



Forestry Innovation Investment Standards of Conduct

April 2023

Purpose

The purpose of this Policy is to ensure a safe and respectable work environment for our people, by following our team charter, while protecting the integrity of FII and its employees.

Compliance with the Standards of Conduct

This policy applies to all employees, in all locations where FII has people. Adhering to the Standards of Conduct is mandatory when employed by FII. Signing an employment offer letter constitutes a contractual agreement to abide by FII's Policies, including the Standards of Conduct. Failure to comply with the Standards of Conduct may result in disciplinary action up to and including dismissal, or in the case of a contractor, failure to comply may result in termination of the contract.

Compliance with the Law

FII's Standard of Conduct policy is based in part on the [Province of B.C.'s Standards of Conduct policy](#) and aligns with the [B.C. Human Rights Code](#) and the [Canadian Human Rights Act](#).

Personal Conduct

The behaviour of employees and contractors must not bring FII into disrepute. Personal conduct should be inclusive to all and instill confidence and trust in the parties with whom they do business.

Service

As a Crown Corporation of the B.C. government, FII employees are making a commitment to public service. Their service must be conducted in a manner that is courteous, professional, equitable, efficient, and effective always. Employees must be sensitive and responsive to the changing needs, expectations, and rights of a diverse public in the proper performance of their duties.

Outside Interests & Impartiality

Employees and contractors must carry out their business impartially, without real or unconscious bias, and must avoid situations where real or perceived bias might arise. This extends to:

- outside business interests
- non-profit societies and charities
- professional associations
- business relationships with suppliers and contractors (past, present, and prospective)
- politics or political parties
- outside employment
- interaction with stakeholder business

Employees and contractors are encouraged to participate fully in the political realm but should not promote their political interests while at work.

Employees are required to disclose to the company any outside business interests or activities that may impact or be perceived to have an impact on their employment or role with FII.

Employees may comment on public issues but not engage in any activity or speak publicly where this could be perceived as representation of FII.

FII provides mandatory Standards of Conduct workshops to all FII employees, with an equality, diversity and inclusion lens for employees. In addition, employees and contractors are encouraged to immediately discuss with their supervisor, Vice-President, Director of Human Resources or CEO any questions, issues or concerns that arise. All employees are required to sign a Standards of Conduct Agreement on an annual basis.

Workplace Behaviour

Employees and contractors must treat each other with dignity and respect. They must conduct themselves in a manner which meets acceptable social standards and contributes to a positive work environment. At no time can treatment of another be discriminatory on any of the grounds prohibited by the Human Rights Code.

Bullying or any other inappropriate conduct including harassment will not be tolerated. All employees expect and have the responsibility to contribute to a workplace that is safe for everyone.

Employees must conduct themselves professionally, be fit for duty, and be always free from impairment when working.

Employees and contractors who perceive inappropriate workplace behaviour should immediately report the behaviour to their immediate supervisor for investigation. Depending upon the findings of the investigations, possible remedies could include: an immediate order to cease the offending behavior, an apology be issued; suspension or termination of the offender, or referral to a third-party expert for resolution. A written record is made and kept of the complaint, the investigation findings and recommendations and its resolution.

Conflict of Interest

Principles

In the workplace, conflicts of interest typically occur when an employee's personal interests' conflict with or are perceived to conflict with, the business of the company, such that doubts may arise about the impartiality of business decisions made by the employee, or the integrity of the employer. To preserve a reputation of honesty and integrity, employees must avoid situations where someone could reasonably perceive that there is a conflict between personal interests and the role as employee, even if there is no intention to be unfair or dishonest. It is important to recognize that a perception of a conflict of interest is as important as a real conflict of interest as it undermines public trust in the organization.

Measures to Prevent Conflict of Interest

The following conflict of interest measures are adopted both to protect FII employees from conflict of interest allegations and to help them avoid situations of risk. Conflict of interest does not relate exclusively to matters concerning financial transactions and the transfer of economic benefit. While financial activity is important, it is not the sole source of potential conflict-of-interest situations (further guidance is provided in the section on Impartiality above).

It is impossible to prescribe a remedy for every situation that could give rise to a real, apparent or potential conflict. When in doubt, FII employees should seek guidance from their supervisor, Vice President, Director of Human Resources or CEO.

FII employees should arrange their private affairs in a manner that will prevent real, apparent or potential conflicts of interest from arising. They should not have private interests that would be materially affected by actions over which they exert significant influence. Employees shall not solicit or accept economic benefit from any person or organization whose circumstances may be materially affected by FII's decision-making. Without limitation, this includes FII contractors, suppliers, and funding recipients, and may include forest product firms, trade associations, non-government organizations, and lobby groups. Employees should not step out of their official roles to assist private entities or persons in their dealings with the government where this would result in preferential treatment to the entities or persons. They should not knowingly take advantage of, or benefit from, information that is obtained in the course of their official duties and that is not generally available to the public. FII property of any kind, including property leased to FII, should not directly or indirectly be used for anything other than FII business except as specified in the Use of Corporate

Property Policy. All FII employees must disclose in writing any outside business interests to which they have a direct interest or connection, regardless of whether they believe this creates a conflict of interest or not.

A reliable test to know whether an employee is doing the right thing ethically is to ask themselves the question: “If there were full public disclosure of the facts, would it embarrass me, FII, my fellow employees, or members of my family?”. A proactive conversation their supervisor, Vice President, Director of Human Resources or CEO is encouraged as a preventative measure. A written copy of the decision is placed on file for audit and record purposes.

Avoidance of Preferential Treatment

When participating in any decision-making related to a staffing or contracting process, or when making a decision that will result in a financial award or other material benefit to an external party, employees shall not grant preferential treatment or assistance to family or friends or to any entity in which the employee has a management role or financial interest.

Providing information that is easily accessible to the public to relatives or friends or to entities in which employees or their family members or friends have interests is not considered preferential treatment.

Disclosure – Including Investment Activity

On an annual basis, each Board member and officer is required to complete a standard Annual Disclosure Statement that lists any other company in which the person has a management role or holds a significant percent of the issued shares. Declarations are made known to all Board members.

Employee Purchase of Forestry Company Shares

An example of potential conflicts of interest includes situations where an employee, in the performance of their duties, has the appearance of giving preferential treatment to an organization in which the employee has an interest, financial or otherwise. Because FII does not provide direct funding or services to individual forest companies, there should be no reason for an actual conflict of interest to arising from FII employees having forestry company securities in their investment portfolio. However, as there is the potential of a perceived conflict of interest given FII’s work in the forestry industry generally, FII has adopted the following policy guidelines:

- FII employees should not own a control block (10% or more of a publicly trading company) or a majority of securities of any forestry company.
- No FII employee should purchase securities of any organization based on any insider information learned because of their employment with FII.
- All FII employees are required to disclose their holdings of any securities in a forestry company to the CFO and may be subject to further requirements in the event of an actual or perceived conflict of interest in respect of those securities.

Other

All FII employees, including those within its subsidiary companies, are required to sign a Disclosure of Outside Business Interests declaration form on an annual basis.

Protection of Corporate Information

FII is not subject to the Freedom of Information and Protection of Privacy Act (FOIPPA); however, FII generally accommodates requests for copies of its records, including email correspondence. At all times FII employees should act in accordance with the stipulations of FOIPPA, including its provisions for the protection of client, contractor, and supplier privacy. FII employees must not give out information received through their positions, which is not available to the general public, unless the CEO has given prior authorization for its release.

A former FII employee must not divulge any information that was confidential during their time with FII unless FII has subsequently made it non-confidential.

All FII employees, including those within its subsidiary companies, are required to sign a Confidentiality Agreement on an annual basis.

Political Activity

Employees participating in any political activities must do so during non-work time and outside the workplace. In addition, they must not speak for or represent FII or use their title or position when engaged in any political activities. Political activities not permitted to be conducted on FII's property include, but are not limited to:

- Demonstrating
- Counting or recounting votes
- Circulating petitions, conducting or participating in opinion polls
- Soliciting votes or contributions or fundraising
- Posting of literature or wearing buttons

Future Employment Restrictions

In discharging a given role with FII, an employee must not allow themselves to be influenced by the prospect of employment with any other organization, or the prospect of otherwise receiving funds or other consideration from another organization.

An FII employee must not solicit an offer of employment from any entity that receives funds from FII and over which the employee has any significant influence.

If an FII employee is invited to consider potential employment by an entity with which FII has any significant financial or other business relationship, the employee must make their supervisor aware immediately.

Violation of the future employment restrictions is grounds for dismissal with cause.

Severance Agreements

FII severance agreements shall contain a provision whereby if the terminated employee is subsequently employed by a public-sector organization the person may be obligated to repay some or all the severance payment.

Employment agreements with any CEO or Vice President shall include the following constraints:

If at any time during the 12 months immediately preceding the end of the person's employment with FII, the former employee had any substantial dealings with a private-sector entity that created a commercial benefit to the entity that was not generally available to similar entities, the former employee must not:

- accept an offer of employment, an appointment to the board of directors, or a contract to provide services to the entity
- on behalf of the entity, lobby or otherwise make representations to FII or the B.C. Government
- give counsel to the entity, for its commercial purposes, concerning FII's programs or policies; or
- act for the entity in connection with any ongoing proceedings, transaction, negotiation or case in which the entity and the B.C. Government are involved
- if while employed by FII, the former employee acted for or advised the B.C. Government concerning the proceedings, transaction, negotiation or case
- acting for the entity in that connection would result in the entity receiving a private or commercial benefit or any benefit not generally available to similar entities.

Upon application by a former employee, the Chair of FII's Board of Directors, in consultation with the Deputy Minister of the Ministry responsible for FII, may reduce the 12-month restriction, after considering the following:

- the nature of the dealings the employee had with the entity
- the circumstances under which the person's employment with FII ended
- the person's general employment prospects
- the significance to the B.C. Government of information the person possessed by virtue of employment with FII
- the desirability of quickly transferring the person's skills or knowledge to an employer other than FII
- the degree to which the prospective new employer might gain unfair commercial advantage by engaging the person
- the authority and influence the person possessed while employed by FII
- prior disposition of other cases.

Gifts, Entertainment, Benefits & Favours

For the purposes of this policy a gift is anything of monetary value for which the recipient does not pay fair market value. A gift may be a tangible item, or it may be intangible, such as attending a sporting or other entertainment event, an expense-paid trip, or leisure activity fees.

Giving or Accepting Gifts

FII employees may not solicit any gift at any time. With some exceptions, FII employees should not accept a gift from, or give a gift to, anyone whom FII engages to supply goods or services.

Exceptions may include:

- An employee may participate in business-related meals, receptions, and similar events in a public setting, hosted by FII or the other party, at either party's cost.
- An employee may give and receive gifts in the form of promotional items such as pens, desktop items, mugs, ball caps, and printed materials.
- Although the practice should be politely discouraged, at holiday times an employee may accept a gift for sharing with all FII employees, such as a basket of foodstuffs.

If an employee is offered a gift of alcohol and circumstances do not lend themselves to declining the gift, it should be offered to all FII employees by way of a silent auction with proceeds going to the employee "social fund".

Exchange of modest gifts can be a required protocol in business meetings or hosted events, particularly with foreign officials. FII employees may exchange gifts with a value of less than \$CDN100; however, they should not accept gifts that a third party could view as creating a conflict of interest. FII employees should not allow themselves to be in a position where they might be, or be perceived to be, influenced in a decision that benefits the party giving the gift. When accepting a reciprocal gift, the value should not be materially more than the value of any gift provided to the other party. After receiving a gift, the employee should disclose it to their supervisor. If the value of a gift appears to exceed \$CDN100, the supervisor should consult with their Vice President, Director of Human Resources or CEO to decide the appropriate action.

In providing gifts to foreign officials, employees should ensure that:

- gifts are appropriate to the seniority of the recipient, with the value typically not exceeding the equivalent of \$CDN100
- wooden gifts are made in BC of BC species
- non-wooden gifts are made or produced in BC when possible

- whenever possible, gifts should be drawn from FI's inventory, with a record kept of the disposition
- gift exchange should be in the presence of other people wherever possible.

Use of Travel Points

Travel loyalty program benefits, such as airline frequent flyer points that are accumulated by employees while travelling on FI-paid business, must not be used for personal benefit. Such benefits or discounts should only be applied against future business travel or donated to charities associated with the airline frequent flyer points program.