

THE AGENCY FOR CO-OPERATIVE HOUSING

POLICY MANUAL

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1.4.3: Ethical Conduct Agreement,
1.4.4: Ethical Conduct Disclosure,
2.4: Confidentiality and Access to Information,
2.5: Privacy, 3.1.1: Human Resources,
3.1.6: Managing Workplace Conflicts,
3.3.1: Procurement, 3.3.2: Outsourcing,
3.6 Information Security

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Board of Directors

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SUBJECT:

Ethical Conduct

1. Preamble

The Agency is committed to ensuring fair dealing and integrity in the conduct of all of its affairs. Only through the ethical conduct of its directors, employees and other persons seen to be representing it, as mandated in this policy, will the Agency be able to preserve its good name and clients' trust, attend to its own best interests, and serve the broad public good.

The Ethical Conduct Policy seeks to set out standards of appropriate behaviour, to establish principles for the management of ethical conflicts, to propose a source of advice on such matters, and to provide measures for dealing with breaches. The policy is intended to serve as a bridge between what the law requires and what morality advises, providing general guidance, but leaving individuals with the responsibility of acting ethically, in accordance with their best judgement.

In cases of dispute or uncertainty, the Board of Directors is vested with the authority to interpret this policy and to rule on any issues it may give rise to.

2. Application of this Policy

This policy applies to members of the Board of Directors, employees, independent contractors acting in the Agency's name, and any others acting on the Agency's behalf.

If a person representing or doing work for the Agency is bound by a professional code of conduct that conflicts with a provision of this policy, they will be expected to meet the higher standard of conduct. If the person is unsure which is the higher standard, they may seek advice in confidence, under paragraph 3.3 of this policy.

3. Ethical Conflicts

An ethical conflict exists when a reasonable observer would think that a person's loyalty to another organization or interest, including self-interest, may influence the exercise of their objective judgement or compromise their duty of loyalty to the Agency or the Agency's obligations under its agreements with its government clients. Ethical conflicts can take many forms, as set out below.

3.1 Conflict of Interest

Conflict of interest is normally associated with improper financial gain, whether deliberately sought or innocently arrived at. Under the *Canada Cooperatives Act*, a director or officer of the Agency has a conflict of interest if they have an interest in a material contract or transaction with the Agency. A person has an interest in a contract or transaction if

- i. they are a party to the contract or transaction;
- ii. they are a director or officer of a party to the contract or transaction; or
- iii. they have a material interest in a party to the contract or transaction.

A person to whom this policy applies must immediately disclose any conflict of interest, as defined above. Employees and independent contractors with a conflict must disclose it to the Chief Executive Officer; the Chief Executive Officer to the President; and directors to the Board of Directors. Directors may neither vote on any matter in which they have a conflict nor take part in discussions of the subject at meetings of the Board or its committees.

Under this policy, conflict of interest is also present when any of the following takes place or is attempted.

- i. *Self-dealing*: using one's position with the Agency to obtain a monetary benefit for oneself or one's intimates;
- ii. *Being on the take*: accepting valuable gifts or favours in exchange for delivering benefits from the Agency;
- iii. *Influence-peddling*: advancing someone else's business or financial interests in exchange for benefits for oneself;

- iv. Making *unauthorized private use* of the Agency's tangible and intangible property, including information in the Agency's possession that belongs to its clients;
- v. *Using for one's personal benefit information* obtained through the Agency that is not generally available to the public;
- vi. Using one's *recent close connection* as a volunteer or staff member to influence the Agency for personal gain;
- vii. Providing help or information to anyone in return for *preferential treatment*.

These conflicts of interest cannot be cured through disclosure and recusal. Members of the Board of Directors and persons employed by or acting on the Agency's behalf must refrain from all such behaviour.

3.2 Conflict of Loyalty

A conflict of loyalty is present when a person owes a duty of loyalty to two or more parties and cannot reconcile those loyalties by identifying and serving the common interest of the separate parties.

3.3 Advice

The Chief Executive Officer or any member of the Board of Directors may consult in confidence with counsel retained by the Agency as an ethical advisor. The ethical advisor will not limit their discussion to situations of formal conflict of interest but will also advise on conflicts of loyalty. Similarly, persons employed by the Agency and independent contractors who act on the Agency's behalf may consult in confidence with the Chief Executive Officer, if unsure whether they have a conflict.

4. Expected Standards of Behaviour

4.1 General

All persons employed by or acting on the Agency's behalf must arrange their affairs and carry out their duties in a manner that will preserve and enhance public confidence and trust in the integrity and impartiality of both the Agency and its government clients. They must comport themselves in a seemly and responsible way, avoiding any conduct that would bring them or the Agency or its government clients into disrepute. They must act, and be seen to act, with undivided loyalty and good faith in the Agency's long-term best interests.

While a diversity of views is beneficial, persons employed by or acting in the Agency's name must support the policies and positions of the Board of Directors and the actions of management in carrying them forward. When a topic is under debate, all those involved have an obligation to contribute through the frank and

honest expression of their differing opinions. However, once a decision has been made, they must conduct themselves so as not to undermine the position the Agency takes.

This paragraph is not intended to contradict or infringe on the provisions of Article 6 below.

4.2 Compliance with Laws, Regulations, By-laws and Policies

When acting in that capacity, persons employed by or representing the Agency will at all times comply with the law of the land, including the laws and regulations governing the Agency and the activities performed on its behalf. They will, at all times, act in accordance with the Agency's own by-laws and policies.

4.3 Harassment, Violence and Abuse of Authority

The Agency is at all times concerned to provide an environment for members of the Board of Directors, employees and clients that fosters diversity, equality, dignity and self-esteem and that is free from persecution in any form, including

- sexual and other forms of harassment
- violence
- abuse of authority.

These prohibited behaviours are described more particularly in Appendix A.

4.4 Procurement

Ethical conflicts associated with procurement may appear in the form of conflicts of interest, as discussed in paragraph 3.1 of this policy, or nepotism. A vendor or candidate for contract work or a staff position may have a close personal or family relationship with a member of the Board of Directors or with a senior manager on staff. It is inappropriate for the director, employee or other person in authority to use, or appear to use, their position to advance the interest of friends or family. Conflict issues in hiring for employment positions are more particularly addressed in the Agency's Human Resources Policy.

The Agency's management must consider individual merit, speed, convenience and price as criteria for contract assignments. The Agency's goal is to use the services of the best people available at a reasonable cost and to be fair in offering opportunities to interested, qualified candidates. By these criteria, a member of the Board of Directors, or an organization with which a board member is associated, may be the best choice to undertake a particular contractual assignment. Management must disclose the contract to the Board, even where the cost is not material.

In order to avoid ethical conflicts involving vendors, independent contractors and casual or temporary labour, the Agency will observe the provisions of the Agency's policies governing procurement and outsourcing.

4.5 Gifts, Favours and Entertainment

No person employed by or acting on the Agency's behalf may give to or accept from co-operative clients, suppliers or government officials

- anything but a token gift or benefit;
- any benefit that, if made public, could appear intended to buy their good will.

4.6 Political Activity

The Agency is strictly non-partisan in its dealings with government. While members of the Board of Directors, employees of the Agency and others acting on its behalf can fairly be expected to participate in political activities as private persons, they must exercise sufficient care in conducting those activities as not to compromise the Agency's non-partisan stance. The Agency's premises may not be used for partisan political purposes.

4.7 The Agency's Property

Persons employed by or acting on the Agency's behalf may make reasonable personal use of Agency property, including incidental personal use of software lawfully acquired by the Agency, provided they pay for any goods and services they use where such use involves any expense to the Agency. While they may send and receive personal messages by means of the Agency's system of electronic communication, they must do so in the understanding that the Agency cannot guarantee their privacy and may have no option but to review such messages in order to enforce this or another of its policies.

4.8 Confidentiality, Privacy and Information Security

All persons employed by or acting on the Agency's behalf must treat as confidential both the Agency's records and any information they may contain about private individuals and their financial, professional or personal lives, sharing this information only on a need-to-know basis, and as permitted by law. They must comply at all times with the Agency's policies governing privacy, confidentiality and information security.

4.9 Sector Activity

Persons employed by or acting on the Agency's behalf may participate in the co-operative housing movement at all levels but must reserve their higher loyalty and good faith for the Agency, if a conflict of loyalty should arise.

5. Consequences

The *Canada Cooperatives Act* makes certain sanctions and remedies available if a conflict of interest on the part of a director or officer is not managed according to its requirements. In light of its broader concern for ethical conduct, the Agency has established the following further measures.

5.1 Employees and Independent Contractors

Failure to follow this policy will lead to sanctions, which may include termination.

5.2 Members of the Board

A member of the Board of the Agency will

- i. be deemed to have resigned on the date that they declare bankruptcy or are refused a bond;
- ii. resign right away, or when asked by the Board or the Member, if a situation occurs where their presence on the Board would embarrass the Agency or would damage the confidence of the Agency's government clients in the organization.

6. Violation of the Ethical Conduct Policy

Anyone who becomes aware that a provision of this policy may have been violated should promptly draw the problem to the confidential attention of the Chief Executive Officer or of the President, if the Chief Executive Officer is associated with the possible violation, or of the Board of Directors, if both are associated.

The Agency will investigate the matter as quickly, discreetly and fairly as possible. No sanctions will be applied to any person for reporting that someone else may be violating this policy, unless the person reporting the possible violation is found to have acted in bad faith. If the investigation shows no policy violation, no action will be taken against the subject of the investigation.

As appropriate, the Agency may choose to resolve the matter through the Agency's dispute-resolution procedure or its policy on managing workplace conflict.

7. Expression of Commitment and Disclosure

Each year the Agency's individual directors and employees and independent contractors representing the Agency must read the Ethical Conduct Policy, confirm their compliance with it and commit themselves to remaining in compliance over the course of the next year by signing any ethical-conduct agreement or disclosure statement approved for this purpose.

Appendix A: Harassment, Abuse of Authority and Violence

Harassment

Harassment is the general term for any behaviour that is likely to insult, intimidate or humiliate another person and that a reasonable person should know to be unwelcome. All forms of harassment are prohibited. Policy 3.1.1: Human Resources gives examples of harassment and sexual harassment without limiting the behaviour prohibited to the examples in the list.

Abuse of Authority

Abuse of authority is a form of harassment that occurs when an individual unjustly uses their authority, position or access to information to undermine, intimidate, threaten, blackmail or coerce another person when distributing work assignments or opportunities, evaluating performance, giving references, setting conditions of employment or providing service or information. Abuse of authority does not include such standard managerial duties as counselling, performance reviews, reprimands or other supervisory tasks, as long as these are conducted fairly and in a civil manner.

Violence

Violence means the threatened, attempted or actual exercise of physical force that causes or could cause physical injury to another person. All forms of violence, as defined above, are prohibited. Policy 3.1.1: Human Resources gives examples of violence without limiting the behaviour prohibited to the examples in the list.