

## CORPORATE POLICY MANUAL

<b>Title</b> Supply Chain Code of Ethics and Conflict of Interest	<b>Policy Number</b> SC-01-001
<b>Distribution</b> All Staff	<b>Effective Date</b> 01-JAN-2013

### BACKGROUND

This Policy was developed based on the Ontario Ministry of Finance's Broader Public Secretariat (BPS) Supply Chain Guidelines (2009) and Broader Public Secretariat (BPS) Procurement Directive (2011). These remain the most current documents from which to base an organization-specific Supply Chain Code of Ethics.

### POLICY

TransForm Shared Service Organization (TransForm), will ensure an ethical, professional and accountable BPS supply chain through:

- 1. Personal Integrity and Professionalism:** All individuals involved with purchasing or other supply chain-related activities must act, and be seen to act, with integrity and professionalism. Honesty, care and due diligence must be integral to all supply chain activities within and between BPS organizations, suppliers and other stakeholders. Respect must be demonstrated for each other and for the environment. Confidential information must be safeguarded. All participants must not engage in any activity that may create, or appear to create, a conflict of interest, such as accepting gifts or favours, providing preferential treatment, or publicly endorsing suppliers or products.
- 2. Accountability and Transparency:** Supply chain activities must be open and accountable. In particular, contracting and purchasing activities must be fair, transparent and conducted with a view to obtaining the best value for public money. All participants must ensure public sector resources are used in a responsible, efficient and effective manner.
- 3. Compliance and Continuous Improvement:** All individuals involved in purchasing or other supply chain-related activities must comply with this Code of Ethics and the laws of Canada and Ontario. All individuals should continuously work to improve supply chain policies and procedures, to improve their supply chain knowledge and skill levels, and to share leading practices.

Refer to Appendix A for the Supply Chain Code of Ethics Compliance Checklist.

### Conflict of Interest Guidelines

To define acceptable behaviours and standards that should be common for everyone involved with supply chain and supplier related activities, such as planning, purchasing, contracting, logistics, and financing, Conflict of Interest Guidelines were developed. These guidelines apply to all programs and services provided by TransForm.

### DEFINITIONS

A conflict of interest is defined as:

- A situation when an individual or corporation is in a position to exploit a professional or official capacity in some way to their personal or corporate benefit.
- A staff member has an outside interest that materially encroaches on time or attention that should be devoted to the affairs of the organization.

- c) A staff member has a direct or indirect interest in or relationship with an outsider that is unethical or that may provide that staff member with personal gain due to the staff member's ability to influence dealings; render the staff member partial toward the outsider for personal reasons; place the staff member or TransForm in an embarrassing or ethically questionable position; or reflect on the integrity of the organization.
- d) A staff member takes personal advantage of an opportunity that properly belongs to TransForm.
- e) A staff member uses TransForm property for personal reasons without prior approval of an immediate supervisor.
- f) A staff member discloses confidential or proprietary information to unauthorized persons.
- g) A staff member allows other employment or interests to interfere with the ethical performance of their duties.
- h) A staff member uses information obtained in the course of their employment for personal gain or reward outside the organization.

### **PROCEDURE**

1. Staff members should maintain and practice the highest possible standards concerning business ethics, professional courtesy and competence in all dealings with outside suppliers.
2. Staff who are engaged in the purchasing function are expected to be free of interests or relationships that are actually or potentially detrimental to the best interests of TransForm.
3. Staff engaged in the purchasing function shall not engage or participate in any transaction involving TransForm in which they have a significant undisclosed financial interest.
4. Any staff member engaged in the purchasing function who has assumed or is about to assume a financial or outside business relationship that might involve a conflict of interest, must immediately inform his/her supervisor of his/her interest and the nature and extent of the interest immediately upon becoming aware of the conflict. Refer to GV-01-001 for additional procedures regarding Conflicts of Interest.
5. Staff members must maintain freedom from obligation to any and all suppliers and will not accept gifts from vendors that might in any way influence the purchase of any item.
6. Any gifts or free items received by the organization should be referred to the Social Committee for Benefit/Raffle or fundraising for the benefit of the entire organization.
7. All managers are required to discuss any potential conflict of interest with a senior manager prior to approving or accepting travel/or entertainment/education from a prospective client or vendor.
8. This policy does not preclude individuals with a relationship with TransForm – staff, Board Members, Volunteers who have an outside business interest from doing legitimate business with the organization provided the process for purchasing or engaging in a business transaction with those individuals is open and transparent and those individuals are not involved in the decision-making process. Any outside business interests must be declared prior to the process being initiated.
9. Any breaches of this policy should be referred to the appropriate member of the Senior Leadership Team.

**References**

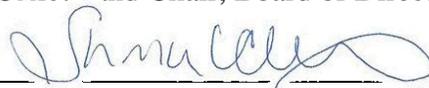
1. Ontario Ministry of Finance – Broader Public Secretariat (BPS) Supply Chain Guideline, April 2009
2. Ontario Ministry of Finance – Broader Public Secretariat (BPS) Procurement Directive, April 2011

**Category:** Supply Chain **Distribution:** All Departments

**Originator:** Chief Business Development and Supply Chain Officer **Date:** (mm/yy) 06/09 (O)  
04/11 (R)  
04/12 (R)  
04/14 (r)

**Approval:** Chief Executive Officer and Chair, Board of Directors

**Signature:**



### **Supply Chain Code of Ethics – Compliance Checklist**

The following a checklist will assist organizations in determining whether they have successfully adopted the key elements of the *Supply Chain Code of Ethics*.

BPS organizations must ensure the *Supply Chain Code of Ethics* or the organizational equivalent:

- a. Is distributed to all employees involved in supply chain activities, including but not limited to departments such as:
  - Purchasing;
  - Materials Management;
  - Inventory Management;
  - Planning;
  - Logistics/Distribution; and
  - Account Payables;
- b. Is communicated to all individuals outside the above departments who are involved in purchasing and other supply chain-related activities;
- c. Is visible in procurement or materials management departments;
- d. Is formally approved and visibly endorsed by the Board or the organization's management team in accordance with the organization's governance structure;
- e. Is electronically available to all employees of the organization through an internal website or document centre;
- f. Contains all the elements found under Personal Integrity and Professionalism;
- g. Contains all the elements found under Accountability and Transparency; and
- h. Contains all the elements found under Compliance and Continuous Improvement.