
Conflict of Interest

Policy No.: COrg-PO-C-335
Effective Date: January 20, 2011

Applicability

This policy applies to all SaskWater employees including contractors and suppliers. It is the responsibility of SaskWater employees to review the applicability and importance of the Conflict of Interest policy, as well as the consequences of violations on an annual basis.

Policy Statement

The purpose of this policy is to ensure that the name, reputation, and integrity of SaskWater are not compromised. The fundamental principle guiding its implementation is that no employee should have, or appear to have, any personal interests, relationships, or affiliations that conflict with the best interests of SaskWater.

Policy Details**1. Responsibilities and Guidelines**

- 1.1. As SaskWater operates in the public sector, employees must act in the best interest of SaskWater at all times. SaskWater may be seriously prejudiced unless the actions and judgments of the employees are as free as possible from compromising influences. Employees have a responsibility to guard against situations where conflict of interest may arise. Even the appearance of a conflict of interest must be avoided.
- 1.2. SaskWater employees have a responsibility to:
 - i. take all necessary steps to avoid situations where a conflict of interest may arise;
 - ii. ensure all agents and/or contractors with whom they are dealing with are familiar with SaskWater's Conflict of Interest Policy; and
 - iii. refer any existing or potential conflict of interest situations to their out-of-scope supervisor, the Manager, Human Resources, or General Counsel.

2. Disclosure and Approvals



- 2.1. Upon commencing employment, employees are required to complete the Conflict of Interest Policy Disclosure Form to disclose and/or report information regarding any personal situation which may be or is perceived as being a conflict of interest. The completed form will be reviewed by Human Resources or by General Counsel if the position is a Human Resources position.

If a perceived conflict appears, Human Resources or General Counsel will discuss with the employee's manager who will provide Human Resources or General Counsel with a recommendation on whether they believe there is or is not a conflict, including a supporting explanation for the recommendation.

The Manager, Human Resources or General Counsel will review and render final decision as to whether there is an actual conflict of interest and will communicate the decision to employee and their manager.

In addition to the above, if an employee enters into a situation during their employment with SaskWater which may be or is perceived as being a conflict of interest, or, if a manager becomes aware of an employee's involvement in activities which might constitute a conflict of interest, a Conflict of Interest Disclosure Form must be submitted to Human Resources.

Whether or not an actual or potential conflict of interest exists depends upon the facts of each case. An employee who believes or becomes aware that a conflict of interest might exist should immediately cease the activity and disclose it as soon as possible to their out-of-scope manager, the Manager, Human Resources or General Counsel.

3. Appeal Process

- 3.1. If an employee does not agree with the decision and/or recommendation made by the Manager, Human Resources or General Counsel, the employee may appeal as follows:
 - i. Unionized Employees—The employee should follow the grievance procedure as outlined in the Collective Agreement.
 - ii. Out-of-Scope Employees—Within five (5) working days of the recommendation or decision, the employee may request a special hearing with the President or designate. The President or designate will render a final decision within five (5) working days of the hearing.

In the event that the appeal process is either withdrawn or unsuccessful, the original decision will be upheld.

SaskWater will provide the employee with written documentation advising the outcome of the appeal. Note that all expenses incurred in preparing the appeal are borne by the employee and that SaskWater is not responsible to compensate the employee for any lost opportunity.

4. Conflict of Interest

4.1. In the event where there is potential for a conflict of interest to occur, the following guidelines will apply:

- 4.1.1. Outside Employment— Employees may engage in supplementary employment, including self-employment, carry on a business, or engage in voluntary activities, provided it does not:
- cause an actual or apparent conflict of interest;
 - appear, by the way in which it is performed, to be an official act or to represent SaskWater or the Government of Saskatchewan;
 - interfere with the employee's regular duties; or
 - involve the use of SaskWater premises, assets, equipment or supplies.
- 4.1.2. Outside Business Involvement— Employees shall not either directly or indirectly, or through family members, enter into a contract to provide SaskWater with any materials or labour without first having fully disclosed, in writing, such interest to the employee's immediate out-of-scope manager and without having first obtained, in writing, the approval of such involvement by the immediate manager. The manager shall consider the applicability of SaskWater's purchasing practices and policies and refer the issue to the Manager, Human Resources, or General Counsel with respect to whether the proposed involvement is acceptable.
- 4.1.3. Use of SaskWater's Name— Employees shall not use SaskWater's name when purchasing goods or services for activities outside of corporate use when it could be inferred that the purpose in doing so is to solicit a material benefit not customarily available to others.
- 4.1.4. Gift Acceptance— Employees may not accept gratuities from any source where these would, or might appear to, improperly influence the employee in the performance of duties for SaskWater. Gratuities and gifts are defined as items of value or services intended for the benefit of the employee.

Employees are allowed to give and accept meals, refreshments or promotional items as long as these are modest in nature and provided in the regular course of business.

Employees shall not accept personal gifts, entertainment or benefits from any individual or organization other than follows:

- the normal exchange of hospitality between persons doing business together;
- tokens exchanged as part of protocol; or
- the normal presentations of gifts to persons participating in public functions (where such an employee is in the position to influence a decision within SaskWater pertaining to such individuals or organizations).

Employees shall not retain a gift that exceeds \$500 in value. Where the value of the gift is deemed to be greater than \$500, it becomes the property of SaskWater and is disposed.

Employees are expected to exercise discretion with respect to the distribution and use of complimentary tickets to events offered outside of a sponsorship package and in the receipt of gifts offered in the course of employment. Complimentary tickets to an event will be considered a gift if the recipient does not have an official function at the event. Employees must report to the President the receipt of any gift with a value in excess of \$200, or any gifts received directly or indirectly from one source where the total cumulative value received in any fiscal year exceeds \$200.

- 4.1.5. Customer Accounts— SaskWater employees responsible for collection of customer accounts shall not handle his/her own account or handle the accounts of friends or relatives.
- 4.1.6. Insider and other trading— neither a SaskWater employee nor their associate shall personally profit from any information gained in the course of the employee's employment.

Insider information related to information not known to the general public and only known because of the employee's relationship with SaskWater and may include, but is not limited to, dividend changes, earnings estimates, significant business developments, expansion or curtailment of operations, sale or purchase of substantial assets or other activities of significance.



5. Guidelines for Employees Contracting on behalf of SaskWater

- 5.1. Employees who have the authority to commit SaskWater to contracts for goods or services, to agreements for the sale or disposition of SaskWater's property, to provide services or award amenities or benefits such as loans, forgiveness of debts or special rates, or are otherwise in a position of authority affecting the rights of third parties are perhaps in the most difficult positions of any employee of SaskWater. Occasions arising where such employees could be perceived to be in a situation of conflict are many due to the frequency of contact with the public or particular sectors of the public (e.g. contractors).

In communities outside of the major cities, the likelihood of dealing with friends or relations is also increased. The best course of action is avoidance, but SaskWater recognizes that this is not always practical.

An employee must not, either for him or herself, or indirectly through family members or friends, have a financial relationship with or derive a financial benefit from an individual or organization doing business with SaskWater, where such employee is in a position to influence a decision within SaskWater pertaining to such individual or organization.

When an employee responsible for handling a matter on behalf of SaskWater learns that he/she may be in a conflict of interest situation (i.e. they become aware that someone they know well or some organization in which they are a participant is a party or a proposed party to a contract with SaskWater), the following actions should be taken:

- The employee should promptly inform his/her immediate out-of-scope supervisor, the Manager, Human Resources or General Counsel.
- The immediate out-of-scope supervisor, the Manager, Human Resources or General Counsel shall review the matter and either direct that it be handled by another employee, or if this is not practical, confirm in writing their decision, action or approval of the contract or services in question.
- The immediate out-of-scope supervisor shall report his/her actions to the Manager, Human Resources or General Counsel to ensure consistency of policy. Their supervisor, in approving or overruling the recommendations of the employee should acknowledge the employee's conflict situation, and ensure action is undertaken with the utmost fairness and objectivity.

An employee having the authority to contract on behalf of or otherwise make

decisions on behalf of SaskWater affecting the rights of third parties must act with the highest degree of independence and objectivity.

SaskWater employees who knowingly fail to reveal or falsely report any prohibited interest or relationship, engage in potentially conflicting activities as outlined in this policy or related policies are subject to disciplinary action, which in certain cases may include termination of employment and/or prosecution.

6. Guidelines for Procurement on behalf of SaskWater

- 6.1. SaskWater has a responsibility to have policies in place to ensure employees who create, implement and evaluate competitions are obligated to identify and address conflicts of interest. In an effort to further protect and enhance the fairness of procurement competitions, vendors are also to declare any actual, potential or perceived actual conflicts of interest.
- 6.2. Conflict of interest includes any situation or circumstance where, in relation to SaskWater's procurement competition, a participating vendor has an unfair advantage or engages in conduct, directly or indirectly, that may give it an unfair advantage, including:
 - having, or having access to, information in the preparation of its proposal that is not available to other vendors, but does not include information a vendor may have obtained in conjunction with a contract or with SaskWater or other public entities that is not related to the creation, implementation or evaluation of this or a related procurement;
 - communicating with any person with a view to influencing preferred treatment in the procurement competition, including but not limited to the lobbying of decision makers involved in the procurement competition; or
 - engaging in conduct that compromises, or could be seen to compromise, the integrity of the open and competitive procurement competition or renders that competition non-competitive, less competitive or unfair.
- 6.3. In procurement competitions, vendors are to declare all actual, potential or perceived conflicts of interest. A perceived conflict of interest can arise where a reasonable person could form the view that a participating vendor has an unfair advantage. Examples include family or close personal relationships, past professional relationship, vendors lobbying SaskWater decision makers involved in the

procurement or vendors who are or were involved in the creation, implementation or evaluation of the current procurement.

- 6.4. The provisions in the procurement documents for each competition will govern the description, identification and resolution of conflicts of interest, and vendors are reminded to carefully review these documents prior to responding.
- 6.5. If an employee responsible for procurement at SaskWater receives a disclosure of an actual, potential or perceived conflict of interest from a vendor, SaskWater may, in its sole discretion and without limitation, take one or more of the following steps:
 - require the vendor to address any actual, potential or perceived conflict of interest to the satisfaction of SaskWater (e.g. remove or isolate an individual from the procurement);
 - disqualify the vendor from further participation; or
 - such other steps that SaskWater deems appropriate.

A vendor that fails to identify conflicts of interest may be disqualified from the procurement competition and may also be subject to such other sanctions as SaskWater may deem appropriate.

Vendors are reminded that other forms of vendor conduct are also prohibited by the Business Code of Conduct and Ethics Policy (“Code”). This policy should be read in conjunction with the Code and nothing in this policy reduces the obligation of a vendor to report and avoid any conduct identified in the Code, or any applicable SaskWater policy, including activity that may impact SaskWater’s ability to run a fair procurement process or which compromises its integrity. Vendors who undertake any activity which is prohibited by policy or by the procurement competition may be disqualified from the competition and possibly from future procurement competitions.

Any decisions or ruling will be communicated in writing to the affected vendor.

7. Implementation

SaskWater employees who have questions regarding the application of the Conflict of Interest policy may raise the issue in confidence to the Manager, Human Resources or General Counsel, who shall provide an interpretation.

SaskWater employees who have knowledge of an actual, potential or perceived conflict of interest must report it in confidence to the Manager, Human Resources or General Counsel. The Manager, Human Resources or General Counsel shall investigate the issue in the



manner deemed appropriate for the circumstance. The investigating lead may in turn make a recommendation to the President, where appropriate, as a result of findings from the investigation.

SaskWater employees who knowingly fail to reveal or falsely report any prohibited interest or relationship, engage in potentially conflicting activities as outlined, or contravene this policy or related policies are subject to disciplinary action up to and including termination of employment and/or prosecution.

8. Responsibility

The Conflict of Interest policy will derive its force and effect from the example and leadership set by the officers, and the management team of SaskWater. However, the ultimate responsibility rests with each SaskWater employee.

If an employee is unsure as to what decision to make or action to take or not certain whether a situation is covered by the Conflict of Interest Policy, he/she should refer to SaskWater corporate policies and procedures, ask their supervisor or manager or contact the Manager, Human Resources or General Counsel.

It is the responsibility of Human Resources to ensure that all new SaskWater employees are provided with a copy of the Conflict of Interest Policy and an explanation of its scope and applicability.

Definition

Conflict of Interest— a situation which exists (actual, potential or perceived) where personal activities, interests or dealings of a SaskWater employee may impair that employee's ability to perform their duties fairly and impartially in the best interest of SaskWater; or, where such activities, interests or dealings may negatively impact on SaskWater's reputation to the community.

Public entity—Ministry, agency, board, commission or Crown Corporation of the Government of Saskatchewan.