

SCHEDULE B
SUPPLIER CODE OF CONDUCT
for
MASTER SERVICES
AGREEMENT Number 2024-00- [●]

SUPPLIER CODE OF CONDUCT

Introduction

Circular Materials (CM) is a federal not-for-profit organization delivering services to producers in connection with the collection and management of Single-Use Products, Packaging and Paper Products (PPP).

To deliver on this obligation, CM conducts its business ethically, honestly and with the utmost integrity. To preserve the integrity of the recycling system delivered under the Regulation, CM expects its network of contractors with whom CM does business, including vendors, manufacturers, markets, and agents and others to commit to and uphold CM's high standards of integrity, values and operating principles.

CM also recognizes its responsibility to respect and protect the human rights of all. As such, CM expects its contractors to also uphold human rights within their operations. This Supplier Code of Conduct (the "Code") provides standards on protecting human rights, respecting applicable regulations, employment standards and providing safe working conditions for workers.

While this Code doesn't cover every situation, it should be used and applied for guidance on what is expected from contractors and their agents, subcontractors, and subagents, including any labour agencies ("Related Parties"). Recycling is a highly regulated industry. All parties to any contract must comply with all federal, provincial, and municipal laws and regulations that apply to the business. Every employee of every contractor and their Related Parties, along with every employee of CM, is responsible for complying with this Code, and all applicable laws and regulations.

Application and Acceptance

The Code applies to all members of the supply chain in the delivery of service under the Regulation who conduct business with CM, its clients and/or its customers, including municipalities. Contractors must share this Code with their Related Parties who are engaged to assist with providing goods or performing services for the Contractor directly or CM indirectly. Any reference to "workers" within this Code means the Contractor's workers and Related Parties' workers.

By entering into the MSA, the Contractor is accepting the terms of the Code (as amended from time to time) and affirming compliance with its requirements. The Code is not to be read in lieu of but in addition to your obligations as set out in the MSA.

Expectations

The Code outlines CM's expectations and guidelines with respect to responsible sourcing including CM's commitments to human rights, the environment, health and safety, regulatory compliance, business ethics and the development of a diverse and sustainable supply chain. CM expects its contractors to communicate these expectations to Related Parties to uphold the commitments set forth in this Code within their own business operations.

The Code sets out minimum standards that contractors must meet and nothing in the Code shall prevent contractors from exceeding these standards. Contractors are also expected to comply with the Governing Terms and with applicable local laws and regulations. Where such requirements conflict, contractors are expected to comply with the highest applicable standard.

CM acknowledges that some Code infringements that are identified may take time to resolve. If appropriate and practicable in the circumstances, CM will work with contractors to accommodate reasonable time frames that allow contractors to make improvements in their

operations to rectify the infringement. CM will seek to maintain relationships with contractors that demonstrate their commitment to the Code by, among other things, promptly responding to, and resolving, CM's concerns. However, violations of the Code may sometimes warrant an immediate resolution, failing which termination of CM's relationship with certain contractors may be required.

Monitoring Compliance

Contractors shall monitor the compliance of their operations with the terms of the Code. Further, contractors shall monitor Related Parties' compliance with the terms of the Code and immediately disclose any known violations to CM.

While the requirements in the Code are the responsibility of the Contractor, CM may wish to verify Contractor compliance with the Code through a variety of tools:

- Contractors' self-evaluation;
- Ongoing improvement programs; and/or
- Audits by CM or a third-party company designated by CM.

CM expects cooperation and transparency during the compliance monitoring process. Specifically, CM expects contractors to facilitate any communication with workers required for audits and not to dissuade workers from participating and not to discriminate or retaliate against any workers that take part in this process. CM personnel or a third-party company designated by CM may regularly visit Contractor locations, on- or off-route, to monitor progress with improvement programs.

Should a contractor fail to comply with the Code, CM reserves the right to require corrective action.

Effective Date

The Contractor is subject to this Code, as may be amended from time to time, from the Effective Date of the MSA.

Review

This Code is reviewed annually or earlier as determined by CM.

Concerns

As a part of CM's culture of integrity, it is important that non-compliant and unethical matters are reported. CM encourages anyone that has knowledge of or suspects suspicious activity, unethical practices, non-compliance and suspected non-compliance with laws and regulations, the Code, MSA terms and conditions, or CM policies and procedures shared with the Contractor to speak up by reporting any violations or potential violations through the following channels:

Email CM at: aboperations@circularmaterials.ca

CM values contractors, Related Parties and workers who speak up as this fosters a culture of transparency and trust – and it's the right thing to do. CM's ethics team will administer all complaints received and will objectively manage incidents to their resolution.

CM respects confidentiality and protection against retaliation.

All contractors and Related Parties should foster a speak-up environment based on trust and freedom from fear of retaliation. Everyone is expected to speak up immediately when a question, issue or concern arises. Employees must engage and take ownership of compliance and ethics. All

parties must help their employees understand their compliance responsibilities.

CM prohibits retaliation or reprisal against contractors and their workers and their Related Parties' workers who speak up in good faith, is committed to fair and appropriate treatment, and respects confidentiality for all parties involved. Reports to CM may be made anonymously. The privacy of the person reporting will be respected, and Confidential Information will be shared only on a "need to know" basis, or if required by law.

Principles of Business Conduct

CM will strive to build a win-win model with contractors. Business relationships are more constructive when they are built on trust, mutual respect and common business and ethical values. Contractors who act illegally or unethically can expose CM to legal action and significantly damage CM's reputation and brand. As a result, CM seeks relationships with contractors and their Related Parties who share a commitment to the following principles:

- **Compliance with Applicable Laws, Policies, and MSA Terms and Conditions:** Comply with applicable laws and regulations, applicable CM policies, procedures, guidelines, standards and MSA terms and conditions.
- **Ethical Conduct and Behaviour:** Align your actions, decisions, and behaviour with ethical business practices.
- **Employment Standards:** Treat people with dignity and respect by adhering to applicable human rights and employment standards.
- **Quality:** Comply with quality standards regarding delivering services.
- **Health and Safety:** Protect the health and safety of your workers by complying with applicable health and safety laws.
- **Environmental Responsibility:** Remain committed to reducing the negative impact of your operations on the environment.

Compliance with Applicable Laws, Policies, and Governing Terms

Comply with laws and regulations that apply to you in the areas in which you operate, applicable company policies, procedures, by-laws, guidelines and standards and MSA terms and conditions.

Understand the laws and regulations that are applicable to your location and operation as well as MSA terms and conditions and applicable policies, procedures and standards and diligently comply with them.

If the legal or regulatory requirements differ from this Code, contractors should adopt the more stringent requirements of the two.

Competition Laws: CM maintains a competition law compliance program which includes guidance and standards for CM contractors, to minimize the risk of non-compliance with competition laws. CM requires that you comply with competition law expectations and requirements that apply to your operations. It is ultimately the responsibility of contractors to comply with the Canadian Competition Act.

Ethical Conduct and Behaviour

Align your actions, decisions and behaviour with ethical business practices.

CM expects contractors to uphold a commitment to integrity and trust. This means contractors must be prudent in making good and ethical business decisions.

Anti-Bribery, Corruption and Anti-Money Laundering

- Comply with all applicable anti-bribery, anti-corruption and anti-money laundering laws and regulations in the jurisdictions in which you operate;
- Adopt a zero-tolerance approach to bribery, corruption and money-laundering;
- Do not offer, pay, receive or solicit bribes, kickbacks, payments or gifts of any kind to obtain a favourable outcome;
- Do not make facilitation or “grease” payments, no matter how small, to public officials; and/or
- Upon the commencement of your relationship with CM, disclose your ownership structure (specifically, ownership by a government or public official) to CM and further disclose if your ownership structure changes.

Confidentiality

- Comply with confidentiality requirements as outlined in the MSA terms and conditions.

Conflict of Interest

- A conflict of interest arises when your personal interests actually, appear to or may influence your ability to conduct business with CM.
- A conflict of interest may include:
 - Having a close personal relationship with an CM employee;
 - Having a close personal relationship with an employee of a PRO that is CM’s client;
 - A family relationship between a contractor or Related Parties employee and an CM employee; or
 - the Contractor influencing recruitment of personnel at CM or vice versa.
- Disclose to CM any actual or perceived conflict of interest that you may have before conducting business with CM.
- Do not enter into any transactions that create an actual or potential conflict of interest.

Gifts & Entertainment

- Do not give gifts or entertainment that could be, or could be perceived by others to be, an attempt to influence a business decision, create an obligation to do something in return or a personal reward for making a business decision.
- Adhere to the following principles in deciding whether to give a gift or entertainment. Gifts or entertainment given or received should:
 - Not be extravagant, i.e., not carry a monetary value more than \$50;
 - Be infrequent (e.g., no more than once per year);
 - Be related to a reasonable business purpose and primarily benefit CM;
 - Be consistent with acceptable business practices, given the industry and the geographic location;
 - Be permitted by law and the policies of CM and the Contractor;
 - Not reflect or have the potential to reflect poorly on or embarrass CM;
 - Not be indecent, pornographic, racist, sexist, culturally insensitive, or otherwise seen as offensive; and/or
 - Not be provided if a Procurement Process is ongoing involving the Contractor or CM.
- ~~Keep a record of the gifts, entertainment, or hospitality you provide to CM.~~

Information Security

- Ensure you have sound security practices in place to protect CM if you provide digital, online and support services and/or access sensitive information.
- Adhere to the relevant information security terms in your MSA terms and conditions with CM.

Fair Competition

- Federal and provincial competition laws in Canada, promote fair and vigorous competition by prohibiting agreements and activities that unreasonably limit competition. All contractors, Related Parties and CM must make pricing, bid and output decisions independently and conduct its business activities in compliance with CM's competition law compliance program.
- Contractors cannot agree with competitors on how, when, or where to compete. This includes any of:
 - Prices;
 - Terms;
 - Conditions;
 - Market, territory or customer allocations;
 - Bids; and/or
 - Boycotting a third party.
- Agreements can include written documents or verbal understandings and can even be inferred from the circumstances.
- Respect the proprietary information and trade secrets of others. Do not attempt to obtain information from another person where it is known that information is protected by a confidentiality or non-disclosure agreement. Never solicit or accept information that would violate that agreement, even if party to it.
- Never use illegal means to obtain confidential or proprietary information of others. Never disclose any customer or vendor proprietary information to third parties, unless the owner of the information properly authorizes its release or disclosure.
- Violating competition laws could result in severe legal penalties for any contractor or Related Party and criminal charges for the individuals involved.

Employment Standards

Treat people with dignity and respect by adhering to applicable human rights and employment standards.

CM respects the human rights of its colleagues, customers, supply chain partners and members of its communities. CM expects contractors to honour the same and that your conduct reflects a commitment to treating people with dignity and upholding their human rights. This applies not only to your own workers, but also to the workers of your Related Parties. The Code sets out minimum employment standards imposed by CM. However, you must be aware of your obligations pursuant to applicable local laws and regulations and comply with the more stringent standards applicable to your operations.

Employment Equity

- Never make employment decisions or engage in harassment based on:
 - o Race
 - o Colour
 - o Sex
 - o Genetic information
 - o Visible or non-visible disability
 - o Pregnancy
 - o Sexual orientation
 - o Gender identification
 - o Citizenship status
 - o Support for/against a union
 - o Religion
 - o Marital status
 - o Age
 - o National origin
 - o Ethnic origin

- o Any other characteristic protected by applicable federal, provincial or municipal laws
- o Veteran status
- Make reasonable accommodations for employees or applicants with a disability unless undue hardship would result.

Inclusion and Diversity

- CM is committed to fostering a diverse and inclusive work environment. CM embraces and cultivates respect, trust, open communications and diversity of thought and people. CM strives to attract, develop, and retain a workforce that is as diverse as the markets it serves. This ensures an inclusive work environment that embraces the strength of employee's differences and allows employees to maximize their potential. A caring attitude plays an important role in creating a workplace where everyone treats each other with honesty, dignity and courtesy. This fosters an atmosphere of trust, openness, candor and belonging.

No Violence, Harassment & Discrimination

- Do not subject workers to any form of verbal, physical or sexual abuse, aggression, hazing, harassment or intimidation in the workplace.
- Do not engage in any form of vandalism, intentional harm of property, or sabotage.
- Do not engage in discriminatory behaviour in the hiring and treatment of workers based on race, colour, age, gender, caste, social background, sexual orientation, ethnicity, national origin, disability, pregnancy, religion, political affiliation, union membership, marital status, medical condition or any other personal characteristic prohibited by law or regulation.

Alcohol and Drugs

- To ensure the safety of CM's employees, customers and the communities in which CM operates, CM takes a zero-tolerance approach to drugs and alcohol in the workplace by any employee, Contractor employee or Related Party employee.
- No person may use, transfer, sell, possess, make, consume, handle, inhale, purchase, transport or otherwise be involved with alcohol or unlawful drugs while on CM's property, Contractor's property, municipality's property or while operating any vehicle or equipment.
- Employees are prohibited from undertaking any work while under the influence of alcohol, cannabis/marijuana or unlawful drugs.

Respect Employment Laws

- Only employ workers that have a legal right to work in Canada and verify a worker's legal eligibility to work prior to employment.
- Ensure that the terms and conditions of your worker's employment are in accordance with the employment contract if one exists, and that workers have access to their contract. Be transparent with workers about the details of their employment, including working conditions, legal rights, nature of work, wages, benefits, deductions from wages, regular working hours, overtime requirements, time-off and duration of the contract.
- Ensure all labour agencies engaged comply with the Code. The use of labour agencies will not relieve you of your obligations under this Code.
- Keep employment records of your workers accessible at all times.
- Workers must be permitted to terminate their employment without financial penalty.

No Forced or Child Labour

- Do not engage in involuntary labour practices, including forced, bonded, trafficked, involuntary prison, or underage labour, in your operations and supply chain.
- Do not hire workers that are under 16 years of age.
- Ensure that workers between the age of 16 through 18 have the benefit of working hours, conditions and other benefits that are appropriate to their age and do not jeopardize their health or safety or compromise their education.

- Do not require workers to pay recruitment fees or costs, deposit funds, or their personal documents with the Contractor as a condition of their employment or pay fees as a form of discipline. Contractors shall ensure that labour agencies used by the Contractor do not engage in any of these prohibited practices.

Comply with laws and agreements regarding compensation and working hours

- Workers' combined regular and overtime working hours shall not exceed the maximum hours of work per week pursuant to local laws and regulations or 72 hours per week, whichever standard is lower.
- Overtime must always be voluntary. Workers shall not be penalized for refusing overtime where they have the right to do so pursuant to local laws and/or their employment contract. Overtime must be paid at a premium where it is required by local law.
- Provide workers with, on average, at least one day off every 7-day period. Any exceptions to this time-off standard shall be at the discretion of the worker and shall comply with local laws.
- Pay workers regularly, on time and at least the minimum wage in the applicable jurisdiction.
- CM encourages contractors to commit to the betterment of wage and benefit levels to address the basic needs of workers and their families and work towards closing the gap between current wages and objectively calculated living wages.

Respect Freedom of Association

- Permit workers or their representatives to associate and bargain collectively or refrain from doing so, in accordance with local law. Allow these worker activities to take place in the workplace. Workers shall have the opportunity to freely communicate and engage with management to discuss working conditions without fear of unjust treatment.

Quality

Comply with quality standards regarding delivering and the supply of products and or services.

Provide safe, high-quality services to protect public health. Services delivered must meet or exceed safety and quality standards required by applicable Canadian laws and regulations, as well as CM quality standards.

Health and Safety

Protect the health and safety of your workers by complying with applicable health and safety laws.

All workers deserve to be safe at work. CM requires your commitment, and that of your Related Parties, to providing and maintaining a safe and healthy environment for workers.

Provide your workers with a safe and hygienic working environment.

Ensure that your rolling stock, equipment, buildings and facilities do not pose hazards to workers working within them and have the appropriate structural integrity for their purposes.

Provide sufficient potable drinking water at all times.

Ensure that safety and emergency prevention programs are in place to prevent accidents or injury. This includes the following:

- Regular appropriate, job-related training for all workers;
- Functional fire alarms, fire extinguishers, sprinklers, smoke detectors and relevant firefighting and prevention equipment is present and accessible at all facilities and for all rolling stock as applicable;

- Contact list for emergencies (must be answered 24/7); and
- Routes of egress for workers remain clear and emergency evacuation is possible at all times.

Any and all workers should always speak up if you:

- Are asked to do a job or task you consider unsafe;
- Are asked to be non-compliant with a rule, regulation or law;
- Are asked to do a job where you believe you have not been properly trained to perform;
- See someone performing a task you believe is unsafe or that the person is not properly trained to do;
- Suspect that a vehicle, truck or piece of equipment is not fit for service, not operating properly and may be unsafe; and/or
- Observe or are made aware of an unsafe condition or potential danger to others or yourself.

Environmental Responsibility

Remain committed to reducing the negative impact of your operations on the environment.

CM is committed to reducing the negative impact of procured operations on the environment by fostering sustainable practices and complying with applicable environmental laws and regulations. CM expects contractors to align with this commitment and adhere to the following:

- Understand and conduct business operations in accordance with all national and local environmental laws, standards, regulations, administrative practices and policies. This includes, emissions released into the atmosphere and water bodies, the management of all recyclables and waste, and the handling and disposal of hazardous materials.
- In the event hazardous or polluting materials are discharged improperly, appropriate authorities are to be notified, and action will be taken to correct and remediate the impact on the environment.

Public and Government Relations

CM can enhance its reputation when it works with government and the public in a timely, consistent and professional manner. CM's employees and employees of contractors and Related Parties are the key to relationships between CM, contractors, Related Parties, government representatives at the federal, provincial and municipal levels, the general public and other key stakeholders, including producers. Every day all parties must serve as ambassadors and help build the reputation of the parties and the PPP collection system.

Media Relations

If you receive an inquiry from, or are approached by, the media, direct them to CM.

Social Media

Social media activity can include original posts, comments on someone else's post, re-posts, likes and emojis on someone else's posts, and private or public messages. CM respects the legal rights of its employees and employees of the Contractor and Related Parties. Online posts may not be anonymous and must be reviewed as they may affect the reputation of CM. When using social media to post information, comment and exchange ideas related to CM or its business, each employee of CM, Contractor or Related Parties is individually responsible for the content. The following social media guidelines cover using social media to post information, comment or exchange ideas related to any element of the MSA by CM, Contractor or Related Parties:

- Do not defame, harass, threaten, or discriminate against co-workers, customers, members of the public, contractors, Related Parties, CM, or suppliers;

- Do not disclose CM, Contractor or Related Party, or third-party confidential or proprietary information;
- Do not speak on behalf of CM;
- Do not discredit CM, Contractor or Related Party services or products; and/or
- Do not use any type of mobile device or computer to access social media while driving or operating a vehicle or piece of machinery or equipment.

Accuracy of Records or Fraud

Business and financial records must be accurate and complete. Many people inside and outside of CM rely on the accuracy of all records. This includes CM's statements to government agencies, customers, vendors and the public. Each contractor and Related Party, in addition to CM, has a responsibility to create records that properly document business transactions. All information must be complete, accurate, reliable and protected.

The Contractor and Related Parties must ensure that all transactions are properly authorized and accurately recorded in accordance with Generally Accepted Accounting Principles. All transactions must also comply with record keeping policies as outlined within the MSA. CM, contractors and Related Parties must have internal controls to provide reasonable assurance of compliance with policies, procedures, laws and regulations. Falsifying information or coercing or asking others to submit false information or documentation is prohibited. This includes information or documentation that is stored in writing or electronically. Never intentionally delay recording transactions or events that are in violation of policies, laws or regulations. Never intentionally record incorrect, incomplete or misleading information about any transaction or event.