

# CTM Household Appliances Inc.

## **BILL S-211**

### **An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff**

#### **Modern Slavery Statement for the Financial Year ended 2024**

This statement is made pursuant to Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff. This statement outlines the approach and initiatives by CTM HOUSEHOLD APPLIANCES INC. (CTM) to identify and address the risks forced labour and child labour in its business operations and supply chains during the financial year commencing January 1 and ending December 31<sup>st</sup>.

## **Workplace Code of Business Conduct**

Factories are required to meet the standards set forth in the CTM Workplace Code of Business Conduct and comply with all relevant CTM policies and procedures. CTM is committed to working with factories to ensure that products are manufactured in safe work environments that respect worker's rights. In this section, the term "factory" shall include all manufacturing and subcontracting facilities, all of which will be held to these Standards.

The CTM Workplace Code of Business Conduct is based on international conventions and guidelines. These requirements are gathered into the following themes:

1. Compliance with Law
2. Ethical Standards
3. Forced labor;
4. Child labor;
5. Freedom of association and collective bargaining;
6. Discrimination;
7. Harassment and Abuse;
8. Wages and Benefits;
9. Working hours;
10. Health, and safety
11. Environmental Protection
12. Management systems
13. Subcontracting, home working
14. Zero -Tolerance issues

## **Compliance with law**

Factories must fully comply with all applicable national and/or local laws and regulations, including those related to labor, health and safety, housing and the environment.

## **Ethics and Integrity**

Factories producing for CTM must conduct business in an ethical and fair fashion in order to maintain a high level of business integrity. Factories must not offer money, gifts or entertainment of any kind to CTM associates or third-party representatives representing CTM in exchange to preferential treatment or favor. Factories must provide complete, unaltered and valid records and documentation to CTM upon request.

## **Forced Labor**

All labor must be voluntary. There shall be no use of forced labor in any form including: prison labor, indentured labor, bonded labor, human trafficking or slavery.

## **Child Labor**

Factories shall comply with the national minimum age of employment. No person shall be employed under the age of 15, or under the age of completion of compulsory education, whichever is higher. Factories shall comply with all laws and regulations relating to the employment of minor workers.

## **Discrimination**

Factories will conduct with respect for rights, privacy and property. No person shall be subject to any discrimination in employment, including hiring, compensation, advancement, discipline, termination, or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, social group or ethnic origin.

## **Harassment or Abuse**

Every employee shall be treated with respect and dignity. No employee shall be subject to any physical, sexual, psychological or verbal harassment or abuse. The Employer shall document and communicate to all workers a progressive disciplinary policy e.g., escalating discipline action steps such as verbal warning, written warning, suspension, and termination. Any exceptions to this rule e.g., immediate termination for theft or assault, shall be in writing and clearly communicated to workers. Employers shall not use monetary fines as a disciplinary practice.

## **Freedom of Association and Collective Bargaining**

Employers shall recognize and respect the legal rights of employees to freedom of association and collective bargaining.

## **Hours of Work**

Employers shall not require workers to work more than the regular and overtime hours allowed by the law of the country where the workers are employed. Employers shall allow workers at least 24 consecutive hours of rest in every seven-day period. All overtime work shall be done on a voluntary basis.

## **Wages and Benefits**

Employers shall compensate workers with wages, overtime premiums, and benefits that meet or exceed the legal standards or collective agreements, whichever are higher.

## **Health and Safety**

Employers shall maintain a safe and secure workplace environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employer's facilities. Employers that provide housing for workers must also provide safe and sanitary conditions for workers in all housing and social facilities, recognizing these sites as communities.

## **Environmental Protection**

Factories shall adopt responsible measures to mitigate negative impacts that the workplace has on the environment. Employers shall ensure that their manufacturing facility complies with environmental laws, including all laws related to waste disposal, air emissions, discharges, toxic substances and hazardous waste disposal. Factories shall strive to reduce their carbon footprint on the environment.

## **Management systems as may be required from time time**

### **Subcontracting, home working**

Factories shall not engage in any form of subcontracting and/or home-working without prior written consent from CTM. All subcontractors must demonstrate compliance with this Code of Business Conduct.

## **Zero-Tolerance Issues**

**CTM will cease production with factories found in default in any of the following situations**

**Prison, Bonded, Slave or Forced Labor**

**Child Labor**

**Non-Payment of wages**

**Working hours which can harm the health and safety of workers**

**Life threatening health and safety issues**

**Bribery**

**Falsification of records**

**Denial of access**

## **Monitoring & Documentation**

CTM asks that all parties maintain appropriate records and documentation to verify compliance and track progress related to the COC. In addition, CTM staff and/or third-party auditors will need open access to perform announced or unannounced assessments. During onsite assessments free access will be needed to facility grounds, workers for confidential interviews, and relevant records for at least the past 12 months. All results and progress will remain confidential, only reviewed by CTM staff and/or third-party auditors.

## **Transparency & Continuous Improvement**

CTM strives to act in a transparent manner with all our/its partners, and foster a culture where ethical conduct and open communication are valued and recognized. Factories partnering with CTM are expected to act in a transparent manner with respect to labor policies, practices and conditions and adopt fair and complete disclosure mechanisms. CTM strives to have a supportive and progressive approach to monitoring and evaluating labor conditions within each site. If any issues are identified through the assessment process, CTM will work with suppliers to ensure sincere and continuous improvement towards defined improvement goals.

*Any company that determines to adopt the Workplace Code of Business Conduct shall, in addition to complying with all applicable laws of the country of manufacture, comply with and support the Workplace Code of Business Conduct and shall apply the higher standard in cases of differences or conflicts.*

### **Group Structure**

CTM HOUSEHOLD APPLIANCES INC. Was established on July 29<sup>th</sup> 2016. It trades under the business name; CTM HOUSEHOLD APPLIANCES Inc. (FORNO) with its head office at 11420 Albert Hudon, Montreal, Québec, H1G 3J6, Canada

### **Supply Chain:**

Our suppliers are all in China.

We have various factories involved with the production of our Appliances. All are very large factories

CTM visits these factories at least 3 times per year.

Factories are required to acknowledge and report on periodic basis regarding the application of the above guidelines and code of conduct.

In addition, all Factories must pass mandatory Factory Audits by third party regulatory bodies such as

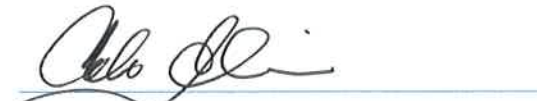
Intertek ULC, CSA as well as product certification and where required prepare a Corrective Action Plan to be submitted to the Auditing Body.

All factories are subject to Social and Environmental inspections with severe sanctions up to and including ceasing of all business with a factory if in default.

This statement is made pursuant to Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act for the financial year ending 12/31/2024 It has been issued on behalf of CTM HOUSEHOLD APPLIANCES INC. and approved by its board of directors.

Signed,

Carlo Elisii , President

Handwritten signature of Carlo Elisii in black ink, written over a horizontal blue line.

Antonio Elisii , Vice President.

Handwritten signature of Antonio Elisii in black ink, written over a horizontal blue line.