



**FGL Sports Ltd.**  
**Supplier Code of Business Conduct**  
**May 1, 2014**

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## **A. INTRODUCTION**

FGL Sports (the Company) has a long-standing reputation for integrity and trustworthiness among its stakeholders. The Company's reputation depends upon the way in which it conducts its business and its commitment to corporate social responsibility. As one of Canada's most trusted companies, FGL Sports' actions must be above reproach to maintain the confidence of its stakeholders and to avoid damage to its reputation.

Commitment to ethical business practices, a key part of operating with honesty, integrity and respect, is a core value for FGL Sports. This Supplier Code of Business Conduct is designed to ensure that suppliers have a clear understanding of how FGL Sports expects to conduct its business with suppliers.

The Company expects full compliance with all principles and processes related to this Supplier Code of Business Conduct. All suppliers to FGL Sports must carefully review the commitments in this Code and agree to abide by the commitments as a condition of doing business with the Company.

## **B. APPLICATION**

This Code applies to the Company's suppliers – and their sub-suppliers – including suppliers to the Company's subsidiaries. Suppliers are defined as those businesses that sell goods and/or services to the Company.

Employees who engage either merchandise or non-merchandise suppliers (e.g. services) are responsible for ensuring that suppliers review, sign and commit to comply with the Company's Code of Business Conduct for Suppliers.

## **C. FGL SPORTS PRINCIPLES OF BUSINESS CONDUCT**

FGL Sports employees – and this Code of Conduct – are guided by the following principles of ethical business practice:

- comply with applicable laws, regulations, Company policies and procedures;
- respect the lives, rights, privacy and property of others;
- avoid conflicts of interest in decisions that we determine or influence;
- conduct duties and business relationships in an honest, fair and responsible manner;
- sustain a culture in which ethical conduct is valued and recognized;
- maintain safe, healthy and secure work environments;
- use resources, material and energy as efficiently and responsibly as possible in the provision of products and services;

- sustain responsible trading practices with all suppliers to promote decent, legal and humane working conditions;
- foster a business environment that encourages open communication and seeks out, listens and responds to the ideas and concerns of stakeholders;
- provide timely, full and true disclosure of material information, both financial and non-financial, concerning the business and affairs of the Company to the public when and as required through authorized channels and/or spokespersons according to the Company's Disclosure Policy; and
- manage compliance with the Supplier Code of Business Conduct as any other critical business activity.

### **Conflict of Interest**

FGL Sports employees and directors owe primary loyalty to the Company. A conflict of interest arises when an employee or director has a personal or financial interest in a proposed Company action, even if the action is in the best interests of the Company. Employees are not permitted to participate in decisions where they have a conflict of interest. The conflict of interest provisions in the Alberta Business Corporations Act govern directors and officers.

Employees and directors must not ignore Company procedures or use their position for the benefit of those seeking to do business with the company or for their own personal interests or the interests of family, friends and colleagues.

### **D. EXPECTATIONS OF SUPPLIERS**

This section sets out the Company's specific expectations regarding the workplace standards and business practices of its suppliers. These expectations are consistent with the Company's values, principles and policies regarding ethical business conduct.

The Company will seek to identify and engage suppliers who conduct their business based on a set of ethical standards compatible with its own. The Company will favour suppliers who share its commitment to contribute to improving conditions in communities where they operate. The Company will not knowingly do business with suppliers who do not meet the standards outlined in this Code.

## **Compliance with Laws**

Suppliers will comply with the laws and regulations, whether domestic or foreign, which govern the conduct of their businesses.

## **Employment Standards**

Suppliers will employ employees who are, in all cases; present voluntarily, not put at risk of physical harm due to their work environment, fairly compensated and allowed the lawful right of free association.

## **Wages and Benefits**

Suppliers will, at a minimum, provide wages and benefits that comply with the laws of their country of operation.

## **Working Hours**

Suppliers will not exceed prevailing local work hours except where workers are appropriately compensated for overtime. The Company will favour business partners who use less than sixty-hour work weeks and allow employees at least one day off in seven days, or equivalent leave privileges.

## **Child Labour**

Suppliers will not employ child labour in any of their facilities. Employees of suppliers can be no younger than the age at which compulsory schooling has ended (with the exception of legal student employment), but in no case younger than 14<sup>1</sup> years of age.

## **Forced or Slave Labour**

Suppliers will not use forced or slave labour.

## **Discrimination/Human Rights**

Suppliers must not discriminate against their employees in hiring practices or any other term or condition of work (*other than legitimate occupational requirements allowed by law*) on the basis of race, ancestry, place of origin, colour, ethnic origin, citizenship, religion, faith, political opinion, sex, sexual orientation, age, marital status, same-sex partnership status, family status or disability.

## **Disciplinary Practices**

Suppliers will not use corporal punishment or other forms of mental or physical coercion.

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<sup>1</sup> As set by the International Labour Organization and adopted by Retail Council of Canada in their *Responsible Trading Guidelines*.

## **Workplace Environment**

Suppliers will provide workers with a safe and healthy working environment consistent with all applicable laws and regulations.

## **Environmental Protection**

Suppliers will comply with all applicable environmental laws and regulations in their country and laws that govern the importation and sale of products in Canada, as well as all applicable FGL Sports policies

## **Confidentiality and Privacy**

Suppliers will not disclose to others or use for their own purposes or the purposes of others any trade secrets, confidential information, knowledge, designs, data, skill, or any other information which the Company identifies to the supplier as confidential.

FGL Sports' Legal department must approve all confidentiality agreements that are required by suppliers.

In accordance with the intent of the Company's *Privacy Policy*, suppliers will respect the privacy of personal information they collect, use or disclose as a consequence of their business relationship with the Company.

## **Unlawful Payments**

Suppliers will not offer or accept unlawful payments.

## **Dealing with the Company's Employees**

FGL Sports expects its employees to treat all suppliers – or those seeking to do business with the company – with honesty, integrity and respect. In conducting business on behalf of FGL Sports, employees are bound by a Code of Business Conduct. Suppliers are reminded that FGL Sports employees owe exclusive business loyalty to the Company. Employees must never be put in a position where personal or financial incentives or interests may impair their judgement and ability to make decisions in the best interest of the Company.

It is never acceptable for any employee to pay or accept any bribe, kickback or other unlawful payment or benefit to secure any concession, contract or other favourable treatment.

The Company expects its suppliers to respect our employees who are duty-bound to comply with the Company's Code of Business Conduct guidelines regarding gifts, entertainment and travel. FGL Sports does, however, encourage its employees and suppliers to come together in support of charitable events and programs where there is mutual interest.

Offering ground transportation is acceptable and FGL Sports employees may accept use of a supplier's aircraft if it proves time efficient or protects the health and safety of

FGL Sports employees. Token gifts of nominal value and entertainment in the form of meals is also acceptable.

### **Sub-suppliers**

Suppliers will certify that their sub-suppliers of materials or finished goods used in the manufacture of finished goods for the Company comply with a set of ethical standards compatible with this Supplier Code of Business Conduct. Proof of certification must be presented upon request.

### **Products and Services**

Suppliers will supply only products and/or services that comply with the Company's specifications and comply with all applicable Canadian legal requirements. Suppliers will supply only products and/or services that, when used as intended, are safe for employees, consumers, and the environment. Suppliers will cooperate fully with the Company and take appropriate steps, including notification of the Company's customers and public product recalls, to address any health, safety, environmental or regulatory issues associated with their products and/or services.

## **E. FGL SPORTS POLICIES**

FGL Sports along with its parent company and subsidiaries has adopted policies dealing with, among other things, disclosure and insider trading. Suppliers are not permitted to disclose any confidential information regarding FGL Sports and or its affiliates, and are expected to comply with applicable securities laws.

## **F. SUPPLIER CERTIFICATION**

All suppliers will certify that they have read this Supplier Code of Business Conduct and will agree to abide by it. Suppliers will either complete the attached form or sign a contract with the Company, which incorporates the Supplier Code of Business Conduct.

FGL Sports will determine the frequency of certification.

## **G. SUPPLIER ASSESSMENT AND MONITORING**

The Company reserves the right to assess and monitor on an ongoing basis a supplier's practices regarding this Code.

The Company or a third party designated by the Company may periodically conduct on-site assessments of selected supplier facilities that produce finished goods for the Company. The Company may also periodically conduct on-site assessments of selected sub-supplier facilities that produce materials or finished goods for the Company. Assessments may include a review of relevant supplier records as well as inspection of the facility for compliance with this Code.

The Company will determine the frequency and extent of the assessments and ongoing monitoring. Consistent with standard industry practice, all costs associated with the assessments and ongoing monitoring will be borne solely by the supplier.

Suppliers will allow the Company and/or any of its representatives reasonable and timely access to its facilities and to its relevant records at all times.

## **H. ENFORCEMENT OF SUPPLIER COMPLIANCE WITH THE CODE**

Suppliers who do not meet the requirements of this Code may, where considered appropriate by the Company, be provided with the opportunity to bring their business up to the Company standards in a reasonable time frame. The Company reserves the right to terminate its business relationship with any supplier who fails to comply with the Supplier Code of Business Conduct.

## **I. REPORTING AND ADDRESSING CODE VIOLATIONS**

Any person who believes that a violation of the Company's Supplier Code of Business Conduct has occurred, is asked to report the relevant information in confidence to:

**Business Conduct Hotline:** Call toll free 1-800-620-6943

**Business Conduct Web Reporting:** [www.canadiantire.ethicspoint.com](http://www.canadiantire.ethicspoint.com)

Or

### **Business Conduct Compliance Office**

2180 Yonge Street  
Toronto, Ontario  
M4P 2V8  
Attention: Business Conduct Compliance Office  
Tel 416-480-8202  
Fax 416-440-7361  
Email [BCCO@cantire.com](mailto:BCCO@cantire.com)

Or

### **Product Stewardship**

824 41<sup>ST</sup> Avenue NE  
Calgary, Alberta  
T2E 3R3  
Attention: Product Stewardship  
Email [Product.Stewardship@FGLSports.com](mailto:Product.Stewardship@FGLSports.com)

The Company will make every effort to investigate all reported violations in a discreet, fair and confidential manner and will take appropriate action to maintain the integrity of its business.

## J. QUESTIONS

Suppliers should direct any questions they may have regarding the Supplier Code of Business Conduct to the Company employee with whom they normally deal or to the Hotline, Web reporting, Business Conduct Office at [BCCO@cantire.com](mailto:BCCO@cantire.com) or [Product.Stewardship@FGLSports.com](mailto:Product.Stewardship@FGLSports.com).

**K. SUPPLIER CERTIFICATION FORM**

**FGL Sports Ltd. Supplier Code of Business Conduct**

I acknowledge that I have received a copy of FGL Sports' Supplier Code of Business Conduct, dated May 1, 2014, that I have read and understood the contents, and that my company agrees to abide by this Code.

To the best of my knowledge, my company is in compliance with the Supplier Code of Business Conduct.

I have the authority to bind the company named below.

Name: \_\_\_\_\_

Position Title: \_\_\_\_\_

Company: \_\_\_\_\_

Signature: \_\_\_\_\_

Dated this \_\_\_\_\_ day of \_\_\_\_\_, in the year \_\_\_\_\_.

Please return a signed copy of this document to the attention of: \_\_\_\_\_