



Cleaner Living Services Supplier Sustainability Policy

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Annually or as requirements change | Policy Owner:
[Purchasing / Sustainability lead] | Approved by: Susan
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Purpose

Cleaner Living Services ("CLS") is committed to conducting business responsibly, ethically, and sustainably. We expect our suppliers, contractors, subcontractors, and service providers to share this commitment and operate in accordance with environmental, social, ethical, and governance (ESG) principles.

This Supplier Sustainability Policy establishes the minimum sustainability expectations for all suppliers. It supports CLS's commitment to responsible sourcing, continuous improvement, and compliance with customer requirements, including those of Volkswagen Group and other global customers. It should be read together with the CLS Code of Conduct and the CLS Environmental Stewardship and Sustainability Policy, and it covers the topic areas of the SAQ 5.0 sustainability questionnaire.

Scope and Application

This policy applies to all suppliers, vendors, contractors, subcontractors, and service providers that sell goods or services to CLS or work on its behalf. Compliance is a condition of doing business with CLS. Where possible, CLS will reference this policy in supplier terms and conditions and purchasing agreements.

Suppliers must comply with all applicable laws. Where this policy and the law differ, suppliers should follow the stricter standard.

1. Environmental Responsibility

Suppliers shall comply with all applicable environmental laws and regulations and continually improve their environmental performance. Suppliers are encouraged to manage environmental issues through a documented environmental management system, ideally certified to ISO 14001:2015. Suppliers shall address the following areas where applicable.



Greenhouse Gas (GHG) Emissions

- Measure, monitor, and reduce greenhouse gas emissions.
- Set reduction targets, ideally approved by the Science Based Targets initiative (SBTi).
- Provide GHG emissions data to CLS on request, to support CLS's emissions inventory and Scope 3 reduction targets.

Energy Efficiency

- Improve energy efficiency through responsible operational practices.
- Use energy-efficient equipment whenever feasible.

Renewable Energy

- Evaluate opportunities to use renewable energy sources, including solar, wind, hydroelectric, geothermal, or other low-carbon sources.
- Support the transition toward cleaner energy where practical.

Decarbonization

- Develop strategies to reduce carbon intensity throughout operations.
- Seek continual improvement toward lower-carbon business practices.

Water Quality, Consumption, and Management

- Protect water resources.
- Monitor water consumption.
- Minimize water waste and prevent contamination.

Air Quality

- Reduce emissions that affect indoor and outdoor air quality.
- Implement practices that minimize air pollution where practical.

Responsible Chemical Management

- Properly manage, store, transport, and dispose of chemicals.
- Use environmentally preferable products whenever practical.
- Comply with all applicable chemical regulations.

Sustainable Resource Management

- Use natural resources responsibly.
- Reduce unnecessary consumption of raw materials.



Waste Reduction

- Reduce waste generation through efficient operations.
- Promote waste prevention and source reduction.

Reuse and Recycling

- Reuse materials whenever practical.
- Maintain recycling programs for paper, cardboard, plastics, metals, electronics, batteries, and other recyclable materials.

Animal Welfare

Where products or services involve animals or animal-derived materials, suppliers shall promote humane treatment and comply with applicable animal welfare laws and recognized standards.

Biodiversity, Land Use, and Deforestation

- Minimize impacts on biodiversity and protect natural ecosystems.
- Support responsible land management practices.
- Not source materials linked to illegal logging, deforestation, or the destruction of protected areas.

Soil Quality

Suppliers shall prevent pollution that could adversely affect soil quality. This includes:

- Storing and handling chemicals, fuels, and waste so as to prevent leaks and spills.
- Maintaining spill response procedures and equipment, and cleaning up and reporting spills as the law requires.
- Disposing of waste lawfully and never discharging contaminants to soil.
- Remediating any soil contamination they cause.

Noise Emissions

Where applicable, suppliers shall minimize unnecessary noise emissions that could affect employees, surrounding communities, or the environment.

Continuous Environmental Improvement

Suppliers are encouraged to set measurable environmental objectives and regularly review their environmental performance.



2. Human Rights and Labor Standards

Suppliers shall uphold internationally recognized human rights and maintain fair and lawful employment practices in the following areas.

Child Labor and Young Workers

- No child labor. Suppliers shall not employ anyone below the legal minimum working age.

Wages and Benefits

- Pay fair wages, including overtime, that meet or exceed applicable laws, accurately and on time.
- Provide legally required benefits.
- Make no unauthorized wage deductions.

Working Hours

- Comply with all applicable laws on working hours.
- Provide legally required meal periods, rest breaks, and days off.

Modern Slavery (Slavery, Servitude, Forced or Compulsory Labor, and Human Trafficking)

- No forced, bonded, or prison labor, slavery, servitude, or human trafficking.
- Do not hold workers' passports or identification documents, require deposits, or restrict lawful freedom of movement.
- Allow workers to leave employment after reasonable notice.

Ethical Recruiting

- Recruit fairly, transparently, and lawfully.
- Explain the terms of employment clearly, in a language workers understand, before they start.
- Charge no recruitment fees to workers.

Freedom of Association and Collective Bargaining

- Respect workers' legal rights to associate freely, join or form labor organizations, and bargain collectively where the law permits, or to choose not to.
- Prevent intimidation, discrimination, or retaliation for exercising these rights.

Non-Discrimination and Harassment



- Make employment decisions based on qualifications, skills, and performance.
- Prohibit discrimination based on any legally protected characteristic.
- Prevent harassment, bullying, abuse, threats, and workplace violence.

Women's Rights

- Provide equal opportunity for women.
- Prohibit discrimination based on pregnancy, maternity, caregiving responsibilities, or gender, and prohibit gender-based harassment and violence.

Diversity, Equity, and Inclusion

- Promote equal opportunity, inclusive hiring, and fair advancement.
- Foster a workplace where every person is valued and respected.

Rights of Minorities and Indigenous Peoples

- Respect the cultures, traditions, identities, and legal rights of minority groups and Indigenous peoples.
- Prohibit discrimination against these communities.

Land, Forest, and Water Rights and Forced Eviction

- Respect land, forest, and water rights, including those of local communities and Indigenous peoples.
- Take no part in unlawful land acquisition or forced eviction.

Use of Private or Public Security Forces

Where suppliers use private or public security forces to protect personnel, facilities, or operations, they shall ensure that those forces:

- Act lawfully and respect internationally recognized human rights.
- Are carefully selected, trained, and supervised.
- Treat people with dignity and avoid excessive force, intimidation, and harassment.
- Are never used to suppress lawful protest, workers' freedom of association, or community rights.

Suppliers shall investigate credible allegations of abuse by security forces, record them, and take corrective action.

3. Health and Safety

Suppliers shall provide safe and healthy working conditions by:



- Complying with all applicable health and safety laws.
- Providing appropriate employee safety training.
- Supplying required personal protective equipment.
- Maintaining emergency preparedness procedures.
- Investigating workplace incidents and near misses.
- Promoting injury prevention and continual improvement.

4. Business Ethics

CLS expects suppliers to conduct business ethically and with integrity, and to maintain policies and controls in the following areas.

Anti-Corruption and Anti-Money Laundering

- Never offer, give, request, or accept bribes, kickbacks, or improper payments.
- Comply with all anti-corruption, anti-bribery, and anti-money laundering laws.

Data Protection and Data Security

- Protect personal and confidential information from loss, misuse, and unauthorized access.
- Comply with applicable privacy and cybersecurity laws.

Financial Responsibility (Accurate Records)

- Keep accurate, complete, and truthful business and financial records.
- Never falsify records.

Disclosure of Information

- Provide honest, accurate, and timely information to CLS, regulators, and other stakeholders, including information about their business activities, structure, and performance.

Fair Competition and Antitrust

- Compete fairly and comply with antitrust and competition laws.
- Take no part in price fixing, bid rigging, market allocation, or collusion.

Conflicts of Interest

- Avoid conflicts between personal interests and business duties.
- Disclose any actual or potential conflict to CLS.

Counterfeit Parts



- Never supply counterfeit or unauthorized parts, products, or materials.
- Maintain controls to detect and prevent counterfeit items entering the supply chain.

Intellectual Property

- Respect the intellectual property rights of others.
- Protect CLS's confidential and proprietary information.

Export Controls and Economic Sanctions

Suppliers shall comply with all applicable export control laws, trade restrictions, and economic sanctions. This includes:

- Not supplying goods, services, or technology in breach of those laws.
- Screening customers, business partners, destinations, and end uses against applicable restricted-party and sanctions lists.
- Obtaining required licenses and keeping records of export and sanctions checks.
- Not using transshipment or other means to get around restrictions.
- Telling CLS promptly if a sanctions or export control issue could affect goods or services supplied to CLS.

Whistleblowing and Protection Against Retaliation

- Provide workers with a way to raise concerns, including anonymously where possible.
- Keep the identity of people who raise concerns confidential.
- Prohibit retaliation against anyone who raises a concern in good faith.
- Supplier workers and other stakeholders may also use the CLS reporting channels in the CLS Code of Conduct.

5. Supply Chain Responsibility

CLS requires suppliers to promote responsible business conduct throughout their own supply chains.

Standards for Your Own Tier-1 Suppliers

Suppliers shall define and implement sustainability standards towards their own Tier-1 suppliers that are similar to the requirements in this policy, and shall monitor compliance where appropriate.

Binding Requirements to Pass On Standards Along the Supply Chain

Suppliers shall bind their Tier-1 suppliers by contract or equivalent binding terms to pass these standards on to their own suppliers, so that the expectations reach lower tiers of the supply chain. Suppliers shall keep records of how they do this and provide them to CLS on request.



6. Responsible Sourcing of Raw Materials

6.1 Commitment

CLS is committed to sourcing the raw materials in the products it buys and uses responsibly. We expect to know where our materials come from and want to avoid materials linked to human rights abuses, forced or child labor, illegal logging, deforestation, or the financing of armed conflict.

6.2 Supplier Requirements

Suppliers shall:

- Know the origin of the raw materials in the products they supply to CLS, and keep supply chain maps or traceability records as far as is practical.
- Identify raw materials that carry elevated risks, such as conflict minerals (tin, tantalum, tungsten, and gold), cobalt, mica, palm oil, and timber, pulp, and other forest-risk materials.
- Carry out risk-based due diligence on their sources, consistent with the OECD Due Diligence Guidance for Responsible Business Conduct.
- Not knowingly supply materials linked to forced or child labor, serious human rights abuses, illegal logging, or conflict financing.
- Prefer responsibly certified materials where available, such as FSC-certified paper products.
- Give CLS material declarations, country-of-origin information, and certifications on request.
- Tell CLS promptly if they find a risk in their raw material sources and what they are doing about it.

6.3 How CLS Manages Responsible Sourcing

CLS follows these steps for the raw materials in its purchased products, including cleaning chemicals, paper products, plastics and trash liners, textiles and microfiber, and equipment batteries:

1. **Identify:** review product specifications, Safety Data Sheets, and supplier declarations to find out what raw materials the products contain.
2. **Map:** build a supply chain map or source record for the products and materials that carry the most risk.
3. **Assess risk:** include raw material risks in the annual sustainability risk assessment (Section 7).
4. **Request information:** ask suppliers for the declarations, certifications, and evidence described in Section 6.2.
5. **Escalate:** where a high risk is found, carry out enhanced due diligence, audit the supplier, agree a corrective action plan, or change supplier if the risk cannot be managed.



6. **Document and report:** keep records of each step and summarize them in the annual CSR/Sustainability Report.

CLS will also give preference to products with recognized third-party certifications, as set out in Section 7.9 of the CLS Environmental Stewardship and Sustainability Policy.

7. Supply Chain Risk Assessment

CLS performs sustainability risk assessments as part of its due diligence at least once a year. The assessments cover CLS's own business area, direct suppliers (Tier 1), and indirect suppliers (Tier n). CLS considers factors such as the country and industry, the type of product or service, the volume of spending, the supplier's history and certifications, previous audit results, and any concerns raised through reporting channels.

The results are used to decide which suppliers receive audits, which raw materials need closer due diligence, and which suppliers must provide further evidence. Results are recorded in a risk register and summarized in the annual CSR/Sustainability Report.

8. Supplier Monitoring, Audits, and Continuous Improvement

8.1 Self-Assessment

Suppliers shall complete the CLS Supplier Sustainability Self-Assessment Questionnaire and Compliance Checklist, with supporting evidence, when they are onboarded and then at least [annually / every X years]. Suppliers may also be asked to complete the SAQ 5.0 questionnaire on the SUPPLIERASSURANCE platform.

8.2 Supplier Audits

CLS verifies that suppliers meet this policy through a risk-based audit program. Self-assessment alone is not enough for higher-risk suppliers.

- **Second-party audits:** CLS, or an organization appointed by CLS, audits suppliers on site or by remote document review, against the requirements in this policy.
- **Third-party audits:** CLS accepts evidence of independent audits and certifications, such as ISO 14001, ISO 45001, ISO 50001, SA8000, or equivalent social compliance audits, and may ask for the full report as well as the certificate.
- **Frequency:** suppliers rated higher risk are audited, or provide third-party audit evidence, at least every [number] years; others are sampled each year. CLS may audit sooner if a serious concern arises.
- **Supplier cooperation:** suppliers shall give auditors access to relevant records and facilities, allow confidential interviews with workers, and not retaliate against anyone who takes part.



8.3 Corrective Action

- CLS classifies audit findings by seriousness and tells the supplier in writing.
- The supplier shall submit a corrective action plan within [30] days and complete the actions by the agreed deadlines.
- CLS verifies that the actions are completed and may re-audit.
- Serious violations, such as child labor, forced labor, or corruption, require immediate action and may lead to suspension or termination of the business relationship.

8.4 Other Monitoring

CLS may also evaluate supplier performance through periodic supplier reviews, documentation requests, customer-specific compliance questionnaires, and third-party certifications. Suppliers shall cooperate fully and provide requested documentation promptly.

8.5 Tracking and Reporting

CLS tracks the share of suppliers assessed and audited, the findings, and the corrective actions completed, and reports on them in its annual CSR/Sustainability Report.

Required Supporting Documentation

To show compliance with this policy, suppliers may be asked to provide one or more of the following:

- Supplier Terms and Conditions referencing sustainability requirements.
- General Purchasing Agreement incorporating sustainability expectations.
- Supplier Sustainability Policy.
- Corporate Social Responsibility (CSR) or Sustainability Policy.
- Supplier Code of Conduct acknowledging compliance with CLS's sustainability requirements.
- Supplier Sustainability Self-Assessment Questionnaire.
- Documentation describing supplier monitoring or supplier assessment processes.
- Audit reports and certificates, and raw material declarations or traceability records.
- Signed Supplier Assurance Letter acknowledging compliance with CLS's sustainability expectations.

Supplier Acknowledgement

By doing business with CLS, suppliers acknowledge that they understand this Supplier Sustainability Policy and will comply with it. Suppliers are encouraged to continuously improve their environmental, social, and ethical performance and to communicate these principles throughout their own supply chains.



Failure to comply with these requirements may be considered during supplier evaluation, approval, and ongoing business relationships, and may lead to corrective action, suspension, or termination.

Approval

Approved by: Susan Popovic

Company: Cleaner Living Services

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