



Supplier Code of Business Conduct and Ethics

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TABLE OF CONTENTS

Purpose.....	3
Scope of this Code.....	3
Section 1 - Responsible Procurement Policy.....	4
Section 2 - Compliance with Law	4
Section 3 - Conflicts of Interest	4
Section 4 - Anti-bribery and Anti-corruption	4
Section 5 - competition	5
Section 6 - Labor and Environment Standards.....	5
6.1 - Compliance with Labour and Human Rights Standards.....	5
6.2 - Compliance with Environmental Legislation.....	6
Section 7 - health and safety.....	6
Section 8 - Confidentiality and Privacy.....	6
Section 9 - Business Continuity	7
Section 10 - Sanctions and Export Control Laws	7
Section 11 - Code acceptance and Auditability.....	7
Section 12 - Disclosure	7

Purpose

This Code of Business Conduct and Ethics, (the “**Code**”) is the ethical framework for how H₂O Innovation Inc. and its affiliates and subsidiaries (“**H₂O Innovation**”) operate, and it applies to everyone who works for and with H₂O Innovation. It provides details on how H₂O Innovation’s existing and new vendors, contractors, service providers and external consultants and professionals (“**Suppliers**”) are expected to conduct their business with H₂O Innovation, subject to any applicable law. H₂O Innovation expect all Suppliers to commit to ethical business practices and act with honesty, fairness, respect and integrity.

Scope of this Code

This Code outlines the minimum standards that H₂O Innovation expects of its Suppliers, including Suppliers providing goods or services that do not require formal contracts. Where formal contracts are in place, they may contain additional detailed requirements that surpass the provisions in this Code, and if there are any conflicts between such contractual requirements and this Code, the requirements of the contract will govern and apply.

H₂O Innovation requires its Suppliers to adhere to this Code and expects such Suppliers to implement its requirements in a manner that is appropriate and proportional to the nature and scale of their activities, the goods that they supply and the services that they perform. While H₂O Innovation recognizes that its Suppliers operate in different legal and cultural environments, the standards set forth in this Code operate as a benchmark for acceptable conduct. Where applicable local laws impose less restrictive obligations on a Supplier, the Supplier is expected to adhere to the standards of this Code. Where applicable local laws impose greater obligations on a Supplier, the Supplier must comply with such laws and regulations and Suppliers must ensure that their subcontractors also comply with this Code.

H₂O Innovation will periodically review the Code and make revisions when needed, which it will expect its Suppliers to adopt. If, in H₂O Innovation’s discretion (at all times acting reasonably), any Supplier fails to conduct business in line with the Code, H₂O Innovation may terminate the contractual relationship between the Supplier and H₂O Innovation.

Any question about this Code or its application should be sent to procurement@h2oinnovation.com.

SECTION 1 - RESPONSIBLE PROCUREMENT POLICY

H₂O Innovation is a socially responsible company, and this extends to how it procures products and services and the relationships it maintains with its Suppliers. H₂O Innovation strives to work only with Suppliers with integrity who respect and adhere to applicable municipal bylaws, provincial, federal and international laws and regulations, who hold all permits and licenses required by law, who adhere to the codes, requirements, standards and best practices of their industry, and whose activities respect and care for the environment, labor standards and human rights.

SECTION 2 - COMPLIANCE WITH LAW

Suppliers must maintain accurate, complete and appropriate business records and conduct business in compliance with applicable laws, rules and regulations and generally accepted standards of the goods or services they provide.

SECTION 3 - CONFLICTS OF INTEREST

Suppliers must not attempt to inappropriately influence any H₂O Innovation decision or gain any advantage or preferential treatment in their relationship with H₂O Innovation's employees. If a Supplier has any type of relationship with an H₂O Innovation employee (friend, relative, partner) during a procurement process or while a contract is in force, the supplier must disclose this to H₂O Innovation. Gifts or entertainment must not be offered to any H₂O Innovation employee with the intent or prospect of influencing any H₂O Innovation business decision.

Suppliers should always avoid situations of real or perceived conflicts of interest and have a company-wide code of conduct or other clear policies or processes on managing conflicts of interests. Suppliers' relationship with H₂O Innovation should be guided by acting in the best interests of H₂O Innovation. H₂O Innovation recognizes that Suppliers may be involved in business relationships with other companies, including H₂O Innovation's competitors. These relationships should however never interfere, or appear to interfere, with the Supplier's ability to make an objective business decision regarding H₂O Innovation and to fulfil its responsibilities towards H₂O Innovation.

Any situation involving a Supplier that may reasonably create even an appearance of conflict of interest should immediately be disclosed to H₂O Innovation.

SECTION 4 - ANTI-BRIBERY AND ANTI-CORRUPTION

Suppliers must not engage, directly or indirectly, in corruption, fraud, bribery, kickbacks, money laundering, embezzlement, extortion or any other form of corruption. Suppliers may not, directly or indirectly, give or receive improper business advantage or anything of value in exchange for preferential treatment. Suppliers must comply with all applicable laws related to anti-corruption and anti-bribery.

SECTION 5 - COMPETITION

Competition and antitrust laws generally: (i) prohibit any type of agreement between competitors that is likely to undermine, restrict or lessen competition or affect prices and (ii) prohibit companies in a dominant or strong market position from abusing their market power by practicing anticompetitive or monopolistic behavior by using predatory pricing practices, pricing below cost, or exclusionary practices such as tying services to eliminate or exclude competitors and thus threaten to create a monopoly position. Suppliers must comply fully with all applicable antitrust and competition laws.

SECTION 6 - LABOR AND ENVIRONMENT STANDARDS

6.1 - Compliance with Labour and Human Rights Standards

Suppliers must adhere to all labor and human rights standards, as set through in the laws applicable in all jurisdictions that they operate. Suppliers must respect human rights in accordance with applicable law and international labor standards.

Suppliers will notably:

- Treat their personnel with dignity and respect and will not permit any physical, sexual, verbal or psychological violence or harassment or abuse.
- Respect the diversity of their personnel and others with whom they interact and comply with all applicable laws relating to human rights, accommodation and accessibility.
- Have in place policies and procedures to minimize the risks of modern slavery or human trafficking in their supply chain, and comply fully with any modern slavery, human trafficking or similar applicable laws.
- Consider all personnel on the basis of their qualifications and abilities.
- Ensure that personnel do not perform work that may jeopardize their health or safety.
- Ensure that all compensation complies with applicable minimum wage laws or the prevailing rate, whichever is higher, and provide all legally mandated benefits.
- Respect freedom of association and collective bargaining.

Supplier will not:

- Use any forced, illegal, unauthorized or prison labour.
- Discriminate or permit differential treatment (except where legitimate occupational requirements are permitted by applicable law).
- Require their personnel to work more than the hours permitted by the laws of the jurisdiction where the workers are employed.
- Where the right to freedom of association and collective bargaining is restricted under applicable law, Suppliers will not hinder the development of parallel means for independent and free association and bargaining.

6.2 - Compliance with Environmental Legislation

Suppliers must abide by all environmental legislation, regulations and standards applicable to their operations and employ management practices that monitor and proactively minimize any negative environmental or social impacts of their operations, including impacts that may be present within their supply chains.

Suppliers should conduct their operations with minimal environmental impact, respect the applicable laws and regulations and adopt the required rules, procedures, contingency measures and management systems in order to ensure their operations are managed safely, ecologically and sustainably. Suppliers should take necessary measures in order to prevent pollution, and conserve, recycle and rationally use the natural resources required for their operations, implement relevant emergency response plans and procedures, take active measures to reduce greenhouse gas emissions and other pollutants and implement relevant environmental training programs for employees and management. Suppliers should also take the necessary measures to ensure the resiliency of their business and products to the impacts of climate change.

All legally required environmental permits, approvals and registrations must be obtained, maintained and kept current, and their operational and reporting requirements must be followed.

SECTION 7 - HEALTH AND SAFETY

Suppliers should provide a safe, clean and healthy work environment and abide by all applicable laws with respect to health, safety and the environment. This includes implementing appropriate safety procedures, training, preventative maintenance and protective equipment. Suppliers should ensure that actual and potential risks to worker health and safety are identified, assessed and eliminated or managed in order to mitigate their impacts and ensure preparedness. Suppliers should strive for continual improvement in safety performance and regularly review and update their safety programs and practices in a manner that ensures ongoing compliance with law and industry standards.

SECTION 8 - CONFIDENTIALITY AND PRIVACY

Suppliers must employ policies and procedures that effectively protect the confidentiality, integrity, and availability of H₂O Innovation information and assets that they have obtained or have access to including ensuring appropriate technological, administrative and physical controls which are appropriate for the sensitivity of the H₂O Innovation information in the custody of Suppliers. Suppliers may only use H₂O Innovation personal information obtained for the use for which it was collected and in performance of the services of their agreement with H₂O Innovation. Personal information shall not be transferred, processed, accessed or maintained without H₂O Innovation's prior written consent.

SECTION 9 - BUSINESS CONTINUITY

It is expected that Suppliers have business continuity plans (“BCP”) in place that meet or exceed the applicable regulatory obligations, industry standards and the service level agreements identified in their contract(s) with H₂O Innovation. H₂O Innovation reserves the right to ask for a copy of the BCP. The BCP should outline the risks present within the Supplier’s supply chain and identify solutions to mitigate these risks.

SECTION 10 - SANCTIONS AND EXPORT CONTROL LAWS

H₂O Innovation expects its Suppliers to comply with all applicable US and United Nations laws and regulations that prohibit or restrict business relationships with sanctioned countries, entities or persons.

For information about sanctions, visit the sites below:

- US Department of Treasury (<https://home.treasury.gov/>).
- United Nations (<https://www.un.org/securitycouncil>).

SECTION 11 - CODE ACCEPTANCE AND AUDITABILITY

By confirming acceptance of a purchase order, contract and/or agreement (written or verbal), the Suppliers confirm they meet the requirements of this Code. Suppliers must co-operate with any request by H₂O Innovation to audit their performance of their obligations under the Code.

SECTION 12 - DISCLOSURE

Suppliers who are not compliant with this Code or have a breach of any requirement, must disclose any violation to H₂O Innovation in a prompt and timely manner. Disclosures are to be made by emailing procurement@h2oinnovation.com.