1.0 Introduction

At Loblaw, “Sourcing with Integrity” is a key component of the way we do business. We expect the suppliers of products we sell to our customers (“Suppliers”) to uphold the same values and principles of business conduct we do, including as they relate to ethical and safety standards. This Supplier Code of Conduct (the “Supplier Code”) sets out minimum standards which Suppliers must meet. In addition to the provisions of the Supplier Code, Suppliers must at all times comply with local laws and regulations, whichever provides the greater level of protection for their workers.

While proper labour and safety practices and conditions are the sole responsibility of the Supplier, Loblaw may verify the compliance of all its Suppliers with the Supplier Code. Such verification may be conducted by way of Suppliers’ self-evaluation or an audit by Loblaw (or a third party external resource designated by Loblaw) who may visit the Supplier’s facilities. Suppliers are required to submit to such audits, and be transparent about their operations. A key component of audits is effective interviews with workers. We expect Suppliers to facilitate such communications and not to discriminate or retaliate against any workers that take part in this process. Loblaw personnel (or designated third party external resources) may visit Supplier facilities to monitor progress of improvement programs, when they are in place.

Loblaw acknowledges that many issues that are identified may take time to resolve. If appropriate in the circumstances, we will work with Suppliers to accommodate reasonable time frames that allow Suppliers to make improvements in their operations. We will seek to establish and maintain relationships with Suppliers that demonstrate their commitment to the Supplier Code by, among other things, responding promptly to our concerns. However, violations of the Supplier Code may warrant immediate response and termination of our relationship.

2.0 Supplier Code of Conduct

The provisions of the Supplier Code are minimum and not maximum standards to be met and nothing in the Supplier Code shall prevent Suppliers from exceeding these standards. As noted above, in addition to the provisions of the Supplier Code, Suppliers must at all times comply with local laws and regulations. Suppliers are also expected to comply with Loblaw’s Standard Terms and Conditions, and all contractual commitments made to Loblaw. Where such requirements differ, Suppliers are expect to comply with the highest applicable requirements.
2.1  **No Child Labour**

2.1.1  Workers younger than 16 must not be employed.

2.1.2  Complete records relating to the age of all workers must be kept on site and be accessible at all times.

2.1.3  Workers between 16 and 18 must have the benefit of working hours and conditions and other benefits that are appropriate to their age.

2.2  **Employment must be Freely Chosen**

2.2.1  There must be no forced, bonded or involuntary prison labour.

2.2.2  Workers must not be required to deposit funds or personal documents as a condition of their employment.

2.2.3  Overtime must be voluntary and refusal of overtime must not be penalized.

2.2.4  Workers must be permitted to terminate their employment without financial penalty.

2.3  **Discrimination will not be Tolerated**

2.3.1  In their hiring and treatment of workers, Suppliers must not discriminate 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.

2.4  **No Abuse or Harassment**

2.4.1  Workers must not be subjected to any form of verbal, physical or sexual abuse or harassment or any form of intimidation.

2.4.2  Monetary penalties must not be used as a form of discipline.

2.5  **Freedom of Association must be Respected**
2.5.1 Workers or their representatives must be permitted to associate and bargain collectively.

2.5.2 Workers’ activities with respect to their rights and interests, including association and collective bargaining, must be permitted to take place in the workplace.

2.6 Employment Laws must be Respected

2.6.1 Employment terms must be in accordance with the employment contract if there is one and the worker must have access to the terms of any such contract.

2.6.2 Only workers with a legal right to work in the country are to be employed.

2.6.3 The use of Labour Agencies will not affect any of a Suppliers’ obligations under this Supplier Code. The use of such agencies is discouraged.

2.7 Working Hours are not to be Excessive

2.7.1 The average total working hours for workers (including overtime) must not exceed 72 hours per week, or the maximum allowed by local law, whichever is lower.

2.7.2 Overtime must always be voluntary.

2.7.3 Workers must be provided, on average, at least one day off for every 7 day period.

2.8 Reasonable Living Wages must be Paid

2.8.1 Workers must be paid at least the minimum wage in the applicable jurisdiction or an agreed-to wage that is enough to meet basic needs and provide some discretionary income.

2.8.2 Overtime must be paid at a premium where it is required by local law.

2.8.3 Wages must be paid regularly and on time.

2.9 Working Conditions must be Safe

2.9.1 Workers must be provided a safe and hygienic working environment.

2.9.2 Sufficient potable drinking water must be available at all times.
2.9.3 Functional fire alarms, fire extinguishers and relevant firefighting and prevention equipment must be present and accessible at all facilities.

2.9.4 Safety and emergency prevention programs must be in place and training of workers must take place at appropriate regular intervals.

2.9.5 Routes of egress for workers must remain clear and emergency evacuation possible at all times.

2.9.6 Suppliers’ facilities must have the appropriate structural integrity and be suitable and approved for their purposes.

2.10 Protection of the Environment and Treatment of Animals

2.10.1 We expect our Suppliers to conduct their businesses in accordance with all laws, standards, regulations, administrative practices and policies that relate to the protection of the environment.

2.10.2 Suppliers that provide animal products must ensure that animals are treated in accordance with government and industry-accepted guidelines for humane treatment.

2.11 Ethical Conduct

2.11.1 Suppliers must not be, directly or indirectly, involved in any actions involving bribes when acting in connection with Loblaw’s business. This includes offering, paying, receiving or suggesting bribes, advantages or kick-backs. Notwithstanding any local practice or custom, facilitation payments to local officials are not permitted when acting for or on behalf of Loblaw.

2.11.2 Suppliers must not offer or provide gifts, entertainment, hospitality or favours, other than of nominal value, to Loblaw employees with the goal of or obtaining favorable treatment from such Loblaw employees (or which could lead to the perception that favorable treatment has been sought or given).

2.11.3 If Suppliers have access to business information, trade secrets, formulations, recipes, specifications or other sensitive information which belong to Loblaw, they must keep all such information strictly confidential and must disclose it only to those individuals within their own organizations with a need to have the information.