

KnowTheChain – Response due by June 22, 2018

Additional Disclosure Information

- Review the Loblaw's 2017 Annual Report and 2017 CSR Report. These documents were published after the original KnowTheChain submission
- Share Loblaw Sustainable Seafood Commitment (2013)

Considerations

- Loblaw is Canada's largest retailer and has created some of Canada's most recognized and favourite brands (President's Choice, no name, Joe Fresh, Farmer's Market, Life Brand, etc.). Loblaw operates its business solely in Canada and owns no production facilities and relies on strong policies and relationships with suppliers to ensure our Supplier Code of Conduct and sourcing guides are adhered to. For resources at risk and sourced raw materials for our control-brand products, we rely on various third-party certifications that include no forced labour, child labour and human trafficking clauses, to ensure the materials we source are ethically sourced. We have a section on Loblaw.ca that details this:
<http://www.loblaw.ca/en/responsibility/Ethical-Sourcing.html>
- Industry roundtables, coalitions, agreements, associations and NGO's Loblaw either works with, enforces, or is a member of, includes but is not limited to:
 - Accord on Fire and Building Safety in Bangladesh
 - Aquaculture Stewardship Council (ASC)
 - Best Aquaculture Practices (BAP)
 - Canadian Roundtable for Sustainable Beef
 - FAIRTRADE
 - Forestry Stewardship Council (FSC)
 - Global Sustainable Seafood Alliance (GSSI)
 - Marine Stewardship Council (MSC)
 - Rainforest Alliance Certified
 - Roundtable for Sustainable Palm Oil (RSPO)
 - UTZ Certified
 - WWF-Canada

Questions from KnowTheChain (including reference column):

1. If LCL is required to report under the California Transparency in Supply Chains Act
 - **Answer:** No
2. Seeks clarification on the Vendor Code of Conduct and Supplier Code of Conduct being the same document or different document **(B)**
 - **Answer:** These are the same thing.
3. If the 2016 Supplier Code of Conduct is currently being updated? **(B)**
 - **Answer:** It was updated in 2016
4. How is the Supplier Code of Conduct communicated to suppliers?
 - **Answer:** It is on the website and they need to sign it
5. Team/committee responsible for oversight of human trafficking or forced labour in supply chain **(P)**

- **Answer:** Boots on the Ground program – 25 compliance managers tasked with visiting and engaging factories to ensure our standards are being met, and that workers are safe and treated fairly (2017 CSR report)
6. Board member or board committee tasked with the oversight of human rights and/or supply chain policies and standards that address forced labour and human trafficking **(Q)**
 - **Answer:** Board of Directors, Environmental Health and Safety Committee
 7. The training of all relevant decision-makers within the company on risks, policies and standards related to human trafficking and forced labour **(U)**
 - **Answer:** NA
 8. Two examples of engagements on forced labour and human trafficking with policy makers, worker rights organizations, local NGOs, or other relevant stakeholders and actively participating in one or more multi-stakeholder or industry initiatives focused on eradicating forced labour and human trafficking **(Z + AA)**
 - **Answer:** (Review list above)
 - i. Accord on Fire and Building Safety in Bangladesh
 - ii. Global Sustainable Seafood Initiative
 - iii. Roundtable on Sustainable Palm Oil
 9. The names and addresses of first-tier suppliers, countries, raw materials at high risk of forced labour and human trafficking **(AE, AF, AG, AH)**
 - Factory disclosure for apparel including country ([http://www.loblaw.ca/content/dam/lc/corp/pdfs/Responsibility/Supply%20Chain%20Disclosure%20\(V3\)%20\(Spring%202018\).pdf](http://www.loblaw.ca/content/dam/lc/corp/pdfs/Responsibility/Supply%20Chain%20Disclosure%20(V3)%20(Spring%202018).pdf))
 - Cotton Pledge – Loblaw commitment to not source cotton from Uzbekistan and Turkmenistan – 2017 CSR report
 10. Taking steps towards responsible raw material sourcing and adopting responsible purchasing practices in the first-tier of its supply chain **(AQ + AR)**
 - **Answer:** 2009 Seafood commitment to source 100% sustainable seafood. To date, roughly 94% has been sourced from sustainable sources (including MSC, ASC, BAP – which address forced labour and human trafficking)
 - Loblaw’s requirement that all palm oil used in control brand products to support one of the RSPO supply chain models.
 11. Assesses risks of forced labour at potential suppliers prior to entering into any contracts with them **(AW)**
 - **Answer:** NA
 12. Integrates supply chain standards addressing forced labour and human trafficking into supplier contracts **(BA)**
 - **Question:** “The company discloses on its website that its Vendor Terms and Conditions clearly prohibit the use of forced and child labor. However, it does not disclose the language used.” – **What language specifications are being requested?** Section 2.6.1 of the supplier code of Conduct stipulates that all workers must have access to the terms of any worker contracts. Contracts are presented to workers in the native language of the worker.
 13. Requires its first-tier suppliers to ensure that suppliers implement standards that are in line with our supply chain standards addressing forced labour and human trafficking **(BE)**

- **Answer:** Through the pledge to not source cotton from Uzbekistan (2013) and Turkmenistan (2017), we require the factories we source our textiles from to not use cotton from these two countries due to the forced labour of children in the autumn cotton harvests – review 2013 and 2017 CSR reports
14. Requires that no worker in its supply chain pay for a job (the costs of recruitment should be borne not by the worker but by the employer, and takes steps to ensure that such fees are reimbursed to the workers in the event that it discovers that fees have been paid by workers in the supply chain **(BO + BP)**
- **Answer:** Review Supplier Code of Conduct, section 2.2.2 “Workers must not be required to deposit funds or personal documents as a condition of their employment”
 - The compliance managers are tasked with inspecting factories and interacting with workers to ensure that workers are safe and treated fairly. Ensuring workers are not abused or that fees were paid by workers, is part of the compliance managers portfolio of work.
15. Migrant Workers **(BX- CB)**
- Steps to ensure migrant workers understand the terms and conditions of their employment
 - i. **Answer** – Supplier Code of Conduct section 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.”
 - Takes steps to ensure migrant workers are not discriminated against and retaliated against when they raise grievances
 - i. **Answer** : Supplier Code of Conduct, section 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.”
 - ii. Supplier Code of Conduct section 2.4.2 “Monetary penalties are not to be used as a form of discipline.”
 - iii. Supplier Code of Conduct section 2.5.1 “Workers or their representatives must be permitted to associate and bargain collectively.”
 - Provides evidence of how it works with suppliers to ensure migrants workers' rights are respected.
 - i. Supplier Code of Conduct section 2.4.1 “Workers must not be subjected to any form of verbal, physical or sexual abuse or harassment or any form of intimidation.”
16. Ensures its human trafficking and forced labor policies and standards are available to supply chain workers in their native languages, and that its human trafficking and forced labor policies and standards are communicated to workers in its supply chain. **(CF + CG)**
- **Answer:** Supplier Code of Conduct section 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.**”
 - The Supplier Code of Conduct is posted in public places in factories where Loblaw sources from
17. 6.1 Auditing Process **(DG-DK)** – review Sourcing section of 2017 CSR report where discussion on auditing process is more clearly explained. Loblaw is an active member and signatory of the Accord

on Fire and Building Safety in Bangladesh, and have signed on to the Transition Accord, which will continue the work of the Accord for another three years.