



**Northeast  
Utilities**

# **Northeast Utilities**

## Supplier Code of Conduct

## Energy, Growth & Leadership

The Energy to Make a Difference

Values—the principles and standards we follow—cannot be compromised. They are at the very core of who we are, what we stand for and how we behave. At NU, in both word and action, the daily decisions we all make should reflect the highest business ethics and NU's core values:

- ◆ Operating safely and responsibly at all times
- ◆ Maintaining the highest ethical standards
- ◆ Having respect for diversity
- ◆ Providing superior customer and community service
- ◆ Providing a stimulating workplace
- ◆ Promoting environmental stewardship

## Shirley Payne

Vice President Shared Services

Of all the things that contribute to the success of a company, none are as essential as the integrity of its actions. Acting with integrity means *doing what's right* – in situations where the law is there as a guide and in those where it is not. With integrity, a company earns the single greatest asset a business can aspire to: the trust of all its stakeholders, especially its employees and customers.

Recognizing the importance of ethical behavior in business relationships and in the workplace, Northeast Utilities' companies ("NU") require all Suppliers<sup>1</sup> to abide by this Supplier Code of Conduct, directing its Suppliers to provide high quality products and services, and to also:

Be honest, fair and respectful at all times ♦ Keep their commitments to quality, reliability and service ♦ Perform to the highest ethical standards ♦ Understand and operate in compliance with all applicable laws, regulations, policies and procedures ♦ Maintain a culture of ethical business practices, encourage open communication to all stakeholders and foster awareness of and commitment to the responsibilities outlined in this publication ♦ Effectively communicate standards and procedures to their employees, agents and representatives through training programs and disseminate information on requirements and expectations.

It is important for Suppliers to read and understand this entire document and to ask any questions they may have. The Supplier Code of Conduct is not intended to anticipate every situation that may arise in the course of conducting business. If a Supplier is unsure whether a decision or action is the right thing to do, they should follow the ethical decision-making steps below and ask the following questions:

Is it legal? ♦ Is it compliant with NU policies and procedures and consistent with NU's core values? ♦ Would NU and/or their company be compromised or embarrassed if the situation were disclosed to management, coworkers or the general public? ♦ Is it a reasonable thing to do? ♦ What is the impact of the decision? ♦ What is the intent vs. the impact of the decision?

I thank each of our Suppliers for their steadfast commitment to maintaining NU's high standards and conducting their business in a manner that is beyond reproach. Doing what's right – ethically, fairly and honestly – is the key to our mutual success.

<sup>1</sup>As used in this Supplier Code of Conduct, the term "Supplier" shall mean contractor, vendor and any lower tier subcontractor, including their employees, agents and representatives.

## Expectations of Business Conduct

### Compliance

NU places a high priority on business ethics and compliance and expects its Suppliers to do the same. Suppliers must comply with all applicable laws and regulations and will also be expected to do what is right in any given situation. This compliance includes all applicable international and domestic laws and, without limitation, environmental, human rights, labor, fair trade, antitrust and anti-corruption laws (including the Foreign Corrupt Practices Act), customs and export/import laws, as well as any other applicable NU policies and procedures.

### Safety

NU places the highest possible priority on managing our business to promote safety and protect ourselves, each other, and the general public from safety hazards, particularly those hazards inherent in the electric and gas utility industries. Safety is fundamental in everything we do and it will not be compromised. Suppliers performing work for NU must maintain and adhere to both the letter and spirit of safety laws, and industry-appropriate safety and occupational health standards and practices in the performance of their work.

### Environmental

NU is committed to environmental compliance, leadership, accountability and stewardship. This means being environmentally responsible in all business decisions and operations and complying with both the letter and spirit of environmental protection laws, environmental justice principles

and NU requirements and procedures. All Requests for Proposals require potential Suppliers to provide information regarding the environmental impact of their products or services. We expect all of our Suppliers to be familiar with and to adhere to NU's Environmental Policy, to comply with all applicable environmental laws and regulations, and to conduct their operations in an environmentally responsible manner that respects both the natural and human environment. NU is committed to a precautionary approach to environmental challenges and expects its Suppliers to follow this approach as well.

### NU Environmental Policy

NU is committed to protecting the environment. In conducting our business we will:

- ◆ Maintain **compliance** with both the letter and spirit of environmental protection laws and our own procedures;
- ◆ Demonstrate **leadership** by pursuing economically, socially and environmentally sustainable initiatives that protect the environment and are consistent with our corporate vision;
- ◆ Ensure the **accountability** of employees and their openness and responsiveness to co-workers, customers, shareholders and the public by establishing specific objectives and measurable targets that promote continuous improvement and by reporting our environmental performance; and

- ◆ Practice **stewardship** by managing our operations with genuine care and working to reduce or eliminate significant environmental impacts and prevent pollution resulting from our activities.

We expect all employees to understand and comply with this policy, and will promote the tenets of this policy with our suppliers, vendors and contractors. Our management is responsible for implementing this policy and the Executive Environmental Advisory Committee is responsible for oversight of this policy.

### Conflicts of Interest

Suppliers are required to disclose any situation that may appear to be a conflict of interest prior to entering into any business transaction. Examples may include Suppliers who have non-business relationships with NU employees who can make decisions impacting the Supplier's business, or employees or family members of the Supplier who serve as officers, directors, employees, agents or consultants of an NU company.

### Gifts and Entertainment

Accepting or extending gifts (including entertainment) can create or appear to create a sense of obligation. It can also create favoritism or the appearance of favoritism for one employee, vendor, or customer over another. For these reasons, Suppliers must not give any personal fees, gifts, favors, other compensation or business courtesies that are intended to influence, or appear to influence, a business decision. Suppliers must comply with all NU policies regarding gifts and entertainment.

### Company Resources

NU resources include both tangible and intangible assets, such as real property, equipment, computers, technology and information that may include confidential customer and employee information as well as NU's proprietary and critical infrastructure information. Suppliers are required to safeguard and use NU resources solely for the purpose of advancing legitimate NU business purposes. Any information provided to Suppliers by NU must be managed in compliance with NU's policies and requirements, particularly confidential information requirements and IT security requirements, as well as any applicable laws.

### Advertising

Suppliers shall not engage in any advertising, publicity or other promotional activity which directly or indirectly mentions or refers to NU or a relationship between NU and Supplier in the absence of the prior written consent of an authorized representative of NU.

### Business Records

A Suppliers' financial books, records and accounts must accurately represent the underlying activities and conform to applicable accounting principles and to a system of internal controls. Likewise, a Supplier's operational records must be accurate and conform to all NU requirements. Supplier must create, maintain and dispose of all such records in compliance with applicable law and contractual requirements.

## Supplier Diversity

NU's policy is to provide all suppliers equal access to purchasing opportunities with the company. It is a proactive business process that is designed to develop and maintain a robust, diverse and qualified supplier base. Suppliers are expected to utilize and develop diverse suppliers while performing work on NU's behalf.

## Human Rights and Labor Practices

Suppliers must treat their employees fairly and with respect. Suppliers must provide a safe and healthy working environment. NU expects its Suppliers to adhere to all applicable labor and human rights laws including, but not limited to, those associated with Equal Opportunity and Non-Discrimination, Child Labor, Forced or Compulsory Labor, Working Hours, Wages and Benefits, Freedom of Association, Health & Safety, and Harassment-Free Work Environment. The country of any location where a supplier is performing any work for NU must be a member of the International Labour Organization (ILO).

## Workplace Behavior

All NU Suppliers are expected to demonstrate the following positive behaviors in their and NU workplaces:

- ◆ Act with integrity
- ◆ Demonstrate trust, respect, and consideration for others
- ◆ Respect the dignity of others
- ◆ Promote diversity in the workplace
- ◆ Abide by all laws and policies concerning obtaining, retaining, and protecting employee and customer information

Suppliers will not tolerate in their or NU workplaces:

- ◆ Harassment, intimidation, or the use of demeaning or offensive language or actions
- ◆ Any forms of fighting, "horseplay," practical jokes, threats, use of abusive language, violence, weapons or physical abuse
- ◆ Using, possessing, distributing, or being under the influence of alcohol or illegal drugs while on duty, on NU premises (including parking lots), or in NU vehicles

### Business Continuity

Utilities are a critical part of America's infrastructure. We are committed to serving our customers during and after a disaster, even if that disaster adversely affects the company's ability to conduct business. Likewise, we expect our Suppliers to have business continuity plans in place to ensure that their business operations will continue with minimal disruption in the event of a disaster.

### Continuous Improvement

We are committed to continuous process improvement and strive to incorporate best practices in the way we do business from an economic, environmental and social perspective. We encourage Suppliers to seek continuous improvement in their own business processes and to identify and communicate any observed opportunities for improvement in our own work practices.

### Questions or Concerns

Suppliers, their employees or subcontractors should direct any questions or concerns and are required to report any allegations of wrongdoing or misconduct to their NU business contact.

The Business Ethics and Compliance Operating Network (BEACON) Line is also available at **1-888-684-0909, 1-866-294-9572 (TTY)** or online at [www.nubeaconline.com](http://www.nubeaconline.com) (no username and password needed to log on). Whether submitting by phone or web, you will be given a Report Key and asked to create a password. Be sure to write them both down, so you can follow-up on your report. The BEACON Line provides an anonymous avenue to report allegations of wrongdoing or misconduct, 24 hours a day, seven days a week.

## Sustainability

Sustainability principles provide the framework that guides how we develop and provide energy solutions for our customers in a manner that is good for people, protects our environment and rewards our shareholders. Within this framework we examine what we do – our operations, our supply chain and our product's end use – and seek better solutions to the economic, environmental and societal needs we face. We view our Suppliers as partners in this effort and trust them to work collaboratively in support of our sustainability objectives within the scope of their engagement.