



Partners in Powerful Communities

Supplier Code of Conduct

November 11th, 2018

Introduction

Safety Comes First – Stand for People – Empowered to Act – Optimism Charges Us – Win As One: these core values are the foundation of the business of Hydro One Limited and Hydro One Inc. and their respective subsidiaries (together, “**Hydro One**”).

These values are reflected in Hydro One’s Code of Business Conduct (the “**Code**”) and this Supplier Code of Conduct (this “**Supplier Code**”):

- **Safety Comes First:** Nothing is more important than the health and safety of our employees, our customers and the public. We make the world a safer place by setting a high bar that others aspire to.
- **Stand For People:** We foster an open, collaborative work environment. We work to build relationships internally and externally based on trust and mutual respect. We believe in equality and view diversity as a source of our strength.
- **Empowered to Act:** We recognize our power to improve people’s lives. We are ready to act in any situation. We capitalize on opportunities. We make the impossible, possible.
- **Optimism Charges Us:** Optimism creates potential in everything we do. We think creatively and innovatively, turning challenges into opportunities.
- **Win As One:** Winning is about doing well while also doing good. It means working together as one company to deliver strong results for our customers, communities, employees and shareholders.

Hydro One’s Expectations

Hydro One expects all of its Suppliers¹ to:

- a) comply with the Code, to the extent feasible, and with this Supplier Code, in all matters where Hydro One has an interest;
- b) report an actual, potential or suspected breach of the Code, this Supplier’s Code or of applicable laws truthfully and in good faith to Hydro One’s Corporate Ethics Office or otherwise in accordance with Hydro One’s Whistleblower Policy;

¹ In this Supplier Code, a “**Supplier**” means any contractor, supplier, business partner, consultant or agent that provides goods or services to Hydro One or that acts on behalf of Hydro One. Where applicable, references to a Supplier include that Supplier’s directors, officers, employees, contractors and subcontractors and other representatives who are involved in dealings with or on behalf of Hydro One on behalf of that Supplier (collectively, the “**Supplier’s Representatives**”).

- c) use good judgment in deciding whether or not an action will be in compliance with the Code and this Supplier Code and be accountable for their actions; and
- d) ask questions if there is any doubt about how to proceed under the Code or this Supplier Code.

Each Supplier should take steps to notify all of the Supplier's Representatives who are involved in work for Hydro One of the obligations under the Code and this Supplier Code. Hydro One expects that all of the Supplier's Representative will have the necessary training, expertise and certifications required to meet or exceed the specific requirements of the Code and this Supplier Code.

This Supplier Code supplements the Code by providing additional guidance to Suppliers regarding the principles, values and certain other requirements that Hydro One has of its Suppliers. In the event of any conflict between this Supplier Code and the Code, the Code will govern. A copy of the Code may be viewed at www.HydroOne.com/CodeofConduct.

Consequences of Breach

Failure to comply with the Code or this Supplier Code is serious and, in addition to any other remedy available to Hydro One, may result in immediate termination of the Supplier's contract with Hydro One and/or exclusion from future business opportunities.

Questions

The Code and the Supplier Code is not a complete guide to every legal or ethical issue that a Supplier or its Representatives may encounter. They are also not a summary of all the applicable laws or Hydro One policies and procedures that may apply in a given situation. If questions arise about the interpretation of the Code or this Supplier Code, or about whether a particular action will be in compliance with the Code or this Supplier Code, Suppliers should contact **Hydro One's Corporate Ethics Office** at CorporateEthicsOffice@HydroOne.com.

Any terms defined in the Code and used but not defined in this Supplier's Code have the respective meanings given to them in the Code.

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Health & Safety

Hydro One's core values state that nothing is more important than the health and safety of Hydro One's employees, customers and the public. Hydro One puts safety first in everything we do and our goal is zero work-related injuries and illnesses.

Hydro One recognizes the important role that its Suppliers play in achieving this goal and ensuring the safety of Hydro One's employees, customers and the public. In their work with Hydro One, Suppliers are expected to prioritize workplace health and safety. As such, Suppliers must meet or exceed Hydro One's Health and Safety practices by taking the following actions:

- Implementing and sustaining a comprehensive Health & Safety policy, including a reporting management system.
- Using a risk-based approach to incorporate public safety considerations into business practices and decisions.
- Identifying and evaluating health and safety risks to ensure that hazards are eliminated or controlled.
- Establishing an effective process for preventing work-related injuries and illnesses.
- Reporting and investigating incidents in order to prevent a recurrence.
- Ensuring employees understand their roles and responsibilities and have the skills, knowledge and resources necessary to perform their duties.
- Providing everyone with timely and effective training.
- Obtaining input from employees and their representatives on health and safety issues.
- Stopping unsafe work.
- Promoting both physical and mental health and wellness.
- Meeting or exceeding legal requirements wherever Hydro One and/or the Supplier operates.

Ethical Business Conduct

Hydro One expects its Suppliers to conduct business with the same ethical standards that Hydro One maintains, including:

- **Honesty and Integrity:** Suppliers must demonstrate integrity in their business relations with Hydro One and not deceive, lie to, misinform or allow Hydro One to be misinformed through any act or omission of the Supplier. This includes all verbal or written communications and reporting to Hydro One or its representatives.

In addition, Suppliers must not take any action that would cause Hydro One or any of its representatives or business partners to be in breach of any of the obligations set out in the Code or this Supplier Code (as applicable).

- **Insider Trading and Tipping:** Suppliers must not buy or sell securities of Hydro One with knowledge of “Material Information” relating to Hydro One that has not been generally disclosed to the public in accordance with Hydro One’s Corporate Disclosure Policy.

Suppliers must also keep all undisclosed Material Information confidential and not pass any of it on to otherwise, including to a spouse, friends or family members.

Similarly, no Confidential Information may be used for private speculation or personal advantage or benefit by a Supplier, including for purposes of trading in securities of any of Hydro One’s customers or other Suppliers with the benefit of any Confidential Information relating to that customer or other Supplier.

- **Personal Gifts, Benefits & Kickbacks:** Suppliers must not (directly or indirectly) in the course of their dealings with or on behalf of Hydro One offer, give, request or accept any bribe or kickback or other transaction which could compromise the integrity or harm the reputation of Hydro One or its representatives or any gift, entertainment or similar type of benefit that contravenes any applicable law, that creates a conflict of interest for Hydro One or any of its representatives, or that does not serve a legitimate business purpose.

Any gift, entertainment or similar type of benefit that is offered, given or accepted must be of a nature and amount that avoids embarrassment, does not constitute a real personal enrichment of the recipient, and would not reflect unfavourably on Hydro One or the person receiving the given, entertainment or benefit if it became publicly known. Generally speaking, acceptable gifts will have a nominal value.

- **Fraudulent Activity:** Suppliers must take proactive steps to not only deter and detect instances of fraud by Hydro One representatives or any of Hydro One’s customers or other business partners, but also to minimize and mitigate the risk of it. Suppliers must comply at all times with Hydro One’s Fraud Risk Management Policy.

If a Supplier has concerns about any Hydro One representative or any of Hydro One's customers or other business partners engaging in fraud or in a fraudulent scheme, they have a duty to report this in accordance with the "Anonymous Reporting" Section below.

- **Bribery and Coercion:** Suppliers must not provide anything of value to a Hydro One representative secretly and with the intent of obtaining an improper or unfair advantage or amount of value from Hydro One, nor may Suppliers offer or give any inappropriate payments, services or other forms of values to Hydro One representatives seeking to receive, in return, some uncompensated benefit or advantage. Examples of prohibited actions also include the use by Suppliers of their influence or position of power over an individual to influence or coerce them to make a decision or take an action that is not in the best interest of Hydro One.

Suppliers must also comply with all anti-bribery and anti-corruption legislation where Hydro One or the Supplier does business or has an interest.

The list above is not exhaustive and is only meant to provide guidance. Suppliers should use their judgment to assess whether a situation or action is in compliance with the Code and this Supplier Code, and any questions will be referred to Hydro One's Corporate Ethics Office.

Labour Issues

Suppliers are expected to comply with the labour laws of their own jurisdiction as well as those of the jurisdiction within which they conduct business with Hydro One. Labour Issues of particular importance include but are not limited to:

- **Harassment and Discrimination:** Suppliers must treat their employees and others they encounter in the course of their work for Hydro One with dignity and respect. They must act in a manner that values the background, experience, perspective and talent of each individual and does not discriminate against or harass anyone.

In particular, Suppliers must:

- Provide their employees with equal access to opportunities, within the confines of legal and collective bargaining agreement requirements;
- Not discriminate in hiring and employment practices;
- Not engage in or tolerate any workplace harassment;

- Not tolerate any violence, threats of violence, intimidation, coercion, stalking, sabotage, or behaviours that may promote any of the activities mentioned above, on Hydro One property or at the Supplier's workplace; and
 - Comply with Hydro One's Workplace Human Rights and Anti-Harassment Policy and Procedure.
- **Drugs and Alcohol:** Suppliers must not permit their employees or representatives to work, or permit others to work, while under the influence or suffering the after effects of alcohol, medication or drugs, or bring, or permit anyone else to bring, alcohol or any illicit drugs into any Hydro One workplace.
 - **Child Labour:** Suppliers must comply with applicable labour and employment laws regarding any form of child labour, and prohibit any exploitation of children in the manufacturing and delivery of products or services.
 - **Respect and Humane Treatment:** Suppliers will treat their workforce with respect and will provide access to appropriate sanitation facilities for the work that is being completed. Suppliers will take into consideration weather concerns (such as extreme cold weather) and will provide the appropriate services and equipment to ensure the safety and well-being of their staff.

Conflicts of Interest

Suppliers shall not create, or allow to be created, any actual, potential or perceived conflict of interest affecting Hydro One, its contractors or other Suppliers. If any such conflict of interest arises or is discovered, Suppliers must immediately notify Hydro One.

A "**conflict of interest**" includes a situation where a Supplier's interests:

- *actually conflict* with those of Hydro One.
- *have the potential to conflict* with those of Hydro One, meaning a situation where the Supplier's relationship to others or interest in or relationship to another business or organization could result in a conflict of interest in the future.
- *could be perceived to conflict* with those of Hydro One, meaning a situation where other people (either inside or outside of Hydro One) might think that the Supplier or Supplier's

Representatives' interests conflict, or could potentially conflict, with those of Hydro One, regardless of whether or not this conflict actually does, or might, exist.

Confidential Information

Suppliers shall not disclose Confidential Information to anyone outside Hydro One, including to family and friends, other companies or customers of the Supplier or Hydro One. This section applies to information which the Supplier has obtained from its business relationship with Hydro One or its representatives, regardless of whether the Supplier is contractually required to keep that information confidential. Confidential Information of Hydro One may only be disclosed with Hydro One's prior written consent, pursuant to the Supplier's contract with Hydro One, where disclosure is made to others having a business relationship with Hydro One where disclosure is necessary in the course of the Supplier's dealings with or on behalf of Hydro One and is made for valid business purposes or where required by applicable law.

"Confidential Information" of Hydro One includes trade secrets, intellectual property and any proprietary, sensitive, technical, commercial, strategic, financial, customer, Supplier and personal information about customers, Suppliers and representatives, in each case, that is not publicly available.

Suppliers' obligations not to disclose Confidential Information continue even after the Supplier's contract or other arrangement has expired or been terminated.

In order to protect Confidential Information of Hydro One, Suppliers shall:

- be alert to inadvertent or accidental disclosure of Confidential Information in social conversations, including in public places, at trade conferences, on public transit or airplanes, on mobile devices or in normal business discussions with Suppliers and customers;
- never post, transmit or make available any Confidential Information on or through the internet without using a secured network or Hydro One systems and equipment;
- never leave Confidential Information or devices that contain Confidential Information, or which are connected to or have specific capability to connect to the Supplier's and/or Hydro One's systems, unattended in public places, and ensure these devices are stored securely when not in use; and

- promptly report any Confidential Information that they believe has been leaked and any device that is lost or stolen so that appropriate steps can be taken by Hydro One.

Hydro One should be contacted if there is uncertainty as to whether or not a Supplier is permitted to disclose the Confidential Information, and these enquiries will be referred to the Hydro One Law Department.

Environmental Stewardship

Hydro One strives to comply with all environmental laws, rules and regulations and to design, build and operate its facilities to make efficient use of resources, prevent pollution and reduce environmental effects to the extent that is reasonably achievable. Hydro One expects Suppliers to share the same values and manage their operations in relation to their dealings with or on behalf of Hydro One in an environmentally responsible and sustainable manner, including by:

- identifying and evaluating environmental risks to ensure that hazards are eliminated or controlled;
- integrating environmental sustainability considerations into decisions;
- reporting and investigating environmental incidents in order to mitigate environmental impacts;
- ensuring Supplier Representatives understand their roles and responsibilities and have the skills, knowledge and resources necessary to perform their duties;
- providing the Supplier's Representatives with timely and effective training;
- establishing environmental objectives and monitoring progress;
- working cooperatively with governments, customers, Indigenous Peoples, public advocates and others to improve environmental performance;
- reporting on environmental performance and celebrating achievements;
- meeting or exceeding legal requirements wherever the Supplier operates.

Indigenous Relations

Hydro One is determined to carry out its activities lawfully and ethically by proactively building relationships with Indigenous Peoples based on understanding, respect and mutual trust. In an effort to constantly improve its performance in terms of Indigenous relationships, Hydro One actively seeks to conduct business with Suppliers that share the company's commitment and that proactively integrate respectful Indigenous relationships into their business activities.

Hydro One expects Suppliers to take every measure to adopt the principles set out in this Supplier Code of Conduct and to demonstrate the ways in which these principles are applied. Among other things, Hydro One expects all Suppliers to:

- Respect the rights of Indigenous Peoples including the Aboriginal and treaty rights of Aboriginal peoples as recognized and affirmed in section 35 of the Constitution Act, 1982;
- Commit to working with Indigenous peoples in a spirit of cooperation and shared responsibility;
- Acknowledge that Indigenous peoples have unique historic and cultural relationships with their land and a unique knowledge of the natural environment;
- Recognize distinctions between and among First Nations, Inuit, and the Métis Nation;
- Adapt business practices to respond to the legal rights of Indigenous communities and individuals;
- Develop and maintain relationships with Indigenous people that demonstrate understanding, respect and a basis of mutual trust;
- Increase procurement opportunities for Indigenous businesses to support their aspirations for self-sustainability and track progress of such growth;
- Increase Indigenous representation in all levels in the Supplier's workforce and tracking progress of such growth;
- Undertake procedural aspects of consultation, as required by law or guided by leading industry practices, in the early stages of, and throughout, projects that may have an impact on Indigenous rights; and
- Ensure that their employees have the skills, training and resources necessary to perform their duties with respect to developing and advancing relationships with Indigenous peoples that demonstrate mutual respect and understanding of the unique rights of Indigenous peoples.

Compliance and Reporting

Upholding Hydro One's well-earned reputation as an ethical and credible company is critical to the ongoing success of Hydro One and its operations. As business partners to Hydro One, Suppliers are expected to uphold these values and report any violation, whether potential or suspected, of the Code and/or this Supplier Code promptly, truthfully and in good faith. If a Supplier fails to report a violation it knows to have occurred, then the Supplier will have violated the Code and this Supplier Code.

No Reprisals

Hydro One will not permit any form of reprisals (including discharge, demotion, suspension, threats, harassment or any other form of discrimination) by any person or group, directly or indirectly, against a representative or business partner (including a Supplier) who has truthfully and in good faith:

- reported actual, potential or suspected violations of the Code or this Supplier Code;
- lawfully provided information or assistance in an investigation regarding any conduct which the representative or business partner reasonably believes constitutes a violation of applicable securities laws or applicable federal laws relating to fraud against Hydro One's security holders;
- filed, caused to be filed, testified, participated in or otherwise assisted in a proceeding related to a violation of applicable securities laws or applicable federal laws relating to fraud against Hydro One's security holders;
- provided a law enforcement officer with truthful information regarding the commission or possible commission of an offense, unless the individual reporting is one of the violators; or
- provided assistance to the Corporate Ethics Officer, as Confidential Designee, the Audit Committee, Supply Chain, management or any other person or group in the investigation of a report made pursuant to Hydro One's Whistleblower Policy.

Any Supplier retaliating against a representative or other business partner (including another Supplier) who has, truthfully and in good faith, made such a report or taken such an action is subject to immediate termination of that Supplier's contract with Hydro One and/or exclusion from future business opportunities.

Anonymous Reporting

Any reports of an actual, potential or suspected violation of the Code and/or this Supplier Code can be reported anonymously to the Chief Ethics Officer, as Confidential Designee, in accordance with Hydro One's Whistleblower Policy, including by mail addressed to "The Audit Committee of the Board of Directors of Hydro One Limited, c/o the Chief Ethics Officer" at 483 Bay St., 8th Floor, South Tower, Toronto, Ontario M5G 2P5 and marked confidential or by email to CorporateEthicsOffice@HydroOne.com.

Alternatively, reports can be submitted anonymously to ClearView by:

- Telephone: 1-866-921-4491;

- Internet: <http://www.clearviewconnects.com>; or
- Confidential Mail: P.O. Box 11017, Toronto, Ontario, M1E 1N0.

Choosing to include personal information in a report to ClearView means the person submitting such report has consented to the collection of that personal information by Hydro One, and the information will be sent to Hydro One.

All reports should include as much detail as possible, including dates, individuals or witnesses involved and any supporting material or evidence that may be relevant to the matter being reported.

Amendments and Interpretations

Hydro One retains sole discretion in interpreting and applying the Code and this Supplier Code and the Code and this Supplier Code may be updated, modified or withdrawn by Hydro One at any time in its sole discretion. Any waivers of the Code or this Supplier Code in respect of a Supplier must be made in writing by the Corporate Ethics Office.