

McGill UNIVERSITY SUPPLIER CODE OF CONDUCT

PREAMBLE

McGill University's Supplier Code of Conduct ("Code") is used as a means to align McGill University's business relations with its suppliers with the fundamental principles of sustainability, integrity, equity and accountability, established in the following University policies:

McGill University's Procurement Policy (Board of Governors, 2013)

McGill University's Sustainability Policy (Board of Governors, 2010)

OBJECTIVE

This Code establishes McGill University's minimal requirements for the management of ethical, social and environmental risks and opportunities, as it engages in business relations with its suppliers. The principles detailed in this Code apply to all McGill University suppliers, which are expected to apply similar principles throughout their own supply chain and business practices.

SCOPE

This Code applies to all parties contracted by McGill University for the supply of goods or services, and compliance with this Code is an integral part of the various conditions to become an approved supplier of McGill University. Additional obligations, specifications and conditions pertaining to the supply of goods and/or services by McGill University suppliers are described in individual contract documents executed with McGill University.

1. Ethical Principles for McGill University Suppliers

The Procurement Policy stresses the importance of conducting business with ethically irreproachable suppliers, who comply with all applicable laws and regulations.

McGill University suppliers are required to meet the strictest ethical standards regarding but not limited to the following:

1.1 Business integrity and disclosure

No money, gift, advantage, favour or any promise thereof shall be offered or given directly or indirectly by a supplier to influence the conduct of McGill University staff, faculty, students or executives in any manner that contravenes McGill University's Procurement Policy. This includes gifts, privileges, hospitality, entertainment offers, or other similar benefits regardless of who they are given or offered to.

Suppliers must uphold the principles of integrity and transparency of their business practices, which shall include respecting local, regional, national and international laws, regulations, rules and codes pertaining to the disclosure of their business activities, structure and financial situation.

1.2 Equity

McGill University takes all possible measures to ensure fair competition among its suppliers and expects its suppliers to act accordingly for their own activities. No privileged information (regarding prices, pricing methods, bidding strategies, contract terms and conditions, technology, and/or specifications) may be shared among competitors in ways that can interfere or restrain fair business and competition. McGill University reports and cooperates with law enforcement authorities when there is reasonable suspicion of anti-competitive behavior.

1.3 Accountability

McGill University empowers some of its faculty and staff to carry out procurement activities on its behalf and holds them accountable for doing so in compliance with all relevant laws and regulations. McGill University expects the same reciprocal accountability from its suppliers and their employees, sales agents and subcontractors, at all times throughout the procurement process (from pre-contract award activities, to post-contract award activities).

1.4 Intellectual Property Rights and Confidentiality

In the course of working with McGill University, suppliers may not use proprietary information, patented technology or copyrighted software, documentation, or other materials from third parties without their authorization. Suppliers must safeguard confidential information and implement effective and enforceable controls consistently applied and verifiable by McGill University to ensure that their contractual confidentiality obligations are fully met.

2. Social Principles for Suppliers

McGill University seeks to uphold human rights and labour rights, locally and abroad, and expects its suppliers to do the same in their own operations and those of their own subcontractors throughout their supply chain.

2.1 Human rights

McGill University strives to align its procurement activities with its support and defense of human rights, and therefore demands from its suppliers that they work in step and conduct their activities and business relationships in full respect of the human rights described in the *United Nations' Universal Declaration of Human Rights*.

2.2 Health and safety

McGill University expects its suppliers and their own subcontractors to respect all the relevant health and safety laws and regulations enacted in the countries and local areas where they conduct their activities. This includes building safety laws and regulations.

Where local health and safety laws and regulations (or their implementation) differ from the requirements set forth in the International Labour Organisation (ILO)'s international instruments relating to occupational health and safety, the stricter requirements shall prevail and must be respected by McGill University's suppliers and their own subcontractors.

2.3 Labour rights

McGill University's suppliers must abide by the International Labour Organisation (ILO) Conventions pertaining to the following matters: Forced Labour, the Freedom of Association, the Protection of the Right to Organise and Collective Bargaining, Equal Remuneration, Discrimination, Child Labour, Hours of Work, and Maternity Protection.

Where local labour rights (or their implementation) differ from the requirements set forth in the ILO Conventions, the stricter requirements shall prevail and must be respected by McGill University's suppliers and their own subcontractors.

3. Environmental Principles for Suppliers

McGill University recognizes the finite capacity of the biosphere to accommodate human activities and the need to minimize the use of natural resources and energy. It seeks to engage in business relations with suppliers who share this concern and who respect the following principles:

3.1 Legal Compliance

McGill University directs its suppliers to abide by all environmental laws and regulations enacted in the countries and local areas where they conduct their activities and it expects that suppliers require and reasonably verify compliance by their own subcontractors with environmental laws and regulations enacted in the countries where such subcontractors operate.

3.2 Environmental Management

Suppliers are expected to manage and reduce the negative environmental impacts of their operations, products, services, and those of their own supply chain, in light of their full life cycle. Suppliers should endorse the precautionary principle throughout their decision-making, and seek to apply principles similar to McGill University's *4R hierarchy* (Rethink, Reduce, Reuse, and Recycle) in relation to the management of their energy, water, and material flows.

3.3 Animal Welfare

Suppliers whose operations or supply chains involve animals must follow best practices in supporting animal welfare and conduct their activities in respect of the internationally recognized *Five Freedoms* for animals:

- Freedom from hunger and thirst
- Freedom from discomfort
- Freedom from pain, injury or disease
- Freedom to express normal behaviour
- Freedom from fear and distress

McGill University directs its suppliers to abide by all animal welfare laws and regulations enacted in the countries where they conduct their activities and it expects that suppliers require and reasonably verify compliance by their own subcontractors with the animal welfare laws and regulations enacted in the countries where such subcontractors operate.

Where local animal welfare laws and regulations differ from the *Five Freedoms*, the stricter requirements shall prevail and must be respected by McGill University's suppliers and their own subcontractors.

4. Governance

McGill University values continuous improvement and transparency. It requires its suppliers to adopt the necessary means (environmental management systems, third party certifications, policies, or other approaches) to ensure their compliance with this Code.

Suppliers are encouraged to report or communicate publicly, their ongoing efforts to improve the sustainability of their operations, products, services, and supply chain. However, suppliers may not promote or publicize their compliance with this Code.

5. Monitoring

Suppliers are responsible for monitoring their compliance with this Code and seeking continuous improvement in applying its principles. McGill University shall collaborate with its suppliers, encourage their adherence to this Code, and provide support by identifying improvements or remedial actions when needed. McGill University may, at its sole discretion, demand proof of compliance with this Code, and may ask its suppliers to validate compliance with an independent third party at the supplier's expenses. If McGill University is of the opinion that a supplier's ability to comply with this Code is at issue, or that a supplier's disclosure or any other information brought to McGill University's attention warrants further scrutiny by McGill University, such supplier will grant McGill University and its designated agents access to its facilities and will facilitate the arrangement of interviews with individuals of McGill University's choice to monitor compliance with this Code. McGill University may terminate its contractual agreement(s) with suppliers who fail to meet the requirements of this Code and/or fail to demonstrate diligence in realigning their activities with the principles contained herein.

6. Reporting

McGill University suppliers, individuals involved in McGill University's supply chain, faculty, staff and students, or anyone who witnesses irregularities or supplier behaviours incompatible with this Code are expected to contact and inform McGill University's Internal Audit unit by using the following email address: internal.audit@mcgill.ca

Complaints for alleged misconduct by McGill University suppliers should provide sufficient details to allow the proper investigation of the matter at issue while minimizing any disruption caused by such investigation. Complaints should not be frivolous in nature, and may not be used for personal or commercial purposes. As part of its investigation, McGill University will seek to maintain confidentiality and the protection of individuals' rights and freedoms. If the investigation reveals an alleged illegal activity, McGill University will promptly communicate with the relevant authorities or police force.

NOTE: Complaints involving McGill community members' misconduct in relation to purchasing or procurement must be dealt with separately and in accordance with McGill's Policy on Safe Disclosure.