

Ethical Sourcing

Our suppliers are held to global fundamental principles of human dignity. Our Ethical Sourcing Standards are the foundation of our global supply chain initiative, requiring our direct suppliers to protect the health, safety and human rights of their associates. We will not conduct business with suppliers who do not support the fundamental principles of human dignity and rights of workers to fair and equitable treatment.

Suppliers must meet our standards regarding forced labor, child labor, health and safety in the workplace, fair pay, harassment, diversity and ethics, and environmental policies. We require that our suppliers identify and act swiftly to eliminate any unacceptable conditions or practices within their organizations. We base our supplier requirements on international standards including the United Nations Declaration of Human Rights, the United Nations Convention on the Rights of the Child, and the Conventions of the International Labor Organization, including its Fundamental Principles and Rights at Work.

Verification

In order to evaluate and address risks of human trafficking and slavery in our supply chains, City Facilities Management (US) has developed a detailed supplier ethical assessment that our top suppliers must complete in order to verify compliance with City Facilities Management (US)'s ethical sourcing requirements. City Facilities Management (US) has required our top suppliers in the refrigeration, electrical, plumbing, fuel maintenance, HVAC, hard service, soft service, equipment and contract labor, and manufacturing categories to complete the assessment, and we continue to expand the number and scope of suppliers required to complete the management practices and specific performance related to protection of employees' human rights and prevention and elimination of trafficking and slavery. City Facilities Management (US) does not currently conduct on-site audits of suppliers related to trafficking and slavery in supply chains but is evaluating whether to expand its existing assessment program to ensure compliance with trafficking and slavery standards.

Certification

City Facilities Management (US) requires all suppliers to comply with applicable government regulations, as well as with City Facilities Management (US) policies and procedures. We are incorporating a certification requirement to that effect into our supplier ethical assessment in 2020.

Accountability

City Facilities Management (US)'s employees are held accountable for ensuring we meet our standards regarding slavery and trafficking as expressed in City Facilities Management (US)'s Code of Conduct. The Code of Conduct requires employees and contractors to engage in ethical source selection. It also makes clear that compliance with applicable government regulations and Company policies and procedures is required of all City Facilities Management (US) suppliers, agents and consultants.

Training

City Facilities Management (US) provides training to our supply chain and purchasing employees, as well as to our suppliers, regarding City Facilities Management (US)'s ethical sourcing policies and procedures.

Forced/Bonded Labor

- Suppliers shall not use forced, bonded or involuntary labor.
 - Employment shall be freely chosen.
 - Workers will not be required to lodge deposits or identity papers with suppliers.
 - Workers shall be free to leave their employment after reasonable notice has been given.
- Child

Child Labor

- Suppliers shall not use child labor. "Child Labor" is defined as work that deprives children of their childhood, the opportunity to attend school and fulfil their potential and that is harmful to their physical and mental development.
- Suppliers must be able to verify the age of all employees to ensure no Child Labor is used. A "Child" is defined as an individual who is younger than the local legal age for completion of compulsory education.

Illegal Labor

- Suppliers shall not use illegal labor.
- Suppliers must be able to verify the legal entitlement of their employees to work in the country of employment.

Wage and Benefits

- Wages and benefits paid for a standard week must meet as a minimum national, state, municipal or industry standards, whichever is the higher.
- All workers must be provided with written and understandable information about their employment conditions in respect to wages, before they enter employment, and about the particulars of their wages for the pay period concerned each time that are paid.
- Deductions from wages for disciplinary measure are not permitted.
- All disciplinary measures shall be recorded.

Working Hours

- Working Hours must comply with the applicable local laws or industry standards, whichever affords greater protections.
- Workers must not work above the maximum hours per week stipulated by local laws.
- Overtime shall be voluntary and compensated as prescribed by local laws.

Working Conditions

- Plant and systems of work are safe and without risk to health will be provided.
- Suppliers will provide workers with a safe and clean working environment taking into consideration the prevailing knowledge of the industry and of any specific hazards.
- Workers shall receive adequate, recorded training to perform their jobs in a safe manner.
- Personal protective equipment shall be supplied, and workers trained in its use.
- Safeguards on machinery must meet or exceed local laws and comply with OSHA Requirements
- Where suppliers provide worker accommodation, it shall be clean, safe and meet the basic needs of workers.
- Workers will have access to clean toilet facilities, clean drinking water and where appropriate sanitary facilities for food storage and preparation.

Equal Opportunity Employment

- In accordance with the US EEOC, there is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

Regular Employment

- To every extent possible, work performed must be based on recognized employment relationship established through national law and practice.
- Employees who have a regular employment relationship with their employer are afforded several obligations from their employer relating to labor and social security laws and regulations. These obligations shall not be avoided using labor-only contracting, sub-contracting, homeworking arrangements, fixed term contracts or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment.

Harsh or Inhumane Treatment

- Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

Business Integrity

- Suppliers shall engage professional business ethics in all dealings. Suppliers shall not engage in bribery or corruption and provide transparent documentation and records.

Sub-Contracting

- Suppliers shall ensure that all sub-contractors and suppliers providing material or labor in the manufacture of goods for City Facilities Management (US) have an ethical sourcing program which aligns to this Policy.

Environment

- Suppliers must comply with local and national environmental laws and regulations and in accordance with the EPA.
- Suppliers shall strive to comply with international standards on environmental protection.

Policy in Practice

- **High Risk Countries:** For suppliers that supply goods from High Risk countries, the suppliers are required to adhere to the requirements detailed in this Ethical Sourcing Supplier Policy. City will seek information regarding from the suppliers indicating whether each supplier adheres to the requirements detailed in this Ethical Sourcing Supplier Policy. City will then determine whether a supplier is Approved, Conditionally Approved, or Not Approved.
- **Approved:** A supplier is approved by City if it meets the requirements for each of Zero Tolerance; Critical; and Significant items as detailed in this document: Ethical Sourcing Supplier Policy. Approval status is granted for a two-year period.
- **Conditionally Approved (Breaches):** A supplier is granted Conditional Approval if it has failed to meet all of the requirements detailed in this Appendix A: Ethical Sourcing Supplier Requirements, provided that none of these breaches include any elements listed under Zero Tolerance section of this Appendix. Where Conditional Approval is granted, the supplier must provide a corrective action plan that is agreed to by City. The corrective action plan must be communicated to City within 30 days of receiving the request from City. A follow-up review by City is required within 3 months if the breaches have occurred under the Critical section of this Appendix A: Ethical Sourcing Supplier Requirements. Otherwise a follow-up review by City is required within 12 months.
- **Conditional Approval (Zero Tolerance Breaches):** A supplier is Not Approved if it breaches any of element listed under the Zero Tolerance section of this document. The supplier must provide a corrective action plan that is agreed to by City. The corrective action plan must be communicated to City within 14 days of receiving the request from City and a follow up review is required within 30 days.

Compliance

- City Facilities Management (US) policies comply with the rules and regulations of the U.S. Government as well as State, Municipal and International Laws. We expect the same of our (US) suppliers. Please see the following links for specific questions and clarifications
 - (US) Labor Laws and related topics: <https://www.dol.gov/>
 - (US) Workplace Health and Safety: <https://www.osha.gov/>
 - (US) Environment: <https://www.epa.gov/>
 - (US) Equal Opportunity Employer: <https://www.eeoc.gov/>
 - United Nations Global Policies: <https://www.un.org/en/>

City Facilities Management US Checklist for Evaluating Suppliers

CATEGORY	EXPECTATION	BREACH NOTE
Forced/Bonded Labor	Zero Tolerance	
Child Labor	Zero Tolerance	
Illegal Labor	Zero Tolerance	
Wages and Benefits	Critical	
Working Hours	Critical	
Working Conditions	Critical	
Equal Opportunity Employer	Zero Tolerance	
Regular Employment	Significant	
Harsh or Inhumane Treatment	Significant	
Business Integrity	Significant	
Sub-Contracting	Significant	
Environment	Significant	

Note 1: Breaches for non-mandatory sections are classified as either Major, Significant or Minor.