
GS1 CANADA POLICY ANTI-COMPETITION STATEMENT

JANUARY 2017

Policy of Statement

GS1 CANADA works closely with representative supply chain leaders, major retailers, manufacturers and small medium enterprises (“SME”) in the development and voluntary individual company adoption and implementation of GS1 standards and protocols to improve data exchange efficiencies and complexities, improve product information quality, and support the development of traceability systems of the future. GS1 CANADA, thus, may involve the interaction of direct competitors and can in some cases raise competition law concerns under the Canadian federal *Competition Act* (“the Act”) and other provincial fair-trade legislations.

GS1 CANADA has therefore developed this Anti-Competition Policy Statement (“the Policy”) to preserve and promote competition and to deter anticompetitive conduct. This Policy applies to all subscriber and non-subscriber participants in GS1 CANADA activities.

By signing up to the Policy, attendees at GS1 CANADA meetings can minimise this risk and justifiably participate in the development of global standards and best industry practices for all subscribers.

Every company participating in GS1 CANADA activities remains individually responsible for its compliance with their respective provincial and/or federal competition laws and this Policy does not detract from that responsibility.

The Chief Executive Officer and President will be tasked with communicating GS1 CANADA’s Policy statement to all subscribers through GS1 Canada’s website. This responsibility may be delegated to GS1 CANADA’s staff representing the organization at Board of Governors and Sector Boards meetings. The Policy will be included in the Agenda of all Board of Governors and Sector Boards meetings. A summary of the Policy will be read as the first item of business at all such meetings.

Adherence to Law:

It is GS1 CANADA’s policy that any and all discussions held at GS1 CANADA meetings or events must be conducted in strict compliance with the federal or provincial competition, fair-trade, anti-trust and anti-monopoly laws of Canada.

The Act comprehensively sets out the competition law of Canada. With few exceptions, it applies to all businesses in Canada. The Act prohibits certain criminal offences (such as price-fixing and bid-rigging conspiracies, resale price maintenance, price discrimination and predatory pricing). The Act also contains noncriminal provisions which allow the Competition Tribunal to review mergers and certain business practices (such as tied selling, exclusive dealing, refusal to deal and abuse of dominance), and, in certain circumstances, to issue orders prohibiting or correcting the conduct so as to eliminate or reduce its anti-competitive impact.

Violations of the federal and provincial antitrust, fair-trade and anti-competition laws can result in serious penalties for both companies and individuals.

Fair Practices:

This Policy applies to all participants of GS1 CANADA meetings held at GS1 CANADA premises, hosted externally, and virtual meetings (i.e. teleconferences). The following is a non-exhaustive list of fair practices adopted by GS1 CANADA:

1. Attendees at GS1 CANADA meetings acknowledge that the underlying aim of GS1 CANADA activities is often to enhance the ability of organisations of all sizes to compete more efficiently and effectively through the implementation of efficient supply chain practices based on GS1 standards, protocols and services.
2. Participation in GS1 CANADA activities is voluntary and failure to participate shall not be used to penalise any company.
3. All discussions during GS1 CANADA meetings must be limited to agenda items that counsel for one of the participants has reviewed and approved. Written agendas and minutes of all GS1 CANADA meetings should be kept to ensure that discussions are limited to legitimate issues such as lobbying and promoting best practices for the industry.
4. If a meeting or discussion covers subjects which are contrary to this Policy, GS1 CANADA will terminate that meeting or discussion immediately. A meeting participant should invite GS1 CANADA to terminate a meeting if it is felt that the Policy has been breached. There should be no discussion or conduct at social events incidental to GS1 CANADA meetings that would not be proper at the meetings themselves.
5. The output of GS1 CANADA meetings have the status of recommendations which may be implemented by member and non-member companies as they see fit. When implementing GS1 CANADA standards and protocols, Board of Governors will consider the costs associated with implementing its standards and protocols for all of its subscribers. Individual companies remain free to make independent, competitive decisions about implementation.
6. There shall be no discussion at GS1 CANADA meetings of commercial terms that are contrary to the philosophy of the Act and other provincial fair-trade legislations, including
 - Agreeing to raise, lower, hold or fix present or future purchase or selling prices or other factors that might affect prices such as discounts or margins, and terms and conditions of sale;
 - Agreeing to limit or control production, markets, technical development or investment;
 - Agreeing to any restrictions upon production, boycotts or refusals to deal;
 - Agreeing to share markets or supply sources or allocation of territories, markets, or customers;

- Agreeing to apply different trading conditions to equivalent transactions, thereby placing some parties at a competitive disadvantage;
- Agreeing to make contracts subject to unrelated conditions;
- Any discussion of profits, profit margins or cost data of one's own, or those of a competitor;
- Any discussions regarding selection, rejection, or termination of customers or suppliers.

Fair Representation:

GS1 CANADA's Board of Governors and Sector Boards are comprised of industry leaders who are committed to the voluntary adoption of GS1 standards and in the development of standards-based, industry-wide non-proprietary solutions that benefit industry as a whole (i.e. major retailers to SMEs).

In accordance with the GS1 Canada governance nomination policy, the Nominations & Governance Oversight Committee (Committee) oversees the composition of GS1 Canada's Board of Governors and all the Sector Boards and reviews and approves nominations to ensure the Boards are representative of the industry as a whole. Nominations are received through GS1 Canada management from industry. The selection criteria include:

- Nominee's professional designations;
- Nominee's board affiliations;
- Nominee's current organization responsibilities;
- Nominee's ability to commit their organization to support the decisions of the Sector Board; and
- Nominee's skills and experience that will support Sector Board decision making.