

***SUPPLIER
CODE OF CONDUCT
for responsible
procurement***

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metro

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1. Introduction

Metro inc. and its subsidiaries (METRO) are determined to carry out their activities lawfully and ethically by adopting responsible social and environmental practices. METRO’s supply chain is a critical component of the company’s business life and plays a key role in its success.

In an effort to constantly improve its performance in terms of corporate responsibility, METRO actively seeks to conduct business with suppliers that share the company’s commitment and proactively integrate responsible practices into their activities. METRO implements its responsible procurement approach as part of a continuous improvement strategy and aims to collaborate with suppliers within a framework of transparency to adopt ethical and respectful business practices.

2. Scope

This Supplier Code of Conduct for responsible procurement (Code of Conduct) is aimed at all METRO suppliers of goods and services.

Under this Code of Conduct, the term *supplier* refers to METRO’s direct suppliers as well as to their own suppliers across the supply chain.

METRO reserves the right to amend this Code of Conduct at any time. This document was originally adopted in February 2017 and updated in January 2022.

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3. Principles

This Code of Conduct is based on rules of conduct, commercial practices and METRO's comprehensive corporate responsibility approach.

METRO recognizes that its suppliers must conduct their business according to their objectives and corporate values and the local legislative framework and that the attainment and upholding of responsible procurement standards constitute an ongoing long-term commitment.

Still, METRO expects all suppliers to:

- Take every measure to adopt behaviours and practices that are in line with the principles set out in this Code of Conduct
- Be in a position to demonstrate the ways in which they apply the principles of the Code of Conduct

The principles set out in the Code of Conduct will be applied in a targeted manner based on the specific issues associated with the different types of products and services purchased by METRO. These principles are in addition to the METRO product and service selection criteria (e.g. price, quality, availability) that are already in effect.

3.1 Business ethics

METRO expects suppliers to manage their commercial operations according to the most stringent standards of ethical business, integrity and equity. METRO suppliers must therefore:

- Comply with all applicable laws, regulations and guidelines
- Refrain from engaging in any form of corrupt practice, including extortion and fraud
- Ensure the protection of the confidential and personal information they receive from METRO and only use this information as part of their business relations with METRO
- Comply with intellectual property rights relating to the products and services they provide to METRO
- Never place a METRO employee in a situation that could compromise his/her ethical behaviour or integrity or create a conflict of interest
- Divulge all actual and potential conflicts of interest to METRO
- Disclose to METRO any behaviour deemed unethical on the part of a METRO employee.

3.2 Respect for workers

This principle of the Code of Conduct covers all the workers in METRO's supply chain, regardless of their status (seasonal, casual, part-time, full-time; local or migrant). Particular emphasis is placed on the work conditions of more vulnerable workers.

METRO expects its suppliers to provide products and services that are based on practices that ensure that workers are treated with dignity, respect and equity in a healthy and safe work environment that provides decent conditions and is free of abuse.

At minimum, METRO requires that suppliers comply with the labour laws and regulations that apply in the jurisdiction in which it operates. Still, it is recognized that certain jurisdictions that supply the company with products and services do not have such laws or that there are gaps in existing laws and their enforcement. In light of this situation, METRO considers it important to guide its suppliers' practices to ensure respect for workers in its supply chain.

In order to do so, METRO looks to recognized international standards, specific labour rights and principles such as those set out by the International Labour Organization (ILO).

METRO expects suppliers to adhere to the following standards and principles.

Child labour

METRO expects suppliers to refrain from relying on child labour. The term *child* refers to any person under the age of 16. However, should local legislation establish a minimum age between 14 and 16 years old, this minimum age shall be accepted, especially in the agricultural sector where it is a common practice. METRO considers it important to foster the complete physical and mental development of children and aims to eliminate all forms of child exploitation.

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Forced and compulsory labour

METRO expects suppliers to refrain from relying on forced and compulsory labour. Employees shall not work under any threat of penalty or punishment. All tasks must be undertaken out of the employees' own free will. In addition, employees must be able to leave the workplace at the end of their shift, keep their identity documents and work permits in their possession and leave their position after providing reasonable notice.

Freedom of association and the right to collective bargaining

METRO expects suppliers to recognize freedom of association and the right to collective bargaining, regardless of the jurisdiction in which they operate. Employee representatives shall not be subject to discrimination or harassment. METRO expects suppliers to establish open, respectful dialogue with its employees, thus fostering a healthy work environment.

Discrimination in employment

METRO supports the principles of equity, diversity and inclusion and expects suppliers to refrain from discriminating against their employees for any of the following reasons: age (except as provided by law), ancestry, colour, race, citizenship, civil, marital or family status (including single status), ethnic or national origin, place of origin, gender identity or gender expression, language, disability, political convictions, existence of a criminal record, beliefs, including religious beliefs, sex (including pregnancy and breastfeeding), sexual orientation, social condition or any other legally prohibited grounds for discrimination in the hiring process and every aspect of work life.

Respect for obligations under work relationships

Suppliers must set out terms and conditions for hiring and dismissal that are in compliance with applicable laws. Employees must have access to documents outlining these terms and conditions in the local language or in the language spoken by the employees.

Occupational health and safety

Suppliers must provide their employees with a healthy, hygienic and safe work environment and must take all measures to prevent work-related injuries, illnesses and accidents. When accommodations are provided, they must be clean, hygienic and safe. Suppliers must implement clear occupational health and safety procedures, including the attribution of the responsibility of these procedures to an executive, and should provide occupational health and safety training for employees on a regular basis.

Working hours

With regard to working hours, suppliers must comply with national laws or industry or international standards, whichever provides the best protection to ensure the health, safety and well-being of employees. A regular workweek should not exceed 48 hours, excluding any overtime, which must be reasonable and remunerated. Employees shall be entitled to at least one day of rest per week.

Wages and benefits

The wages and benefits paid out to employees for a workweek must meet or exceed the minimum legal wage, industry standards or collective agreement if applicable, whichever is most beneficial to the employee. The employee must be paid on a regular basis and receive a pay slip. Suppliers shall not withhold salaries as a disciplinary measure without notifying the employees in advance.

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3.3 Environmental protection

METRO seeks to purchase goods and services stemming from practices that are respectful of the environment and which aim to reduce the environmental footprint at every phase of their life cycle. METRO suppliers must give high priority to environmental issues and implement initiatives to foster sound environmental management through practices that prevent pollution and preserve resources.

At minimum, METRO expects suppliers to comply with the environmental laws that apply in the countries in which they operate.

In addition, METRO encourages suppliers to adopt a proactive approach with regard to significant issues in the supply chain:

Greenhouse gas emissions

Greenhouse gas (GHG) emissions contribute to climate change—a major, internationally recognized, environmental issue. METRO encourages suppliers to take measures to reduce the GHG emissions generated by their operations, products and services, as well as favour a transparent disclosure approach of their GHG emissions.

Water

METRO encourages suppliers to make efforts to preserve water and favour optimal water use by adopting practices to reduce water consumption and minimize the release of pollutants into water.

Soils, biodiversity and ecosystems

METRO encourages suppliers—those in the agri-food industry in particular—to adopt practices to maintain soil, biodiversity and ecosystem quality.

Natural resources

Natural renewable and non-renewable resources are produced by nature and useful to humans (e.g. forests and fish stocks). METRO encourages suppliers to adopt practices to reduce resource waste and foster optimal resource use.

3.4 Respect for animal health and welfare

METRO seeks to ensure the health and welfare of terrestrial and aquatic animals across the supply chain.

This principle aims to prevent all forms of abuse that negatively impact the health and welfare of animals and meet the physical and behavioural needs of animals. METRO expects suppliers to refer to science-based standards recognized by industry.

More specifically with regard to food products, METRO expects meat, poultry, egg, milk, dairy product, fish and seafood suppliers to respect animals and commit to implementing farming, transport, slaughtering and fishing conditions recognized as protecting animal health and welfare.

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4. Implementation and compliance

4.1 Responsibilities regarding the enforcement of the Code of Conduct

METRO vice-presidencies shall ensure the application of the Code of Conduct by the suppliers with which their departments do business.

4.2 Compliance: application of the Code of Conduct

The Code of Conduct is an integral part of the business agreement that governs METRO's relations with each of its suppliers. METRO bases compliance and the application of the Code of Conduct on a rigorous, transparent, collaborative and continuous improvement approach with suppliers.

To ensure compliance and the application of the Code of Conduct, METRO reserves the right to follow up with direct and indirect suppliers through a range of implementation tools (used according to the situation):

- Supplier self-assessment questionnaires
- Continuous improvement program
- Audits by METRO or a third party

In addition, confidential mechanisms to report issues are available:

- By telephone at 1-877-700-7867 (toll-free)
- By mail (with the reference Confidential) to Metro inc., Senior Director, Corporate Security and Resilience , 7151 Jean-Talon Street East, 9th floor, Montréal, Québec H1M 3N8
- By e-mail to speakup@metro.ca
- On the following website: timetospeakup.ca

Reports are handled by an independent firm.

4.3 Responsibilities of the supplier

METRO encourages suppliers to implement policies, codes of conduct or management processes that account for the principles set out in this Code of Conduct. METRO considers it to be the responsibility of suppliers to comply with the principles set out in the Code of Conduct across their supply chains and carry out relevant follow-ups with their own suppliers.

The practices adopted by suppliers must be verifiable. Suppliers must be able to provide METRO with documents attesting to their compliance with the Code of Conduct upon the company's request.

To ensure the optimal implementation of the Code of Conduct, METRO also encourages suppliers to inform the company of the measures taken to enhance their corporate practices and share their suggestions on how METRO can best contribute to the implementation of the principles set out in the Code of Conduct. METRO expects to be informed by suppliers of any obstacles to the application of this Code of Conduct.

4.4 Non-compliance

Should a supplier fail to comply with the Code of Conduct, METRO reserves the right to require corrective actions. In the case of a serious failure to comply, METRO may reconsider its business relationship with the supplier.