
IESO Employee Code of Conduct

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Table of Contents

Table of Contents	1
1. Purpose	3
2. Scope	3
3. General Requirements	3
3.1 Compliance and Remediation	3
3.2 Waiver of Compliance	4
4. Standards of Behaviour	4
4.1 Fair and Respectful Treatment of Others	4
4.2 Integrity and Acting in IESO’s Best Interests	4
4.3 Restricted Financial Interests	5
4.4 Outside Activities	7
4.5 Respect for IESO Assets, Confidentiality, and Sustainable Practices	8
4.6 Protection of Health and Safety	8
4.7 Post-Service Restrictions on Senior Employees	8
5. Principles	9
6. Reporting	9
6.1 Questions	9
6.2 Reporting Violations	9
6.3 No Reprisals for Good Faith Reporting	10
7. Responsibilities	10
7.1 Owner	10
7.2 Steward	10
7.3 Reviewers	10
8. Approval	10

Schedule A:	Attestation	11
Schedule B:	Restricted Entities	12
	Restricted Entities List	12
	Restricted Financial Interest Exclusions	12
	Divesting	13
	Criteria for Inclusion on the Restricted Entities List	13
Schedule C:	Baseline.....	14
	Revision History	14
	References	14
	Related Documents	14

1. Purpose

The IESO, as a public entity, is committed to maintaining the highest standards of business ethics and demonstrating the IESO's values of expertise with humility, commitment and accountability, genuine caring, collaboration and teamwork, purposeful engagement, and openness to change in all we do. This Code of Conduct (the "**Code**") establishes the standards of behaviour that all IESO employees must follow during their employment with the IESO. Abiding by the standards set out in the Code increases the public's confidence in the IESO and our reputation for operating with integrity and independence.

2. Scope

The Code applies to all IESO employees in the performance of our roles on or off site and includes: (1) expected standards of behaviour informed by the IESO's values; (2) principles for acting ethically; and (3) instructions on how to report breaches of the Code.

The Code applies while performing IESO duties and in social and recreational activities related to the IESO where certain conduct could adversely affect the work relationship, except sections 3.1.5 and 4.3, which apply at all times.

3. General Requirements

3.1 Compliance and Remediation

- 3.1.1 You must read, understand, and comply with the Code.
- 3.1.2 You understand that non-compliance with the Code may result in sanctions, up to and including dismissal from the IESO.
- 3.1.3 You must comply with the letter and the spirit of all applicable laws, regulations, the market rules, and IESO policies in the performance of your duties.
- 3.1.4 You must sign the Code of Conduct compliance form attached at Schedule A upon commencement of employment with the IESO attesting to familiarity and compliance with the Code and annually thereafter you must complete mandatory training on the Code and attest to your compliance with the Code.
- 3.1.5 You must take all reasonable steps to ensure that your spouse, domestic partner and/or dependent children are in compliance with section 4.3 of the Code.
- 3.1.6 You must take reasonable steps to remedy a perceived, potential or actual violation of the Code. If you are unable to resolve a perceived or potential violation of the Code or are unsure

of how to do so, you must contact the person to whom you directly report (your “**Supervisor**”) and follow their direction on how to remedy an actual, potential or perceived violation.

3.2 Waiver of Compliance

3.2.1 Though strict compliance is the norm, common sense and good faith require that the IESO has the flexibility to address exceptional circumstances to avoid unjust or unreasonable results. In appropriate circumstances, the Chief Executive Officer of the IESO or, in relation to the Chief Executive Officer, the Chair of the Human Resources & Governance Committee of the Board of Directors, may grant a waiver of compliance with a specific provision of the Code. Each such waiver must be properly documented and reported to the Human Resources & Governance Committee no later than its next scheduled meeting.

4. Standards of Behaviour

4.1 Fair and Respectful Treatment of Others

- 4.1.1 You must treat everyone with dignity and respect, encourage workplace diversity, and contribute to a work environment where everyone feels that they are able to express their opinions and be heard.
- 4.1.2 You must not tolerate nor engage in harassment, including sexual harassment, threats of harassment or retaliation for reporting harassment. This and other elements of improper behaviour are covered in the IESO’s Respect in the Workplace and Workplace Violence Policy.
- 4.1.3 You must not tolerate nor engage in discrimination based on grounds prohibited by the Ontario Human Rights Code.
- 4.1.4 You must not make defamatory or derogatory comments about the IESO, your colleagues, the IESO’s stakeholders, or Indigenous communities. Any comments made related to the IESO or the sector must be made in accordance with the Code whether or not you use your own name or a pseudonym or post material anonymously.
- 4.1.5 In the course of your work at the IESO, you may not give preferential treatment, or give the appearance that you are giving preferential treatment, to any third party. You must also not offer preferential assistance to a third party who is dealing with the IESO.

4.2 Integrity and Acting in IESO’s Best Interests

4.2.1 You must use fair business practices and not participate in unethical or illegal activities, or other activities that could substantially and negatively impact the IESO’s legitimate business interests.

- 4.2.2 You must always act and be seen to act with integrity and honesty in the performance of your responsibilities for the IESO without regard to your personal or other interests. To do otherwise risks calling into question the IESO's reputation for operating ethically.
- 4.2.3 You must be aware of and act in a manner that will avoid and minimize any actual, potential or perceived conflict of interest, which is a situation where your personal or other interests interfere with, or appear to interfere with, the interests of the IESO. You must take reasonable steps to remedy a perceived, potential or actual conflict of interest, which could include divesting securities or removing yourself from acting on matters where you might have a conflict of interest.
- 4.2.4 You must not, through your actions, put other IESO employees in an actual, potential, or perceived conflict of interest.
- 4.2.5 You must not engage in insider trading, tipping, and accepting or making bribes.
- 4.2.6 You must not accept or solicit gifts, benefits or hospitality that could actually or appear to improperly influence your decisions or impair your objectivity related to the giver's business dealings with the IESO. Any gift, benefit or hospitality that is accepted must be of a nature and an amount that is typical in the business context, is similar to what others are receiving and does not constitute a real personal enrichment. In addition, the following restrictions apply to hospitality:
- Invitations to ski days, golf tournaments or other similar events are acceptable as long as you make a reasonable personal monetary contribution toward the event.
 - You must not accept payment by an IESO stakeholder for travel or lodging.
 - You must not accept any invitations from IESO stakeholders to major league sporting events or high-profile cultural events, unless it is part of a broad sector event.
 - You must not accept complimentary hospitality from the same organization more than twice per calendar year, unless you receive prior approval from your Supervisor.
- 4.2.7 You must refrain from: (i) hiring your spouse or former spouse, domestic partner or former domestic partner, or a family member, (ii) supervising or reporting to your spouse or former spouse, domestic partner or former domestic partner, or a family member, either directly or indirectly, and (iii) dealing on behalf of the IESO with your spouse, domestic partner, or a family member.

4.3 Restricted Financial Interests

- 4.3.1 Stakeholders and Indigenous communities depend on us to operate Ontario's power system and markets with independence and integrity, while avoiding and minimizing any actual, potential or perceived conflicts of interest. In support of this goal, the IESO has developed rules regarding the ownership of Restricted Financial Interests. These specific rules do not lessen the general obligation you have under section 4.2.3 to avoid and minimize any actual, potential or perceived conflicts of interest with entities that are not on the Restricted Entities List.

The Restricted Entities List (see Schedule B) is a list of entities (“**Restricted Entities**”) that the IESO views as creating a significant risk of an actual, potential, or perceived conflict of interest. Note that Schedule B sets out certain forms of ownership that are not considered Restricted Financial Interests. For the purposes of the Code, a “**Restricted Financial Interest**” means a security in, or any financial instrument whose value is based on a security of, a Restricted Entity.

- 4.3.2 You must not buy a Restricted Financial Interest. You must not sell a Restricted Financial Interest without the General Counsel’s prior written approval, other than as permitted by section 4.3.3 for new employees. These prohibitions also apply to your spouse, domestic partner, and dependent children. The prohibition on buying or selling Restricted Financial Interests persists for six months following the end of your employment with the IESO.
- 4.3.3 You, as a new employee, must disclose a Restricted Financial Interest held by you, your spouse, domestic partner, or dependent children to your Supervisor and Human Resources prior to commencing your employment at the IESO. If you, your spouse, domestic partner or dependent children hold a Restricted Financial Interest when you commence your employment at the IESO:
- It is the IESO’s preference, and for certain positions a requirement, that you divest all Restricted Financial Interests or transfer the Restricted Financial Interests to a blind trust or eligible fully managed discretionary account. When divesting or transferring, you must do so within 2 months of joining, and, when divesting, be mindful of the restrictions in this Code and the law against insider trading; or
 - If you do not divest, or transfer the Restricted Financial Interest to a blind trust or eligible fully managed discretionary account, you must accept safeguards as set out in section 4.3.4. However, as stated above and noted in section 4.3.4, if implementing safeguards would materially impact your ability to perform your duties, you will not be permitted to hold the Restricted Financial Interest and you must divest or transfer the Restricted Financial Interest.
- 4.3.4 You understand that the IESO may implement safeguards to manage and mitigate actual, potential or perceived conflicts of interest if you, your spouse, domestic partner, or dependent children hold a Restricted Financial Interest. These safeguards may include, but are not limited to, restricting your access to information regarding the relevant Restricted Entity and removing yourself from discussions, business activities or decision-making about it. If implementing safeguards would materially impact your ability to perform your duties, you will no longer be permitted to hold the Restricted Financial Interest.
- 4.3.5 You must inform Human Resources when applying for or taking on a new role within the IESO if safeguards were applied pursuant to section 4.3.4. The safeguards will be reviewed to assess if any changes are needed and to ensure they will not materially impact your ability to perform your new duties. If the safeguards will materially impact your ability to perform your new duties, you will no longer be permitted to hold the Restricted Financial Interest. You understand that accepting the new role will be conditional upon accepting and implementing

the safeguards or divesting the Restricted Financial Interest or transferring them to a blind trust or eligible fully managed discretionary account.

- 4.3.6 You must inform your Supervisor of situations as they arise that may result in a breach of the safeguards implemented pursuant to sections 4.3.4 or 4.3.5 and understand that the IESO may take actions to ensure your compliance with the Code.
- 4.3.7 Should you become aware that you and/or your spouse, domestic partner or dependent children hold a Restricted Financial Interest that you had not previously disclosed, including due to a new Restricted Entity being added to the Restricted Entities List, you must report such holding immediately to your Supervisor and the legal department and comply with the requirements of section 4.3.3 of this Code.
- 4.3.8 If you, together with your spouse, domestic partner and/or any dependent children, have an ownership interest of 5% or greater in a market participant, program participant or contractual counterparty that is not listed in Schedule B, you must report such interest to your Supervisor and the legal department immediately upon becoming aware of such interest and accept safeguards to mitigate or minimize any actual, potential or perceived conflicts of interest.

4.4 Outside Activities

- 4.4.1 You must not work for, supply services to, serve as a director of or volunteer with another company or organization: (i) that provides goods or services to the IESO; (ii) that engages in transactions related to the IESO-controlled grid or IESO-administered markets as its primary business; or (iii) where doing so could interfere with or adversely affect your work for the IESO or the IESO's interests or could be perceived as doing so.
- 4.4.2 You may work with, supply services to, or serve as a director or officer of a market or program participant if their primary business is not engaging in transactions related to the IESO-administered markets, but you must seek the prior approval of your Supervisor to ensure that an actual, potential, or perceived conflict of interest is not created.
- 4.4.3 If you participate in political activities, you must ensure that your actions are clearly separate from the IESO's activities and are not likely to be interpreted by the public as being representative of the IESO or impair the public's perception of the IESO's impartiality.
- 4.4.4 If a conflict of interest arises during any outside activity, you must remove yourself from the activity and resolve the conflict of interest in favour of the IESO. In addition, you must comply with any requirements of your Supervisor for you to curtail, modify or cease the outside activity if, in their opinion, it creates a real, potential or perceived conflict of interest.
- 4.4.5 You must not use your IESO affiliation in a way that implies IESO support for the outside activity.

4.5 Respect for IESO Assets, Confidentiality, and Sustainable Practices

- 4.5.1 You must adhere to all applicable IESO security rules and processes related to data, information, computer systems, or physical locations.
- 4.5.2 You understand that you are entrusted with the care and protection of physical and virtual assets (including physical, financial, records, and information assets) that are essential to the efficient and reliable operation of the IESO. You must protect these assets from misuse, fraud, theft, unauthorized release and destruction (e.g. by vandalism, cyber-attack, or neglect).
- 4.5.3 You must abide by all obligations (whether found in the market rules, a contract, applicable legislation, an IESO policy, the Acknowledgement of Confidentiality, or elsewhere) relating to protection, collection and proper handling of confidential and personal information. If you are unsure if certain information is confidential, act as though it were.
- 4.5.4 You must not disclose confidential information even after you have left the IESO, without limit in time.
- 4.5.5 You must only use IESO assets for IESO business or appropriate personal use, and understand that the IESO may monitor the use of IESO assets for security and administrative purposes. You understand that you have no expectation of privacy when using IESO assets and that personal use of IESO assets must not interfere with the performance of your duties.
- 4.5.6 You must seek to improve resource efficiency and reduce resource consumption, including the use of paper, equipment, waste and energy.

4.6 Protection of Health and Safety

- 4.6.1 You must be fit for duty and perform your duties effectively and safely while conducting IESO business.
- 4.6.2 You must refrain from using and/or consuming recreational drugs or alcohol while performing your duties, unless required for a medical accommodation or as appropriate in social settings.

4.7 Post-Service Restrictions on Senior Employees

- 4.7.1 Former senior employees of the IESO must refrain from meeting with or otherwise directly communicating with the IESO or any IESO staff or representatives or members of the Board of Directors for the purpose of influencing decisions of the IESO as follows: (i) Chief Executive Officer, twelve months; (ii) Vice-President, six months; and (iii) Director, Senior Manager or Manager, three months.

- 4.7.2 Former senior employees of the IESO must not induce nor attempt to induce IESO employees, consultants or vendors to terminate their relationship with the IESO, without the prior written consent of the IESO, for the following periods of time after the end of their employment or appointment: (i) Chief Executive Officer, twelve months; (ii) Vice-President, six months; and (iii) Director, Senior Manager or Manager, three months.

5. Principles

The Code does not – and cannot – cover every scenario. When you are unsure whether certain behaviour is in compliance with the Code, refer to the Code and:

- Reflect on the right thing to do; and
- Ask your Supervisor if you have any doubts as to the correct course of action.

Questions to consider when making an ethical decision include:

- Is it against IESO policy or professional standards?
- Would I feel uncomfortable doing this?
- Would I be embarrassed if others knew about this decision?
- Are there better alternatives?

Also consider how your decision demonstrates the IESO's values: expertise with humility, commitment and accountability, genuine caring, collaboration and teamwork, purposeful engagement, and openness to change.

If you are unable to resolve the issue following discussion with your Supervisor or have any questions about how the Code should be interpreted, reach out to the legal department for support.

6. Reporting

6.1 Questions

- 6.1.1 If you believe that you may be in violation of the Code or have questions about how the Code may be applied, speak with your Supervisor and contact the legal department for further direction.

6.2 Reporting Violations

- 6.2.1 If you become aware of questionable behavior or a possible violation of the Code, you are encouraged to speak with your Supervisor, who may then escalate the issue as appropriate.
- 6.2.2 You must report all actual violations of the Code to your Supervisor as soon as you become aware of the issue, and all actual conflicts of interest to the legal department.

6.2.3 If reporting to your Supervisor is not possible or appropriate or you do not feel comfortable doing so, you may: (i) report the issue to your HR Business Partner, a member of Management, the legal department or, if applicable, your union representative; (ii) report the issue through the IESO's anonymous reporting line, the EthicsLine, either online, by telephone toll free at 1-855-424-2273 or by email; or (iii) report the issue to the Chair of the Human Resources & Governance Committee of the Board.

6.3 No Reprisals for Good Faith Reporting

6.3.1 There will be no reprisal by the IESO for good faith reporting of a violation or apparent violation of the Code.

6.3.2 A person who believes that they have experienced reprisal should report this to their Supervisor, HR Business Partner, their applicable union or a member of Management. This protection from retaliation is not intended to prohibit managers or Supervisors from taking action, including disciplinary action, in the usual scope of their duties and based on valid performance-related factors.

7. Responsibilities

7.1 Owner

7.1.1 The Board is the owner of the Code. The owner is the sole approver of the Code.

7.2 Steward

7.2.1 The Code owner may delegate day-to-day responsibility for one or more aspects of the Code, possibly including implementation, periodic review, or compliance to a steward.

7.2.2 The Board has delegated the General Counsel as the steward of the Code.

7.3 Reviewers

7.3.1 The Code reviewers, as stakeholders of the Code, are:

- Director, Internal Audit
- VP, Human Resources
- Legal counsel

8. Approval

Effective Date: June 7, 2023

Schedule A: Attestation

I acknowledge receipt of the Code of Conduct. I have read it and I understand it. Subject to my rights under any applicable collective agreement, I have acted and will at all times act in accordance with it while employed by or associated with the IESO.

Name

Signature

Date

Schedule B: Restricted Entities

Restricted Entities List

Last updated: March 8, 2023

- Boralex Inc.
- Brookfield Renewable Partners L.P.
- Capital Power Corporation
- Capstone Infrastructure Corporation
- Hydro One Ltd.
- Innergex Renewable Energy Inc.
- NextEra Energy, Inc.
- Northland Power Inc.
- Samsung C&T Corporation
- Stelco Holdings Inc.
- TC Energy Corporation
- TransAlta Corporation
- TransAlta Renewables Inc.

Restricted Financial Interest Exclusions

The following types of ownership are not considered Restricted Financial Interests:

- ***mutual funds or other investment fund, exchange-traded funds (ETFs), or eligible fully managed discretionary accounts:*** indirect ownership of Restricted Financial Interests through a mutual fund, investment fund or account (other than a fund or account specifically targeted towards the Ontario electricity industry, the Ontario electric utility industry or any segment of them) where you do not control and cannot influence the purchase or sale of the holdings of the fund or account;
- ***blind trusts:*** where one does not hold any decision-making authority over the securities and where the trustee of the trust is not a family member of yours;
- ***pension funds:*** participation in a pension fund, e.g. the present or deferred receipt of pension benefits from a previous employer, an employee benefit plan, an annuity or life insurance policy or a deferred profit sharing plan;

- ***fixed value securities***: fixed value securities issued by a government or a government agency;
- ***guaranteed investment certificates (GICs)***: a GIC or similar financial instrument issued by a financial institution entitled by law to issue such instruments; and
- ***permitted spousal work-related holdings***: the purchase of securities or the receipt of security-based compensation by your spouse or domestic partner where such purchase was made available or required as a part of their employment. However, you must disclose the nature of any such arrangement, any material changes to any such arrangement, and the holdings of / any purchases by your spouse or domestic partner pursuant to this exemption to your Supervisor and the legal department.

Divesting

After the initial 2-month period in section 4.3.3 has elapsed, you may only divest a Restricted Financial Interest with the prior written approval of the General Counsel. The General Counsel will only permit divestiture where doing so would not: (i) create an actual, potential or perceived conflict of interest; (ii) constitute a breach of the Code; or (iii) otherwise harm the IESO or its interests.

Criteria for Inclusion on the Restricted Entities List

The Restricted Entities List is comprised of those publicly traded entities or affiliates that the IESO views as creating an unacceptable risk of an actual, potential, or perceived conflict of interest. A public company may be determined to be a Restricted Entity if it:

- has purchases or sales in one or more of the IESO markets in a calendar year that represent a significant portion of the total IESO market share for that calendar year;
- has a contract with the IESO for the procurement of supply, generation, demand response or demand management, with payments in a calendar year representing a significant portion of all the payments the IESO reasonably expects to make under its procurement contracts for that calendar year; or
- is a supplier that receives or reasonably expects to receive a significant amount of its annual gross revenues from the IESO.

However, even if one or more of the above criteria are met, a public company may nevertheless be excluded from the list of Restricted Entities on the basis that its activity in one or more of the IESO markets, or the payments it receives or reasonably expects to receive under a contract with the IESO, including for the procurement of supply, generation, demand response or demand management, represents only an insignificant portion of the public company's annual gross revenues.

Schedule C: Baseline

Revision History

Rev. #	Reason for Revision	Revision Author	Date
01	Initial Release		October 1, 2021
02	Updated Restricted Entities List		May 31, 2022
03	Updated Restricted Entities List		March 8, 2023
04	Updates to section 4.2.7 to reference a “former spouse” or “former domestic partner”		June 7, 2023

References

Document Title	Document ID
Respect in the Workplace and Workplace Violence Policy	PLCY_9
Acknowledgement of Confidentiality	

Related Documents

Document Title	Document ID
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