



CODE OF CONDUCT

Ethics: At the Heart of What We Do

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ETHICS: AT THE HEART OF WHAT WE DO

An international leader in hydropower and large transmission systems, Hydro-Québec makes a major contribution to collective wealth by developing hydraulic resources. We export clean, renewable power and commercialize our expertise and innovations on world markets. We have built a solid reputation based on company values: integrity, respect for our customers, employees and partners, authenticity, teamwork and achievement of goals.

Hydro-Québec operates in a complex environment where regulatory, social, business and technological issues are constantly evolving. By meeting the highest ethical standards, we are able to reach and often surpass our objectives, which earns us the trust of our customers, partners and suppliers.

The *Code of Conduct* has been adapted to reflect today's reality, but its original principles remain unchanged. It takes into account the public's growing concern with ethics, safety, security, information and communication technologies, and diversity. The *Code of Conduct* is a reflection of Hydro-Québec's values, and it sets out the fundamental ethical principles that apply to our activities and interactions with other people.

The company's performance relies on the skills and dedication of its employees. We are responsible for service quality and the growth of the company, and Hydro-Québec is counting on each of us.

We have an obligation to understand the *Code of Conduct* and follow the rules of ethics that serve as its foundation. Management must set a good example through their own work and conduct. By applying the *Code of Conduct* to each of our actions and decisions, we will ensure that our values are preserved.

Éric Martel

President and Chief Executive Officer

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INTRODUCTION

UNDERSTANDING ETHICAL PRINCIPLES

The aim of this *Code of Conduct* is to provide an understanding of ethical principles and give examples of their application. It helps us carry out our tasks ethically based on the following principles:

- Acting with integrity
- Acting with loyalty and diligence
- Respecting people and the work environment
- Managing information responsibly
- Treating our customers, suppliers and partners fairly and courteously

The *Code of Conduct* defines each of these principles and illustrates them with examples and questions/answers that explain Hydro-Québec's ethical requirements in detail.

The *Code of Conduct* cannot anticipate every possible situation. We are expected to exercise good judgment based on the ethical principles that are central to the company's culture and values, and based on our natural sense of justice.

OUR RESPONSIBILITY

The *Code of Conduct* applies to all permanent, temporary and casual staff of Hydro-Québec and its wholly owned subsidiaries, that is, legal persons all of whose voting shares are held directly or indirectly by Hydro-Québec.

Hydro-Québec's executives and controllers have the added obligation of following the [Code d'éthique et de déontologie des administrateurs, des dirigeants et des contrôleurs d'Hydro-Québec](#) [Code of Ethics and Rules of Professional Conduct for Directors, Executives and Controllers of Hydro-Québec].

Each of us has a responsibility to preserve the image of Hydro-Québec.¹ We must follow the laws, regulations and guidelines that apply to all of our actions and activities. For situations not covered by internal guidelines, Hydro-Québec expects its staff members to follow the highest standards of good governance and proper conduct.

As a public utility, Hydro-Québec must demonstrate exemplary probity. Therefore, any action or conduct that violates ethical rules, such as fraud, conflict of interest, collusion, corruption and the theft of property, time or energy, will be punished.

1. In this document, the expressions "Hydro-Québec" and "company" mean Hydro-Québec or one of its wholly owned subsidiaries.

ACTING WITH INTEGRITY

Our actions must be fully transparent and beyond reproach in order to preserve Hydro-Québec's solid reputation.

Acting with integrity – a few examples

- Avoiding all real or perceived conflicts of interest
- Conducting all tasks with rigor, and keeping thorough and accurate records
- Using only Hydro-Québec e-mail for company purposes
- Ensuring Hydro-Québec's property is respected and protected at all times
- Not using Hydro-Québec's property and resources for personal, unauthorized or illegal purposes

Lacking integrity – a few examples

- Knowingly participating in any unauthorized price modifications, negotiations or payments
- Incurring inappropriate or exaggerated expenses or producing false expense claims
- Using Hydro-Québec's name, logo or e-mail address to promote personal commercial activities
- Being dishonest in the performance of our duties
- Providing false information in time sheets

- Taking advantage of confidential information obtained while on the job for personal purposes or to the detriment of the company
- Using privileged information obtained while working, such as carrying out a securities transaction based on privileged information concerning these securities, or sharing privileged information in violation of regulatory requirements (securities regulations in particular)



What constitutes a real or perceived conflict of interest?

Conflict of interest is defined as a situation in which we might favor our personal interests or those of a third party (a spouse, friend, family member, business partner, former coworker or any other person) at the expense of Hydro-Québec's interests.

A perceived conflict of interest may be as damaging as a real one. A perceived conflict of interest exists when a reasonably well-informed person might believe that our ability to perform a task or function has been or may be influenced by our personal interests or those of a third party.

We must avoid all situations where our personal interests or those of a third party might be in a real or perceived conflict of interest with the interests of Hydro-Québec. The interests of Hydro-Québec must always prevail.



How to recognize a real or perceived conflict of interest

It is not always easy to determine if a real or perceived conflict of interest exists. However, the following questions can help us establish whether there is an issue.

- Could the situation affect our judgment or our ability to do our work objectively and in Hydro-Québec's best interests, or could it be perceived in this way?
- Could we or a third party benefit from this situation or be perceived to benefit from the situation?
- Do we have a decision-making power in this situation, or could we be perceived as having the power to influence the situation?
- If we witnessed a similar situation, would we believe that the employee was not being objective when making the decision and put his or her own interests or the interests of a third party ahead of Hydro-Québec's?
- Would a reasonably well-informed person believe that our decision or action was influenced by our own interests or the interests of a third party (for example, if the situation was reported in the media)?

If the answer to at least one of these questions is "yes," there may be a real or perceived conflict of interest, and we should speak to our superior about it.

If the answer to all of these questions is "no," it is unlikely that a real or perceived conflict of interest exists. However, we should remain vigilant and discuss it with our superior in case of doubt.



What should we do if there is a real or perceived conflict of interest?

If we suspect that a real or perceived conflict of interest exists, we must advise our superior immediately. When in doubt, management must refer the matter to the individuals at Hydro-Québec who are responsible for interpreting ethical principles. Transparency is essential for managing conflicts of interest.

Unless instructed otherwise by Hydro-Québec, we must withdraw from all negotiations, discussions or decisions having to do with the conflict of interest.

Management must refuse any transaction that may give rise to a perceived conflict of interest and ensure that the allocation process is transparent and followed carefully for all contracts and transactions.



What about family and romantic relationships between employees in a direct reporting relationship?

Hiring, promotion and assessment procedures should be carried out fairly and objectively. As impartial as we may be, if we are supervising a family member or a person with whom we are in a romantic relationship, this will inevitably lead to a conflict of interest and be contrary to good practice.

As for any other type of conflict of interest, it is important to notify an immediate or higher-level superior, who will take the necessary actions given the circumstances.



Can we take part in outside professional activities?

Participation in outside professional activities, such as a second job or serving on a board of directors, must not lead to a real or perceived conflict of interest. In addition, Hydro-Québec employees must refuse any position outside the organization that places them in a real or perceived conflict of interest.

No matter what the situation, we must let our superior know that we are taking part in an outside professional activity. When in doubt, management must refer the matter to the individuals at Hydro-Québec who are responsible for interpreting ethical principles. If participation in an outside activity leads to a real or perceived conflict of interest, Hydro-Québec may demand that the activity be modified or terminated or that we no longer take part in it.

A situation that suggests we have taken advantage of our employee status to increase the profitability of an outside professional activity may jeopardize the credibility and reputation of Hydro-Québec and the person involved. This paragraph does not apply, however, to philanthropic and volunteer activities.

Outside professional activities, whether or not we are paid for them, must not interfere with our work at Hydro-Québec or prevent us from doing our job properly. In addition, none of Hydro-Québec's property and resources may be used for outside professional activities under any circumstances.



Is it unethical to accept or offer gifts or benefits?

Yes. Gifts or benefits may be considered a source of conflict of interest because the person giving the gift or benefits may be trying to influence our decisions or obtain a favor in return.

RULE

Aside from the exceptions listed below, we should not accept any gift or benefit offered by a third party, whether in the form of goods, services, meals, door prizes, discounts, invitations, free tickets or any other type of benefit.

If someone offers a gift or benefit, we must refuse it and return it if possible.

EXCEPTIONS

We are, however, allowed to accept the following:

- 1) An invitation to a training activity, conference, seminar or other activity (for example, a meeting where a meal is served or a networking cocktail reception), as long as:
 - our presence at the activity is work-related;
 - the invitation is infrequent and modest in value;
 - our presence at the activity will not tarnish Hydro-Québec's image;¹
 - our presence is not likely to influence our judgment or compromise our integrity;¹
 - our superior has approved our attendance in advance.
- 2) An invitation to a charitable activity, as long as it has been authorized in advance by our superior and our attendance is not likely to tarnish Hydro-Québec's image, influence our judgment or compromise our integrity

- 3) A gift or hospitality offered at international activities, as long as:
 - it is infrequent, modest in value, consistent with the generally recognized rules of courtesy and our superior has been made aware of it; or
 - the gift, though expensive, cannot be refused based on usage, custom or protocol (for example, artwork) and it is given to Hydro-Québec.
- 4) A corporate discount

TO BE REFUSED IN ALL CIRCUMSTANCES

A gift or benefit offered by a bidder if we are involved in the call for tenders or similar process must be refused in all circumstances, regardless of the context. The same applies for a plane ticket, lodging, a gift in cash, a gift card or gift certificate with monetary value that has been offered by a third party.

ILLICIT PAYMENTS AND ANTI-CORRUPTION LAWS

Hydro-Québec complies with anti-corruption laws that govern its activities around the world.

It is strictly prohibited for Hydro-Québec employees to offer illicit or inappropriate payments (for example, bribes and commissions) to anyone under any circumstances or to accept these types of payments.

1. The following questions can help determine whether the invitation meets these conditions:

- If reasonably informed people learned that the invitation was accepted, how would they react?
- What is the reason for the invitation?
- What are the circumstances surrounding the invitation? For example, is the person or company extending the invitation in the process of submitting a bid to Hydro-Québec or will be doing so in the near future?



Which rules apply when we leave the company?

We are bound by the duty of loyalty and have an obligation to preserve the confidentiality of information we have obtained while working for Hydro-Québec. These obligations continue to exist even after we leave the company. No matter what the circumstances, we are not allowed to act in a way that gives the company a bad reputation or provides us with inappropriate advantages as a result of our previous position in the company.



Do we own the work performed while on the job?

The work, products and inventions, among other things, performed or produced during working hours are the exclusive property of Hydro-Québec. The same is true for all work, products and inventions created or produced outside of working hours and resulting from activities carried out in the course of our current or former functions within the company. At the request of Hydro-Québec, employees must sign any necessary documents to protect the intellectual property resulting from such work, products or inventions.

If we begin a new position or leave the company, any documents that we created, received or acquired while carrying out our duties for Hydro-Québec must remain with the company. We must advise our manager of their location within the unit and ensure that they are accessible.



Are we allowed to copy software installed by Hydro-Québec?

No. All software installed by Hydro-Québec is protected by intellectual property laws. It is therefore illegal to make copies of it, whether for commercial purposes, personal use or use by a third party.

In addition, it is prohibited to download or install software on office computers, laptops or mobile devices belonging to the company without the authorization of the persons responsible for asset management and information and communication technologies for Hydro-Québec.

ACTING WITH LOYALTY AND DILIGENCE

Hydro-Québec's credibility depends largely on the reputation it enjoys among its employees, customers, suppliers and other partners.

Acting with loyalty – a few examples

- Performing our duties in good faith and defending the interests of Hydro-Québec
- Performing our duties with professionalism

Acting with diligence – a few examples

- Delivering quality, thorough work and performing our duties with care, effectively and to the best of our abilities
- Carrying out our duties on a regular and predictable basis in a way that meets the company's expectations concerning productivity
- Respecting working hours and instructions, and avoiding absences without a valid reason

Being disloyal – a few examples

- Causing harm to Hydro-Québec through actions or words that could tarnish its image, even if outside of working hours
- Taking a position or making statements in social media or other platforms that could affect Hydro-Québec's reputation or business activities, or harm a coworker's reputation

- Behaving in a way that may jeopardize the relationship between Hydro-Québec and its customers, suppliers and other partners
- Disclosing, without authorization and for non-work-related purposes, any information obtained while on the job
- Abusing the company's trust

Lacking diligence – a few examples

- Acting insubordinately, refusing accountability
- Coming to work in a state of impairment and unable to properly and safely perform our duties (for example, under the influence of alcohol or drugs)
- Driving a vehicle belonging to Hydro-Québec while under the influence of drugs or alcohol
- Being negligent with company property and risking damage to it as a result

These behaviors jeopardize the trust that needs to exist between Hydro-Québec and its employees.



Is it disloyal to publicly express personal opinions about the company?

Expressing personal opinions is a right we are entitled to at all times and in all places.

However, it is disloyal to:

- publicly express opinions intended to discredit the company
- express opinions or disclose information that may tarnish the company's image or have a negative impact on its commercial activities, regardless of the platforms
- express any opinion whatsoever on behalf of Hydro-Québec without prior authorization

Who is allowed to speak to the media on behalf of the company?

Only individuals who have been specifically authorized to do so may speak on behalf of the company. Others must forward any requests for information they receive to the company's media team.

Can we use social media to express our personal opinions about the company?

Yes, as long as we do so loyally and diligently. We must keep in mind that any content published on these platforms can be shared very quickly on a large scale over the Internet, even if it was originally intended for a small,

private group. Social media is a public forum. Anyone who uses social media is personally responsible for the content he or she publishes. The obligation of loyalty extends beyond working hours.

Can we personally share Hydro-Québec's social media posts?

Yes. We are allowed to share public information posted on Hydro-Québec's Web site and official social media accounts (such as Facebook, LinkedIn, Twitter, YouTube), and any other of Hydro-Québec's official publications.

Are we allowed to post photos or videos taken while on the job to our personal Facebook accounts or elsewhere on the Internet?

No. Posting photos or videos has risks associated with it, especially concerning the security of Hydro-Québec's facilities, the transmission of confidential information and the protection of our coworkers' privacy.

Are we allowed to mention what kind of job we do at Hydro-Québec in our Facebook profile or on other social media?

Yes, because this information is available to the public.



Are we allowed to accept friend requests from reporters, researchers, MNAs/MPs or opponents of Hydro-Québec's activities on Facebook, Twitter, LinkedIn or other social media?

Yes, as long as this does not create a real or perceived conflict of interest. Also, any discussions must respect our duty of loyalty toward the company at all times. All requests for information must be forwarded to the company's media team because only spokespersons and certain staff members specifically appointed by Hydro-Québec are authorized to answer such requests.



Are we allowed to export information from Hydro-Québec's Intranet?

No. This information is intended solely for Hydro-Québec staff.



Is it disloyal to express our social, religious or political beliefs?

No. Hydro-Québec respects our right to freedom of expression, peaceful assembly and association for legitimate purposes; we are all entitled to have personal convictions.

It is, however, disloyal to suggest that Hydro-Québec shares or endorses these convictions. We must not place the company in a position of partisanship or take advantage of our position at Hydro-Québec to promote our opinions.



Are we allowed to use personal mobile devices during working hours?

Using personal mobile devices during working hours (for example, to check social media, have private conversations or send personal e-mails or texts) in an unreasonable or inappropriate manner will not be tolerated.



Is it disloyal to use Hydro-Québec's property and resources for personal purposes?

Yes, it is disloyal to:

- use work premises to conduct personal commercial activities, such as selling goods or services
- use Hydro-Québec property (tools, materials, equipment, vehicles, premises, etc.), coworkers' services or paid hours for non-work-related activities, such as organizing, recruiting or advertising for personal purposes



Is it acceptable to use the company's computer resources for personal purposes?

Hydro-Québec allows the use of telephones, computers, e-mail and the Internet, for instance, for personal purposes as long as such use is reasonable and appropriate, complies with all applicable laws, policies and directives, and does not affect our productivity or our coworkers' productivity.

For example, it is considered reasonable and appropriate to use Hydro-Québec’s telephones to make an appointment, which only takes a few minutes.

However, the use of computer resources at work must not interfere with our tasks, the normal functioning of the computer network or tarnish the image of the company. Also, they must not be used for immoral or illegal purposes.

It is also disloyal to:

- view, download, copy, share or transmit images or files of a pornographic, defamatory, offensive, harassing, hateful, violent, threatening, racist or sexist nature, or with content that violates one or more clauses in the *Charter of Human Rights and Freedoms* or any other Québec law. Visitors to inappropriate sites tarnish the company’s reputation because Hydro-Québec’s digital fingerprint can be clearly identified.
- run your own business using Hydro-Québec’s computer resources, or spend time on the Internet for personal purposes for more than a few minutes a day during working hours
- connect personal computer equipment (router, camera, computer, personal USB key, etc.) to the company’s network
- bypass the security features of internal and external electronic networks
- use the company’s e-mail for the mass transmission of personal messages, such as petitions and fundraising for humanitarian or health-related causes (The mass transmission of e-mails also congests the company’s networks and e-mail system. Such e-mails must be deleted, and they should not be forwarded.)

Hydro-Québec reserves the right to verify and monitor the use of its computer resources, including mobile devices. Therefore, if a reasonable doubt exists, an investigation request may be submitted to the Direction principale – Sécurité corporative concerning a violation that has resulted in loss of time or the improper use of computer resources. In this context, the employee acknowledges that there are limits to his or her expectation of privacy.



What are our responsibilities concerning the security of Hydro-Québec’s facilities?

Hydro-Québec must secure its facilities, such as generating stations, dams, substations, reservoirs, warehouses and any other locations with restricted access, and raise public awareness about their dangers.

Each of us plays a vital role in ensuring our own safety and the safety of our coworkers, the public and company assets. We must therefore rigorously apply and respect the methods that have been put into place for ensuring the security of Hydro-Québec’s facilities.

We are also required to wear our photo identification cards based on current guidelines and should never lend them to another person.

Disregard for facility security measures is completely unacceptable and will not be tolerated.

RESPECTING PEOPLE AND THE WORK ENVIRONMENT

Hydro-Québec seeks to fulfill its mission with absolute respect for human rights and freedoms and to foster an inclusive work environment where each of us has an opportunity to reach our full potential. We must welcome diversity, whether cultural, sexual, physical, generational or other.

Hydro-Québec is committed to maintaining a work environment where respect is paramount. It is dedicated to building and maintaining equitable relationships with its employees and guaranteeing them a healthy work environment where relationships are based on respect and dignity.

Hydro-Québec does not tolerate any form of discrimination, abuse of power, harassment or violence between coworkers or directed at others, whether verbal, physical, psychological or financial. The company has established clear principles and implemented a procedure for handling complaints of this nature.

In addition, Hydro-Québec attaches great importance to respect in the workplace. The company expects its employees to follow basic rules of courtesy and civility in all situations.

Respecting people and the work environment – a few examples

- Taking the necessary steps to protect the health and safety of others, as well as our own
- Maintaining a work environment that fosters collaboration, inclusion, mutual support and respect, and that is free of all discrimination, harassment and violence
- Discussing ideas, not people
- Following rules of courtesy and exercising good judgment when communicating with coworkers, customers, suppliers and partners, in particular on the Internet and on social media
- Acting in ways to protect the environment and following the company's environmental guidelines

Lacking respect – a few examples

- Causing harm to a person or a group of people through words or actions that aim to disparage or discredit them in the eyes of others
- Bothering someone by using threatening or offensive words
- Abusing a position of authority, for example, by using our position or status to intimidate someone with threats
- Treating someone unfairly and inequitably for any of the reasons outlined in the *Charter of Human Rights and Freedoms*: race, color, sex, gender identity or expression, pregnancy, sexual orientation, civil status, age (except as provided by law), religion, political convictions, language, ethnic or national

origin, social condition, a disability or the use of any means to ease a disability, the fact of having been found guilty or admitting to a penal or criminal offence, if the offence was in no way connected with the employment or if a pardon has been obtained for it

- Harassing someone with unwelcome and offensive words or actions of a sexist, sexual or racial nature that violate human dignity



What should you do if you are harassed at work?

You can take these steps if you are being harassed:

- If at all possible, clearly tell the person harassing you that you want him or her to stop the unacceptable behavior.
- Contact one or more of the following resources:
 - your immediate or higher-level superior
 - an advisor from the [Service d'information et de traitement des plaintes](#) (information and complaints centre)
 - the Employee Assistance Program (EAP) at 1 866 871-5335
 - your union representative, association representative or social steward
 - the Corporate Ombudsman at 514 289-4846 or 1 855 774-4846



What should you do if you are the victim of violence at work?

If you witness or are the victim of violence and feel that your safety or someone else's safety is at risk, call 911 immediately. In all other cases involving violence, you must contact the representatives of the Direction principale – Sécurité corporative through the *Ouvrons l'œil* hotline (800-1212 or 1 877 816-1212).



What is Hydro-Québec's dress code?

We are ambassadors of the company, and our appearance and attire reflect our professionalism. We must dress with care, in clothing that is appropriate given our functions, and avoid looking untidy at work. If applicable, employees must wear work clothes and the proper personal safety equipment.

Hygiene is important, out of respect for our coworkers and our customers. If a difficult situation should arise, management is encouraged to discuss the issue with the person concerned.



Is it acceptable to distribute or display whatever we want to at work, with no restrictions?

No. Hydro-Québec does not tolerate objects, images or written or audiovisual documents that are sexual, sexist or racial in nature or that may violate the dignity of a person or group of people. Other rules apply to what we are allowed to display.



What is professional conduct that promotes health and safety?

By their very nature, Hydro-Québec's activities, including its equipment, facilities and services, involve potential risks to health, safety and physical well-being, both in the workplace and for the public. Each of us must act responsibly to protect the health and safety of our coworkers and the public, as well as our own health and safety. We must:

- Apply the work methods and safety regulations specific to our field of work and the tasks we are required to perform.
- Participate conscientiously in prevention, information and training activities to promote health and safety, including information and training activities related to emergency response assistance.
- Immediately report any situation that may pose a risk to the health and safety of our coworkers and the public, as well as to our own.

Hydro-Québec contributes by providing all the necessary risk management tools, and commits to being proactive in workplace health and safety. Here are some of the company's commitments:

- Provide us with a healthy and safe work environment and take all necessary measures so we can do our work without risk to our physical or mental health and safety, or to the health and safety of our coworkers and the public.
- Implement the appropriate means to eliminate hazards at their source and to define, control and eliminate job-related risks.

- Provide us with relevant information and proper training concerning workplace health and safety.
- Ensure that its facilities, equipment, procedures, work methods and activities comply with all current laws, regulations and guidelines.



How can we help protect the environment?

Our individual contribution depends on our tasks. We should participate in all environmental protection and promotion efforts related to our functions, avoid waste and use caution when handling potential contaminants.

MANAGING INFORMATION RESPONSIBLY

Information is an asset that must be managed with the same level of care as all other Hydro-Québec assets. As we go about our work, we must protect this information effectively, on the basis of its nature, characteristics and value, and regardless of its form or support medium, while respecting all applicable laws and internal guidelines.

Managing information responsibly – a few examples

- Protecting confidential information. Information that must remain confidential is information the law determines to be confidential or that Hydro-Québec decides to treat as such.
- Never transmitting or storing the company's documents or information using personal devices or storing them using a cloud-based, data-sharing or storage service that has not been authorized by Hydro-Québec.

Ensuring the confidentiality of information – a few examples

- Never disclosing industrial, financial, commercial, technical or scientific information that belongs to Hydro-Québec and whose disclosure may harm the company
- Never disclosing industrial, financial, commercial, technical, scientific or union-related information supplied by a third party and usually treated in a confidential manner by this party, unless it consents to the disclosure of the information

- Never disclosing personal information concerning employees, customers or partners without their consent
- Using extreme discretion when handling confidential information obtained while working
- Maintaining the confidentiality of all information concerning the purchase and sale of property or the trade of securities before such information is made public
- Using extreme caution when answering surveys, taking part in market studies or completing questionnaires by third parties, for instance, by avoiding the disclosure of strategic information about technologies used by Hydro-Québec

Violating confidentiality – a few examples

- Disclosing confidential information concerning Hydro-Québec's employees, customers, suppliers or other partners without their consent or in violation of current laws
- Disclosing confidential information that may harm Hydro-Québec, its interests or its reputation

- Disclosing confidential information that specifically concerns Hydro-Québec's investments and commercial transactions
- Disclosing information that may compromise the safety of people or facilities
- Disclosing information that may compromise an investigation, legal proceedings or negotiations
- Trying to obtain confidential information that is not required for the purposes of our tasks
- Not disclosing confidential information in conversations with coworkers, friends or relatives, and being especially careful in open-space offices and public areas such as elevators, public transit and restaurants
- Immediately reporting the loss or theft of personal or confidential information by calling the *Ouvrons l'œil* hotline (800-1212 or 1 877 816-1212) and advising our superior

When in doubt about how to deal with confidential information, we should talk to our superior.



What are some concrete ways to handle information confidentially?

There are many ways to exercise discretion:

- Organizing our workspace so that no confidential documents or information are visible or accessible
- Clearly informing recipients of confidential documents and information about their confidential nature in accordance with applicable guidelines
- Protecting the company's computer equipment that is under our responsibility, as well as access to computer systems (through user codes, passwords, etc.) and files
- Not leaving a company mobile device unattended
- Shredding all confidential documents that are no longer needed or disposing of them in a secure shredding bin

TREATING OUR CUSTOMERS, SUPPLIERS AND PARTNERS FAIRLY AND COURTEOUSLY

Hydro-Québec's reputation is based largely on the courtesy and diligence of its employees who, as representatives of the company, must foster good relationships with its customers, suppliers and partners.

Treating our customers, suppliers and partners fairly and courteously – a few examples

- Acknowledging that our customers and their satisfaction are our top priority
- Being diligent and professional at all times
- Providing clear, concrete, relevant and accurate information to the people we interact with
- Acknowledging that our suppliers and partners are important allies
- Identifying yourself and providing the name of your superior, if requested by a customer, supplier or partner

Lacking courtesy – a few examples

- Being rude
- Being impatient, for example, by refusing to repeat an explanation or ending a telephone conversation abruptly
- Expressing ourselves in an inappropriate manner, for example, speaking to a customer too informally or using profanity



Are we allowed to give a supplier a positive review on behalf of Hydro-Québec that would be used for advertising and publicity purposes?

No. Out of fairness to all of its suppliers, Hydro-Québec does not make these types of endorsements because it would amount to free publicity for this particular supplier.



Are we allowed to convey information about the procurement process to bidders and suppliers?

We are allowed to convey information about the procurement process only once it has been made public on Hydro-Québec's Web site. We must consult a representative from the Direction principale – Approvisionnement stratégique before conveying any other information about the procurement process that is not public, even after the contract has been awarded. We must also follow all applicable guidelines. This will ensure that all bidders and suppliers are treated fairly and in the same way.

ADDITIONAL INFORMATION

OTHER ETHICS GUIDELINES

Other ethics guidelines also apply. These guidelines either supplement the *Code of Conduct* or are specific to certain situations. They do not replace the *Code of Conduct*. In the event of a discrepancy concerning their interpretation, the stricter rules apply.

Hydro-Québec Supplier Code of Conduct provides ethics guidelines that suppliers are required to follow.

FUNCTIONAL SEPARATION RULES

The company's functional separation rules are defined in certain documents that apply to specific practices or transactions among Hydro-Québec's various divisions:

- [*Code de conduite du Distributeur*](#) [Distributor Code of Conduct]
- [*Code of Ethics on Conducting Calls for Tenders*](#)
- [*Transmission Provider Code of Conduct*](#)
- [*Code of Conduct – Reliability Coordinator*](#)

A COLLECTIVE RESPONSIBILITY

We have a duty to integrate the company's ethical principles into our daily activities and ensure that all employees follow them. Violations to these principles will be handled with the appropriate level of severity. Asking a third party to breach an ethical principle and refusing to cooperate with an investigation are also considered violations of the *Code of Conduct*. The nature of the disciplinary measures will depend on the seriousness of

the employee's actions, but violations may lead to sanctions up to and including dismissal and legal action.

THE ROLE OF MANAGEMENT

Hydro-Québec's managerial staff, regardless of their position in the company hierarchy, play a key role in maintaining ethical standards. They must ensure that the *Code of Conduct* is implemented and enforced by talking about it and setting a good example for their employees.

Management must:

- Be very familiar with the *Code of Conduct* and follow it at all times.
- Ensure that all new employees have an opportunity to read the *Code of Conduct* and complete the form Compliance with the Employees' Code of Conduct from the moment they are hired.
- Ensure that all members of their team have access to the *Code of Conduct*, read it each year, understand what it says and follow its principles at all times.
- Regularly remind team members of the importance the company places on the ethical principles in the *Code of Conduct*.
- Promote a work environment that nurtures clear and open communication, where employees feel comfortable asking questions and discussing and solving problems without fear of reprisal.
- Promptly handle situations brought to their attention or of which they are aware.

- Immediately report any violations to this *Code of Conduct* to the appropriate administrative unit.
- Apply the necessary disciplinary measures in the event of violations to this *Code of Conduct*.

WHO TO CONTACT

The Vice-présidence – Affaires corporatives et secrétariat général is responsible for revising the *Code of Conduct* on a regular basis. It also handles its distribution, interpretation, related training program, ethics awareness and accountability to the Board of Directors' Governance and Ethics Committee.

It can issue verbal and written notices upon request as preventive or corrective measures. Hydro-Québec staff can contact an ethics advisor at 514 289-2211, extension 2624, to:

- Ask a general question about ethics.
- Ask for advice regarding a particular case.
- Make a proposal that will help promote ethical behavior at Hydro-Québec.
- Obtain more information on what to do about an act that raises ethical questions.

Requests for information are handled promptly, and discussions are kept strictly confidential.

To ensure consistency, human resources personnel can support management in the investigation process and in the selection of disciplinary measures or sanctions following an ethics violation. They can also coordinate actions planned by other support units.

Direction – Conditions et relations du travail becomes involved in ethics violation cases by providing counseling and arbitration services. It also coordinates activities and provides necessary support under the management rule *Environnement de travail sain et engageant, exempt de discrimination et de harcèlement* (management rule concerning a healthy and stimulating work environment, free from discrimination and harassment).

Vérification interne and Direction principale – Sécurité corporative are responsible for the prevention (risk assessment), discovery and investigation of ethics violations.

To report an unusual or suspicious event that may be compromising the safety of staff or the company, call the *Ouvrons l'œil* hotline (800-1212 or 1 877 816-1212).

DISCLOSURE OF WRONGDOING, FRAUD AND IRREGULARITIES

Hotline: 1 866 ÉTHIQUE

Although Hydro-Québec has implemented ethical rules and internal control procedures, irregularities sometimes occur. If you have witnessed wrongdoing, fraud or an irregularity, you can report it in good faith to your immediate or higher-level superior, who must then advise the administrative units concerned.

Another option is to use the method that has been put into place by the Board of Directors. The internal auditor has been entrusted with managing this process, which allows Hydro-Québec staff and suppliers to confidentially

report fraud and irregularities. Run by an independent firm, the 1 866 ÉTHIQUE hotline (1 866 384-4783) is available 24/7.

Here are a few examples of actions you can report:

- falsification of accounts
- intentional concealment or misrepresentation of important facts or information
- misappropriation of funds
- acceptance of bribes
- unlawful use of company property
- conflicts of interest or collusion
- payment for goods or services that were not supplied
- replacement of goods with others of inferior quality
- noncompliance with laws, regulations or policies
- serious violations of the *Code of Conduct*
- acts or omissions that cause serious harm or are likely to cause serious harm to the health or safety of a person or the environment

Other ways to report wrongdoing

We can also use any other available method for reporting a wrongful act, as long as this is done lawfully and follows applicable policies.

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