

# Policy on Supplier Conduct and Responsible Sourcing

**Policy owner:**

Chief Financial Officer  
Chief Strategy Officer

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April 25, 2022

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## 1. INTRODUCTION AND OBJECTIVE

Acting today for a better tomorrow is one of VIA Rail's corporate values and must be reflected in decisions, processes, and daily operations. Consequently, VIA Rail believes that this principle must be extended across its supply chain.

By implementing a Policy on Supplier Conduct and Responsible Sourcing (the "Policy"), VIA Rail aims to further reduce adverse impacts from its operations on society and on the environment, as well as leverage opportunities to do things more sustainably, and to comply with its obligations under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada).

More specifically, the Policy:

- aligns with VIA Rail's corporate strategy and sustainability objectives;
- sets forth, in section 3, the basic standards of conduct which are required from all suppliers, agents, consultants, service providers or other third-party (collectively "Suppliers") when doing business with VIA Rail;
- acts as a reference to enable VIA Rail to collaborate with Suppliers to achieve its sustainability ambitions; and
- provides, in section 4, a framework on responsible sourcing considerations that can be used when initiating an invitation to tender or when selecting Suppliers to generate concrete results and improve sustainability performance.

## 2. SCOPE

All Suppliers must adhere to the standards of conduct described in section 3 of the Policy throughout their organizations and in all regions where they operate. VIA Rail also encourages its Suppliers to integrate the provisions set forth in this Policy in their own supply chains.


## 3. STANDARDS OF CONDUCT

### 3.1 Ethics and integrity

VIA Rail expects all its Suppliers to maintain the highest standards of ethics, integrity and business conduct.

Without limiting the application of the present Policy and in addition to specific provisions in contracts or invitations to tender, Suppliers must respect all of VIA Rail's applicable policies and guidelines, which are available [online](#).

This Policy is a supplement to VIA Rail's Code of Ethics as well as to its other policies which describe the behaviour and conduct expected of its Suppliers.



In addition, Suppliers must comply with applicable laws and regulations, prevent any situation of conflict of interests, corruption, or bribery and protect VIA Rail's proprietary or confidential information, the whole as more fully described in any contract or agreement between VIA Rail and Suppliers.

## **3.2 Labour**

Suppliers treat their own workforce, as well as any individual with whom they interact ethically, fairly, and with respect and dignity. In this regard, Suppliers are expected to respect human rights in accordance with the Universal Declaration of Human Rights and the International Labour Organization (ILO) conventions.

In addition, VIA Rail expects all Suppliers to abide to the following labour standards.

### **3.2.1 Forced labour**

VIA Rail will not tolerate the use or contribution to any type of forced labour at any levels of its supply chain, including slavery, forced or compulsory labour and human trafficking. This includes the use of threat, force or penalty to demand any work or service.

Suppliers' employees are free to leave or terminate their employment at any time with reasonable notice; they are not required to surrender any deposits, official documents or work permits as a condition of employment.

### **3.2.2 Child labour**

Child labour is strictly prohibited and refers to any person employed under the age of 15 years old, or under the legal age of employment in the country, whichever is the highest. Apprenticeship or educational programs are permitted if compliant with applicable laws and regulations.

### **3.2.3 Discrimination**

Suppliers should foster an inclusive work environment and promote equal opportunities for their employees.

Suppliers must protect their employees from any type of discrimination, harassment, bullying or other forms of abuses, including sexual, physical or psychological, as well as from retaliation.

### **3.2.4 Wage and other benefits**

Suppliers must respect applicable laws regarding working conditions, including minimum wage, maximum working hours, overtime and other mandated benefits.

### **3.2.5 Freedom of association**

Suppliers shall respect the right of their employees to freedom of association and collective bargaining.



### 3.3 Health and Safety

VIA Rail views health and safety not only as a top priority, but as a core value and a shared responsibility. VIA Rail expects all Suppliers to provide their employees or anyone present on the workplace with a safe and healthy work environment.

At a minimum and in addition to specific provisions in any contract or agreement, all Suppliers are expected to:

- Comply with all applicable laws and regulations pertaining to health and safety;
- Provide the necessary protective equipment and implement the necessary policies, rules, procedures, management systems and training to prevent work-related injuries or occupational illnesses;
- Where applicable, provide details of their health and safety policies, procedures, as well as health and safety targets and results;
- Provide the necessary data or documentation to ensure a safe usage of their products by VIA Rail; and
- Promptly report any significant health and safety incident that could impact VIA Rail.

### 3.4 Indigenous Relations

Meaningful Indigenous relations are inseparable from VIA Rail's long-term sustainability, and from its role as national passenger rail provider.

As such, VIA Rail recognizes the unique culture and connection of Indigenous peoples to the land and aims to develop mutually beneficial relationships based on recognition of rights, respect, and trust. VIA Rail believes its Suppliers should, as applicable, follow the same guiding principles in their activities.

### 3.5 Environment

VIA Rail is committed to managing environmental impact as an integral part of its operations, by providing a quality service in a manner that ensures a safe and healthy workplace for its employees and for its passengers, and minimizes its potential impact on the environment. VIA Rail expects all its Suppliers to act in the same manner.

At a minimum and in addition to specific provisions in any contract or agreement, all Suppliers are expected to:

- Comply with all applicable environmental laws and regulations;
- Obtain and maintain environmental permits or licences, where applicable;
- Have the appropriate knowledge on the environmental impact of their operations and provide any data necessary for VIA Rail's compliance obligations;
- Where applicable, implement the necessary policies, rules, procedures, management systems and training to ensure safety and limited harm on the environment, as well as implement the relevant emergency response plans and procedures;
- Where applicable, provide details of their environmental policies and procedures, as well as environmental targets and results; and
- Promptly report any significant environmental incident that could impact VIA Rail.



## 4. RESPONSIBLE SOURCING CONSIDERATIONS

In addition to the standards of conduct provided in section 3 of the Policy, VIA Rail plans to further integrate sustainability in its procurement activities to make tangible contributions to society, to the environment and to responsible economic development.

Where appropriate, VIA Rail will gradually integrate specific criteria in tendering activities or in supplier selection evaluation grids to ensure the below considerations are applied.

### 4.1 Social responsibility

- Maintain recognized health and safety certifications such as ISO 45001, or equivalent.
- Offer equal opportunity to tender to Indigenous peoples and businesses.
- Offer equal opportunity to tender to marginalized or underrepresented groups.
- Offer equal opportunity to tender to associations, cooperatives and mutual societies to further contribute to the socioeconomic development of communities.
- Respond to VIA Rail's universal accessibility sourcing commitment.

### 4.2 Environmental responsibility

- Maintain recognized environmental certifications such as ISO 14001, or equivalent.
- Implement concrete measures to reduce the environmental footprint and greenhouse gas emissions related to products and services.
- Adopt a life-cycle approach and use eco-design to minimize the environmental impact of products or services.
- Prioritize products that meet recognized environmental standards, certifications or eco-labels.
- Prioritize products with minimal packaging or with recyclable or compostable packaging.

### 4.3 Economic responsibility

- Provide the total cost of ownership for products or services.

## 5. MONITORING AND GOVERNANCE

### 5.1 Compliance with the Policy

Where applicable, Suppliers are expected to maintain appropriate documentation demonstrating their compliance to the present Policy. Furthermore, VIA Rail reserves the right to monitor Suppliers' compliance with the Policy, through Supplier self-evaluation or site visits and audits by VIA Rail personnel or designated agents.

Suppliers must inform VIA Rail immediately of any breach to the Policy and set adequate corrective actions. In a case of non-compliance, VIA Rail can work with the Supplier to implement these corrective actions.

VIA Rail reserves the right to terminate any contract or agreement with a Supplier for non-compliance to this Policy which shall be considered a breach of the Supplier's obligations under the contract or agreement.



## 5.2 Selection criteria

The standards of conduct in section 3 and, where applicable, the responsible sourcing considerations set forth in this Policy must be acknowledged and accepted by the Supplier prior to contract award.

## 5.3 Reporting a concern or a contravention

Any Supplier or person made aware of a potential violation to the present Policy must report it to VIA Rail through one of the various channels available to them, as indicated below.

- By email to the Ethics and Compliance Office: [ethique\\_ethics@viarail.ca](mailto:ethique_ethics@viarail.ca)
- Online via the secure Web site: [www.clearviewconnects.com](http://www.clearviewconnects.com)
- By phone at the toll-free number of VIA Rail: 1-833-201-9491
- By mail to the following address:

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