



# VENDOR CODE OF CONDUCT

Last Revised: June 9, 2022

## INTRODUCTION

The purpose of the Vendor Code of Conduct (“Vendor Code”) is to outline the expectations of Pedernales Electric Cooperative, Inc. (“PEC” or “Cooperative”) related to compliance, integrity, accountability, and ethical behavior from all suppliers, contractors, and consultants (collectively, our “vendors”) providing goods or services to PEC. PEC expects vendors to adhere to all applicable legal and regulatory requirements, maintain a strong commitment to safety and quality control, as well as be reliable and provide on time performance. This Vendor Code is not exhaustive, and PEC does not in any way assume vendors’ complete responsibility to ensure compliance with all applicable laws, rules, regulations, and ordinances. By its acceptance of any purchase order and/or contract from PEC, under their respective terms, the vendor acknowledges its acceptance of the Vendor Code and agrees to comply with its requirements. Failure to comply with the Vendor Code may result in contract review or disbarment of PEC contracts.

## PEC Core Values

### Integrity |

Through transparent business and operational practices, we are dedicated to earning and maintaining the trust of our membership.

### Safety |

We are committed to ensuring the personal and information safety and security of our members and employees.

### Service |

We are committed to delivering safe, reliable energy and services to our membership.

### Accountability |

We strive to be good and responsible managers of the cooperative’s resources for the benefit of our membership.

## PEC’s Commitment to Integrity

PEC’s goal is to make doing business with PEC a great experience and mutually beneficial, always with the member’s interest in mind. PEC conducts business with integrity and professionalism. PEC employees will never accept a bribe, whether cash, a favor, or unauthorized gift, to secure a business advantage for the vendor. Nor will PEC provide such items to a vendor to secure a business advantage for the Cooperative or for personal advantage.



This holds true for agreements made in any manner, including those that are written, verbal, or informal.

## **BUSINESS PROCESSES AND EXPECTATIONS**

Vendors may be expected to follow certain PEC business processes or requirements as a condition of working with PEC.

### **Request for Proposal (“RFP”)**

PEC may require vendors to submit a proposal in response to the Cooperative’s RFP for a particular project. PEC intends to award a contract to the responsible offeror(s) whose proposal conforms to the RFP and represents the overall best value to PEC considering both price and non-price factors. Refer to the RFP for details.

### **Nondisclosure Agreement (“NDA”)**

PEC may require vendors to sign the Cooperative’s NDA, a legally binding contract that outlines PEC expectations. Refer to the NDA document which details the terms related to nondisclosure of certain information, including trade secret information, considered to be confidential, valuable and proprietary.

### **Intellectual Property and Software**

Vendors shall respect all intellectual property rights and software licensing obligations and use technology only in a manner that protects, and is in compliance with, the owner’s intellectual property rights.

### **The PEC Brand or use of PEC Mark(s)**

Vendors shall not directly or indirectly assert that PEC endorses their company, product, or service or utilize PEC’s name or trademarks without written consent of PEC’s Executive Vice President of External Relations.

### **Travel, Speaking Engagements, and Trade Show Participation**

From time to time, educational training opportunities provided by a vendor may be allowable if determined to be reasonable and further the business interests of PEC. Such opportunities should be limited to the necessary travel and lodging expenses for the PEC employee and should not include excessive entertainment, be longer than necessary, or extend to any additional travel companions. Vendors should confirm the appropriateness of these educational training opportunities before providing to a PEC employee.

### **Non-Solicitation**

Without PEC’s prior written consent, vendors shall not hire, solicit, or endeavor to influence any personnel of PEC to seek employment or a vendor/contractor relationship with the vendor while an agreement is in effect and for a period of six (6) months after termination or expiration of an agreement. Notwithstanding the foregoing, vendors shall have the right to hire any individual who without other solicitation, responds to employment advertising in the newspapers, trade publications or other public commercial media or any unsolicited walk-in candidates.



## **WORKPLACE STANDARDS**

Vendors are required to comply with all applicable federal, state, local, and municipal labor laws, rules, regulations, and ordinances and follow general workplace standards, including but not limited to:

- Employing only workers who are legally authorized to work in their location, and vendors are responsible for validating employees' work eligibility status;
- Employing workers on a voluntary basis and not be complicit in human rights abuses;
- Following applicable law regulating minimum legal age to work, and workers below the age of 18 shall not be employed in jobs that are likely to jeopardize the health and safety of young workers; and
- Providing all workers with accurate information about their job duties and working conditions.

### **Respectful Workplace**

PEC is committed to maintaining an enjoyable, positive workplace and vendors must maintain professional interactions with the PEC membership and PEC employees, including on social media. Actions, including the use of the Cooperative's communications systems, networks, equipment, or services, that create a hostile or offensive work environment will not be tolerated. This includes willfully downloading, transmitting, viewing, storing, or communicating content that may be viewed as:

- Inappropriate "jokes" or chain emails;
- A threat to the safety of any person or Cooperative property;
- Content that contains ethnic slurs, racial epithets, hate speech, sexually explicit or provocative material, or obscenities; or
- Anything else that may be construed as inappropriate, or that may conflict with Cooperative policies on unlawful harassment or sexual harassment.

### **Professional Appearance**

Vendors are expected to project a professional image appropriate to their work environment and job responsibilities while conducting business with or for PEC.

### **No Harassment**

PEC's policies prohibit harassment of any kind and may be interpreted more broadly than the law requires. Vendors are prohibited from engaging in any form of harassment, as well as any other behavior which would be inconsistent with the intent of this Vendor Code and PEC's Values, regardless of the setting. Under this Vendor Code, harassment is defined as verbal or physical conduct which denigrates or shows hostility or aversion toward an individual because of their race, color, religion, national origin, sex, pregnancy, age, disability, marital status, veteran status or any other protected class or characteristic protected by state or federal law and which: (1) has the purpose or effect of creating an intimidating, hostile or offensive work environment; (2) has the purpose or effect of unreasonably interfering with an individual's employment opportunities or work performance; (3) could be perceived as unwelcome; and (4) is severe or pervasive in nature. Harassment may also include offensive and/or inappropriate slurs, jokes, gestures, publications, e-mails, or other offensive verbal, graphic, or physical conduct.



**Harassment may be sexual or non-sexual in nature.** Sexual Harassment may include unwelcome sexual advances, requests for sexual favors, unwanted sexual attention, sexual depictions, repeated requests for dates, touching, staring, and other unwelcome sexual conduct. Each situation depends on a number of factors. One incident may be sufficient to constitute harassment while in other cases, a pattern or series of incidents may establish a harassment claim.

### **Nondiscrimination**

Vendors shall provide a workplace free of discrimination in which employees are treated fairly and respectfully. PEC prohibits unlawful discrimination. It is the policy of the Cooperative to afford equal employment and advancement opportunity to all qualified individuals without regard to race, color, religion, national origin, sex, pregnancy, age, disability, marital status, veteran status, or any other protected class. This expectation to comply with all applicable laws, rules, and regulations extends to all vendors and their subcontractors and suppliers.

## **HEALTH, SAFETY, SECURITY, AND ENVIRONMENT**

Vendors are required to follow all general workplace standards, including health and safety, environmental, and labor standards. This commitment establishes and ensures a safe working environment for all employees.

Employees and contractors for all PEC vendors are required to:

- Pass contractual and acceptable background screening by the vendor;
- Adhere to all PEC access and security procedures;
- Use their own equipment unless provided by PEC, at which time they are required to sign an acknowledgement of their rights and obligations in regard to network access and equipment use;
- Adhere to privacy and confidentiality requirements for PEC member information;
- Adhere to data security and information protection requirements on PEC platforms;
- Adhere to all identification requirements for vehicles when performing work for PEC.

Additionally, vendors must:

- Protect employees from hazards and on-site accidents;
- Provide personal protective equipment (“PPE”) and ensure proper use in accordance with labeling, Occupational Safety and Health Administration (“OSHA”), and industry standards;
- Ensure equipment regulated by the U.S. Department of Transportation (“DOT”) is adequate for the job and in compliance with DOT regulations;
- Perform all work in compliance with federal, state, and local safety standards, including but not limited to OSHA regulations;
- Provide employees with the necessary training and protective equipment to ensure their safety; and
- Maintain proper records documenting workplace injuries and health and safety trainings.

### **Drug and Alcohol-Free Workplace**

PEC is a drug and alcohol-free workplace and vendors must ensure they are compliant with the requirements of DOT regulations and the Federal Motor Carrier Safety Administration (49 CFR Part 382) which requires alcohol and drug testing of persons who perform specified covered functions.



## **Tobacco-Free Facilities**

Use of any and all tobacco products is prohibited inside PEC facilities or inside PEC vehicles at any time. Permitted tobacco use zones shall be established at least 25 feet from an entrance, openable window of an enclosed area, or any outdoor air intakes. All tobacco products or materials used in permitted tobacco use areas must be extinguished and disposed of in appropriate containers.

## **Weapons-Free Workplace**

PEC is a weapons-free workplace. Weapons include firearms, knives (excluding pocket knives), or any other weapon, article, or device that is primarily used to inflict injury. PEC requires vendors to follow all state and federal regulations as well as Cooperative policy in regard to concealed and open carry firearms when working on behalf of PEC or on PEC premises.

## **Physical Security**

Badges are provided to identify individuals, and to grant and restrict access for the safety and security of employees, vendors, and the membership. Badges must be worn in a visible manner. Vendors must follow badge use processes including for building entry, securing the badge and/or keys, and reporting promptly if lost. Vendors must always have PEC contractor identification with them, along with their assigned badge, or be escorted by an authorized badge holder at all times while working on PEC or member property. Guard against tailgating, or providing building access without proper credentials. Report to PEC within 24 hours, any individuals who are no longer assigned to perform work for PEC or who are no longer employed by vendor to ensure that badges and equipment are returned to PEC and that access to PEC property and systems is terminated.

## **Privacy and Information Security**

Vendors shall comply with privacy and information security laws and regulatory requirements relating to the collection, storage, processing, transferring, and sharing of personal information.

Vendors shall use commercially reasonable and appropriate technical, administrative, and physical safeguards that strive to protect against loss, unauthorized access, destruction, misuse, modification, and improper disclosure of personal or confidential information of PEC employees or members, as well as their customers and employees.

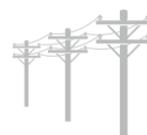
Vendors shall use and/or maintain personal information of PEC employees and members only to the extent necessary to perform their obligations within their agreement with PEC.

Vendors shall have appropriate privacy and data protection incident response procedures and make PEC aware of any data loss incidents (or suspected data loss incidents), in a timely manner, that involve PEC data/information or that could potentially impact PEC.

Vendors shall notify PEC if any information they provide throughout the course of the business relationship is deemed to be confidential or proprietary by the vendor.

## **Environmental**

Vendors shall conduct operations in accordance with existing local, state, and federal environmental laws and regulations and conduct business in a manner reflective of PEC's environmental values and commitments. This include making commercially reasonable efforts to operate in a manner that mitigates risk and impacts to the environment and plant and animal habitats.



## CULTURE AND ETHICS

PEC is committed to our culture of ethics and compliance, which means focusing on earning the trust and confidence of our members and employees, and this takes a strong commitment from our third-party business partners as well.

### Business Integrity

Vendors shall exercise high standards of integrity in business interactions, in accordance with applicable laws and PEC Values. Vendors shall implement appropriate procedures designed to prevent bribery, corruption, kickbacks, and embezzlement.

### Conflicts of Interest

If at any point, there is an existing or potential conflict between the interests of the Cooperative and a Vendor's interest, duties, obligations or activities, including that of an individual employee, [PEC's Ethics and Compliance Officer](#) must be notified immediately.

### Gifts, Meals, and Entertainment (Gratuities)

Vendors may not provide gifts or entertainment to a PEC employee in an attempt to improperly influence, or appear to improperly influence, such employee's decision in relation to a Vendor. Gifts and entertainment include anything of value, such as loans, prizes, tickets, or gift certificates. Meals and other social events (e.g., theater tickets, concert tickets, sports events tickets, and golf dates), the main purpose of which is to establish and maintain necessary business relationships, may be considered legitimate business practices. Gifts of a nominal expense of less than \$100.00 are generally acceptable. Vendors should confirm the appropriateness of a gift before providing to a PEC employee.

### Vendor Donations to the Cooperative

PEC may permit vendor donations for the sole purpose of supporting the Cooperative and its members. Donations will not result in any preference, advantage, or favorable treatment to any Vendor in any future procurements, solicitation, or business dealing. Individual donations over \$5,000 must be accepted and approved in writing by the CEO. Under no circumstance shall a Vendor offer donations while actively participating in an open RFP or other solicitation.

### Reporting of Suspected Violations or Misconduct

Vendors shall protect the confidentiality of their employees reporting possible violations and prohibit retaliation of employees who make good faith reports. PEC provides a HOTLINE for PEC employees, members, Vendors, and stakeholders to report workplace issues of suspected:

- Unlawful or unethical behavior;
- Violations of Cooperative policies or procedures;
- Violations of Cooperative Employee Code of Conduct or Vendor Code of Conduct; or
- Violations of PEC Values.



1-888-703-0187



[peci.ethicspoint.com](http://peci.ethicspoint.com)



## **No Retaliation**

PEC prohibits retaliation against any person because they file a complaint under this policy; prohibiting harassment; cooperating with any internal or governmental investigation; or otherwise pursuing their legal rights. Retaliation against an individual for (1) reporting under this Code or (2) participating in an investigation of a claim will not be tolerated, and may result in a vendor's contract review, contract termination, or disbarment of PEC contracts.

## **COMPLIANCE AND AUDITING**

Vendors are expected to follow the Vendor Code both in spirit and practice. Because of the commitment to the membership, and the nature of the relationship between vendors and PEC, compliance shall be strictly enforced. PEC reserves the right to audit vendors work product, invoices, and adherence to the Vendor Code.

