

This Supplier Code of Conduct of the Société des alcools du Québec (hereinafter, the “Code”) applies to all SAQ suppliers. This Code sets out the SAQ’s expectations with respect to the suppliers with which it does business, and their subcontractors, regardless of their tier.

Business relations include any and all relationships and exchanges between the SAQ and its suppliers and its potential suppliers, whether contractual or not.

This Code shall apply in addition to any applicable statutes and regulations. Thus, in all their activities, suppliers shall comply with Quebec statutes and regulations and those of the countries where they conduct their activities. Suppliers are encouraged to go beyond mere compliance with the law and to apply the recognized worldwide standards and conventions mentioned in this Code to promote ethics as well as social and environmental responsibility.

This Code is an integral part of the contractual documents binding SAQ suppliers.

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Ethics at the heart of business relations

Ethics is the cornerstone of this Code. It defines the basis of all business and employee conduct. It extends beyond the application of statutes and regulations and relies on a natural sense of justice and on SAQ’s values: enthusiasm, respect, responsibility, integrity, cooperation and balance. This means that in their business relations with the SAQ, suppliers shall act with respect to SAQ’s values, as well as with respect for human rights and the environment.

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Rules of conduct

ACTING WITH INTEGRITY

Conflict of interest

The SAQ shall be made aware of any conflict of interest and any situation that may give rise to a conflict of interest affecting the impartiality of SAQ employees involved in the business relationship, as soon as such a situation is brought to its attention.

Collusion and corruption

Any act or participation in an act of collusion, any conspiracy, agreement or arrangement concerning price fixing with other suppliers, or that are intended to reduce competition, and any arrangement that might prevent the normal course of business between the SAQ and its suppliers, including any form of corruption, passive or active, extortion, bribe, personal gain, bid-rigging, influence-peddling, use of confidential information, mismanagement and falsification are proscribed and prohibited.

Gifts, donations and invitations

SAQ employees shall not accept any goods, favours, services, benefits, invitations or gifts that could be construed as a potential source of conflict of interest. Gifts, meals, trips and favours shall not be offered by suppliers, regardless of their nature or context. In addition, suppliers shall abstain from answering any solicitations from SAQ employees seeking donations and/or contributions to external or third-party organizations.

2. Rules of conduct (cont.)

ACTING WITH LOYALTY AND DILIGENCE

Business relations

Suppliers shall be honest, professional and fair in their business relations with the SAQ, and in particular with regard to the procurement process, during which they must give an accurate picture of their ability to meet all contractual obligations. Furthermore, all information provided shall be true and accurate and not be designed to mislead.

Hiring of former SAQ employees

Suppliers shall avoid any action that may jeopardize the ability of former employees to meet their legal or contractual obligations to the SAQ that survive the termination of their employment and to respect the SAQ Code of Ethics and Conduct for employees.

RESPECTING PEOPLE AND THE ENVIRONMENT

Human rights

Suppliers shall endeavour to treat their personnel in a fair and equitable manner regardless of sex, race, colour, origin, political or other opinion, sexual orientation, religion or any other generally recognized type of discrimination; create a working environment free of all forms of harassment, intimidation or abuse; and respect human rights as set out in the Universal Declaration of Human Rights.

2. Rules of conduct (cont.)

Labour relations

Suppliers shall respect worker rights, including freedom of association and the right to collective representation and bargaining based on internationally accepted standards as defined in the International Labour Organization's (ILO) conventions. To this end, the SAQ expects that suppliers shall aspire to:

- eliminate forced or compulsory labour in any form;
- eradicate the use of child labour and exploitation of minors;
- recognize freedom of association and the right to collective bargaining;
- eliminate discrimination in employment and occupation; and
- exceed standards set by applicable salary legislation, or, if no such legislation exists, pay workers enough to allow them to meet their basic needs.

Occupational health and safety

Suppliers shall apply occupational health and safety standards that comply with the applicable statutes and regulations in effect so as to ensure healthy and safe working conditions for all their employees. They shall also take appropriate measures to prevent work-related injuries and accidents.

Environment and sustainable development

Suppliers shall observe the applicable environmental statutes, regulations and standards and shall seek to reduce the impact of their activities and of their products on the environment. They promote the adoption of measures to prevent pollution and to conserve and make the most efficient use of the natural resources required for their activities. Moreover, suppliers agree to respect the spirit of the SAQ's Responsible Procurement Policy.

Respect

Suppliers shall treat SAQ customers, employees and partners with courtesy and fairness in all exchanges, regardless of the form these exchanges may take.

2. Rules of conduct (cont.)

PROTECTING CONFIDENTIAL INFORMATION

Confidentiality

Suppliers shall protect SAQ's confidential information that they hold or have access to, in accordance with the best practices and the policies of the SAQ. Confidentiality applies to any information that is not of a public nature relating to SAQ, its customers and its employees.

Except for the purpose of carrying out their mandate suppliers shall not use such confidential information and shall not disclose or share such information with a third party without the SAQ's prior consent. These obligations shall apply for the entire duration of the business relationship and survive the termination of the contractual commitments.

Advertising

Suppliers and their subcontractors shall not refer to the project in any commercial advertising and shall under no circumstances use the SAQ name or logo without the SAQ's prior written approval, except for the usual commercial references stating that suppliers, or their subcontractors, are performing or have performed the mandate intended under a contract. "Commercial advertising" means any commercial message aimed at the public at large or a target audience that promotes the goods or services of the supplier or one of its subcontractors. This requirement applies to any advertising means such as signs and billboards, and to any print, electronic or other media.

GUARANTEEING THE SAFETY OF THE PRODUCTS AND SERVICES

The SAQ suppliers' hygiene processes, as well as their handling, preparation, packaging and distribution of goods and products and alcoholic beverages, shall comply with or exceed industry standards. All suppliers, whether of alcoholic beverages or general merchandise and services, shall also comply with or exceed industry standards regarding product and service safety, including those standards established by regulatory authorities and relevant consumer associations.

2. Rules of conduct (cont.)

The safety of suppliers' products should also be protected by proper measures at all stages of production, packaging, warehousing and distribution, to prevent the alteration or contamination of products.

Suppliers shall promptly inform the SAQ of any situation that is brought to their attention regarding the safety of the products sold and services rendered to the SAQ, whether they have been delivered or not.

HAVING A PRODUCT RECALL PROCESS

Any alcoholic beverages and general merchandise sold by suppliers shall be safe for consumption and usable for the purpose intended by SAQ customers. Suppliers shall have the appropriate processes in place to detect potentially harmful products and to be able to proceed to a voluntary or mandatory product recall, in compliance with the statutes and practices applicable in their respective activity sector. These processes shall among others, guarantee clear and swift communication of the names of said potentially harmful products to consumers and to the SAQ, and the immediate withdrawal.

Suppliers shall comply with all SAQ guides and standards for the management of alcoholic beverages and those of the regulatory authorities.

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Enforcement of the code

Suppliers governance and commitments

It is up to each SAQ supplier to ensure that the standards and principles of this Code are complied with and, therefore, to ensure that there are relevant management controls for compliance set up within their company. It is also up to suppliers to take the relevant steps to correct any derogation.

3. Enforcement of the code (cont.)

The SAQ expects that its suppliers shall provide all employees concerned with a copy of this Code. Suppliers shall also set up management practices that ensure their ability to comply with this Code, in accordance with the statutes and regulations applicable to their production and business site. For example, the SAQ suggests that its suppliers draw up and periodically update a list of applicable statutes and regulations, train their key employees on its content and, particularly, with respect to fines and other applicable consequences in the event of a violation, also set up a mechanism for reporting and following up on violations, if any. Furthermore, the SAQ also suggests that its suppliers provide a copy of this Code, or their own code of ethics, to any relevant subcontractors.

SAQ authorities

The Secretary-General Service, the Internal Audit department, and the SAQ Governance and Ethics Committee are responsible for administering and updating this Code. Each SAQ manager concerned is responsible for ensuring that his or her team members understand the conduct expected of suppliers and that they enter into contracts or do business only with suppliers that comply with the standards and principles described herein.

This Code may be amended from time to time by the SAQ, at the latter's sole discretion, to ensure that it reflects the SAQ's principles and values.

Audit

The SAQ reserves the right to verify whether its suppliers and their subcontractors are in compliance with the Code through audits. Such audits shall be conducted by way of self-assessment by the suppliers and their subcontractors. The SAQ, or an external resource designated by the SAQ, may also perform said audits to determine compliance with this Code, including by conducting site visits and consulting the relevant supplier(s) and subcontractor(s) records. At any time, suppliers and their subcontractors shall grant the SAQ and its representatives reasonable and swift access to their site and the relevant records.

Sanction

Any failure to comply with the present Code may result in sanctions by the SAQ, ranging from a simple warning to notification to the supplier to correct such failure, disqualification, prohibition from participating in the bidding process, rejection of one or all of the supplier's bids, conditional awarding of the contract, cancellation and termination of the contract for default.

Reporting

To report any concern, potential or actual violation of this Code:

- SAQ's Internal Audit department: 514 254-6000, ext. 5253
- Confidential hotline for the disclosure of wrongdoing: 1 877 888-6891
Internet: www.saq.ligneconfidentielle.com
Email: interne.audit@saq.qc.ca

Complementary information

This Code does not cover every situation suppliers may face in their business relations with the SAQ, but this does not exempt them from respecting the spirit of this Code and the company values.

The French version of the Supplier Code of Conduct of the SAQ is the official version, and takes precedence over the English translated version.

References

- [SAQ Code of Ethics and Conduct for Employees](#)
- [Politique générale de la sécurité de l'information](#) (French only)
- [SAQ's Guides and standards for the management of alcoholic beverages](#)
- [SAQ Responsible Procurement Policy](#)
- [Integrity in Public Contracts Act](#)
- [Universal Declaration of Human Rights](#)
- [International Labour Organization \(ILO\) Conventions](#)
- [ILO Declaration on Fundamental Principles and Rights at Work](#)
- [United Nations Convention against Corruption](#)
- [OECD Guidelines for Multinational Enterprises](#)
- [Transparency International The global coalition against corruption](#)

Acknowledgements

This Code was developed in consideration of best practices, including those of government corporations.

The Société des alcools du Québec Supplier Code of Conduct was produced by the Public Affairs and Communications Division and the office of the Secretary General.

The generic masculine is used without discriminatory intent and solely to facilitate reading.

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