

Vancouver Fraser Port Authority		Corporate policies and directives		Policy number B-002	
Subject					
Code of Ethical Conduct Policy					
Approval	Originating department	Original date	Effective date	Revision date	Last reviewed
Board	Internal audit	January 1, 2008	January 1, 2018	March 2020	February 2020

Policy statement

At the Vancouver Fraser Port Authority and subsidiaries (port authority) we conduct our business in accordance with the standards of behaviour described in this Code of Ethical Conduct Policy (code). As part of the port authority, our individual decisions and actions, must always aim at preserving and enhancing public confidence in the integrity, responsibility and reputation of the port authority.

Reasons for policy

We all represent the port authority in our interactions with others, whether with other employees, customers, competitors, stakeholders, governments or the general public. It is our policy that every person conducting business for, or on behalf of, the port authority, maintains the highest ethical standards of behaviour while doing so. This code sets the standards of work-related behaviour that are required from all of us and describes the procedures for reporting and addressing instances of misconduct.

Definitions

Conflict of Interest Means a situation that might influence, or appear to influence, an individual's judgement in the performance of their duties, including the duty to act in the best interest of the port authority.

Fraud Means any purposeful act, expression, omission, or concealment calculated to deceive another to their disadvantage to obtain unfair or unlawful gain. The concept of fraud includes, but is not limited to:

- Theft of port authority assets
- Deliberate misuse of port authority assets and resources
- Altering or manipulating operational and/or financial records to deliberately provide a distorted or inaccurate representation of the matter being reported
- Deceiving third-parties using the port authority as a conduit to commit fraud
- Receiving bribes or kick-backs, understood as anything of value paid to an individual employee or group of employees, to act in a way that limits, or could limit, their ability to act in the best interest of the port authority
- Offering or giving bribes to third-parties (e.g., government officials, contractors, customers, indigenous authorities) to secure an advantage for the port authority that, otherwise, we wouldn't be entitled to receive

Gift	Means any good, service, benefit, hospitality, promise or favour.
Good faith	In the context of reporting instances of real or perceived misconduct under this code, means that the report/complaint is made honestly and with a sincere belief or motive; without any malice or desire to cause harm or defraud others.
Retaliation	In the context of the code refers to adverse treatment against someone, who, in good faith, reported a real or perceived instance of misconduct or participated in a related investigation. Adverse treatment may include a demotion, discipline or termination, workplace harassment, the denial of a right or benefit otherwise entitled to, or a similar form of punitive action.

General

The code outlines our commitment to uphold the highest legal and ethical standards and to identify the standards of behaviour that must be followed by any party conducting business for, or on behalf of, the port authority. Our activities, in any location and at all times, are to be based on integrity, accountability and respect.

Those covered by this code are personally responsible for reading, understanding and abiding by the requirements of the code and other related policies, directives, and regulations to ensure that they conduct port authority business in a manner that embraces our corporate values and responsibilities.

Scope

The provisions and requirements of this code apply to the Vancouver Fraser Port Authority, its subsidiaries, its officers and to all permanent and temporary employees in the performance of their work-related responsibilities and duties. The standards of behaviour outlined in the code must also be followed and adhered to by any third-party that works, or will be working, representing the port authority.

Compliance with the code is mandatory and a condition of employment or engagement with the port authority.

Responsibilities

1. Port authority's responsibilities:

The port authority is committed to adopting the highest ethical standards in all aspects of our activities. Specifically, the port authority, through our internal audit and human resources departments, is responsible for:

- Making reasonable efforts to fully inform those covered by this policy about the requirements and protocols defined in the code through structured training and communications initiatives
- Implementing, communicating and monitoring the effectiveness of the procedures, protocols and tools to identify and address instances of misconduct

2. President and CEO's responsibilities:

The president and CEO, through the director, internal audit and the vice president, people and business performance, is responsible for:

- Facilitating and monitoring compliance with this code, taking steps to ensure that situations of real or potential misconduct are dealt with in an effective, impartial and consistent manner

As needed and appropriate, the president and CEO or his designees, will collaborate with other members of the management team (i.e., managers, department heads and executives) to support the execution of internal investigations

- Enabling mechanisms to communicate instances of significant misconduct to the audit and risk management committee of the board of directors

3. Management’s responsibilities:

All members of the port authority’s management team are held to the highest standard of compliance and must exhibit and conduct themselves in complete alignment with the values and requirements defined by this code. Each member of the management team is individually responsible for:

- Leading by example and to continuously promote compliance with the code within their respective teams, making it clear that unethical conduct is not permitted, and that it won’t be ignored or condoned
- Taking meaningful steps to ensure that persons under their responsibility, including employees and contractors acting on behalf of the port authority, are fully aware of this code and its requirements
- Receiving and addressing questions or concerns from persons under their responsibility regarding compliance with the code, and seeking guidance and support from the director, internal audit or the vice president, people and business performance as needed
- Promptly notifying and seeking guidance from the director, internal audit or the vice president, people and business performance upon becoming aware of instances of real or potential misconduct under the code prior to taking any further steps on the matter

4. Everybody’s Responsibilities:

Anyone covered by this code is responsible for:

- Reading, understanding and complying with the code, as well as with all applicable port authority policies, directives, and regulations
- Periodically reviewing the requirements of the code, seeking, when needed, guidance and clarification from the applicable managers, internal audit or human resources
- Speaking up! We are all encouraged to promptly report, in good faith, instances of real or perceived misconduct following the procedures outlined in this code. Being aware of an instance of significant misconduct and failing to report it may contribute to the matter remaining undetected causing harm to the organization and/or to those working for, or on behalf of, the port authority
- Completing the periodic mandatory education programs offered by the port authority with regards to compliance with the code
- Participating in internal investigations regarding instances of possible non-compliance with the code if asked to do so by internal audit or human resources. Employees are encouraged to seek guidance from their union representative, if applicable and deemed appropriate, in these circumstances.

5. Board of directors’ responsibilities:

The board of directors, through its audit and risk management committee, has the responsibility for overseeing management efforts in facilitating and monitoring compliance with the code and to participate and/or provide guidance to management in code compliance matters involving business integrity, corporate accounting practices, internal controls or fraud.

Confidentiality

Queries about compliance with the code and reports of real or suspected instances of misconduct under the code will be kept confidential to the extent possible. Information on queries about compliance with the code and reports of real or suspected instances of misconduct will only be shared on a “need-to-know” basis consistent with the port authority’s responsibility for conducting a proper assessment and/or investigation (i.e., in order for a proper investigation to be undertaken a person making a report may be required to provide more information and additional parties may have to be interviewed in the context of the complaint or query received).

All parties involved in either the reporting or the investigation of an instance of real or perceived misconduct must respect confidentiality to protect the reputation and privacy of parties involved. This includes refraining from

discussions or releasing information in any form beyond those individuals formally managing the investigation process.

The above noted confidentiality provisions may be impacted by legal or regulatory requirements outside the control of the port authority.

Compliance requirements

Although the various matters dealt with in this code do not cover the full spectrum of activities or situations we may encounter in the execution of our responsibilities, they are indicative of our commitment to abide by the highest standards of ethical conduct and are to be considered descriptive of the type of behaviour expected from each of us.

1. Conflicts of interest

- A conflict of interest occurs in situations that might influence, or may give the impression that could influence, an individual's judgment and ability to fulfill their duties to the port authority, including the duty to act in the best interest of the Vancouver Fraser Port Authority
- Potential conflicts of interest may arise in the normal course of business and, whenever possible, must be avoided
- Potential conflicts of interest may also arise in the case of a personal or a romantic relationship at work when the individuals involved also share a reporting relationship with regards to their roles in the port authority
- When a potential conflict of interest can't be avoided, officers, employees and third-parties working on behalf of the port authority must promptly disclose the matter through the reporting channels outlined in this code, and refrain from taking any further action or making any decision related to the conflictive situation until guidance has been received from his/her department head, the director, internal audit or the vice president, people and business performance. When a conflictive situation is deemed feasible to accommodate, additional controls or reassigning of job responsibilities might be required.
- Failing to disclose a potential conflict of interest is considered to be a departure from the requirements of this code
- The following is a non-exhaustive list of examples of potential conflict of interest situations that require disclosure:
 - A port authority employee or contractor is responsible for overseeing the work of a consultant, and that consultant is related to the employee
 - A port authority employee or contractor gets romantically involved with another employee who reports, directly or indirectly, to him or her
 - A port authority employee or contractor receives VIP tickets for a high-profile concert or sports event from a firm currently bidding for a contract with the port authority
 - A port authority employee or contractor in charge of assessing permit applications receives an offer from a port authority tenant to support them in the preparation of the permit application in his/her free time
 - A highly qualified applicant to a job position at the port authority is the sister of the hiring manager

Specifically, everyone acting on behalf of the port authority must:

- (a) Act in a manner that will bear the closest public scrutiny, an obligation that is not fully discharged by simply acting within the law
- (b) Not accept anything of value (e.g., fee, kickback, discount or other benefit) for the referral of business to or from any supplier or service provider
- (c) Not allow the performance of their duties and responsibilities to be affected by offers or potential offers of outside employment or appointment. An employee who receives a firm offer of employment or

appointment for work in addition to their port authority employment and is considering pursuing that offer, must disclose the offer to the director, internal audit, the vice president, people and business performance or to the president and CEO.

- (d) Not take advantage of their employment with the port authority to obtain from and/or provide to any person or organization dealing with port authority a gift or other preferential treatment
 - (e) Not knowingly disclose, take advantage of, or benefit personally from, information that is obtained in the course of their employment or engagement with the port authority that is generally not available to the public
 - (f) Not give preferential treatment in relation to any port authority matter to family members, or close personal friends, or to any organization in which the employee is an office-holder or has an interest, or in which their family members or close personal friends have an interest
 - (g) Not place themselves in a position where they are, or give the appearance of being, under an obligation to any person or organization that might profit from their special consideration
- Participating in boards of organizations outside the port authority could create potential conflicts of interest. Officers, employees, or contractors working on behalf of the port authority who are to be appointed to external boards must consult with the director, internal audit or with the vice president, people and business performance prior to accepting the external directorship.

2. Accepting or offering of gifts

Careless practices around gift giving and/or receiving could generate instances of conflicts of interest, violate applicable laws, and put our individual and the port authority's reputation in jeopardy. Everyone acting on behalf of the port authority, including officers, employees and contractors, must NEVER:

- (a) Solicit gifts, or personal benefits, from any of the port authority's commercial partners, customers, suppliers or service providers
- (b) Accept, regardless of value, cash or cash equivalent gifts (e.g., gift cards, cheques, pre-paid vouchers) that are directed to a specific individual, or to a specific group of individuals, from external parties. This compliance requirement also applies to giving or offering cash or cash equivalent gifts to external parties.
- (c) Give or offer a personal gift when there is no clear connection between the gift being given or offered and a recognized event or milestone related to the port authority's activities
- (d) Accept or give expensive personal gifts or excessive personal entertainment or benefits. For the purpose of this policy, a personal gift or entertainment is to be considered "expensive" or "excessive" if one or more of the following criteria is met:
 - The personal gift or entertainment has an estimated per-person market value of more than CAD\$200
 - Personal gifts or entertainment occur more than twice a year between the same parties

Specific situations and exceptions:

- i. Lunches, dinners, receptions and other customary business and industry entertainment provided in the ordinary course of business and which do not contravene other provisions of this code are exempt from compliance requirement 2.d
- ii. Officers, employees, or contractors acting on behalf of the port authority who, under legitimate business situations, receive gifts and/or entertainment that do not align with the restrictions noted above (i.e., exceptions) must seek written guidance, as soon as practically feasible, from the director, internal audit, and/or their respective executive as to the approach to be followed with regards to the gift and/or entertainment received
- iii. Officers, employees, or contractors acting on behalf of the port authority, facing legitimate business situations where giving a gift or providing entertainment that does not align with the restrictions

noted above may be warranted (i.e., exceptions) must seek written guidance from the director, internal audit, and/or their respective executive prior to offering or committing to give the exception-based gifts or entertainment

- iv. Gifts received from governments or others in connection with an official event are permitted and will become the property of the port authority
- v. In the event that an officer, employee, or a contractor acting on behalf of the port authority, wins a personal prize when in attendance to an event as part of their port authority duties, and when such prize does not meet the restrictions outlined above, written guidance must be obtained from the director, internal audit and/or their respective executive prior to taking any action or making any decision regarding the prize won

3. Compliance with the law

Everyone acting on behalf of the port authority, including officers, employees and contractors, must comply with all laws applicable to their actions on behalf of the port authority. No one acting on behalf of the port authority must engage in any conduct that is in contravention of applicable laws relating to the port authority, and should seek the advice of the port authority's legal services team where there is uncertainty, either as to the definition, applicability or interpretation of laws and regulations.

4. Books and records

The port authority's books and records must reflect, in an accurate and timely manner, all funds, payments, assets, obligations and the real nature of the transactions that they reflect. There will be no undisclosed or unrecorded activity of the port authority.

5. Respect in the workplace

We strive to foster an open, diverse and inclusive workplace environment. Everyone acting on behalf of the port authority, including officers, employees and contractors, must treat each other, and all of our stakeholders and members of the public, with professionalism and respect, regardless of matter or position in the organization. Inappropriate or hostile behaviour will not be tolerated.

Everyone acting on behalf of the port authority must act in accordance to the principle noted above and read, understand and abide by the **Respect in the Workplace Policy** (B-008).

6. Anti-fraud and anti-corruption

Our commitment to maintaining the highest standards of ethical behaviour includes (i) not tolerating or condoning fraud or corruption by anyone acting for, or on behalf of, the port authority and (ii) fully complying with all applicable legislation on this topic; such as Canada's *Criminal Code* and the *Corruption of Foreign Public Officials Act* (CFPOA) .

Anyone acting for, or on behalf of, the port authority, including employees and contractors, must not engage in fraudulent or corrupt activities, which include, but are not limited to, the following:

- (a) Give, offer, or promise to give anything of value (e.g., cash, lavish gifts, commercial contracts, employment, discounts) to an individual stakeholder or to a group of stakeholders (e.g., a customer, a supplier, a government official, an indigenous government official) to:
 - facilitate securing a benefit or advantage that otherwise the port authority, or any other party for whom we may be advocating for, wouldn't be entitled to receive; and/or
 - influence that stakeholder to act in a way that is contrary to their mandate or fiduciary duty

Employees, officers or third-parties acting within an international context where local cultural practices may not be fully aligned with the restrictions noted above must consult with the director, internal audit, or the vice president, people and business performance prior to adhering to said local cultural practices.

- (b) Theft, or deliberate abuse or misuse of port authority assets. This includes cash/monetary assets, vehicles and equipment, information technology hardware and software, physical infrastructure, land,

tools and supplies.

- (c) The intentional manipulation of financial or operational records (e.g., financial statements, internal financial reports, forecasts and budgets, operational reports, studies)

7. Anti-competitive practices

All procurement activities conducted on behalf of the port authority must comply with the **Procurement Policy** (B-013). We believe that fair commercial competition is fundamental to our commitment of operating with the highest ethical standards.

Anyone acting for, or on behalf of the port authority, including officers, employees and contractors, must not discuss or share commercial information (e.g., pricing, delivery dates, credit conditions, profit margins) with our business partners or competitors, or enter into any agreement for the purpose of restraining free trade or competition.

8. Confidentiality of Vancouver Fraser Port Authority's information

We are committed to providing timely, factual, accurate and complete information to our stakeholders and there are well defined processes in place to ensure we do so in full compliance with applicable laws and regulations such as Canada's *Access to Information Act*. Everyone acting on behalf of the port authority, including officers, employees and contractors, must comply with the **Confidentiality Policy** (B-004).

In order for those processes to operate effectively, employees and contractors acting on behalf of the port authority are required, as a general rule, to treat all information pertaining to our business activities as confidential and to refrain from speaking on behalf of the port authority unless expressly authorized to do so by a member of the executive leadership team or by the director, communications.

Procedures for speaking up

Reporting instances of real or perceived misconduct under this code is a responsibility we all have. When assessing a particular situation, we should always ask ourselves the following questions:

- Does it comply with the law, this Code, or our other policies, directives, or regulations?
- How would our customers, stakeholders and the general public look upon it?

A. Available reporting channels

In line with the responsibilities outlined in this code, the port authority provides several channels we can all use to request guidance, and/or to report instances of real or suspected misconduct:

- Talking to our manager, department head or executive, or
- Contacting directly the director, internal audit or the vice president, people and business performance, or
- Using our Confidence Line by dialing 1.800.661.9675 or submitting an electronic report through www.vfpa.confidenceline.net/, or

The Confidence Line is managed by an external service provider. Reports received through the Confidence Line are forwarded to the director, internal audit and to the vice president, people and business performance by the external service provider; unless the report received relates to either of those two functions, in which case, the external service provider will forward the report to the president and CEO.

- Sending an email to **ethics.help@portvancouver.com**. This email will be received by the director, internal audit and the vice president, people and business performance.

B. Information to be included in a report or a query

When asking for guidance, or when reporting an instance of real or suspected misconduct under this code, provide as much information as possible about the matter. You should provide a detailed description of the

incident and include relevant details such as the names of the parties involved, potential witnesses, a description of the conduct or events involved in the matter, and date(s), time(s), and place(s) of incidents to the extent possible.

C. About anonymous reports

When making a report, or when asking a question about compliance with this code, you have the option to remain anonymous.

If you decide to remain anonymous, make sure you facilitate a communication channel so the team tasked with assessing or investigating the matter reported or enquired about can contact you to ask follow-up questions. Failing to enable a communication channel in anonymous reports or queries could significantly limit the port authority's ability to assess, investigate and address matters reported.

Although anonymity is an option as noted above, the port authority's ability to assess, investigate, and address matters reported may be restricted or compromised without confirmation of identity in some instances.

D. What happens after a report is submitted?

The port authority takes all reports of real or suspected misconduct very seriously. The matters received through any of the channels available are jointly triaged by the director, internal audit and the vice president, people and business performance, or their designees. The results of the triage stage include the following:

- Formal acknowledgment that the report/concern has been received
- Definition of interim/immediate risk mitigation measures if needed
- Identification of which members of the Leadership team (i.e., department heads and executives) are to be informed about the matter, if applicable
- Determination if the matter reported requires to be brought to the attention of the International Longshore and Warehouse Union Local 517 President
- Determination if the matter requires escalation/notification to the president and CEO and/or to the audit and risk management committee of the board of directors
- Preliminary definition of the assessment/investigation approach to be taken
- Determination if the matter must be reported to a legal authority, like law enforcement or to regulatory bodies
- Definition of the investigation team to be activated; including determining if the participation of an external investigator is required

The port authority is committed to conducting objective, respectful, and professional assessments and/or investigations of all matters reported in the context of the code. Upon completion of the assessment or the investigation of a particular matter, the investigation team, the director of internal audit and the vice president, people and business performance will review the findings and determine whether misconduct occurred or not. At this point, additional input or feedback may be requested from other members of the executive leadership team, in-house or outside legal counsel, or to other external subject matter experts as needed.

Once a conclusion has been reached, a case closure notification will be sent to the party who raised the concern and to others involved, as applicable.

All instances of confirmed misconduct must necessarily trigger corrective actions, which may include, but are not limited to:

- Additional training efforts
- Adjustment to processes, procedures or controls

- Disciplinary measures up to, and including, termination of employment and legal prosecution. As with all disciplinary matters, principles of fairness and equity apply.

Retaliation

Retaliation against any individual who has, in good faith, reported misconduct under this code investigated a report under this code, or participated in an assessment, investigation, or proceeding under this code, will be considered an incident of personal harassment and a severe violation of this code.

Similarly, any allegations made under this code that are not in good faith will also be viewed as a serious contravention of this code.

Acknowledgment and certifications

- (a) All officers, employees and contractors working on behalf of the port authority, will be given, or will have access to, a copy of this code. Employees and applicable contractors must sign a statement acknowledging that they have received a copy of the code and that they have read and understand the code. A copy of this acknowledgment will be securely retained by human resources.
- (b) All officers, and full-time employees are required to re-confirm awareness, understanding and compliance with the code on an annual basis. This annual process, facilitated by internal audit, also includes certifications around the disclosure of known, perceived or suspected instances of misconduct and conflicts of interest. The port authority also reserves the right to require other persons to re-confirm the same awareness, understanding and compliance as needed.

Reporting to the audit and risk management committee of the board

On behalf of the president and CEO, the director, internal audit will prepare an annual report to the audit and risk management committee of the board of directors articulating the efforts undertaken during the year to comply with the responsibilities outlined in this code.

Instances of non-compliance with the code involving business integrity, corporate accounting practices, internal controls or fraud will be reported to the audit and risk management committee of the board by the director, internal audit during the scheduled committee meetings or on an ad-hoc basis as needed.