
Supplier Code of Conduct



■ Supplier Code of Conduct

Contributing to a sustainable and responsible economy is a key priority for Loto-Québec and its subsidiaries (hereinafter “Loto-Québec” collectively). To this end, the organization adheres to the principles of responsible procurement, both in choosing goods and services to acquire and in selecting Suppliers to do business with.

This Supplier Code of Conduct (hereinafter the “Code”) is one of the operational tools Loto-Québec has established to involve its Suppliers in the process, whether they work in Québec, elsewhere in Canada, or outside the country. Its aim is to encourage Suppliers to consider environmental, social, and governance (ESG) factors in their activities throughout the supply chain.

The Code is supported by Loto-Québec’s Corporate Social Responsibility Plan, the International Labour Organization’s fundamental conventions, and the United Nations Universal Declaration of Human Rights. It is in addition to the applicable laws and regulations of Québec, Canada, and other countries.

1. Purpose of the Code

The Code sets forth the principles that Loto-Québec Suppliers must follow in terms of ethical business practices, fair and equitable working conditions, safe and healthy workplaces, and environmental protection.

2. Application of the Code

2.1. Scope

The Code applies to all Loto-Québec Suppliers. The term “Supplier” refers to any organization along with its representatives, shareholders, affiliates, directors, employees, and subcontractors, irrespective of rank, that directly or indirectly provide goods or services to Loto-Québec. It also includes any bidder seeking to do business with Loto-Québec.

2.2. Contractual implications

The Code is an integral part of the contractual documents binding Suppliers and Loto-Québec.

The Code does not cover all situations Suppliers may be exposed to in their business relationship with Loto-Québec and in no way exempts them from adhering to the letter and spirit of the Code.

Other requirements may be specified in invitations to tender and contracts. In the event of a discrepancy between the provisions of the Code and those of a contract between Loto-Québec and a Supplier, the provisions of the contract will take precedence.

2.3. Compliance

Suppliers are expected to put in place verifiable measures and procedures for adhering to the Code, complying with applicable laws and regulations, and meeting their contractual obligations in their operations and supply chains. Suppliers must retain the information necessary to demonstrate their compliance with the Code.

To ensure that its policies and due diligence process are being complied with, Loto-Québec reserves the right to verify Supplier compliance with the Code, in particular through self-assessment questionnaires, requests for documents or information, facility inspections, and audits conducted by Loto-Québec and its designated contractor.

Depending on what is procured, either the requesting division or Loto-Québec's Procurement Department is responsible for Code enforcement.

2.4. Reporting non-compliance

Anyone with a legitimate concern that a Loto-Québec Supplier is in violation of the Code may report it confidentially by email to plaintes@loto-quebec.com.

2.5. Remedial measures and sanctions

Loto-Québec advocates a collaborative approach and dialogue with its Suppliers to identify risks of non-compliance and possible improvement measures.

In the event of a breach of the Code, Suppliers will be subject to remedial measures commensurate with the severity of the breach observed. Such measures may include but are not limited to warnings, notice requiring the Supplier to correct the breach, partial or complete termination of the contract or contracts, conditional award of contracts, rejection of a bid, or prohibition from participating in invitations to tender for a given period of time, at the discretion of Loto-Québec.

3. Rules of conduct

3.1. Ensuring ethical business practices

In all of its business relationships, Loto-Québec expects, in line with its values, that its partners act with integrity and adhere to responsible business practices. Suppliers must maintain the highest standards of ethics and integrity and apply the following rules of conduct in their activities:

- Comply with applicable laws and regulations.
- Refrain from any involvement in activities or attempts to bribe, collude, extort, misappropriate, peddle influence, conspire, falsify documents, or engage in any other fraudulent or illegal practice.
- Refrain from associating with or participating directly or indirectly in the activities of a criminal organization, including but not limited to money laundering.
- Refrain from entering into any agreement or associating in any way with a competitor operating illegally in the same fields as Loto-Québec.
- Refrain from making any false, misleading, or deceptive statements, including but not limited to those relating to requests for payment or invitations to tender.
- Refrain from any act or omission intended to prevent or impede investigation by Loto-Québec of any alleged breach of the Code.
- Never engage in conduct that could compromise the integrity of the staff or the reputation of Loto-Québec, such as the acceptance of gifts, benefits, or invitations in exchange for any advantage whatsoever.
- Protect personal information and the confidentiality of business information at all times.
- Protect the intellectual property of Loto-Québec and third parties.
- Anticipate and immediately report any situation likely to create a conflict of interest as well as any evidence or knowledge of unethical practices likely to put Loto-Québec in a position that violates laws and regulations.

3.2. Providing fair and equitable working conditions

Job fulfilment and worker well-being are top priorities for Loto-Québec throughout the supply chain, whether the workers in question are employed directly by Loto-Québec, by Loto-Québec Suppliers, or by subcontractors of those Suppliers. To this end, Loto-Québec expects its Suppliers to conduct their activities with respect for human dignity by:

- Respecting human rights as defined by the United Nations Universal Declaration of Human Rights and the Charter of Human Rights and Freedoms;
- Establishing mechanisms to ensure compliance with the International Labour Organization's Fundamental Conventions on freedom of association, effective recognition of the right to collective bargaining, abolition of all forms of forced or

compulsory labour, abolition of child labour, and elimination of discrimination in respect of employment and occupation;

- Ensuring decent and fair working conditions, such as decent wages, paid overtime, equal pay, reasonable working hours and other protections and benefits provided for in laws and regulations;
- Providing workplaces free from all forms of harassment, intimidation, violence, and abuse, with processes in place to enable employees to raise concerns and express themselves without fear of reprisal;
- Promoting a local economy and seeking Suppliers of diverse backgrounds, i.e., from traditionally marginalized or underrepresented groups (including women, Indigenous peoples, visible minorities, ethnic minorities, people with disabilities, and members of the 2SLGBTQIA+ community) to strengthen the economic and social viability of the regions in which they are active, together with their communities.

3.3. Providing safe and healthy workplaces

Loto-Québec considers health and human safety a priority. Its Suppliers must ensure that:

- All personnel involved in any stage of the production of goods or provision of services have a healthy, safe working environment that protects them from work-related accidents through the implementation of occupational health and safety standards in compliance with current regulations or national and international standards;
- Its operations do not adversely affect the health and safety of the surrounding population.

3.4. Protecting the environment

Loto-Québec is aware of the environmental challenges facing society and sees reducing its environmental footprint as critically important. In addition to complying with regulatory requirements, Loto-Québec Suppliers must take measures and implement environmental management systems to ensure:

- Optimal use of natural resources through the conservation and efficient management of raw materials including energy, water, forest products, and rare earth elements;
- Ecosystem preservation by contributing to the conservation and regeneration of natural habitats and the reduction of pollutants through measures to limit air, water, soil, and other pollution;
- The reduction of greenhouse gas emissions;
- Waste management through zero-waste strategies and the 4Rs (reduce, reuse, recycle, recover);
- The use of eco-design principles for goods and services provided, wherever possible.

4. References

- [Charter of Human Rights and Freedoms](#)
- [Universal Declaration of Human Rights](#)
- [The International Labour Organization's fundamental conventions](#)
- [OECD Guidelines for Multinational Enterprises on Responsible Business Conduct](#)
- [United Nations Convention against Corruption](#)
- [Code of Ethics for Loto-Québec Employees and Subsidiaries \(in French only\)](#)
- [Code of Ethics and Rules of Professional Conduct for Directors and Managers of Loto-Québec and Its Subsidiaries \(in French only\)](#)
- [Loto-Québec Social Responsibility Plan \(CSR\) \(in French only\)](#)