

Policy Title	Policy Number	Date Created
Non Regulatory Business Ventures - Conflict of Interest Policy	REG.P.1.7	March 28, 2018
Issuing Department	Version Number	Applicability
Regulatory	1.1	All ESA
Author	Owner	Last Revision
Aisling O'Doherty, A/Policy Advisor	Chief Regulatory Officer and General Counsel	February 4, 2020

Non Regulatory Business Ventures - Conflict of Interest Policy

Version History

Version	Author	Key Changes
1.0	Carita Edwards and Aisling O'Doherty, Safety, Policy and Innovation	Original Policy Approved: March 28, 2018; ESA Board
1.1	Aisling O'Doherty, A/Policy Advisor	Update of Owner Title and HR department name change Approved: February 4, 2020; Josie Erzetic, Chief Regulatory Officer and General Counsel

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1.0 Purpose

- 1.1 The purpose of this Policy and associated procedures is to ensure the Electrical Safety Authority (“ESA”) pursues Non-Regulatory Business Venture(s) in a fair, non-conflicted manner and never to the detriment of its regulatory responsibilities.
- 1.2 To help identify, mitigate and avoid the possibility of a conflict of interest arising from ESA’s management of Non-Regulatory Business Venture(s).
- 1.3 To support public confidence and trust in ESA’s objectivity, impartiality and business processes by promoting transparency and general understanding of ESA’s rules related to the identification, minimization and mitigation of conflicts of interest.
- 1.4 To complement and support ESA’s conflict of interest obligations contained under the Administrative Agreement, 2013(“AA”) (including Schedule F of the AA) as amended or replaced from time to time, ESA’s Code of Conduct for personnel, requirements under the Safety and Consumer Statutes Administration Act, 1996 (“SCSAA”), and other internal policies and procedures.

2.0 Scope

- 2.1 This Policy pertains to the corporate relationship between ESA’s Regulatory Activities and any Non-Regulatory Business Venture(s) and shall apply to ESA, its directors, officers and employees and anyone with the authority to act on behalf of ESA.
- 2.2 This Policy does NOT apply to actual or potential Personal Conflict of Interest affecting any personnel as outlined in section 4.4.1 of this Policy, rather, this Policy provides the overarching principles and framework for addressing a conflict of interest pertaining to the management of Non Regulatory Business Ventures. However, this Policy acknowledges that ESA and its employees shall also follow any applicable legislative requirements and other internal guidelines, policies and/or procedures that consider all aspects of conflicts of interest and the reporting of them
- 2.3 This Policy refers to existing legislative requirements or internal guidelines, policies and/or procedures as outlined in section 2.2. This Policy works in conjunction with existing guidelines, policies and/or procedures and does is NOT intended to duplicate them.

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2.4 If there is any conflict between this Policy and the SCSAA or the AA, the SCSAA shall prevail and then the AA.

3.0 Objective

The objectives of this Policy are to:

- a) establish rules to help ESA and its employees identify, mitigate and avoid conflict of interest situations that may be a detriment to the delivery of ESA's statutory mandate or the public's perception of its integrity.
- b) provide transparency on ESA's approach to the management of potential or actual conflicts of interest.
- c) guide ESA actions and decision-making through a set of principles and conflict of interest rules.
- d) support ESA in complying with its obligations as set under the AA and the SCSAA.
- e) provide a framework for management of any actual or perceived conflict of interest that arises.
- f) establish clear accountability for the implementation, execution and ongoing monitoring of this Policy.

4.0 Policy Content

4.1 *Policy Statement*

ESA and its employees are responsible for avoiding any such conflict of interest related to Non-Regulatory Business Venture(s), which are detrimental to ESA's obligations under the AA and/or its statutory mandate.

ESA shall ensure that the framework for managing its conflicts of interest outlined in this Policy is adequately reflected in its business operations.

4.2 *Key Principles and Corporate Values*

The key principles and corporate values which inform the intent and application of this Policy are found in Schedule F of the AA titled Non-Regulatory Business Policy, which are as follows:

- a) ***Commitment to Core Responsibilities and Regulatory Integrity:*** The Administrative Authority will at all times conduct itself in a manner that maintains

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its ability to effectively, with high standards of integrity and in a non-conflicted manner, deliver its statutory mandate.

- b) **Fair Business Practices:** The Administrative Authority will not use its authority as a regulator to create an unfair business advantage.
- c) **Fair Competition:** The Administrative Authority will not use its authority as a regulator to enter into contracts, agreements, or understandings that unfairly restricts business competition.
- d) **Financial Independence:** The Administrative Authority in entering into Non-Regulatory Business Venture(s) will seek to enhance safety and generate revenues generally to the benefit – but never to the detriment – of its regulatory responsibilities. The Administrative Authority will ensure independent financial management and reporting of Non-Regulatory Business Venture(s).

4.3 **Conflict of Interest Defined**

4.3.1 **Actual Personal Conflict of Interest**

Situations in which an individual to whom this policy applies has received a personal benefit in addition to or at the expense of ESA.

4.3.2 **Actual Corporate Conflict of Interest**

Situations where ESA's Non-Regulatory Business Ventures interfere with ESA's ability to deliver its statutory mandate, and regulatory responsibilities in a fair and objective manner as further detailed in section 4.2 above.

4.3.3 **Potential Conflict of Interest**

Situations where a conflict of interest as described above may or potentially could occur, but is not yet in existence

4.4 **Conflict of Interest Rules**

Set out below are rules pertaining to actual or potential personal and corporate conflicts of interest. However, conflict of interest situations covered by this Policy may not be limited to those described in the rules below. All situations where an actual or potential conflict of interest may exist should be referred to the Chief Ethics Officer.

4.4.1 **Personal Conflict of Interest Rules**

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- a) For an actual or potential Personal Conflict of Interest affecting a Board member please refer to Schedule “C” of the AA, Conflict of Interest Rules for Board Members.
- b) For an actual or potential Personal Conflict of Interest affecting any personnel bound by the Whistleblower Policy other than Board Members, please refer to ESA’s Code of Conduct and any further People and Culture policies.

4.4.2 Corporate Conflict of Interest Rules

The following are Corporate Conflict of Interest rules applicable to the relationship between ESA’s Regulatory Activities and Non-Regulatory Business Ventures.

a) General Duty in respect of Corporate Conflict of Interest

- i. ESA shall arrange its Non-Regulatory Business Ventures in a manner that will mitigate and/or eliminate any conflict with fulfilling its statutory mandate and obligations under the AA.

b) Duties in respect of Corporate Conflict of Interest

- i. **Promotion of Non-Regulatory Business Venture(s):** ESA shall not knowingly use its position as a regulator to promote its own or another person’s Non-Regulatory Business Venture(s).
- ii. **Using regulatory information for a market advantage:** ESA shall not knowingly use information obtained through fulfilling its regulatory duties, such as confidential information, that is not either publically available to a market competitor or that is accessible to a competitor through ESA’s Access and Privacy Code, to create an advantage in the marketplace for its Non-Regulatory Business Venture(s).
- iii. **Impartiality of decision-making:** ESA shall refrain from engaging in Non-Regulatory Business Ventures that compromise the integrity of ESA’s Regulatory Activities, and fairness and impartiality of its decision-making in respect thereof.

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- iv. **Avoidance of Preferential Treatment:** Non-Regulatory Business Ventures must not be conducted in a manner that results in preferential treatment or privileged access to ESA’s Regulatory Activities.
- v. **Bundling service contracts:** ESA shall not knowingly be a party to a contract under which ESA is contracted to receive a non-regulatory benefit as a result of providing regulatory services.
- vi. **Maintaining Financial Independence:** ESA will ensure independent financial management and reporting of non-regulatory business services to ensure ESA’s Regulatory Activities are not cross-subsidizing ESA’s Non-Regulatory Business Ventures in a manner that is not consistent with the principle of financial independence as described in Appendix F of the AA.

4.5 Management of a Corporate Conflict of interest

4.5.1 **General**

ESA shall manage potential or actual conflict of interests in a manner consistent with this Policy, the AA, the SCSAA, ESA’s Code of Conduct, and any other corresponding internal policy and procedure.

ESA must maintain and operate effective organizational and administrative arrangements with a view to taking all reasonable steps to prevent actual conflicts of interest, as defined in this Policy, from arising. This includes setting out procedures pertaining to the identification, management, disclosure, determination and resolution of potential or actual conflict of interest.

ESA and its employees shall take every reasonable step to identify any potential or actual conflict of interest and every reasonable precaution to avoid actual conflicts by adhering to ESA’s Code of Conduct, the AA, the SCSAA, and this Policy. All identified potential or actual conflict of interest shall be reported to ESA’s Chief Ethics Officer in accordance with the established procedures.

Furthermore, if a Stakeholder identifies a potential or actual conflict of interest to ESA formally in writing the matter shall be referred to ESA’s Chief Ethics Officer.

ESA’s Chief Ethics Officer shall determine if a potential or actual conflict of interest exists or if measures are required to prevent a potential conflict of interest from becoming an actual conflict of interest. Determination and proposed resolution of

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a potential or actual conflict of interest shall be undertaken in a manner consistent with this Policy, the AA the SCSAA, ESA's Code of Conduct, and any other corresponding internal policy and/or procedure.

In the event that the Chief Ethics Officer is the subject of the conflict of interest investigation, the VP of People and Culture or his/her designate shall assume the role of the Chief Ethics Officer in respect of this procedure.

4.5.2 Accountability Relationships

ESA's Chief Ethics Officer is responsible for determining if an actual conflict of interest exists or if measures are required to prevent a potential conflict of interest from becoming an actual conflict of interest.

Implementation of this Policy is primarily the responsibility of the Executive Management Team, Supervisors, Managers, Directors, General Managers and Provincial Office Managers. This includes the reporting of potential or actual conflict of interest to ESA's Chief Ethics Officer in accordance with the established procedures.

All ESA staff is required to follow this Policy and are encouraged to consult with direct supervisors or managers to assist in the identification and disclosure of potential or actual conflict of interest.

5.0 Legislative Authority

- Safety and Consumer Statutes Administration Act, 1996

6.0 Evaluation, Monitoring and Review

The Chief Regulatory Officer and General Counsel will review this Policy from time to time to ensure that it remains current, relevant, and effective in meeting its purpose and objectives.

7.0 Interpretations

Non-Regulatory Business Venture(s)

Activities that ESA undertakes that generates costs and revenues or incurred costs for the purpose of generating future revenue; these

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activities are outside the delegated Act or corresponding Regulations.

Regulatory Activities

Discretionary and non-discretionary activities that ESA undertakes that incur costs; which are offset by fees that support or are explicitly required for the Authority's proper administration of the Act or corresponding Regulations.

Stakeholders

Stakeholders include the public, the regulated community, clients, competitors, market participants, safety partners, and other regulatory bodies.

8.0 Associated Policies and Procedures

- ESA's Code of Conduct
- Non-Regulatory Business Venture Policy and Procedure
- Whistleblower Policy

9.0 Associated References

- The Administrative Agreement
- Safety and Consumer Statutes Administration Act, 1996