

CODE OF BUSINESS CONDUCT



Defence Construction Canada

Date: June 11, 2007
Version: **2.0**



TABLE OF CONTENTS

Revision History i

SECTION 1:	INTRODUCTION	1-1
1.1	Introduction	1-1
1.2	APPLICATION	1-1
1.3	EFFECTIVE DATE	1-1
1.4	APPLICATION OF FORMER POLICIES	1-1
1.5	CERTIFICATION DOCUMENT	1-1
1.6	TEMPORARY EMPLOYEES	1-2
1.7	ANNUAL REVIEW	1-2
1.8	COORDINATION WITH POST-EMPLOYMENT CODE FOR DEFENCE CONSTRUCTION (1951) LIMITED	1-2
SECTION 2:	VALUES AND ETHICS	2-1
2.1	CORPORATE VALUES – “DEDICATION, FAIRNESS, COMPETENCE”	2-1
2.2	EMPLOYEE VALUES	2-1
	Professional Values	2-1
	Ethical Values	2-2
	People Values	2-2
SECTION 3:	STANDARDS OF CONDUCT	3-1
3.1	EXPECTED STANDARDS OF CONDUCT	3-1
3.2	ADHERENCE TO GOVERNMENT AND CORPORATE POLICIES	3-1
3.3	ACCEPTANCE OR OFFERING OF GIFTS, HOSPITALITY AND OTHER BENEFITS	3-2
3.4	REQUESTS FOR CORPORATE SPONSORSHIPS	3-3
3.5	SUPPORT TO THIRD PARTY MARKETING	3-3
3.6	AVOIDANCE OF PREFERENTIAL TREATMENT	3-3
3.7	PROTECTION AND USE OF INFORMATION	3-4
3.8	PUBLIC COMMENT	3-4
3.9	PROTECTION OF CORPORATE PROPERTY	3-5
SECTION 4:	CONFLICT OF INTEREST COMPLIANCE MEASURES	4-1
4.1	INTRODUCTION	4-1
4.2	OBJECTIVES	4-1
4.3	RESPONSIBILITY OF EMPLOYEES	4-1
4.4	PRINCIPLES	4-1
4.5	CONTRACTS	4-2
4.6	ENTERING INTO A CONTRACT WITH DEFENCE CONSTRUCTION (1951) LTD. ...	4-3
4.7	DEALING WITH FORMER PUBLIC OFFICE HOLDERS	4-3
SECTION 5:	COMPLIANCE MEASURES	5-1
5.1	AIM	5-1
5.2	CONFIDENTIALITY	5-1
5.3	METHODS OF COMPLIANCE	5-1
5.4	EXEMPT ASSETS	5-2
5.5	CONFIDENTIAL REPORT	5-3



TABLE OF CONTENTS

5.6	ASSETS AND LIABILITIES SUBJECT TO CONFIDENTIAL REPORT	5-3
5.7	DIVESTMENT OF ASSETS	5-4
5.8	OUTSIDE ACTIVITIES	5-4
5.9	FAILURE TO AGREE	5-4
5.10	FAILURE TO COMPLY	5-4
5.11	SUBSEQUENT CHANGES	5-5
5.12	TRANSITIONAL PROVISION	5-5
SECTION 6:	DISCLOSURE OF WRONGDOING	6-1
6.1	INTRODUCTION	6-1
6.2	DEFINITION OF WRONGDOING	6-1
6.3	DISCLOSURE PROCESS	6-1
6.4	PROTECTION AGAINST REPRISAL:.....	6-3



REVISION HISTORY

REVISION HISTORY

REVISION HISTORY			
Version	Date	Description	Section(s)
1.00	01-Sept 2004	First release	All
1.01	01-Oct 2006	New section	4.6
2.0	11-June 2007	New section	6.0



SECTION 1: INTRODUCTION

1.1 Introduction

As an organization ultimately responsible to the people of Canada, the actions and the integrity of the behaviour of employees are very important. By complying with appropriate standards of conduct when undertaking business activities serves to preserve the reputation, image and success of the Corporation.

The Code of Business Conduct for Defence Construction (1951) Limited ('the Code') sets forth (1) the expected standards of values and ethics within the Corporation, (2) the expected standard of conduct and (3) to establish rules of conduct and procedures to minimize the possibility of a conflict arising between an employees private interests and work for the Corporation. By adhering to the requirements outlined in this document, an employee will serve to maintain and enhance both government and public confidence in the integrity of the Corporation.

1.2 APPLICATION

This Code applies to all continuing and term employees of Defence Construction (1951) Limited and is a condition of employment with the Corporation.

1.3 EFFECTIVE DATE

The effective date of the *Code of Business Conduct* for Defence Construction (1951) Limited is September 1, 2004.

1.4 APPLICATION OF FORMER POLICIES

The Conflict of Interest and Post-Employment Code for Defence Construction (1951) Limited is replaced by this Code effective September 1, 2004.

Business activities conducted prior to this date will be deemed governed by the former policy.

1.5 CERTIFICATION DOCUMENT

Before or upon appointment, employees must sign a document certifying that they have read and understood this Code and that, as a condition of employment, they will observe this Code. Employees appointed to Defence



Construction (1951) Limited prior to September 1, 2004 shall sign the certification document not later than October 1, 2004.

1.6 TEMPORARY EMPLOYEES

While temporary employees (those hired for a period of less than six months) are not required to formally sign the document certifying that they will abide by this Code, they must read the Code, and are expected to govern themselves according to the principles set out throughout.

1.7 ANNUAL REVIEW

All employees are required to review their obligations under the Code at least once a year.

1.8 COORDINATION WITH POST-EMPLOYMENT CODE FOR DEFENCE CONSTRUCTION (1951) LIMITED

Employees should be aware that former senior managers (Presidents, Vice-Presidents or Directors) of the Corporation are subject to a post-employment Code which limits their ability to conduct business with Defence Construction (1951) Limited for a period of time after their employment. Any potential contracts or other business transactions involving former senior management shall first be reviewed with a member of the Management Group.



SECTION 2: VALUES AND ETHICS

2.1 CORPORATE VALUES – “DEDICATION, FAIRNESS, COMPETENCE”

Values represent those key individual or group qualities that remain important and which cannot be compromised. The Corporation's values, Dedication, Fairness and Competence, reflect the foundation that Defence Construction (1951) Limited is built on and, in maintaining them, ensures it's success both as a corporation and as a public service institution. Dedication refers to the Corporation's focus on supporting the infrastructure requirements of it's clients and the dependability and dedication of employees in carrying out that mission. Fairness means dealing with contractors, clients and employees in a fair and ethical manner, advocating mutual respect and professionalism in the attainment of the common interests of all parties. Competence refers to the dynamic working environment in which the right qualifications, experience and expertise of the employees are focused on developing innovative solutions to the client's needs while recognizing personal and corporate limitations.

2.2 EMPLOYEE VALUES

The Corporation's success requires that its values be complemented by a set of individual employee personal values. In doing so, employees of Defence Construction (1951) Limited shall be guided in their work and the conduct of day to day business by a balanced set of values focused on the public's expectations of them: professionally, ethically and when interacting with people. They are perspectives from which to observe the more global corporate values.

PROFESSIONAL VALUES

Serving with competence, excellence, efficiency, objectivity and impartiality.

- Employees must work within the laws of Canada and maintain the expected neutrality of public sector employees by placing the public interest above all else.
- Employees shall endeavour to ensure the proper, effective and efficient use of public money.



- Employees should constantly renew their commitment to continually improving the quality of service, by adapting to changing needs through innovation, and by improving the efficiency and effectiveness of services offered in both official languages.
- Employees should also strive to ensure that the transparency of the Corporation's business activities is upheld while respecting their duties of confidentiality under the law.

ETHICAL VALUES

Acting at all times in such a way as to uphold the public trust.

- Employees shall act in an ethical manner, that is to say, in an honourable fashion that is consistent with accepted principles of moral conduct.
- Employees shall perform their duties and arrange their private affairs so that public confidence and trust in the integrity, objectivity and impartiality of the Corporation and its values are conserved and enhanced.
- Employees shall act at all times in a manner that will bear the closest public scrutiny; an obligation that is not fully discharged by simply acting within the law.
- Employees, in fulfilling their duties and responsibilities, shall make decisions in the public and the Corporation's interest.
- If a conflict should arise between the private interests and the duties of an employee, the conflict shall be resolved in favour of the public interest.

PEOPLE VALUES

Demonstrating respect, fairness and courtesy in their dealings with clients, contractors, suppliers, the general public and both citizens and fellow employees.

- People values should reinforce the wider range of the Corporation's values. Those who are treated with fairness and civility will be motivated to display these values in their own conduct.



- The Corporation is led with openness and respect for diversity and for the official languages of Canada.
- Values should play a key role in recruitment, evaluation and promotion.



SECTION 3: STANDARDS OF CONDUCT

3.1 EXPECTED STANDARDS OF CONDUCT

Employees are to conduct themselves in a professional manner at all times and strive to achieve the highest standards of behaviour and integrity while undertaking their work on behalf of the Corporation or clients.

Conducting business affairs in a professional manner is not only measured by the type of work that an employee does (for example, participation in professional organizations is encouraged) – it is also a reflection of the attitude and behaviour with which an employee approaches and performs tasks. Professionalism encompasses the demonstration of competence, dedication to the Corporation's mission and tasks, and the ongoing pursuit of excellence and a commitment to ethical behaviour.

3.2 ADHERENCE TO GOVERNMENT AND CORPORATE POLICIES

All employee activities should be consistent with the Code. In addition to the stipulations outlined in this Code, employees are also required to observe any specific conduct requirements contained in the statutes governing Defence Construction (1951) Limited. They are also required to observe the relevant provisions of more general application including the following:

- *Access to Information Act*
- *Privacy Act*
- *Criminal Code of Canada*
- *Financial Administration Act*
- *Official Languages Act and Regulations*

Related Corporate policies:

- *Political Involvement*
- *Disclosure of Information*
- *Harassment*
- *Privacy in the Workplace*
- *Personal and/or Family Relations*
- *Safety Policy*
- *Environmental Policy*
- *Policy on Internet Use in the Workplace*
- *Standards for Acceptable Use of Electronic mail*



3.3 ACCEPTANCE OR OFFERING OF GIFTS, HOSPITALITY AND OTHER BENEFITS

Employees must recognize that, in the normal course of business, the offer or acceptance of a gift or hospitality can place an employee in a real or perceived conflict of interest. In all cases, employees should be aware that offering of gifts or hospitality beyond a nominal value to public servants may place the recipient in conflict with their department's hospitality guidelines.

In accepting or offering gifts or hospitality, employees must adhere to the following guidelines:

- Employees may only accept or offer a courtesy item of nominal value such as a mug, pen, notebook or baseball hat. In cases where a courtesy item greater than nominal value is offered and it is improper not to accept it at the time (i.e. at a public gathering), the item shall be passed to a member of the Management Group for appropriate disposition.
- Employees may accept or offer larger courtesy items (for example, golf shirts) in circumstances and events sanctioned by the Corporation. Note that it is not always appropriate to wear promotional items accepted by employees that highlight firms that conduct business with the Corporation.
- Employees may allow a contractor or consultant to pay for a meal provided that it is done in the normal course of conducting business. Employees should always be prepared to, and offer to, pay. Under no circumstances should a contractor, consultant or supplier feel obliged to pay for this type of hospitality, or be allowed to pay on a regular or routine basis.
- Employees who are authorized to pay for others' meals shall do so only in the normal course of business. Paying for such meals shall not be done on a routine basis without a specific business purpose. Expense claims shall provide sufficient detail so as to clearly identify participants and type of business conducted.
- Employees may accept an invitation to a business reception or industry association function if it is related to the Corporation's business and compatible with the corporation's objectives. The cost of the event should be modest.
- Employees shall neither accept nor offer tickets or payment of fees for a sporting, cultural or recreational event.



- Employees shall not accept the cost of transportation, accommodation or other services, that are not of a nominal value, associated with sponsored or no-cost functions.

Hospitality beyond a nominal value or which exceeds these guidelines should not be accepted. In exceptional circumstances when it is judged that the benefit to the corporation warrants special consideration, an employee must seek the approval of the President or a Vice President in advance of accepting the hospitality.

Any employee who believes that they are being offered a gift, benefit or hospitality in exchange for preferential treatment or information should immediately report this to the President.

3.4 REQUESTS FOR CORPORATE SPONSORSHIPS

From time to time, a third party may offer to sponsor a Corporation sponsored event, or an employee may wish to solicit such a sponsorship for a charity or corporate benefit. Such sponsorships include the provision of funds, goods, facilities or services at no cost or at a reduced rate.

Without exception, a member of the Corporation's Management Group must approve the request for, or acceptance of, sponsorships.

Employees shall not provide any form of endorsement, preferential treatment or advantage to a sponsor in exchange for their contribution.

3.5 SUPPORT TO THIRD PARTY MARKETING

Employees shall not be seen to endorse any one supplier or product. Comments made in support of a supplier or contractor must be limited to an employee's actual experience with the goods and/or services and should not be seen to actively promote one product, service or contractor over another. No employee shall make a comparison between two suppliers or contractors.

3.6 AVOIDANCE OF PREFERENTIAL TREATMENT

Employees must not accord preferential treatment in relation to any work-related matter to family members or friends, or to organizations in which the employee, family members or friends have an interest. Care must be taken to avoid being placed, or appearing to be placed, under obligation to any person or organization that might profit from special consideration by the employee.



An employee must not, without the prior permission of his or her supervisor, offer assistance in dealing with Defence Construction (1951) Limited or any arm of government, to any individual or entity where such assistance is outside the official role of the employee.

3.7 PROTECTION AND USE OF INFORMATION

Employees of Defence Construction Canada are often provided with proprietary, sensitive or classified information that, if disclosed publicly, could be injurious to Canada, the Corporation, clients, our employees, or private sector partners.

Information provided in confidence shall only be disclosed to those requiring the information for legitimate business purposes and only in accordance with government security, privacy and access to information legislation and the Corporation's contract conditions. Further, employees are not to make use of any such information for personal gain.

Third party requests for information of a proprietary, sensitive or classified nature must be referred to the Corporation's Privacy Coordinator and/or Access to Information Coordinator.

3.8 PUBLIC COMMENT

As a Crown Corporation, the public and/or media organizations may, from time to time, take an active interest in the Corporation or its activities.

Requests for interviews or other information related to the Corporation's policies, finances, individual employees or Government appointments must be referred to a member of the Management Group. Only a member of the Management Group may issue public or media statements or make comments on the Corporation's policy or position on any subject related to the Corporation's business affairs.

Employees are authorized to speak about their particular job or individual projects, while respecting the restrictions noted in the previous paragraph. Any public or media statements must be factual, within the employees scope of duties, delegated authorities and knowledge and avoids the expression of personal opinions or speculation.



3.9 PROTECTION OF CORPORATE PROPERTY

Employees are expected to use and safeguard the Corporation's property for the conduct of the Corporation's business, and to protect it from theft, misuse or damage.



SECTION 4: CONFLICT OF INTEREST COMPLIANCE MEASURES

4.1 INTRODUCTION

The Corporation has a particular exposure to allegations of influence or favoritism given the nature of its business: employees are involved in the award and management of contracts involving the annual payment of hundreds of millions of dollars. Management has intentionally set the bar for ethical standards very high, and is even sensitive to even perceptions of inappropriate action that might compromise the integrity of the Corporation.

4.2 OBJECTIVES

The objects of these measures are to enhance public confidence in the integrity of employees and in Defence Construction (1951) Limited by establishing clear rules of conduct respecting conflict of interest to all employees and by minimizing the possibility of conflicts arising between the private interests and the official work-related duties and responsibilities of employees.

4.3 RESPONSIBILITY OF EMPLOYEES

In keeping with the principles described below, each employee is responsible for taking such action as is necessary to prevent real, potential or apparent conflicts of interest. The employee is also required to observe any specific conduct requirements contained in the statutes governing Defence Construction (1951) Limited, and the relevant provisions of legislation of more general application such as the *Criminal Code*, the *Canadian Human Rights Act*, the *Privacy Act* and the *Financial Administration Act*.

4.4 PRINCIPLES

Every employee shall conform to the following principles related to conflicts of interest:

- a) employees shall perform their work-related duties and arrange their private affairs in such a manner that public confidence and trust in the integrity, objectivity and impartiality of government and of Defence Construction (1951) Limited are conserved and enhanced;



- b) employees have an obligation to act in a manner that will meet public expectations when undergoing the closest public scrutiny, an obligation that is not fully discharged by simply acting within the law;
- c) employees shall not have private interests, other than those permitted pursuant to these measures, that would be affected particularly or significantly by Company actions in which they participate;
- d) employees shall arrange their private affairs in a manner that will prevent real, potential or apparent conflicts of interest from arising, but if such a conflict does arise between the private interests of an employee and the work-related duties and responsibilities of that employee, the conflict shall be resolved in favour of the public interest;
- e) employees shall not solicit or accept transfers of economic benefit in the course of conducting the Corporation's business, other than incidental gifts, customary hospitality, or other benefits of nominal value, unless the transfer is pursuant to an enforceable contract or property right of the employee;
- f) employees shall not step out of their work-related roles to assist private entities or persons in their dealings with the Company, or with any arm of government, where this assistance would result in preferential treatment to any person;
- g) employees shall not knowingly take advantage of, or benefit from, information that is obtained in the course of their work-related duties and responsibilities and that is not generally available to the public;
- h) employees shall not directly or indirectly use, or allow the use of, Company property of any kind, including property leased to the Company, for anything other than officially approved activities; and
- i) employees shall not act, after they leave employment with Defence Construction (1951) Limited, in such a manner as to take improper advantage of their previous employment capacity.

4.5 CONTRACTS

Every employee:

- *negotiating a personal service contract* must include in the contract appropriate provisions with respect to the Code in accordance with such directives as Defence Construction (1951) Limited may issue;



- *negotiating a contract on behalf of Defence Construction (1951) Limited* must insure that a contract includes safeguards, to prevent a former member of the Management Group or other public office holder who is not complying with the requisite portion of the Corporation's post-employment measures, from receiving benefit from the contract.

4.6 ENTERING INTO A CONTRACT WITH DEFENCE CONSTRUCTION (1951) LTD.

Every employee:

- a) Shall not directly, either as an individual or as a business, enter into any contract with Defence Construction (1951) Limited other than for the purposes of employment with the corporation. For greater certainty this excludes employees from providing goods and services to DCC, either as an individual, sole proprietor, owner, or employee from another business.
- b) Unless specifically authorized by the President, shall immediately cease all outside employment or business relationships involving a contract with Defence Construction (1951) Limited.

4.7 DEALING WITH FORMER PUBLIC OFFICE HOLDERS

Employees who have official dealings, other than those that consist of routine provision of service to an individual, with former member of the Management Group or other former public office holders who are or may be governed by the Corporation's post-employment measures, must report this fact to the President in accordance with Company procedure. The President shall determine immediately whether the former employee is complying with the prescribed measures.

Employees shall not have official dealings with former members of the Management Group or other former public office holders deemed to be acting in violation of the compliance measures in the specific transaction involved. Such transactions shall be referred to a member of the Management Group.



SECTION 5: COMPLIANCE MEASURES

5.1 AIM

The compliance measures set out the procedural and administrative requirements to be observed by employees of Defence Construction (1951) Limited in order to minimize the risk of conflict of interest and to permit the resolution of such conflicts of interest, should any arise, in favour of the public interest.

5.2 CONFIDENTIALITY

Information concerning the private interests of employees provided to the President is treated in complete confidence. The President will ensure that this information is placed in separate files in a secure repository to ensure that the privacy of the individual is fully protected.

5.3 METHODS OF COMPLIANCE

5.3.1 An employee complies with these measures in the following ways:

- a) *Avoidance*: by avoiding or withdrawing from activities or situations that would place the employee in a real, potential or apparent conflict of interest relative to his or her work-related duties and responsibilities at Defence Construction (1951) Limited;
- b) *Confidential Report*: by providing a written statement to the President indicating ownership of an asset, receipt of a gift, hospitality or other benefit, or participation in any outside employment or activity; and
- c) *Divestment*: where continued ownership by an employee would constitute a real or potential conflict of interest with the employee's work-related duties and responsibilities, the employee may elect to sell the asset "at arm's length" or place that asset in trust.

5.3.2 Employees must not sell or transfer assets to family members or others for purposes of circumventing these measures.

5.3.3 A Confidential Report will usually be considered as compliance with these conflict of interest measures. However, there will be instances where "withdrawal from the activity" or "divestment" will be necessary. The President will make this decision and communicate it to the employee. Where there is doubt as to which method is appropriate in



order that an employee may comply with the Code, the President will determine the appropriate method and, in doing so, will try to achieve mutual agreement with the employee, taking into account:

- a) the employee's specific responsibilities;
- b) the value and type of the assets and interests involved; and
- c) the actual costs to be incurred by divesting the assets and interests, as opposed to the potential that the assets and the interests represent for a conflict of interest.

5.3.4 Employees are required to make a Confidential Report to the President of all assets prescribed by the Code other than those assets and interests which are for their private use or that of their families, and assets that are not of a commercial character.

Examples of such "exempt assets" are described in the following section.

5.4 EXEMPT ASSETS

Assets and interests intended for the private use of employees and assets that are not of a commercial character are not subject to the compliance measures. Such assets include:

- a) residences, recreational property and farms used or intended for use by employees or their families, including those under commercial operation;
- b) household goods and personal effects;
- c) works of art, antiques and collectibles;
- d) automobiles and other personal means of transportation;
- e) cash and deposits;
- f) Canada Savings Bonds and other similar investments in securities of fixed value issued or guaranteed by any level of government in Canada or agencies of those governments;
- g) registered retirement savings plans and registered education savings plans that are not self-administered;



- h) registered home ownership savings plans;
- i) investments in open-ended mutual funds;
- j) guaranteed investment certificates and similar financial instruments;
- k) annuities and life insurance policies;
- l) pension rights;
- m) money owed by a previous employer, client or partnership; and
- n) personal loans receivable from members of the employee's immediate family and small personal loans receivable from other persons where the employee has loaned the moneys receivable.

5.5 CONFIDENTIAL REPORT

Employees must, within 60 days after appointment, make a *Confidential Report* to the President of all assets other than exempt assets as described in section 5.4 and of all direct and contingent liabilities, where such assets and liabilities might give rise to a conflict of interest in respect of the employee's work-related duties and responsibilities.

5.6 ASSETS AND LIABILITIES SUBJECT TO CONFIDENTIAL REPORT

Assets and liabilities, which may be subject to a *Confidential Report* include:

- a) publicly traded securities of corporations and foreign governments and self-administered registered retirement savings plans and/or registered education savings plans composed of such securities where these securities are held directly and not through units of mutual funds, and where such securities are related to the core business activities of Defence Construction (1951) Limited;
- b) interests in partnerships, proprietorships, joint ventures, private companies and family businesses, in particular those that own or control shares of public companies or that do business with the Government or the Corporation;
- c) real property that is not an exempt asset;
- d) assets that are beneficially owned, that are not exempt assets, and that are administered at arms length;



- e) secured or unsecured loans granted to persons other than to members of the employee's immediate family;
- f) any other assets or liabilities that could give rise to a real or potential conflict of interest due to the particular nature of the employee's duties and responsibilities; and
- g) direct and contingent liabilities in respect of any of the assets described in this section.

5.7 DIVESTMENT OF ASSETS

Where it is determined by the President that such assets constitute a real or potential conflict of interest in relation to the duties and responsibilities of the employee, the employee must either divest assets or otherwise satisfy the President that such a conflict no longer exists. Arrangements to satisfy the above, where required, must take place within 120 days after appointment. Divestment of assets is usually achieved by selling them in an arm's length transaction or by making them subject to a blind trust arrangement.

5.8 OUTSIDE ACTIVITIES

Involvement in outside employment and other activities by employees is not prohibited unless the employment or other activity is such that it is likely to result in a conflict of interest. It is the responsibility of the employee to make, to the President, a Confidential Report of involvement in an outside activity that could place on the employee demands inconsistent with his or her work-related duties and responsibilities, or call into question the employee's capacity to perform these duties and responsibilities objectively. The President may require that such activity be curtailed, modified, or ceased, when it has been determined that a real or potential conflict of interest exists.

5.9 FAILURE TO AGREE

Where an employee and the President disagree with respect to the appropriate arrangements necessary to achieve compliance with the Code, the disagreement shall be resolved by the Board of Directors.

5.10 FAILURE TO COMPLY

An employee who does not comply with the measures described in Section 2 and 3 is subject to appropriate disciplinary action up to and including discharge.



5.11 SUBSEQUENT CHANGES

Employees must forthwith inform the President of any changes in their assets, liabilities and outside activities that would be subject to a Confidential Report.

5.12 TRANSITIONAL PROVISION

Where an employee was, immediately prior to September 1, 2004, subject to any conflict of interest or post-employment guidelines of the government, the employee shall continue to be subject to those guidelines, in lieu of the Code, until a review of his or her compliance measures is completed by the President. The President must complete the review within one year after the date on which the employee signs the certification document.



SECTION 6: DISCLOSURE OF WRONGDOING

6.1 INTRODUCTION

The *Public Servants Disclosure Protection Act* (PSDPA) allows public sector, including Defence Construction (1951) Limited, employees to come forward if they believe that wrongdoing has occurred or is about to occur in the workplace.

Defence Construction (1951) Limited allows employees to report actual or suspected wrongdoing within the Corporation in accordance with the PSDPA, in cases where such reporting is conducted in good faith. In all such situations, employees who have been accused of wrongdoing will be treated appropriately and fairly. Appropriate disciplinary action will be taken against any supervisor who employs reprisals in response to any report of wrongdoing made in good faith.

6.2 DEFINITION OF WRONGDOING

The PSDPA defines wrongdoing as:

- contravention of any federal or provincial law or related regulation;
- the misuse of public funds or assets;
- gross mismanagement in the federal public sector;
- a serious breach of a code of conduct;
- an act or omission that endangers the life, health or safety of Canadians or the environment; or
- directing or counselling someone to commit a wrongdoing.

6.3 DISCLOSURE PROCESS

6.3.1. Initial Response: Employees who discover, or are made aware of, a wrongdoing that has been committed or will be committed should first attempt to raise the matter with/through their supervisors. If that is not successful or is not possible, employees may communicate directly with the President who is designated the Senior Officer for the purposes of the PSDPA and is responsible for acting upon such disclosures.

6.3.2 Public Service Integrity Commissioner: Normally, employees should initiate their disclosure of wrongdoing through the President. In some cases, however, when an employee believes that their issue could not be raised in confidence within the Corporation, including the Board of Directors, employees may make their disclosure of wrongdoing directly to the Public Service Integrity Commissioner. Employees may also contact the Public



Service Integrity Commissioner when they have disclosed an incident of wrongdoing by means of the Corporation's mechanisms and believe that their disclosure was not resolved. Prior to making a disclosure, an employee should review the process with the Office of the Commissioner. The Commissioner, through their internal review processes, will determine if they will review the disclosure or refer it back to the Corporation for investigation and/or resolution.

The Public Service Integrity Commissioner may be reached through the following address:

60 Queen Street, Suite 605
Ottawa ON K1P 5Y7
Telephone: (613) 941-6400

Under certain conditions, the Commissioner may provide limited free access to legal counsel for advice at various stages of the disclosure process.

6.3.3 Provision of Advice: The President is available to provide information on this section of the Code and to provide informal advice to employees who are considering making a disclosure. The President will also explain the parameters of confidentiality an employee can expect when they make a disclosure.

An employee who comes to seek advice or to make a disclosure can be accompanied by another person, a friend, a peer, etc. Where time or distance prevents a direct meeting with the President, an employee may choose to provide information by telephone. If deemed necessary, the President will make arrangements to meet with the employee.

6.3.4. Disclosure of wrongdoing: Once advice has been sought, the employee may formally disclose the information to the President, preferably in writing. The disclosure must include the nature of the wrongdoing, the name of the person alleged to have committed the wrongdoing, the date and description of the wrongdoing, and any other pertinent information. The information should be as precise and comprehensive as possible.

6.3.5 Screening and review of a disclosure: The President will review, or delegate to another person to review the information and determine if there are sufficient grounds for further action. The disclosure may be rejected if it is determined that it is trivial and vexatious; fails to allege or give adequate particulars of a wrongful act, or if it is determined that it was not given in good faith or on the basis of reasonable belief.



The President may also decline to review a disclosure if it is determined that the matter could be dealt with more appropriately by some other means.

The disclosure of any criminal activity will be dealt with in accordance with the *Policy on Losses of Money and Offences and Other Illegal Acts Against the Crown*.

6.3.6. Following the review, the President will inform the employee in writing of whether the investigation will proceed further. If the President decides to proceed further, it will be decided, from the nature and particulars of the wrongdoing, what the appropriate next steps are, which include attempt at resolution and/or investigation. It is expected that most situations will be addressed by discussing the matter with the employees concerned, identifying avenues of resolution and taking appropriate action.

6.3.7. Investigation: If the matter cannot be concluded through a resolution mechanism, the President may initiate an investigation, either by performing the investigation personally or delegating the investigation to a member of the Management Group that is outside the reporting chain for the parties involved. If necessary, the President may use external resources to undertake the investigation.

6.3.8. Decision: The person conducting the investigation will prepare a report, including recommendations, for the President. The President shall review these recommendations and make a decision on any necessary administrative or disciplinary action. The President will inform the parties in writing of the outcome of the investigation.

6.4 PROTECTION AGAINST REPRISAL:

The PSDPA encourages public sector employees to come forward if there is a belief that serious wrongdoing has occurred or is about to occur in the workplace. The PSDPA protects you from reprisal if you do come forward in good faith; it provides a fair and objective process for those who are accused of wrongdoing; and it protects the confidentiality of all those involved in the disclosure process.

Nothing in the PSDPA prohibits anyone from making an anonymous disclosure (e.g., a "brown envelope" disclosure), but it is clear that an anonymous disclosure is not a disclosure made under the PSDPA. As a result, protections against reprisal and provisions respecting protection of information are not necessarily available to those who make an anonymous disclosure. The PSDPA specifies that a protected disclosure is one made by an employee to their supervisor, the President, or the Commissioner. Anonymous disclosures cannot meet this condition, since the source of the disclosure is not identifiable as a public servant.



Similarly, a disclosure made through a representative would not provide the direct protections of the PSDPA to employees who requests that a disclosure be made on their behalf. To trigger the protections of the PSDPA, it is clear that an employee must be identifiable as the source of the disclosure, or be involved in a disclosure investigation. If a representative makes the disclosure, it would be the representative who would be counted as the discloser under the PSDPA.

Protection from reprisal under the PSDPA is available not only to employees who make disclosures but also to those who have, in good faith, cooperated in investigations into possible wrongdoings. Consequently, if an employee who made an anonymous disclosure is a participant in the subsequent investigation, that person would be entitled to protection from reprisal under the Act by virtue of his or her cooperation in the investigation.