

# **CGT SUPPLIER**

## Code of Conduct



## PREFACE

Canadian General-Tower Ltd. (CGT) is a global organization, doing business with suppliers and customers across the world. CGT is committed to implementing sustainable environmental practices and ethical business practices that are socially responsible, compliant with all applicable laws and consistent with respect for the ecology of our planet and for the human rights of its citizens. We believe that suppliers who work to continuously improve social and environmental standards will also have in place the essential foundation to consistently produce first-quality goods.

In this Supplier Code of Conduct, we define the requirements that must be met by all of our global suppliers including their affiliated companies. Suppliers are obliged to ensure that their subcontractors and suppliers along the supply chain are taking reasonable actions to improve operations and build a sustainable future. CGT reserves the right to monitor compliance with this code.

This Supplier Code of Conduct addresses requirements for the rights of workers, health & safety, protection, environmental controls, along with ethical business conduct. It requires suppliers to ensure that work-ing conditions in the supply chain are safe, that workers are treated with respect and dignity, and that business processes are environmentally responsible. It also requires that suppliers be in full conformance with the laws, rules and regulations of the countries in which they operate.

This Supplier Code of Conduct also encourages suppliers to meet internationally recognized standards and best practices, in order to advance social and environmental responsibility, and business ethics. In cases where local law and this code have different standards, the higher standard applies.

This Supplier Code of Conduct serves to reinforce and interpret the principles outlined in the UN's Universal Declaration of Human Rights, the conventions of the International Labour Organization (ILO), the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the principles of the UN Global Compact, and the general principles pertaining to Anti-Corruption and Competition Laws.

CGT believes that cooperation between the company and our suppliers is based on a culture of trust, mutual respect, openness, a fair balance of reciprocal interests and equal opportunities. Both parties understand that complying with applicable laws and safeguarding social and environmental standards are the foundation for a successful cooperation and long-lasting business success.



VP of NA Supply Chain



Director Purchasing NA

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# SOCIAL RESPONSIBILITY AND LABOUR

## Prohibition of Child Labour

Suppliers of CGT are prohibited from employing children in violation of the stipulations of the International Labor Organization's conventions (ILO Convention no. 138, 182). Suppliers must ensure that proof-of-age documentation is in place for all employees and that the rights of young employees are protected in compliance with the applicable laws and regulations.

The minimum age of employment for young workers shall comply with the provisions of the Core ILO Conventions. The health, safety and moral of young workers shall be protected accordingly.

## Prohibition Forced Labour & Protections from Human Trafficking

All Suppliers must not, under any circumstances, resort to forced or compulsory labour, modern slavery or human trafficking.

Forced or compulsory labour is any work or service which is forced upon any person under the menace of a penalty and which the person has not entered of their own free will. Forced labour can include practices such as restricting people's movement; withholding wages or identity documents to force them to stay on the job; entangling them in fraudulent debt or wage deductions from which they cannot escape; developing their dependency of in-kind payments; deprivation of food, shelter or other necessities; applying compulsory overtime; loss of social status; etc. (see ILO Conventions no. 29, 105 and Protocol 2014 to ILO C29).

All labour must be voluntary, and employees must be free to end their employment relationship at any time in line with respect of a reasonable notice period according to local law.

All suppliers will ensure that employees understand their rights regarding payment of wages, overtime, retention of identity documents, etc.

Migrant employees, employees who are part of a group that has suffered from long-standing discrimination, young people and unskilled or illiterate employees, and women among these groups, constitute populations which may not be aware of their legal rights. Therefore, suppliers will ensure that they are treated fairly, and their rights are respected.



CGT expects suppliers to comply with the following ethical recruitment principles:

- No retaining, destroying or denying access to the employee identity documents
- No recruitment fees paid by employees
- Labour contracts provided in a language well understood by the employee

If employees are recruited by third parties, it is expected that the suppliers third parties adhere to the above principles.

## Right to Health and Safety in the Workplace

Suppliers shall ensure that the health and safety (H&S) risks to their employees, contractors and members of the public which arise from their operations are reduced as far as is reasonably practicable.

Suppliers will carry out their operations in a safe manner in line with relevant regulation, approved codes of practice and industry best practice and in a way that does not expose any person to the risk of injury or ill health. Suppliers will provide their H&S performance measure and associated improvement plan, upon request.

Suppliers will provide training to their employees and anyone else impacted by their activities (in their primary language), where the details may include training on how to use work equipment; manual handling; fire safety, emergency response and preparedness; first aid; personal protective equipment and training relevant to the particular H&S risks relevant to their operations. H&S safety related information shall be clearly posted in the facility.

Suppliers are encouraged to initiate and support worker H&S committees to enhance ongoing health and safety education and to encourage worker input on, and participation in, H&S issues in the workplace.

Suppliers will ensure the provision and maintenance of protection equipment, at no cost to the employees. Suppliers will promptly communicate any safety concern related to products and make suggestions to improve product safety.

Suppliers will identify, evaluate, and control worker exposure to hazards of physically demanding tasks, including manual material handling and heavy or repetitive lifting, prolonged standing, and high repetitive or forceful assembly tasks.



## Working Hours

Working hours (including overtime), as well as break times and periodic days off, shall be compliant with applicable local laws. Overtime work should be voluntary and paid as such.

Work or service outside normal daily working hours will not be imposed by exploiting an employees' vulnerability under the menace of a penalty. For example, employers shall not set performance targets that result in an obligation to work beyond normal working hours because of the employees' need to be able to earn the minimum wage.

## Fair Wages

Employees must be paid in a fair and timely manner, and the basis on which employees are being paid must be clearly conveyed.

Suppliers are expected to remunerate their employees with an adequate wage which is amounting to at least the minimum wage as established by the local law or determined in accordance with the regulations of the place of employment, so that a decent living for the employee can be ensured. Local living costs and the local social security benefits shall be considered.

## Equality of Treatment and Protection Against Discrimination

Suppliers must not discriminate against any person based on race, colour, age, gender, sexual orientation, ethnicity, disability, religion, political affiliation, union membership, national origin, social origin, marital status, or any other characteristics protected by law in hiring and employment practices such as applications for employment, promotions, rewards, access to training, job assignments, wages, benefits, discipline, termination and retirement (see ILO Convention no. 100, 111).

Employees shall not be subjected to disproportionate stringency or treated in an inhumane manner. This includes sexual harassment, sexual abuse, physical reprimand, physical and mental abuse or the threat of such treatment. This also applies to employment, wages, access to further training, promotion, the ending of the employment relationship or retirement, among other things and any other form of harassment or discrimination must not be tolerated.

Suppliers should provide equal opportunity for women in employment and commit to equal pay for equal work of men and women.



## Rights of Minorities and Indigenous peoples

Suppliers should respect the rights of local communities to decent living conditions, education, employment and social activities.

## Land Rights and Forced Eviction

Suppliers should avoid forced eviction and the deprivation of land, forests and waters in the acquisition, development or other use of land, forests and waters.

## Freedom of Association and the Right to Collective Bargaining

Suppliers must respect the right of employees to associate freely, form and join union or employee representative bodies of their own choice, seek representation, and to bargain collectively, in accordance with the applicable local laws and regulations.

Suppliers shall ensure that representatives of such personnel are not the subject to discrimination and that such representatives have access to their members in the workplace as well as adequate working space in order to work effectively and without interference (see ILO Convention no. 98, 87).

Where the right to freedom of association and collective bargaining is restricted under law, Suppliers should provide employees a parallel mechanism to make their views known to the management and take those into consideration.

## Community

CGT encourages suppliers to engage directly or through partnerships in projects that improve the social well-being of employees and their families in the local community.



# ENVIRONMENT

## Environmental Policy

Suppliers acknowledge that environmental responsibility is an integral part of product manufacture. Production processes shall be designed to prevent negative impacts on the environment and natural resources shall be conserved.

Suppliers will follow applicable local, national, and international environmental laws. Suppliers will obtain and keep current all required environmental permits, approvals, and registrations, follow their operational and reporting requirements, and will provide said documentation to CGT upon request. CGT encourages all suppliers to be bold and go beyond compliance obligations and integrate responsible environmental practices into their strategic business decision.

Suppliers must systematically identify environmental risks for its own production and upstream supply chain and take suitable measures to prevent or minimize any negative environmental impact.

## Decarbonization

CGT believes in a carbon neutral supply chain. Suppliers are requested to develop suitable corporate targets using the Paris Agreement as a basis for setting their Scope 1, 2 and 3 emissions and take measures in line with their targets.

The target assessment shall be done in accordance with suitable methods. Measures should be tracked and documented against the reduction target.

Suppliers must deploy actions on their operational perimeter to improve the energy efficiency and usage of renewable energy of their sites to reduce greenhouse gas emissions. If requested by CGT, suppliers shall report the specific CO<sub>2</sub> per unit of any material and component purchased and are encouraged to set material and component specific CO<sub>2</sub> reduction targets.

## Resource Conservation and Circular Economy

Suppliers should promote sustainable resources through closed loop systems by supporting the use of sustainable, renewable natural resources. Suppliers shall monitor and upon request, inform CGT about the life cycle assessment of the supplied raw material.

Suppliers should opt to use recycled content in their products, bio-based, and renewable materials where these are available and where it is technically feasible to use them.



Suppliers shall implement systematic waste reduction, reuse and recycling approaches to identify, manage, reduce, reuse, recycle and, as last option, to responsibly dispose waste.

## Water Quality Preservation and Management

Suppliers should take all reasonable actions to preserve water resources through an impact assessment of water stress in their operations and integrate water management strategies into their business plans.

Suppliers should measure and monitor their water consumption for each site, establish a baseline and set objectives for reduction. Suppliers should provide information on their reduction targets on upon request to CGT.

Suppliers should conduct a risk assessment of potential impact on flooding either as a consequence of rainwater run-off or their operations.

## Air Quality Management

Suppliers should routinely monitor air emissions, integrate air emissions controls into their business plans that meets or exceeds regulatory requirements for each facility and apply needed corrective actions if air emissions are in violation of regulatory requirements.

Air emissions include, but are not limited to, volatile organic compounds (VOCs), particulate matter (PM), ozone-depleting substances, greenhouse gas precursors and other combustion by-products generated from business operations.

## Soil Quality Preservation

Where appropriate, suppliers should monitor and control their impact on soil quality to prevent soil erosion, nutrient degradation, subsidence and contamination.

## Noise Emissions

Where appropriate, suppliers should monitor and control the levels of industrial noise to avoid noise pollution.

## Prohibited Substances and Materials

Chemicals and other materials, that pose a hazard to the environment if released, shall be identified and managed in a way that ensures their safe handling, transport, storage, use and recycling or disposal. Suppliers shall abide by all applicable national laws and regulations and CGT specifications regarding the prohibition or restriction of specific substances. This includes mandatory labeling for recycling and disposal.



Suppliers must adhere to the European REACH procedures or their national / international equivalent, such as Canadian Domestic Substances List (DSL), the American Toxic Substance Control Act (TSCA), or the Inventory of Existing Chemical Substances in China (IECSC).

Suppliers must disclose on the use and origin of certain substances and materials in order to comply with laws and regulations and actively investigate suitable substitutes for these certain substances to maintain product and environmental stewardship.

## Responsible Sourcing of Minerals

Suppliers shall ensure compliance with OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

Upon request, suppliers shall provide information about their minerals supply chain, including information about their origins.

Suppliers shall exercise due diligence on the origin and supply chain of conflict minerals (3TGs, tantalum, tin, tungsten, and gold) as well as cobalt and mica. Upon request, suppliers shall disclose origin information for these raw materials in their products supplied to CGT.

RMI's Responsible Minerals Assurance Process (RMAP) is the preferred due diligence method to ensure the requirements of the OECD Due Diligence Guidance, the Regulation (EU) 2017/821 of the European Parliament and the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act are adhered to.

Suppliers shall ensure that smelters and/ or manufacturers in CGT's supply chain are not affected by applicable embargo regulations at time of delivery. Affected parties shall be excluded from CGT's supply chain with immediate effect.

## Protection of Biodiversity and Deforestation

Suppliers shall take reasonable actions to protect natural ecosystems and avoid modification, deforestation and degradation of forests. Suppliers are encouraged to identify opportunities to enhance natural ecosystem performance at their businesses and take additional actions to ban the use of pesticides and herbicides along with taking onsite actions to encourage pollinators.

Pollinators are a diverse group of organisms that visit flowers to feed on pollen and nectar or to collect oils and resins. In the process pollinators transfer pollen grains and assist plants in reproduction, supporting productivity in natural and agricultural landscapes.



# GOVERNANCE & BUSINESS PRACTICES

## Compliance with Laws

Suppliers agrees to comply with all applicable national laws and other regulations in the context of its business operations at any time.

## No Corruption and Bribery

Suppliers shall prevent and fight all forms of corruption, bribery, extortion, and improper advantage, and comply with all applicable laws pertaining to these issues.

Suppliers should not, directly or indirectly, offer, promise, give, demand or accept any bribe or other undue advantage to CGT employees, public officials or other private or public actors, with the intention to obtain or retain business or any other improper advantage.

Suppliers should develop and adopt adequate internal controls, ethics and compliance programs or measures for preventing and detecting bribery.

These may include promoting employee awareness of the company policies against bribery and a system of financial and accounting procedures, reasonably designed to ensure the maintenance of fair, transparent and accurate books, records, and accounts.

CGT has a strict policy regarding the acceptance of gifts and gratuity from business partners, including suppliers.

## Disclosure of Information

Information regarding Suppliers business activities and performance reporting shall be disclosed in accordance with applicable laws and regulations as well the prevailing industry expectations (no falsification).

## Fair Competition (Antitrust Law)

Suppliers shall strive for fair business practices, and in all case, must comply with the applicable laws and regulations, notably antitrust / competition laws.

## Conflict of Interests

A conflict of interest exists when an employee or a close relative is liable to benefit personally from a transaction involving CGT or affiliate companies. Conflicts of interest shall be addressed by avoiding, identifying and revealing situations where there is an actual risk of conflict of interest in association with CGT employees or their relatives.



## Information and Data Privacy Protection

Suppliers shall comply with all applicable laws and regulations concerning data protection and data security and shall take all necessary measures to adequately protect personal data and confidential information.

## Intellectual Property Protection

Intellectual property rights must be respected. Transfer of technology and know-how must be done in a manner that protects intellectual property rights.

## International Trade Laws (Import/ Export Laws), Sanctions and Export Control

Suppliers shall comply with all applicable laws and regulations relating to sanctions and trade embargoes, export and import control as well as customs. Suppliers must therefore take all necessary measures to avoid the risk of any violation. Any violation of these laws may have serious consequences, including business disruption and criminal prosecution.



## REPORTING INFRINGEMENTS

Suppliers are free to report violations of this Supplier Code of Conduct to CGT, notably related to (but not limited to):

- Corruption; or Anti-competitive practices;
- Human rights and/or environmental violations;
- Accounting irregularities;
- Breach of confidentiality; or
- Other serious crimes constituting a threat or serious harm to public interest.

The identity of the whistleblower will be kept confidential. Whistleblowers are protected against retaliation (caused by the report being submitted in good faith). Whistleblowers can choose to report anonymously (if permitted by local law).

Suppliers should provide an equivalent operational-level grievance mechanism which is accessible to all employees, suppliers, and the public. Suppliers should not retaliate against anyone who makes a good faith report of a violation of policy or law.

Suppliers should take all reasonable actions to review and close all reported grievances, and provide appropriate remedies when a non-compliance occurs.



## REFERENCES

Below are listed the most important principles and standards that form the basis for our Supplier Code of Conduct and can be regarded as sources of further information:

- United Nations guiding principles on Business and Human Rights
- United Nations Global Compact
- ILO International Labor Standards
- European Automotive Working Group on Supply Chain Sustainability (Guiding Principles)
- AIAG Automotive Industry Guiding Principle
- Responsible Business Alliance (RBA)
- OECD Guidelines for Multinational Enterprises
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas
- RMI's Responsible Minerals Assurance Process (RMAP)
- U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act
- The International Covenant on Civil and Political Rights
- The International Covenant on Economic, Social and Cultural Rights
- ISO 14001: Environmental Management Systems
- ISO 45001: Occupational Health and Safety Management Systems



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