



ETHICS POLICY

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Policy Name:	EPCOR Utilities Inc. Ethics Policy		
Executive Sponsor:	General Counsel and Corporate Secretary	Original Policy Effective Date:	September 1, 2015
B.U. Contact:	Ethics Officer	Review Frequency:	Annual
Approval Level	Board of Directors	Last Reviewed or Revised:	October 30, 2020
		Next Review Date:	October 31, 2021
		Current Policy Effective Date:	October 30, 2020

1. APPLICATION

This Policy applies to all employees, officers and directors, including full-time, regular, temporary and casual employees (all referred to as “Employees” in this Policy for ease of reference) of EPCOR Utilities Inc. and its subsidiaries (“EPCOR”). EPCOR’s suppliers, contractors and business partners are also expected to comply with the relevant sections of the Policy.

Any EPCOR Employee found to have violated this Policy is subject to coaching and counselling or discipline, up to and including termination. The requirements of this Policy apply regardless of the medium or forum used, including the use of social media.

2. POLICY REQUIREMENTS

When conducting EPCOR business and operations or when participating in EPCOR-sponsored events, Employees must act ethically, honestly, fairly, lawfully and with integrity with respect to one another and with respect to EPCOR’s customers, suppliers and business contacts. Employees are required to comply with all EPCOR policies and violation of such policy or policies constitutes a breach of the Ethics Policy.

Respectful Workplace

EPCOR is committed to maintaining a workplace that is respectful, free of inappropriate behavior, abuse, violence, discrimination and harassment. Employees must comply with the requirements of EPCOR’s *Respectful Workplace Policy*.

Use of EPCOR Property and Resources

All Employees are responsible for appropriate use of EPCOR property and resources including EPCOR funds, facilities, assets, technology, data, communication systems, materials, supplies, equipment, patents, inventions, vehicles and tools. These resources are only to be used for EPCOR related purposes.

Employees are expected to protect EPCOR's brand or reputation.

Employees who misuse sick leave or steal time (not working while being paid to work) are in breach of this Policy.

All information, data and intellectual property created in the course of EPCOR business activity is the exclusive property of EPCOR and is considered confidential unless business practice requires disclosure. Employees must not disclose EPCOR's business strategies and plans, special methods of operation, technical innovations, or any other information that may be of value to competitors of EPCOR.

Appropriate Use of Technology, Data and Electronic Communications

EPCOR prohibits the use of EPCOR computer and other electronic resources to view, retrieve or send messages or material that is inappropriate, sexually explicit, pornographic, abusive, hate-related, discriminatory, illegal, or which is otherwise harmful to EPCOR's reputation or brand. Excessive personal use of EPCOR electronic resources is not permitted. Employees must comply with the requirements of EPCOR's *Acceptable Use Standard* and *Information System Protection Policy*.

Use of data for analytical purposes is permitted only if compliant with the Code of Conduct and privacy legislation and is not harmful to EPCOR's reputation or brand.

EPCOR reserves the right to monitor access and contents of EPCOR's computer systems, computers, electronic storage devices, networks and mobile devices. Employees should not expect to have any right to privacy over information and electronic data residing on these systems or devices.

Conflict of Interest

A conflict of interest arises in any situation in which an Employee's obligations to serve the best interests of EPCOR may be adversely affected by the Employee's personal interests, including the interests of the Employee's family members. For the purpose of this policy, "family members" has the same meaning as defined in EPCOR's Bereavement Policy. Activities that could compromise the judgment or objectivity of an Employee in their performance of their duties should be avoided.

If an Employee believes he or she may have an actual or perceived conflict of interest, the Employee should disclose the potential conflict to their manager or EPCOR's Ethics Office before any decision or action is taken that would lead to a conflict. The manager or the Ethics Office will determine whether an actual or perceived conflict of interest exists and what actions, if any, should be taken. A perceived conflict of interest is a situation that may leave a third party with the perception that the Employee is in a conflict of interest. The following is a list of some specific examples of conflicts of interest:

- **Financial Interest** – Employees and their families must not own or control, directly or indirectly, a material financial interest of a supplier, contractor, competitor, or any other entity which does business with EPCOR.

- **Corporate Opportunities** – Employees must not take personal advantage of opportunities arising from their employment with EPCOR, including obtaining discounts or rebates other than those available through authorized EPCOR programs.
- **Outside Business Activities** – Employees must not engage in any outside business or activity that is detrimental to EPCOR. Employees may not participate in secondary employment if doing so involves the use of EPCOR proprietary information or interferes with the Employee's employment duties. Employees are prohibited from competing with EPCOR.
- **Outside Directorships** – Employees must not serve as a director, officer, partner, consultant or any other role in unaffiliated profit-making organizations if that activity is detrimental to EPCOR. Directorships by Employees (other than members of EPCOR's Board of Directors) in such profit-making, unaffiliated entities require the prior written consent of the Employee's manager or the Ethics Officer. Directorships by EPCOR's officers and the Chief Executive Officer in profit-making, unaffiliated entities requires prior approval from the Board Chair.
- **Gifts** – Employees must be prudent when offering or accepting gifts to or from a person or entity with which EPCOR does or seeks to do business. Employees may accept or give modest, non-monetary gifts as long as acceptance would not be perceived as being in exchange for providing an advantage to the person or entity providing the gift. Gifts include providing entertainment.
- **Personal and Family Relationships** – Employees must not supervise directly or be in a position to influence the career of someone with whom the Employee is engaged in a personal relationship or is a member of the Employee's family.

Customer and Supplier Relations

All customers, suppliers and independent contractors purchasing or furnishing goods or services must be dealt with fairly. Decisions to hire a subcontractor or purchase materials must be made on the basis of objective criteria and be consistent with EPCOR's *Procurement Policy*.

Fraud, Inaccurate Accounting Practices and Bribery

Employees are prohibited from making false, artificial or misleading entries in the books, records and documents of EPCOR. This includes, without limitation, entries made for timekeeping, expense claims and employment benefits. All periodic reports and core public documents filed by EPCOR must be in accordance with EPCOR's *Disclosure and Insider Trading Policy* and must be prepared on the basis of full, fair, accurate and timely disclosure.

Employees are required to report any suspected wrongdoing relating to accounting or related activities, reporting, auditing, or bribery including:

- Financial accounting malpractice, impropriety or fraud;
- Failure to comply with legal reporting obligations;
- Misrepresentation in the financial records or financial statements;
- Suspected bribery of government or public officials;

- Endorsement of improper financial activities by management, external auditors or internal auditors;
- Improper business conduct affecting the outcome of financial transactions;
- Departures from significant accounting and financial policies without explanation, disclosure or authorization; or
- Attempts to conceal any of the above.

No Retaliation

EPCOR will not tolerate retaliation of any kind against any person who reports a potential violation, participates in an ethics investigation or makes an ethics enquiry. Allegations of retaliation will be treated and investigated as potential breaches of this policy.

Good Faith Complaints

All ethics complaints and enquiries must be made in good faith. Deliberately making false complaints or providing false information is a breach of the Ethics Policy.

3. REPORTING VIOLATIONS AND MAKING ENQUIRIES

All Employees are required, in a timely way, to report potential violations of this Policy. Complaints or enquiries may be made anonymously. Potential ethics violations, complaints or enquiries may be directed to any of the following contacts:

- Ethics Office via the confidential ethics phone line at 1-888-EPRITE1 (1-888-377-4831). This phone line does not have call display.
- Ethics email mailbox at eprite1@epcor.com.
- EPCOR's Ethics Officer, Teresa Crotty-Wong at 780-412-3799 or tcrotty-wong@epcor.com.
- An EPCOR Human Resources Consultant. Refer to EPCOR's intranet for contact information.
- EPCOR management who, upon receipt of such complaints, must follow the reporting requirements of this Policy.
- EPCOR's President and Chief Executive Officer, Stuart Lee, at slee@epcor.com
- The Chair of EPCOR's Audit Committee, Vito Culmone, at vculmone30@gmail.com
- External ethics legal counsel: Dentons Canada LLP to the attention of Fausto Franceschi, 780-423-7348, fausto.franceschi@dentons.com; or Cristina Wendel, 780-423-7353, cristina.wendel@dentons.com.
- Regardless of how complaints are received, allegations of financial impropriety and/or fraud must be directed to the Director, Audit and Risk Management, Duane Sommerfeld at dsommerfeld@epcor.com.

The Ethics Officer or a member of the Ethics Committee will notify the Chair of the Audit Committee within 48 hours of becoming aware of an alleged violation of this Policy involving fraud, accounting

or financial reporting impropriety in excess of \$10,000, involving a member of EPCOR's management at an S4 level or higher or a Board member (other than an alleged violation of the Respectful Workplace Policy), or management override of a significant or material policy.

The Ethics Officer or a member of the Ethics Committee will notify the Chair of the Human Resources and Compensation Committee within 48 hours of becoming aware of an alleged violation of the Respectful Workplace Policy involving a member of EPCOR's management at an S4 level or higher or a Board member.

4. INVESTIGATIONS

Every effort will be made to conduct ethics investigations in confidence.

The Ethics Officer is responsible for investigating and will notify the Ethics Committee within 48 hours of becoming aware of the following potential violations of this Policy or the Respectful Workplace Policy:

- fraud, accounting or financial reporting impropriety in excess of \$10,000 (note that investigations will be led by the Director, Audit and Risk Management);
- management override of significant or material policy requirements;
- a violation by EPCOR's management at an S4 level or higher or by a Board Member; or
- matters which could reasonably give rise to criminal, civil or administrative action against the directors and officers of EPCOR, or would reasonably result in significant risk to EPCOR.

When a complaint is received, the Ethics Officer will not report, or will delay reporting, to some or all members of the Ethics Committee if doing so could compromise the investigation.

The Director, Audit and Risk Management, is responsible for leading investigations into any alleged fraud, accounting or financial impropriety.

All other alleged violations of this Policy will be investigated by Human Resources unless Human Resources requests the assistance of the Ethics Office or unless the nature of the investigation requires subject matter expertise. Where necessary, the Ethics Office may request a subject matter expert to conduct an investigation.

Investigations will be completed within 30 days of receiving the complaint, unless more time is required due to the circumstances or complexity of the investigation.

Employees will be informed of allegations made against them and will be given an opportunity to respond to the allegations. If no breach of this Policy is found to have taken place, no record of the complaint or investigation will be placed on the Employee's Human Resources file. Any Employee found to have breached this Policy will receive written notice of the outcome of the investigation. A record of all violations and discipline remain on the Employee's Human Resources file for at least two years, provided the Employee has received no further ethics-related discipline in that two year period (subject to EPCOR's collective agreements). Employees may ask their managers, HR Consultant or the Ethics Office to have records of ethics violations removed from their HR files after the expiration of the two year period.

5. ETHICS GOVERNANCE

The Ethics Committee oversees EPCOR's ethics program and is comprised of:

- EPCOR's President and CEO (Chair), SVP Corporate Services (Vice-Chair), General Counsel, and SVP and Chief Financial Officer; and
- appropriate representatives from the affected business units, as determined by the Ethics Committee.

The Ethics Committee is supported and counseled by EPCOR's Ethics Officer. The Ethics Officer will not be disciplined, demoted or terminated without the prior knowledge of all members of the Ethics Committee and the Chair of the Board of Directors.

A summary report of ethics enquiries, complaints and investigations of which the Ethics Office is aware will be provided quarterly and annually to the Audit Committee of EPCOR's Board of Directors.

This Policy will be reviewed at least annually by the Ethics Officer and the Ethics Committee. Any recommendations for change to this Policy must be approved by EPCOR's Board of Directors. Any substantive changes to this Policy must be communicated to Employees.

6. CERTIFICATION

All new Employees are required to certify that they have reviewed and understand the Policy and agree to be bound by this Policy as a condition of their employment or appointment to the Board.

All existing Employees will be required to take training on the Ethics Policy and certify their compliance with the Policy every two years.