *Universal Declaration of Human Rights*, the International Labour Organization's basic agreements and the guidelines of the *United Nations Global Compact* regarding companies and human rights, in particular by:

    - Adopting responsible business practices that do not infringe upon human rights;
    - Regularly assessing the risks posed to human rights by its business practices;
    - Helping to effectively abolish child labor and eliminating all forms of forced or mandatory labor.

- **Labor relations:** Suppliers undertake to respect workers' rights and employment legislation, based among other things on internationally accepted standards as defined in the conventions of the International Labour Organization. In this respect, Hydro-Québec expects that suppliers aspire to:

  – Comply with applicable standards concerning minimum wage or, if no legislation exists, pay workers such that they can meet their basic needs;

  – Respect freedom of association and the right of workers to collective bargaining and negotiation;

  – Create a working environment free from all forms of harassment, intimidation, violence or abuse.

- **Occupational health and safety:** Suppliers undertake to apply occupational health and safety standards that comply with laws, regulations and Hydro-Québec's relevant guidelines, if applicable, to ensure healthy and safe working conditions for all employees.

- **Suppliers' foreign staff:** Suppliers undertake to comply with applicable legislation concerning immigration and work permits for all of their foreign workers.

- **Drugs and alcohol in the workplace:** Suppliers undertake to promote a drug and alcohol-free work environment. Employees are not allowed to have any trace of drugs or alcohol in their system when they are on Hydro-Québec premises or jobsites, near its facilities (including transmission and distribution lines or parking lots), or in its vehicles. Any worker exhibiting behavior that suggests that he or she is under the influence of drugs or alcohol is subject to immediate removal from the job, a screening test and an investigation.

- **Environment and sustainability:** Suppliers undertake to observe applicable environmental laws and Hydro-Québec guidelines. They also undertake to reduce the impact of their products and activities on the environment and to adopt measures to prevent pollution and to conserve the natural resources required for their activities and use them as efficiently as possible.

Managing information responsibly

- **Confidentiality of information:** Suppliers undertake to protect the confidentiality of information they have access to as part of their business relations with Hydro-Québec, whether such information was supplied by Hydro-Québec or the suppliers gathered such information themselves. Confidential information includes personal, financial, commercial, industrial, scientific and technical information belonging to Hydro-Québec or to third parties.

  Suppliers must not use this information for purposes other than those expressly provided for in the contract. In particular, they must not use such information for personal gain or to obtain a competitive advantage. Suppliers must not disseminate or convey this information to a third party without Hydro-Québec's prior written consent. These obligations of confidentiality continue to exist even after the termination of business relations with Hydro-Québec.

- **External communications:** Suppliers must obtain Hydro-Québec's prior written approval before commenting on or promoting Hydro-Québec's activities. This requirement applies to all forms of advertising such as posters and signs, as well as to all written, electronic or other media.

- **Information security and network protection:** Suppliers undertake to comply with Hydro-Québec's contractual requirements regarding information security and protection of the IT and telecommunications network. The use of IT resources must under no circumstances interfere with work, information security, operation of the IT and telecommunications network or the organization's image. Furthermore, IT resources must not be used for immoral or illegal purposes.

Treating customers, employees and partners fairly and courteously

- **Respect for others:** Suppliers undertake to treat Hydro-Québec's customers, employees and partners with courtesy and professionalism at all times.

COMMITMENT

Contractual value

This Code is an integral part of all contractual documents and must guide the business relations between Hydro-Québec and its suppliers.

Audit

Hydro-Québec reserves the right to ensure that its suppliers comply with the Code through appropriate audits. Such an audit will be led by Hydro-Québec or by an external resource that may visit the supplier's facilities, access the supplier's records relating to the contract and request any documentation it considers relevant.

Sanctions

Hydro-Québec reserves the right to apply appropriate sanctions to any misconduct based on its assessment of the seriousness of the supplier's breach as defined in the *Standard for Handling Breaches of Hydro-Québec's Supplier Code of Conduct*. Possible sanctions include a warning, total or partial termination of the contract or contracts, permanent withdrawal or temporary suspension of the privilege of participating in requests for proposals or of being awarding contracts for a certain period of time. Any failure to comply with this Code may be reported to the relevant authorities.

Reporting

To report any concerns or potential or actual violations of this Code, you must complete the secure form or call 1 866 384-4783, (North America only) 24 hours a day, 7 days a week, in accordance with the *Policy for reporting on Hydro-Québec's activities and requesting support or mediation in the event of a difficult situation in the workplace*. *Procedure for handling allegations concerning wrongdoings or inappropriate situations*, any person who witnesses an actual or potential breach of this Code, wrongdoing or inappropriate situation can call the reporting hotline at 1 866 ETHIQUE (1 866 384-4783).

CONCLUSION

This Code does not cover every situation suppliers may face in their business relations with Hydro-Québec, but this in no way exempts them from respecting the underlying spirit of the Code, their contracts with Hydro-Québec and any applicable usage.

REFERENCES

- Charter of Human Rights and Freedoms
  http://legisquebec.gouv.qc.ca/en/showdoc/cs/C-12
- Universal Declaration of Human Rights
  https://www.un.org/en/about-us/universal-declaration-of-human-rights
- Conventions of the International Labour Organization (ILO)
  https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12000:0::NO:::
- United Nations Global Compact
  http://www.unglobalcompact.org/what-is-gc/mission/principles
- Policy for reporting on Hydro-Québec's activities and requesting support or mediation in the event of a difficult situation in the workplace
  https://www.hydroquebec.com/data/a-propos/pdf/policy-reporting.pdf
- Standard for Handling Breaches of Hydro-Québec's Supplier Code of Conduct
  https://www.hydroquebec.com/data/fournisseurs/pdf/code-of-conduct.pdf