

HYDRO-QUÉBEC SUPPLIER CODE OF CONDUCT

INTRODUCTION

This *Supplier Code of Conduct* (hereafter referred to as the Code) sets out the expectations of Hydro-Québec and its subsidiaries with respect to suppliers with whom they have a business relation, and their subcontractors, regardless of tier.

Business relations include all links between Hydro-Québec and its suppliers, whether contractual or not.

This Code applies in addition to the laws and regulations applicable in Québec or in the jurisdictions where suppliers conduct their activities.

ETHICS AT THE HEART OF BUSINESS RELATIONS

Ethics is the cornerstone of this Code. Ethics defines the basis of all business and employee conduct. Ethics goes beyond the application of laws and regulations and relies on an internal culture and a natural sense of justice. This means that in their business relations with Hydro-Québec, suppliers must act with integrity, honesty and professionalism and adhere to highest ethical standards while respecting human rights and the environment, in order to maintain the public's confidence in the integrity of Hydro-Québec and its activities.

RULES OF CONDUCT

ACTING WITH INTEGRITY

- **Conflict of interest:** Hydro-Québec must be made aware of any conflict of interest or any situation that may give rise to a conflict of interest affecting the impartiality of Hydro-Québec employees in the business relation.
- **Collusion and corruption:** Any arrangement that may prevent a normal business relation between Hydro-Québec and its suppliers, including all forms of corruption, extortion, bid rigging, influence peddling, use of confidential information, mismanagement and falsification, must be avoided.
- **Gifts, donations and invitations:** Hydro-Québec employees are not to accept any good, favor, service, advantage, invitation or gift that could be construed as a potential source of conflict of interest. Cash gifts are not to be offered under any circumstances.



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 give an accurate picture of their ability to meet all contractual obligations. Furthermore, all information provided must be true and accurate and not misleading.
- **Hiring former Hydro-Québec employees:** Suppliers must avoid any action that may jeopardize the ability of former employees to meet their legal or contractual obligations to Hydro-Québec following the termination of their employment.

RESPECTING PEOPLE AND THE ENVIRONMENT

- **Human rights:**
Suppliers shall:
 - 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 type of discrimination;
 - Create a working environment free of all forms of harassment, intimidation or abuse;
 - Respect all human rights as set out in *The Universal Declaration of Human Rights*.
- **Labour relations:** Suppliers respect the rights of workers, including freedom of association and the right to collective representation and negotiation, based on internationally accepted standards as defined in the International Labour Organization's (ILO) conventions. Hydro-Québec expects that suppliers aspire to:
 - Eliminate forced labour in any form;
 - Eradicate the use of child labour and exploitation of minors;
 - Exceed standards set by applicable salary legislation, or, if no legislation exists, pay workers such that they can meet their basic needs.
- **Occupational health and safety:** Suppliers apply occupational health and safety standards that comply with the applicable laws and regulations so as to ensure healthy and safe working conditions for all employees. They must also take appropriate measures to prevent work-related injuries and accidents.
- **Environment and sustainable development:** Suppliers shall observe the applicable environmental laws, regulations and standards and shall attempt to minimize the impact of their activities and products on the environment. They shall adopt measures to reduce pollution and to conserve the natural resources required for their activities and use them as efficiently as possible.

PROTECTING CONFIDENTIAL INFORMATION

- **Confidentiality and disclosure of information:** Suppliers must protect confidential information, including data, intellectual property rights and information systems, that they hold or have access to. Confidentiality applies to all information that is not of a public nature and that may adversely affect Hydro-Québec and its customers if disclosed.

Suppliers shall not use this information for personal gain or competitive advantage, and they shall not disclose or share the information with a third party without Hydro-Québec's prior consent. These obligations apply throughout the entire duration of the business relation and survive the termination of the contractual commitments.

- **Advertising:** Suppliers shall submit all advertising projects that refer to Hydro-Québec for the latter's approval. This requirement applies to all advertising means such as posters and signs, as well as to all written, electronic or other media.

TREATING CUSTOMERS, SUPPLIERS AND PARTNERS WITH PROFESSIONALISM AND COURTEOUSLY

- **Mutual respect:** Suppliers commit to treat Hydro-Québec customers, employees and partners with courtesy and professionalism in all exchanges, regardless of the form these exchanges may take.

COMMITMENT

CONTRACTUAL VALUE

This Code is an integral part of all contractual documents and shall guide the business relation.

AUDIT

Hydro-Québec reserves the right to ensure that suppliers comply with the Code through appropriate audits. Such an audit will be conducted by way of a supplier self-assessment or an audit at the supplier's facilities led by Hydro-Québec or by an external resource designated by Hydro-Québec.

SANCTION

Any failure to comply with the present Code may result in sanctions by Hydro-Québec, ranging from a simple warning to termination of contract for Default.

REPORTING

To report a concern or potential or actual violation of this Code, please contact the Ethics line at 1 866 ÉTHIQUE (1 866 384-4783).

HYDRO-QUÉBEC'S CODE OF CONDUCT

Hydro-Québec's commitment to its suppliers is defined in its code of conduct (*Code de conduite d'Hydro-Québec*), which serves as a code of ethics and professional conduct for all of its employees.

CONCLUSION

This Code does not cover every situation suppliers may face in their business relation with Hydro-Québec, but this does not exempt them from respecting the underlying spirit of the Code and the company values.

REFERENCES

- Hydro-Québec Code of Conduct
http://www.hydroquebec.com/publications/en/code_ethics/code_conduct.html (French only)
- *The Universal Declaration of Human Rights*
<http://www.un.org/en/documents/udhr/>
- International Labour Organization (ILO) Conventions
<http://www.ilo.org/global/lang--en/index.htm>

