



**POLICY NAME: Ethics & Integrity Reporting Policy**

**POLICY STATEMENT:** STARS endeavors to adhere to best practices related to corporate governance matters. As such, the Board of Directors of the organization have delegated to the Audit and Finance Committee the responsibility to establish formal procedures for the confidential submission by Team Members and other stakeholders of the organization of concerns related to unethical conduct of which they become aware. This includes providing protection for Team Members and other stakeholders who report allegations of such misconduct.

The Policy is intended to supplement, but not replace, the STARS' Code of Business Conduct and Ethics. This Policy is not intended to discourage anyone from reporting to a law enforcement or regulatory agency if a breach of federal or provincial statutes or regulations is suspected.

**SCOPE:** This policy applies to STARS Team Members and other related stakeholders.

**DETAILS:**

**Reporting Concerns for Financial Matters**

STARS has implemented the Ethics & Integrity Reporting Policy (the "Policy") as a mechanism to ensure that any concerns regarding the financial stewardship of the organization is dealt with in an appropriate manner. It is also meant to serve as a safeguard for the financial integrity of the organization. Team Members are encouraged to use the reporting mechanisms described in this Policy to address concerns relating to any questionable accounting matters including, without limitation, the following:

- fraud or deliberate error in the preparation, evaluation, review or audit of the organization's financial statements;
- fraud or deliberate error in the accounting of, or the recording and maintaining of the organization's financial records;
- deficiencies in, or noncompliance with, the organization's internal accounting controls;
- misrepresentation or false statement to or by any of the organization's Team Members or the organization's auditor regarding a matter contained in the organization's financial records, financial reports or audit reports; and
- any deviation from full and fair reporting of the organization's financial condition.

**Reporting Concerns for Other Matters**

STARS has included in its reporting mechanisms concerns related to human resources, privacy, safety and ethics. These will include, but may not be limited to, any violations of the following policies:

- Respectful Workplace Policy;
- Code of Business Conduct and Ethics; and
- Safety Policy.

The reporting mechanism may also be used with respect to any safety issues wherein there is violence or a threat of violence in the workplace, or where there are serious hazards that are not being addressed by the organization, as well as any other issues involving unethical or illegal conduct.

**Purpose:**

The purpose of this Policy is to provide Team Members and stakeholders with a mechanism by which they can raise concerns through their leaders or in a process that is addressed directly by members of the Board of Directors. Because of the difficulty of investigating any concerns that are reported anonymously, Team Members, consultants and other stakeholders are encouraged to identify themselves when reporting any concerns. The confidentiality of the individual raising the concern will be maintained in accordance with this Policy. Please see the *Confidentiality of the Team Member Raising a Concern* section of this Policy for more information.

STARS promotes an open door policy where members of the organization should feel comfortable discussing matters with individuals at all levels. As such, all Team Members and stakeholders are encouraged to report any concerns of the aforementioned nature internally, as follows:

- For financial matters, Team Members should report any concerns to their immediate leader, the Chief Financial Officer, or the President and Chief Executive Officer.
- For those “other” or conduct matters, Team Members should report any such concerns to their immediate leader, Human Resources Director, or the President and Chief Executive Officer.
- All other stakeholders are encouraged to report any concerns of any nature to either the Chief Financial Officer or the President and Chief Executive Officer.

Those individuals will then make a determination for each issue raised. Significant issues (those other than normal-course-of-business or information-only) are to be documented by the organization as to the nature of the concern, impact on the organization, departments affected, and resolution. Information will be forwarded to the office of the President and Chief Executive Officer, as appropriate, for review and further follow-up, if required.

Although STARS does encourage Team Members and stakeholders to pursue the above action, Team Members and stakeholders are also encouraged to utilize the Reporting Hotline for those material concerns, for which they wish to remain confidential from STARS' management. For this purpose, “material” includes:

- Actual or potential financial loss wherein questionable financial integrity may be the cause;
- Substantial breach of internal controls or circumvention of accounting policy;
- Actual or probable breach of the Respectful Workplace Policy, the Code of Business Conduct and Ethics, or the Safety Policy;
- All concerns directly or indirectly challenging the integrity of management;
- Safety issues wherein there is an imminent threat of harm to Team Members; and
- Any issues involving illegal or unethical conduct.

### **The Reporting Hotline:**

The Reporting Hotline has been established to serve as a confidential mechanism for the independent Audit and Finance Committee Chair (or his or her designate, which may include, but not be limited to, the other Board Committee Chairs, as appropriate) to receive phone calls or correspondence with respect to those material issues listed above. The Chair of the Audit and Finance Committee has the authority to address such concerns. A summary report of the concerns received will be presented by the Chair of the Audit and Finance Committee at each regular meeting of the Committee. In addition, a high-level summary report of concerns received will be presented to the Human Resources and Compensation Committee and the Board of Directors at regularly scheduled meetings.

While the Reporting Hotline allows for an anonymous reporting mechanism, this Policy encourages the individual raising a concern to include their name and contact information to allow for follow-up questions and a thorough investigation of any reported matter.

Any concerns reported to the Chair of the Audit and Finance Committee through the Reporting Hotline will be investigated thoroughly, whether it be a Board member or otherwise. In addition, it is at the discretion of the Chair of the Audit and Finance Committee to contact a third-party to assist with any investigation of any matter.

### **Confidentiality of the Team Member Raising a Concern:**

Insofar as possible, the confidentiality of the individual raising a concern will be maintained. However, it is possible that due to the nature of the concern, the individual's identity may be assumed. In addition, the identity of the individual may have to be disclosed in order to conduct a thorough investigation, to prevent serious physical harm or death, to comply with the law, to provide the accused with their legal rights of defence or if it is consented to by the complainant.

Any person raising a concern will be advised if his or her identity cannot be maintained as confidential, prior to the disclosure of the identifying information, where reasonable.

The Audit and Finance Committee Chair, or his or her designate, is also responsible for ensuring that, except as required by law or regulations:

- That the results of the investigation into alleged improper activity shall not be disclosed to, or discussed with, any persons other than those persons that have a legitimate need to know the results of the investigation in order to perform their duties; and
- If the person raising a concern does not have a legitimate need to know the results of the investigation, the person investigating the disclosure shall notify that person in writing of the termination of the investigation without elaboration or reasons.

### **Procedure to Report Material Concerns:**

Any perceived or actual accounting, financial or other ethical or illegal conduct or improprieties may be anonymously reported to the Committee Chairs by calling the STARS' toll-free, confidential Reporting Hotline at 1-877-392-6595.

Any concerns can also be sent to [ethicsandintegrity@stars.ca](mailto:ethicsandintegrity@stars.ca), of which such concerns are sent directly to the Chair of the Audit and Finance Committee.

Alternatively, concerns can be reported by regular mail, courier or any other means of delivery directly to STARS Head Office, addressed as below:

Attention: Committee Chair  
STARS Audit and Finance Committee  
Box 570, 1441 Aviation Park NE  
Calgary, AB T2E 8M7

**Please ensure the envelope is marked:  
“Strictly Private and Confidential – To Be Opened by Addressee Only.”**

**Protection of Team Member and Other:**

Any retaliation against any person raising a concern in good faith is strictly prohibited and shall be reported immediately to the Committee Chairs. Any allegations of retaliation will be investigated and dealt with in the appropriate manner at the discretion of the Committees, and if necessary the Board of Directors.

At the same time, the organization will view the creation of any deliberately false or malicious allegations by a Team Member of STARS as a serious offence which will result in disciplinary action up to and including termination for cause. The action determined by the Committee Chairs to be appropriate under the circumstance shall then be brought to the STARS’ Board of Directors or to the appropriate members of Executive Team for authorization and implementation, respectively.

**Treatment of Records and Documents:**

The Corporate Secretary will maintain a confidential log of all concerns and reports, tracking their receipt, investigation and resolution. In addition, the Corporate Secretary will securely preserve all physical records of concerns and reports made under this policy, which will be retained for a period of 10 years and then destroyed. Any electronic records associated with a concern will be maintained on STARS’ mail servers. All records relating to a concern are the property of STARS.

**Related Policies:** Code of Business Conduct & Ethics, Respectful Workplace Policy and Safety Policy

**DEFINITIONS:**

**Team Member:** Any individual that is part of STARS workforce.

**Leader:** A Team Member to which another Team Member directly reports.

**APPROVAL, REVIEW AND REVISION SUMMARY**

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| <b>Policy name:</b>                   | Ethics & Integrity Reporting |
| <b>Effective date:</b>                | November 2018                |
| <b>Last review and Approval date:</b> | June 2021                    |
| <b>Next review and approval date:</b> | June 2024                    |
| <b>Owner:</b>                         | Governance                   |