

NRC POLICY ON CONFLICT OF INTEREST (COI)
AND
POST-EMPLOYMENT

1. EFFECTIVE DATE

- 1.1. This Policy takes effect on 1 April 2015.
- 1.2. This Policy replaces the *NRC Conflict of Interest Policy (2007)*.

2. APPLICATION

This Policy applies to all employees of the National Research Council (NRC).

3. CONTEXT

- 3.1. NRC employees contribute in a fundamental way to good government, democracy and Canadian society through the loyal, impartial and non-partisan support they provide to the elected government and through the service that they provide to Canadians. As dedicated professionals, they serve the public interest and uphold the public trust.
- 3.2. This Policy, including its annexes, elaborates on the *NRC Code of Conduct* and is aligned with the content of the *Policy on Conflict of Interest and Post-Employment* established by the Treasury Board of Canada Secretariat.

It provides direction and measures to assist NRC and its employees in effectively preventing, managing or resolving real, apparent or potential conflict of interest situations.

- 3.3. This Policy and its annexes form part of the conditions of employment for NRC employees.

4. DEFINITIONS

See Annex A.

5. POLICY STATEMENT

5.1. OBJECTIVES

The objectives of this Policy are to:

- ensure that, in situations of real, apparent or potential conflict of interest or situations where there is a conflict of duties, decisions are made in a manner which upholds the public interest;
- facilitate ethical decision-making and resolve conflicts between private and public interests; and
- establish measures to help NRC employees prevent, manage and resolve conflict of interest situations that could impair the integrity of either NRC or the public service.

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5.2. EXPECTED RESULTS

The expected results of this Policy are that:

- NRC has the appropriate mechanisms in place to assist its employees to report and effectively manage real, apparent or potential conflict of interest situations; and
- NRC employees take appropriate action to avoid, reduce or manage situations of real, apparent or potential conflict of interest.

6. POLICY REQUIREMENTS

6.1. The President of NRC, with the support of the Secretary General of NRC, is responsible for:

6.1.1. AWARENESS AND OVERSIGHT

- a) Ensuring that NRC employees and anyone considering employment with NRC are informed that the requirements of this Policy and its annexes are a condition of employment;
- b) Ensuring that NRC employees are informed on a regular basis of the requirements of this Policy and that employees who have indicated an intention to leave their employment are reminded of the requirements of this Policy;
- c) Ensuring that the operational risks of conflicts of interest related to NRC's mandate are identified and managed; and
- d) Ensuring that the delegation of responsibilities and authorities for the implementation of this Policy are communicated to NRC employees.

6.1.2. MANAGEMENT OF CONFLICT OF INTEREST AND POST-EMPLOYMENT SITUATIONS

- a) Ensuring that NRC employees have access to advice and assistance on conflict of interest matters;
- b) Ensuring that procedures are in place for NRC employees to declare all situations, assets or interests that might give rise to a real, apparent or potential conflict of interest with respect to their official duties;
- c) Ensuring that any conflict arising between the private interests and the official duties of an NRC employee is resolved, as noted above, in favour of the public interest (while a declaration to the Secretary General [or other delegate] can be sufficient, additional requirements may be necessary, as outlined in Annex B);

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- d) Ensuring that benefits offered to NRC by outside entities or individuals with whom the organization has past, present or potential official dealings are managed appropriately;
- e) Ensuring that concurrent outside appointments that are part of an NRC employee's official duties are governed appropriately and that any resulting conflicts of duties or associated or affiliated interests are resolved in the public interest;
- f) Reviewing the NRC's operations and organizational structure for post-employment situations:
 - determining which positions may be at risk for post-employment concerns and designating them as subject to special requirements; and
 - when appropriate, reducing or waiving the one-year limitation period; and
- g) Ensuring that decisions taken to resolve conflicts of interest and post-employment situations are, where practicable, made in mutual agreement with the NRC employee, using fair and effective means to resolve disagreements regarding the decisions.

6.2. PRESIDENT'S RESPONSIBILITY TO MONITOR AND REPORT

6.2.1. The President of NRC is responsible for monitoring the performance of NRC with respect to the application and administration of this Policy, as follows:

- a) Assessing NRC's service delivery structure, resource allocation, human resources competencies and performance indicators as well as its systems, processes and procedures;
- b) Establishing procedures to respond to major concerns or problems regarding the administration of this Policy; and
- c) Ensuring that mechanisms are in place for assessing compliance with this Policy and related instruments.

6.2.2. The President is also responsible for assessing the implementation of this Policy.

6.2.3. The President will review this Policy five years after the date of implementation, or earlier if needed.

7. CONSEQUENCES

An NRC employee who has not complied with the requirements in Annex B may be subject to disciplinary measures, up to and including termination of employment.

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8. ENQUIRIES

Please direct enquiries to the NRC Secretary General's Office (NRC-SGO).
E-mail: COI.NRC@nrc-cnrc.gc.ca or NRC, COI in the NRC global directory.

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ANNEX A

DEFINITIONS**President:**

The President of NRC as appointed under subsection 3 (1) of the *National Research Council Act*.

Secretary General:

The Secretary General of NRC who is designated by the President as having general responsibility for the application of this Policy.

NRC Employee:

A continuing or term employee, an employee on leave with or without pay.

Designated Position:

NRC position designated as having specific post-employment responsibilities.

Conflict of Interest (COI):

A situation in which an NRC employee has private interests that could improperly influence the performance of his or her official duties and responsibilities or in which the employee uses his or her position for personal gain. This definition includes the following distinctions:

- a real conflict of interest, which exists at the present time;
- an apparent conflict of interest, which could be perceived by a reasonable observer to exist, whether or not it is the case; and
- a potential conflict of interest, which could reasonably be foreseen to exist in the future.

A conflict of interest situation does not relate exclusively to matters concerning financial transactions and the transfer of economic benefit. It can arise in any area of activity that could impact the perceived objectivity of NRC employees.

Conflict of Duties:

A conflict that arises as a result of concurrent or competing official responsibilities. For example, an NRC employee's roles could include his or her primary NRC employment and his or her responsibilities in an outside role that forms part of his or her official duties, such as an appointment to a board of directors or other outside function.

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Making a Declaration:

The process of informing the appropriate NRC officials of a real, apparent or potential conflict of interest situation. Employees are expected to seek guidance from the NRC Secretary General's Office and/or their manager if they are uncertain whether there is a COI situation.

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ANNEX B

NRC EMPLOYEES: REQUIREMENTS

Following are the conflict of interest and post-employment requirements that are a condition of employment for NRC employees.

NRC employees help maintain public confidence in NRC by preventing and avoiding situations that could:

- result in a potential conflict of interest;
- give the appearance of a conflict of interest; or
- result in an actual conflict of interest.

With the permanent and pervasive nature of information technology, NRC employees should be particularly sensitive to real, apparent or potential conflicts of interest that may arise from messages, access to proprietary and personal information and information transmitted via the internet and other media.

Situations that could give rise to a real, apparent or potential conflict of interest are evaluated on a case-by-case basis with reference to this Policy and the *NRC Code of Conduct*.

Employees are encouraged to seek guidance from their manager and/or the NRC Secretary General's Office (NRC-SGO).

In addition to the requirements outlined in this annex, NRC employees are expected to observe any specific conduct requirements contained in the statutes governing NRC and their profession, where applicable.

1. AN NRC EMPLOYEE'S GENERAL RESPONSIBILITIES INCLUDE:

- a) Taking the necessary actions to recognize, prevent, declare and resolve any real, apparent or potential conflicts of interest between their official responsibilities and their private affairs;
- b) Reporting private interests which would be unduly affected by NRC actions in which they participate or of which they have knowledge or information;
- c) Abstaining from taking advantage of, or benefiting from, information that is obtained in the course of their duties that is not available to the public. All employees, during and after their employment with NRC, are required to protect and not divulge confidential information, including personal, scientific, and business information, that they encounter in the course of their work.

Furthermore, in accordance with the NRC policies on intellectual property (IP), all IP property created by NRC employees while acting within the scope of their duties or employment or made with facilities, equipment or financial aid provided by or on

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behalf of the NRC will vest with the Crown. In this, NRC has full authority to manage, license, or sell its rights to third parties;

- d) Only using, or allowing the use of, NRC property, directly or indirectly, for officially approved activities;
- e) Refraining from assisting private entities or persons, including former employees, in their dealings with NRC where this would result in preferential treatment;
- f) Not interfering in the dealings of private entities or persons with NRC in order to inappropriately influence the outcome;
- g) Not engaging in outside or political activities that impede their ability to perform their duties in an objective or impartial manner; and
- h) Ensuring that any real, apparent or potential conflict that arises between their private activities and their official responsibilities is resolved in the public interest.

2. MANAGING CONFLICTS OF INTEREST DURING EMPLOYMENT

In situations that might give rise to a real, apparent or potential conflict of interest in relation to their official duties, NRC employees are required to make a declaration by submitting a Conflict of Interest Form (or equivalent) to the NRC-SGO, in accordance with NRC's procedures.

For potential employees or employees changing positions at NRC, such a declaration is to be made prior to accepting their appointment or any subsequent appointment, transfer or deployment.

When a significant change occurs in their personal affairs or official duties, NRC employees are required to review their obligations under this Policy.

When negotiating financial arrangements with outside parties, NRC employees are to take into consideration the risk of a conflict of interest situation.

If a real, apparent or potential conflict of interest situation arises, NRC employees are to report the situation to their manager or the Secretary General in order to seek advice or direction on how to proceed.

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2.1. ASSETS AND LIABILITIES

NRC employees are to evaluate their assets (including plans to purchase assets), taking into consideration the nature of their official duties, the mandate of NRC and the characteristics of their assets. If there is any real, apparent or potential conflict of interest between their assets and the carrying out of their official duties, they are to submit a Conflict of Interest Form.

NRC employees may be required to divest assets or take other measures to resolve the conflict of interest.

Employees are also to declare liabilities that raise a real, apparent or potential COI.

2.2. OUTSIDE EMPLOYMENT OR ACTIVITIES

NRC employees may not engage in employment outside NRC or take part in outside activities if the employment or activities are likely to give rise to a real, apparent or potential conflict of interest or would undermine the impartiality of NRC or the objectivity of the NRC employee.

NRC employees are required to make a declaration when their outside employment or activities might subject them to demands incompatible with their official duties or cast doubt on their ability to perform their duties or responsibilities in an objective manner. NRC may require that the outside activities be modified or terminated if it is determined that a real, apparent or potential conflict of interest exists.

NRC employees who anticipate receiving (or who have received) a benefit or income either directly or indirectly from NRC under contractual or other arrangements outside their employment are required to declare such contractual or other arrangements to the Secretary General. The Secretary General will determine whether the arrangement presents a real, apparent or potential conflict of interest. NRC may require that the contract be modified or terminated.

POLITICAL ACTIVITIES

NRC employees who are considering seeking nomination as a candidate or becoming a candidate in a federal, provincial, territorial or municipal election should declare their intentions to the Secretary General.

NRC employees who plan to engage in any other political activity that could constitute a conflict of interest are also required to declare it to the Secretary General.

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2.3. GIFTS, HOSPITALITY AND OTHER BENEFITS

NRC employees are expected to use their best judgment to avoid situations of real, apparent or potential conflict of interest by considering the following criteria on gifts, hospitality and other benefits, in keeping with the *NRC Code of Conduct* and this Policy.

NRC employees are to declare offers of any gifts, hospitality or other benefits that may have a real, apparent or potential influence on their objectivity in carrying out their official duties and responsibilities or that may place them under obligation to the donor.

The acceptance of gifts, hospitality and other benefits is permissible if they are infrequent and of minimal value, are within the normal standards of courtesy or protocol, arise out of activities or events related to the official duties of the NRC employee and do not compromise or appear to compromise the integrity of the employee concerned or that of NRC.

When it is deemed unsuitable to decline such benefits, and when it is viewed as being beneficial to NRC, acceptance of certain types of benefits that do not meet the principles set out above may be approved. Accepting gifts may be approved if it can be shown to serve the public interest.

Similarly, if an outside individual or entity with whom the NRC has past, present or potential official dealings offers a benefit to NRC, such as funding for an event or a donation of equipment, employees are to consider whether any real, apparent or potential conflict of interest exists and to seek guidance from their management. In these cases, management is encouraged to contact the NRC-SGO.

2.4. SOLICITATION

NRC employees may not solicit gifts, hospitality, other benefits or transfers of economic value from a person, group or organization in the private sector that has dealings with NRC. Exceptions are generally granted for officially approved business events or activities (such as fundraising for the Government of Canada Workplace Charitable Campaign [GCWCC]).

When fundraising for officially supported activities, NRC employees should, however, ensure they have prior written authorization from the Secretary General in order to solicit donations, prizes or contributions in kind from external organizations or individuals; this will normally be provided to the GCWCC Champion for NRC, who will oversee the collection of benefits.

NRC may require that the activities be modified or terminated where it is determined that there is a real, apparent or potential conflict of interest or an obligation to the donor. These provisions are designed to ensure that this Policy is consistent with paragraph 121(1) (c) of the *Criminal Code*.

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2.5. AVOIDANCE OF PREFERENTIAL TREATMENT OR DISADVANTAGE

NRC employees are responsible for demonstrating objectivity and impartiality in the exercise of their duties, including their decision-making, whether related to staffing, contracts, financial awards or penalties to external parties, transfer payments, program and business operations or any other exercise of responsibility.

They also are not to disadvantage any entity or persons dealing with NRC because of personal antagonism or bias.

Providing information that is publicly accessible is not considered preferential treatment.

3. POST-EMPLOYMENT

All NRC employees have a responsibility to minimize the possibility of real, apparent or potential conflicts of interest between their responsibilities at NRC and their subsequent employment outside NRC.

3.1. BEFORE LEAVING EMPLOYMENT

Prior to their departure, all NRC employees are to disclose any intentions regarding future outside employment or activities that may pose a risk of a real, apparent or potential conflict of interest with their current responsibilities and discuss these intentions with their manager or the NRC-SGO.

3.2. POST-EMPLOYMENT LIMITATION PERIOD FOR DESIGNATED POSITIONS

The following positions have been designated for special measures to minimize post-employment conflict of interest situations. These positions are:

- Managers in MGT category
- NRC-IRAP Industrial Technology Advisors
- Client Relationship Leaders

NRC employees in these positions who receive offers of employment or proposed activities outside NRC that could place them in a real, apparent or potential conflict of interest with their NRC employment are to make a declaration.

These employees require authorization, during a one-year post-employment period, before they:

- a) Accept appointment to a board of directors of or employment with private entities with which they had significant official dealings during the one-year period immediately prior to the termination of their service to NRC. The official dealings in question may have been either directly on the part of the NRC employee or through his or her subordinates.

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- b) Make representations to any governmental organization on behalf of persons or entities outside of NRC with which they had significant official dealings during the one-year period immediately prior to the termination of their service. The official dealings in question may have been either directly on the part of the NRC employee or through his or her subordinates.
- c) Give advice to their clients or employer using information that is not publicly available concerning NRC's programs or policies with which they were involved or with which they had a direct and substantial relationship.

3.3. WAIVER OR REDUCTION OF LIMITATION PERIOD

An NRC employee or former employee in a Designated Position may apply to the Secretary General for a written waiver or reduction of the limitation period as required above. The employee is to provide sufficient information to assist the Secretary General in making a determination, taking into consideration the following criteria:

- a) The circumstances under which the termination of their service occurred;
- b) The general employment prospects of the employee or former employee;
- c) The significance to the government of information possessed by the employee or former employee by virtue of that individual's position at NRC;
- d) The desirability of a rapid transfer of the employee's or former employee's knowledge and skills from NRC to private or nongovernmental sectors;
- e) The degree to which the new employer might gain unfair commercial or private advantage by hiring the employee or former employee;
- f) The authority and influence possessed by the employee or former employee while at NRC; and/or
- g) Any other consideration at the discretion of the Secretary General consistent with this Policy.

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4. RESOLUTION

With respect to the arrangements necessary to prevent real, apparent or potential conflicts of interest, or to comply with the requirements set out above, it is expected that situations will be resolved through discussion and agreement between the employee and NRC. When an employee and NRC disagree on the appropriate arrangements to resolve a real, apparent or potential conflict of interest, the disagreement will be addressed through established NRC procedures.

5. CONSEQUENCES

An NRC employee who does not comply with the requirements set out in this Policy and annexes or pursuant directives may be subject to disciplinary measures, up to and including termination of employment. Measures may also be implemented with respect to the post-employment provisions of the Policy and its annexes.

6. CONCLUSION

This Policy seeks to nurture an ethical culture that is aligned with NRC's values, to assist decision-making at all levels of the organization, and to support NRC employees in serving the interests of Canada.