

## **Canadian General-Tower Ltd.**

This Report is produced by Canadian General-Tower Ltd. (“CGT” or the “Corporation” or “our” or “we”) for the financial year ending December 31, 2024 (the “Reporting Period”) by having a place of business in Canada, doing business in Canada, having assets in Canada and meeting both the revenue and asset thresholds. This report sets out the steps taken to prevent and reduce the risk that forced labour or child labour throughout any step of the production of goods in Canada or elsewhere or of goods imported into Canada by the Corporation.

This Report constitutes the first report prepared by the Corporation pursuant to Canada’s new Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”).

### **1.) STRUCTURE, ACTIVITIES AND SUPPLY CHAINS**

#### **Structure**

CGT operates as a corporation (business number 100764984) with its headquarters in Cambridge, Ontario. The company’s origins can be traced back over 150 years to Galt, Ontario, when the company manufactured wagon wheels and axe handles in 1869. CGT now employs more than 1,200 people at manufacturing, innovation and sales sites around the world. Our products are manufactured in Canada, United States of America, France and China.

#### **Activities**

CGT is a manufacturer of coated fabrics and films for automotive interiors, industrial and commercial applications. The vast majority of products manufactured are supplied as bulked rolled goods for use by our customers for further manufacturing into finished goods that are then offered for sale in the global marketplace. CGT collaborates closely with our global customers on material design, patterns, material specification and constructions, along with offering sustainable options.

#### **Supply Chain**

To support Canadian production facilities, many of CGT’s suppliers are based within North America. Our North American supply chain represents greater than 80% of our total spend on raw materials within the report year. The remaining portion comes from global sources.

This diverse supplier network reflects the global nature of CGT’s sourcing strategy, ensuring a broad range of products and services to meet market demands effectively. As part of the procurement resilience strategy CGT seeks active long-term relationships with major direct and indirect suppliers for the delivery of materials and services built on mutual benefit, transparency, ethical behavior.

## 2.) **POLICIES, GOVERNANCE AND DUE DILIGENCE PROCESSES**

We consider the respect of human rights to be a fundamental corporate responsibility and a value governing all our activities. We place the highest importance on respecting human rights while conducting our business activities everywhere we operate, and we expect the same of our business partners.

We took the following steps during the reporting period to prevent and reduce the risk of forced labour or child labour in our business and supply chains:

- Reviewed and updated our Supplier Code of Conduct;
- Ensure standardized Purchasing Terms and Conditions; and
- Established a Sustainable Supply Chain Policy.

### 2.1 **Environmental, Social and Governance Initiatives**

CGT is committed to embedding human rights considerations into its policies, governance framework and decision making. As such, CGT sees the management of Environmental, Social and Governance (“ESG”) risks and opportunities as an inherent part of our success as a business. We regularly track the potential sustainability-related risks that shape our operating environment and develop strategies to improve our performance across sustainability areas.

We are committed to promoting, in our business activities, the 10 fundamental principles of the United Nations Global Compact (UNGC) which address human rights, environmental protection, anti-corruption and labour rights, more specifically the elimination of all forms of forced and compulsory labour, and abolition of child labour. Our commitment to these principles are further expressed within the companies “Supplier Code of Conduct” and “Standard Purchasing Terms and Conditions”. Both documents are publicly available on the company’s website.

### 2.2 **Human Rights Statement**

In furtherance of our commitment to upholding human rights it is the company’s position to not use forced labour or child labour. In support of this commitment, we expect all employees at all levels, as well as our business partners, to act accordingly. Our commitments, and actions taken, to preventing human rights abuses can be found on our company website within our Supplier Information page located at <https://www.cgtower.com/company/supplier-information/>

#### 2.2.1 **Supplier Code of Conduct**

In line with CGT's vision for an ethical and sustainable supply chain, we have established our Supplier Code of Conduct in recognition and adherence to the 10 principles outlined in the UNGC. Our Supplier Code of Conduct outlines CGT's expectations in respect of human rights, labour, legal compliance, health and safety, the environment, anti-corruption, ethics, and governance. Specific requirements are as follows:

##### Prohibition of Child Labor

*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 Labor & Protections from Human Trafficking

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

*All labor 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 from its 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*
- *Labor Contracts provided in a language well understood by the employee*

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

### **2.2.2 Purchasing Terms and Conditions:**

In line with CGT's commitment to effective and transparent purchasing, we outline the terms of purchase to ensure procurement contracts maintain adherence to our expectations including respect for human rights, labour, legal compliance, health and safety, the environment, anti-corruption, ethics, and governance. Specific requirements are as follows:

#### Child Labour And Forced Labour Laws:

*The Supplier for itself and its suppliers, undertakes to comply with the provisions of Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act and the United Nations Treaty of November 20, 1989 regarding children's rights prohibiting child labour; and not to use, in any form whatsoever, forced or compulsory labour as defined in Article 1 of the International Labour Organization treaty of June 25, 1957 on the elimination of forced labour.*

### **2.2.3 CGT Supplier Quality Manual:**

Furthering our commitment to upholding human rights through the supply chain, our Human Rights Statement is reiterated within our "Supplier Quality Manual" furthering our position not to use forced labour or child labour.

Our Supplier Quality Manual specifically includes provisions prohibiting any form of human rights violations, as follows:

#### Social Responsibility

*Suppliers must respect and uphold human rights in their operations. This includes ensuring that their activities do not contribute to discrimination, harassment, or any form of human rights violations.*

## 2.3 Sustainable Supply Chain Policy

In line with our commitment to embedding human rights considerations into our company policies, in 2023 we established a Sustainable Supply Chain Policy designed to enable the company to work with suppliers who share our corporate values. Our Sustainable Supply Chain Policy outlines our “Core Procurement Principles” which represent the basis for our strategic procurement strategy. As outlined, these core principles are:

- *Corporate responsibility for products and services;*
- *Respect for the environment by preserving biodiversity, reducing water and energy consumption and atmospheric emissions, and implementing recovery and recycling programs;*
- *Respect for human rights, right of association, safety working condition and protection from all form of forced labour;*
- *Respect for employees through the implementation of adequate, fair and inclusive working conditions;*
- *Maintaining the company's economic sustainability;*
- *Transparent governance and communications;*
- *Examining the supply chain;*
- *Compliance with current social, environmental and economic legislation and international norms;*
- *Ethical business practices*

## 3.) **ASSESSING AND MANAGING OUR RISK**

We acknowledge the complexity of our supply chain, which encompasses multiple manufacturing locations and involves numerous domestic and international suppliers. While we strive for transparency and accountability throughout our operations, we also recognize the challenges posed by the lack of visibility into the supply chain tiers. For the purposes of this report, the risk assessment was performed for raw materials used in the production of our coated fabrics and films during the 2024 fiscal year.

As part of our responsible procurement strategy, we regularly review and ensure that we do not do any business with any entity listed on the ‘[Uyghur Forced Labor Prevention Act \(UFLPA\) Entity List](#)’ that is available by the [USA Federal Register Notice](#) regarding the Uyghur Forced Labor Prevention Act Entity List.

In addition to the above, our responsible procurement strategy also includes a risk assessment of our operations using the following indices:

- material goods classification type, and
- material direct supplier country of origin.

Potential risks were assessed for material goods classification utilizing the ‘US Department of Labor's List of Goods Produced by Child Labor or Forced Labor’ to identify if inherent risks exist within the material goods used within our manufacturing process. This was done alongside an assessment of our direct material supplier “country of origin” utilizing Walk Free's Global Slavery Index.

Using the two indices, a potential inherent risk of forced and/or child labour has been identified among the following categories of goods:

- Textiles (Cotton), sourced from China

All other remaining goods procured are not specifically identified within the two indices, therefore it has been concluded that they have low-inherent risk exposure. Further analysis and

understanding by CGT will be undertaken to mature our approach to identifying and reducing the risk of forced labour or child labour.

#### **4.) REMEDATION MEASURES**

To mitigate the risk of forced labour and/or child labour, we incorporated the following mechanisms for our responsible procurement strategy:

##### Purchasing Terms and Conditions

CGT requires each supplier to adhere to the applicable laws and regulations, recognized international norms, and the CGT Supplier Code of Conduct as a contractual condition of doing business with the company. CGT has taken steps to enhance these terms and conditions to require prohibiting forced labour and/or child labour and requires all suppliers to disclose information directly to CGT.

##### Supplier Code of Conduct

CGT requires each supplier to adhere to our Supplier Code of Conduct which has been developed in recognition of the 10 principles outlined in the UNGC. Including respect for human rights, labour, legal compliance, health and safety, the environment, anti-corruption, ethics, and governance.

##### Supplier Questionnaires

CGT has an existing process of supplier site audits and is in the process of enhancing this with supplier sustainability questionnaires focused on enhanced due diligence concerning this Act.

#### **5.) REMEDATION OF VULNERABLE FAMILY LOSS OF INCOME**

CGT is continually understanding and evaluating our supply chain related to the risk of forced labour and/or child labour. To date, we have not identified instances of the use of forced labour and/or child labour within our operations or those of our suppliers.

Given that no instances of forced and/or child labour have been identified, we have not identified any loss of income to the most vulnerable families resulting from any measure taken to eliminate the use of forced labour or child labour and thus have not undertaken steps to remediate any loss of income.

#### **6.) TRAINING**

CGT employees receive regular tailored training on ethical topics and company policies. This includes training on Employee Code of Conduct, Collective Agreements, Prevention of Workplace Harassment and Violence, Respect in the Workplace, and Anti-Corruption and Bribery. All new office employees are assigned a mandatory onboarding training package which includes training and acknowledgement sign-off to the above listed programs.

In addition to the supply chain controls listed under section 2 (Policies, Governance and Due Diligence Processes), CGT will be incorporating mandatory training for all Buyers that work direct with our supply chain on the issue and prevention strategies related to forced labour and/or child labour. This training is targeted for to occur in 2025.

## 7.) **ASSESSING EFFECTIVENESS**


CGT is committed to taking steps to mitigate the risk of modern slavery within its supply chains to align with best industry practices and policies in Canada and worldwide in its attempt to combat forced and child labour. We have in place several measures to prevent and reduce the risk that forced labour or child labour is used in our activities and supply chains. While we have not yet taken any actions to assess the effectiveness of those actions, we intend to assess our effectiveness in preventing and reducing risks of forced labour and child labour in its activities and supply chains at a later stage.

## 8.) **APPROVAL AND ATTESTATION**

This report was approved pursuant to subparagraph 11(4)(a) of the Act by Canadian General-Tower Ltd. leadership.

In accordance with the requirements of the Act, and in particular section 11 thereof, I, the undersigned, attest that I have reviewed the information contained in this report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Date: 07 May 2025

Per:  Benjamin Heersink  
Chief Executive Officer  
Canadian General-Tower Ltd.

I have the authority to bind Canadian General-Tower Ltd.