
Conflict of Interest Policy

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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.

Background

SaskWater must meet high ethical standards in order to merit the trust of its shareholders, customers, government and the public. The integrity of SaskWater depends on ethical behavior throughout the organization and on fair, well-informed decision making. The ability to make a decision is sometimes affected by other interests (personal or professional) of individuals in the organization. Such conflict of interest situations are a regular part of organizational and personal life and cannot simply be eliminated. This policy is designed to set out the key elements of managing conflict of interest situations fairly in order to ensure that decision making is not influenced or perceived to be influenced by conflicts of interest.

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, Human Resources, or Legal Counsel.

2. Disclosure and Approvals

- 2.1. Upon commencing employment and on an annual basis thereafter, employees are required to complete the Conflict of Interest Policy Disclosure Form to disclose and/or report information regarding any personal situation (including additional employment) which may create, or be perceived to create, a conflict of interest. The completed form will be reviewed by Human Resources (or by Legal Counsel if the position is a Human Resources position) and approved by Executive.

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

Human Resources will provide the completed Conflict of Interest Disclosure form and manager's rationale to Executive, who will render a final decision as to whether the actual or perceived conflict of interest will be permitted. Human Resources will communicate the decision to the 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 and/or Human Resources.

3. Appeal Process

- 3.1. If an employee does not agree with the decision and/or recommendation made by Executive, 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.

Human Resources 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 is reported to SaskWater and 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, including SaskWater mobile devices and laptops.

As it relates to volunteer activities, Board/committee participation must only be reported for:

- Positions that involve public election;
- Positions in professional networks or business advisory committees, whether or not you are formally representing SaskWater;
- Positions that involve participation while on work time.

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 Human Resources 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 and their family members shall not solicit or accept any gift or service of anything of value – whether money, service, travel, entertainment, hospitality, an item or a personal benefit – without compensation, that could be viewed as payment for services rendered through an employee's employment in the public service.

Employees may accept any gift that:

- Represents the normal exchange of hospitality between persons doing business together;
- Are tokens of nominal value exchanged as part of protocol; or
- Are 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 accepting any payment, gift, honorarium or gratuity, in addition to their salary paid by the government, which is actually or may be viewed as payment for services provided through their employment, would be in conflict with this guideline. Employees shall not retain a gift that exceeds \$200 in value, or any gifts received directly or indirectly from one source where the total cumulative value received in any fiscal year exceeds \$200.

Where the value of the gift is deemed to be greater than \$200, it becomes the property of SaskWater and is disposed in accordance with the Prize-Winning Policy.

Employees shall not retain a prize that exceeds \$500 in value at an event where SaskWater has funded the employee's attendance, SaskWater has requested the employee attend on its behalf, or the employee has been invited to participate as a result of their employment with SaskWater. Where the value of the prize is deemed to be greater than \$500, it becomes the property of SaskWater and is disposed in accordance with the Prize-Winning Policy.

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 in accordance with the Guidelines for Complimentary Tickets and Gifts.

Employees will be approved for vendor sponsored travel in situations for activities relating to inspection, testing, training, contractual obligations, conference presentations, emergency assistance, panels, committees, regulatory standards, roundtables, task forces, or membership meetings.

Employees continue to be bound by the Conflict of Interest Policy while travelling on government business. Failure to comply with this Policy will result in disciplinary action.

- 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, Human Resources or Legal Counsel.
- The immediate out-of-scope supervisor, Human Resources or Legal Counsel shall consult with Executive 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 Human Resources or Legal 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 Human Resources, who, in consultation with Legal Counsel, shall provide an interpretation.

SaskWater employees who have knowledge of an actual, potential or perceived conflict of interest must report it in confidence to Human Resources or Legal Counsel. Human Resources or Legal 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. If an employee does not feel comfortable discussing the matter with either Human Resources or Legal Counsel, they may access the Whistleblower Policy for more details on how to report a breach relating to a conflict of interest.

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 Human Resources or Legal 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.

Definitions

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.

Vendor Sponsored Travel – Any travel expense (including flights, hotels, registration fees, per diems) reimbursed or paid directly for a Government of Saskatchewan employee that has been paid directly for by a third-party vendor – a person or company that sells goods or services to Executive Government, Crowns or Agencies.

References

Code of Business Conduct & Ethics Policy, SaskWater

Goods and Services Procurement Policy, SaskWater

Crown Sector Procurement Policies, Conflict of Interest, Crown Investments Corporation

Guidelines for Complimentary Tickets and Gifts, SaskWater

Prize Winning Policy, SaskWater

Priority Saskatchewan Procurement Policies, Conflict of Interest, SaskBuilds

Whistleblower Policy, SaskWater