



# Loblaw Supplier Code of Conduct

“ We rely on our suppliers to help us achieve our purpose to help Canadians *Live Life Well*. ”

## Our Purpose - *Live Life Well*

We exist to help Canadians “*Live Life Well*”. Delivering on this purpose requires that we build trust by conducting our business ethically, honestly and with the utmost integrity. That is why “Sourcing with Integrity” is a key component of the way we do business. To preserve the trust our stakeholders have in us, we count on our network of Suppliers which whom we do business including, vendors, manufacturers, agents and others to commit to and uphold our high standards of integrity, values and operating principles.

We also recognize our responsibility to respect and protect the human rights of our customers, those who work in our network of stores, offices and facilities nationwide, and the many workers, including migrant and temporary that are employed within our wider supply chain. We expect our Suppliers to also uphold human rights within their operations. This Supplier Code of Conduct provides standards on protecting human rights, adhering to applicable employment standards and providing safe working conditions for workers. Check out [Loblaw.ca](http://Loblaw.ca) to learn more.

## Application and Acceptance

The Supplier Code of Conduct (the “**Code**”), applies to suppliers, vendors or manufacturers who manufacture, package and/or supply (i) goods and services for resale (GFR); (ii) goods and services not for resale (GNFR); and (iii) agents, brokers and other third-parties (collectively, “**Suppliers**”) who conduct business with Loblaw Inc., its affiliates, subsidiaries, and operating divisions and/or customers (collectively, “**Loblaw**” or the “**Company**”). Suppliers must share this Code with their contractors, agents, sub-contractors and sub-agents, including any labour agencies, who are engaged to assist with providing goods or performing services for Loblaw (collectively, the “**Related Parties**”). Any reference to “workers” within this Code means the Supplier’s workers and Related Parties’ workers.

By entering into any standard terms and conditions or other contractual agreements with the Company (the “**Governing Terms**”), you are accepting the terms of the Code (as amended from time to time) and affirming compliance with its requirements. The Code is not to be read in lieu of but in addition to your obligations as set out in the Governing Terms.

## Expectations

The Code outlines Loblaw’s expectations and guidelines with respect to responsible sourcing including our commitments to human rights, the environment, health and safety, regulatory compliance, business ethics and the development of a diverse and sustainable supply chain. We expect our Suppliers to communicate these expectations to Related Parties to uphold the commitments set forth in this Code within their own business operations.

The Code sets out minimum standards that Suppliers must meet and nothing in the Code shall prevent Suppliers from exceeding these standards. Suppliers are also expected to comply with the Governing Terms and with applicable local laws and regulations. Where such requirements conflict, Suppliers are expected to comply with the highest applicable standard.

Loblaw acknowledges that some Code infringements that are identified may take time to resolve. If appropriate and practicable in the circumstances, we will work with Suppliers to accommodate reasonable time frames that allow Suppliers to make improvements in their operations to correct. We will seek to maintain relationships with

Suppliers that demonstrate their commitment to the Code by, among other things, promptly responding to, and resolving, our concerns. However, violations of the Code may sometimes warrant an immediate resolution, failing which termination of our relationship may be required.

## **Monitoring Compliance**

Suppliers shall monitor the compliance of their operations with the terms of the Code and all Governing Terms. Further, Suppliers shall monitor Related Parties' compliance with the terms of the Code and immediately disclose any known violations to the Integrity Action Line or those Loblaw representatives noted in the Speak Up section.

While the requirements in the Code are the responsibility of the Supplier, Loblaw may wish to verify Supplier compliance with the Code through a variety of tools:

- Suppliers' self-evaluation
- Ongoing improvement programs
- Audits by the Company or a Supplier designated by the Company

Loblaw expects cooperation and transparency during the compliance monitoring process. Specifically, we expect you to facilitate any communication with workers required for audits and not to dissuade workers from participating, discriminate or retaliate against any workers that take part in this process. Loblaw personnel or a supplier designated by the Company may regularly visit facilities, to monitor progress with improvement programs.

Should a Supplier fail to comply with the Code, Loblaw reserves the right to require corrective action. If a Supplier fails to implement corrective action or fails to comply with the Code, Loblaw may, in its sole discretion and without any further obligation to Suppliers, suspend or terminate, in whole or in part, its relationship with the Supplier.

## **Effective Date**

July 2020, as may be amended from time to time.

## **Review**

This Code is reviewed annually or earlier as determined by the SVP, General Counsel and SVP & Chief Compliance & Ethics Officer of Loblaw Companies Limited.

# Speak up if you have a concern

As a part of our culture of integrity, it is important that non-compliant and unethical matters are reported. We encourage anyone that has knowledge of or suspects suspicious activity, unethical practices, non-compliance and suspected non-compliance with laws and regulations, Governing Terms, the Code or Company policies and procedures shared with Suppliers to speak up by reporting any violations or potential violations through the following channels:

- Call the Integrity Action Line: **1-800-525-7868** (available in English, French, Mandarin, Cantonese, Punjabi, Spanish and Korean languages); or
- Use the following link: [www.integrityactionline.com](http://www.integrityactionline.com) (available in English, French and Spanish languages). Check out [Loblaws.ca](http://Loblaws.ca) to learn more.

## You may also report or disclose matters as follows:

- GFR Suppliers – to Supply Chain Compliance;
- GNFR Suppliers – to Loblaw representative; and/or
- To Enterprise Compliance & Ethics at: [complianceandethics@loblaw.ca](mailto:complianceandethics@loblaw.ca).

## We take it seriously

The Company values Suppliers, Related Parties and workers who speak up as this fosters a culture of transparency and trust – and it's the right thing to do. Our Enterprise Compliance & Ethics team will administer all complaints received and will objectively manage incidents to their resolution.

## We respect confidentiality and protection against retaliation

Loblaw prohibits retaliation or reprisal against Suppliers and their workers who speak up in good faith, is committed to fair and appropriate treatment, and respects confidentiality for all parties involved. Reports to the Integrity Action Line may be made anonymously. The privacy of the reporter will be respected and confidential information will be shared only on a “need to know” basis or if required by law.

## Who to contact

Reach out to your Loblaw representative, Supply Chain Compliance and/or Enterprise Compliance & Ethics ([complianceandethics@loblaw.ca](mailto:complianceandethics@loblaw.ca)) should you have any questions about the Code.



# Principles of Business Conduct

We strive to build a win-win model with our Suppliers. Business relationships are more constructive when they are built on trust, mutual respect and common business and ethical values. Suppliers who act illegally or unethically can expose our Company and our colleagues to legal action and significantly damage Loblaw's reputation and brand. As a result, we seek relationships with Suppliers and their Related Parties who share a commitment to the following principles:

1

## Compliance with Applicable Laws, Policies, and Governing Terms

Comply with applicable laws and regulations, applicable Company policies, procedures, guidelines, standards and Governing Terms.

2

## Ethical Conduct and Behaviour

Align your actions, decisions and behaviour with ethical business practices.

3

## Employment Standards

Treat people with dignity and respect by adhering to applicable human rights and employment standards.

4

## Quality

Comply with quality standards regarding manufacturing, delivering and the supply of products and or services.

5

## Health and Safety

Protect the health and safety of your workers by complying with applicable health and safety laws.

6

## Environmental Responsibility and Animal Welfare

Remain committed to reducing the negative impact of your operations on the environment and the humane treatment of animals.

# 1 Compliance with Applicable Laws, Policies, and Governing Terms

“ Comply with laws and regulations that apply to you in the regions in which you operate, applicable Company policies, procedures, guidelines and standards and Governing Terms. ”

- Understand the laws and regulations that are applicable to your location and operation as well as Loblaw Governing Terms and applicable policies, procedures and standards and diligently comply with them.
- If the legal or regulatory requirements differ from this Code, Suppliers should adopt the more stringent requirements of the two.
- **Competition Laws:** Loblaw maintains a competition law compliance program (the “**Compliance Program**”) that includes guidance and standards for our Suppliers, to minimize the risk of non-compliance with competition laws. Loblaw requires that you comply with the applicable Compliance Program elements that apply to your operations. It is ultimately the responsibility of Suppliers to comply with competition and anti-trust legislation.



## Resources available

GFR Suppliers: Located on vendor portal or vendor manual/vendor board.

GNFR Suppliers: Available upon onboarding and by request to your Loblaw representative.

## 2 Ethical Conduct and Behaviour

### “Align your actions, decisions and behaviour with ethical business practices.”

To maintain our reputation as a Company that focuses on doing the right thing, we expect our Suppliers to uphold a commitment to integrity and trust. This means Suppliers must be prudent in making good and ethical business decisions.

#### Anti-Bribery, Corruption and Anti-Money Laundering:

- Comply with all applicable anti-bribery, anti-corruption and anti-money laundering laws and regulations in the jurisdictions in which you operate.
- Adopt a zero-tolerance approach to bribery, corruption and money-laundering.
- Do not offer, pay, receive or solicit bribes, kick-backs, payments or gifts of any kind to obtain a favourable outcome.
- Do not make facilitation or “grease” payments, no matter how small, to public officials.
- Upon the commencement of your relationship with Loblaw, disclose your ownership structure (specifically, ownership by a government or public official) to your Loblaw representative and further disclose if your ownership structure changes.

#### Confidentiality:

- Comply with confidentiality requirements in your Governing Terms with Loblaw.

#### Conflict of Interest:

- A conflict of interest arises when your personal interests either actually or appear to influence your ability to conduct business with Loblaw.
- A conflict of interest may include: having a close personal relationship with a Loblaw colleague; a family relationship between Supplier personnel and individuals at Loblaw involved in the relevant process; or the Supplier influencing recruitment of personnel at Loblaw or vice versa.
- Disclose to your Loblaw representative any actual or perceived conflict of interest that you may have before conducting business with Loblaw. Do not enter into any transactions that create an actual or potential conflict of interest.

#### Gifts & Entertainment

- Do not give gifts or entertainment that could be, or could be perceived by others to be, an attempt to influence a business decision, create an obligation to do something in return or a personal reward for making a business decision.
- Adhere to the following principles in deciding whether to give a gift or entertainment. Gifts or entertainment given or received should:
  - Not be extravagant.
  - Be infrequent (e.g. less than twice per year).
  - Be related to a reasonable business purpose and primarily benefit Loblaw.
  - Be consistent with acceptable business practices, given the industry and the geographic location.
  - Be permitted by law and the policies of Loblaw and your company.
  - Not reflect or have the potential to reflect poorly on—or embarrass—Loblaw.
  - Not be indecent, pornographic or otherwise seen as offensive.
  - Not be provided if a tendering process is ongoing involving your company.
  - Keep a record of the gifts, entertainment or hospitality you provide to Loblaw.

#### Information Security

- Ensure you have sound security practices in place to protect Loblaw if you provide digital, online and support services and/or access sensitive information. Adhere to the relevant information security terms in your Governing Terms with Loblaw.

## 3 Employment Standards

### “ Treat people with dignity and respect by adhering to applicable human rights and employment standards. ”

Loblaw respects the human rights of our colleagues, customers, supply chain partners and members of our communities. We expect our Suppliers to honor the same and that your conduct reflects a commitment to treating people with dignity and upholding their human rights. This applies not only to your own workers, but also the workers of your Related Parties. The Code sets out minimum employment standards imposed by Loblaw. However, you must be aware of your obligations pursuant to applicable local laws and regulations and comply with the more stringent standards applicable to your operations.

#### **No Violence, Harassment & Discrimination**

- Do not subject workers to any form of verbal, physical or sexual abuse or harassment or intimidation in the workplace.
- Do not engage in discriminatory behaviour in the hiring and treatment of workers on the basis of race, colour, age, gender, caste, social background, sexual orientation, ethnicity, national origin, disability, pregnancy, religion, political affiliation, union membership, marital status, medical condition or any other personal characteristic prohibited by law or regulation.

#### **Respect Employment Laws**

- Only employ workers that have a legal right to work in the country in which they are to be employed and verify a worker's legal eligibility to work, prior to employment.
- Ensure that terms and conditions of your worker's employment are in accordance with the employment contract if one exists, and that workers have access to their contract. Be transparent with workers about the details of their employment, including working conditions, legal rights, nature of work, wages, benefits, deductions from wages, regular working hours, overtime requirements, time-off and duration of the contract.
- Ensure all labour agencies engaged comply with the Code. The use of labour agencies will not relieve you of your obligations under this Code.
- Keep employment records of your workers accessible at all times.
- Workers must be permitted to terminate their employment without financial penalty.

#### **No Forced or Child Labour**

- Do not engage in involuntary labour practices – this includes forced, bonded, trafficked, involuntary prison, or underage labour – in your operations and supply chain.
- Do not hire workers that are under 16 years of age.
- Ensure that workers between the age of 16 through 18 have the benefit of working hours, conditions and other benefits that are appropriate to their age and do not jeopardize their health or safety or compromise their education.
- Do not require workers to pay recruitment fees or costs, deposit funds, or their personal documents with the Supplier as a condition of their employment or pay fees as a form of discipline. Suppliers shall ensure that labour agencies used by the Supplier do not engage in any of these prohibited practices.



### Comply with laws and agreements regarding compensation and working hours

- Workers' combined regular and overtime working hours shall not exceed the maximum hours of work per week pursuant to local laws and regulations or 72 hours per week, whichever standard is lower.
- Overtime must always be voluntary. Workers shall not be penalized for refusing overtime where they have the right to do so pursuant to local laws and/or their employment contract. Overtime must be paid at a premium where it is required by local law.
- Provide workers with, on average, at least one day off every 7-day period. Any exceptions to this time-off standard shall be at the discretion of the worker and shall comply with local laws.
- Pay workers regularly, on time and at least the minimum wage in the applicable jurisdiction. We encourage Suppliers to commit to the betterment of wage and benefit levels to address the basic needs of workers and their families and work towards closing the gap between current wages and objectively calculated living wages.

### Respect Freedom of Association

- Permit workers or their representatives to associate and bargain collectively or refrain from doing so, in accordance with local law. Allow these worker activities to take place in the workplace. Workers shall have the opportunity to freely communicate and engage with management to discuss working conditions without fear of unjust treatment.

## 4 Quality

### “ Comply with quality standards regarding manufacturing, delivering and the supply of products and or services. ”

- Provide safe, high-quality products to protect public health. Products and services manufactured and/or delivered must meet or exceed food, drug or product safety and quality standards required by applicable Canadian laws and regulations, as well as Loblaw quality standards.

## 5 Health and Safety

“ Protect the health and safety of your workers by complying with applicable health and safety laws. ”

Our customers expect our stores to be free of hazards and our colleagues deserve to be safe at work. We also require your commitment, and that of your Related Parties, to providing and maintaining a safe and healthy environment for workers.

- Provide your workers with a safe and hygienic working environment.
- Ensure that your buildings and facilities do not pose hazards to workers working within them and have the appropriate structural integrity for their purposes.
- Provide sufficient potable drinking water at all times.
- Ensure that safety and emergency prevention programs are in place to prevent accidents or injury. This includes the following:
  - Regular training for workers;
  - Functional fire alarms, fire extinguishers, sprinklers, smoke detectors and relevant firefighting and prevention equipment is present and accessible at all facilities; and
  - Routes of egress for workers remain clear and emergency evacuation is possible at all times.

## 6 Environmental Responsibility and Animal Welfare

“ Remain committed to reducing the negative impact of your operations on the environment and the humane treatment of animals. ”

We are committed to reducing the negative impact of our operations on the environment by fostering sustainable practices and complying with applicable environmental laws and regulations. We expect our Suppliers to align with this commitment and adhere to the following:

- Understand and conduct business operations in accordance with all national and local environmental laws, standards, regulations, administrative practices and policies. This includes, emissions released into the atmosphere and water bodies, the disposal of solid waste and the handling and disposal of hazardous materials.
- In the event that hazardous or polluting materials are discharged improperly, appropriate authorities are to be notified and action will be taken to correct and remediate the impact on the environment.
- Treat animals in accordance with government and industry-accepted guidelines for humane treatment.

For additional information pertaining to Loblaw's position on the environment and the treatment of animals, visit the Responsibility page on [Loblaw.ca](https://www.loblaw.ca)