



**The Bernard Group**

EXPERIENCE RETAIL DIFFERENTLY

## **Sustainable Procurement Policy and Code of Conduct**

The Bernard Group is committed to continually improving the sustainability level of our supply chain by incorporating environmental and social principles into our purchasing program.

Through this procurement policy, we intend to make our operations more sustainable by:

- Upholding the laws and regulations of the respective countries we operate in
- Endorsing highest standards of economic, social, ethical and environmental practices
- Identifying and moderating risks associated with our procurement process
- Communicating the policy with stakeholders (internal and external) and raising awareness among our suppliers

### **Scope of Commitment**

Our Sustainable Procurement policy applies to all suppliers of the The Bernard Group. The policy helps identify and evaluate qualified suppliers, promote best practices, and serve as a communication and improvement tool for the industry. Our commitment also extends to all individuals throughout our supply chain, and we use our relationships with our suppliers and other business partners to encourage and promote the principles of this policy throughout their networks.

As a company, we abide by the laws where we operate. We expect our suppliers to share our commitment and standards by adopting similar policies within their business operations and, where possible, work with them to develop the capacity to do so.

### **Focus and Important Issues**

In accordance with our commitment to the highest standards, we expect our suppliers to aspire to the same standards in their business operations, including but not limited to:

#### Environment:

Comply with TBG's [Environmental Policy](#)

- Comply and adhere to all the applicable environmental laws in respective countries/jurisdiction
- Undertake initiatives to promote greater environmental responsibility such as:
  - o Responsible waste management and disposal

- o Reduction of greenhouse gas and other emissions harmful to the environment
- o Conservation of natural resources

### Wood Products

- TBG practices and promotes the efficient and responsible use of wood and wood products.
- TBG gives preference to the purchase of wood and wood products that are certified by the Forest Stewardship Council (FSC) and the Program Endorsement for Forest Certification (PEFC). TBG commits to source wood that:
  - o comes from a known source;
  - o is legally harvested and traded;
  - o does not threaten high conservation value or high carbon stock forests;
  - o does not come from deforestation or other ecosystem conversion, which leads to biodiversity loss, including that of rare, threatened and endangered species;
  - o is not endangered;
  - o is harvested and produced in a way that recognizes and upholds indigenous and other local community rights and customs;
  - o is harvested and produced ensuring that human and worker rights are protected, including decent and humane working conditions and no forced labor.
- TBG promotes and supports the development and use of alternative environmental products.
- TBG expects its vendors and their suppliers of wood and wood products to maintain compliance with laws and regulations pertaining to their operations and the products they manufacture.

### Business Ethics:

Comply with TBG's [Anti-Corruption, Anti-Bribery](#)

- Obey all relevant international and domestic laws regarding ethical business practices
- Demonstrate existence of procedures to prevent:
  - o Money laundering
  - o Fraud, bribery, corruption
  - o Conflicts of interest
  - o Data security issues

### Labor and Human Rights:

Comply with TBG's [Human Rights Policy](#)

- Comply with all applicable laws, in accordance with the principles of the International Labor Organization, the UN Global Compact and the UN Universal Declaration of Human Rights
- Provide all workers with a safe and healthy working environment

#### Community Development:

- Provide employees with a living wage, at a minimum
- Partner with the local governments and communities to improve the education, cultural, economic, and social well-being of communities in which they operate

### **Implementation**

Based on the sustainable procurement policy and its CSR commitment, TBG promotes and implements sustainable procurement by working together with suppliers.

To better understand the strengths and vulnerabilities of suppliers, the TBG works with EcoVadis to conduct enhanced environmental, social and governance (ESG) risk assessments of its suppliers. Consistent with the sustainable procurement policy, the ESG issues assessed include energy consumption, water, biodiversity, pollution, waste, customer safety, industrial safety, labor practices, human rights, corruption, bribery, fraud, money laundering, and sustainable procurement.

In 2021, we reached our goal of 30% completed third-party assessments with EcoVadis. Of suppliers who were reviewed, 60% scored an overall average score of 45 or higher, which indicates a commitment to Sustainable Procurement Practices.

TBG's goal is to increase EcoVadis assessments from 30% to 60% for its Level 1 suppliers by 2023.

### **Corruption Due Diligence**

In compliance with international trade regulations, TBG conducts visual compliance restricted party screening through Descartes on all of our suppliers to ensure that all suppliers are free from corruption and bribery and adhere to the laws and regulations of the countries where they operate.

### **Governance and Accountability**

Management of sustainable procurement is the responsibility of the Senior Management team, which includes senior leaders and the Director of Corporate Social Responsibility. Ultimate oversight of sustainable procurement results with our Board of Directors.

We understand that procurement performance improvement is a continuous process and recognize the contribution of our suppliers in our journey to become more sustainable.

Below are the key performance indicators for activities relevant to The Bernard Group's Sustainable Procurement Program over the past year and quantitative targets for 2023.

Indicators	2021	2022	2023
<b>SUSTAINABLE PROCUREMENT</b>			
Percentage of targeted suppliers who have signed the supplier code of conduct	0%	0%	100%
Percentage of targeted suppliers with contracts that include clauses on environmental , labor, and human rights requirements	0%	0%	100%
Percentage or number of targeted suppliers covered by a CSR assessment	100%	50%	75%
Percentage of Suppliers covered by a CSR on-site audit	0%	10%	20%
Percentage or number of all buyers who received training on sustainable procurement	100%	100%	100%
Percentage of audited/assessed suppliers engaged in corrective actions or capacity building	25%	13%	40%