

CORPORATE POLICY

Sustainable Procurement

Prepared by: Procurement Department

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I. GOALS AND PURPOSE

1. Introduction

Cirque du Soleil Entertainment Group (**CDSEG**) recognizes the importance of sustainable procurement practices in achieving its sustainability goals. As a responsible corporate citizen, it is committed to ensuring that its procurement activities align themselves with its environmental and social values. This *Sustainable Procurement Policy* outlines CDSEG's approach to sustainable procurement and sets out the expectations it has for its suppliers.

In light of various Environment, Social and Governance (ESG) initiatives, CDSEG has established four pillars which guide its ESG initiatives: (1) Environment, (2) Workforce, (3) Governance, and (4) Partnerships and Community. These pillars are based on identified UN Sustainable Development Goals (climate action, life below water, good health and well-being, gender equality, decent work and economic growth, reduced inequalities, responsible consumption and production and peace, justice and strong institutions).

The *Sustainable Procurement Policy* is part of the initiatives that align with the fourth pillar: Partnership and Community. The principles of this policy are based on the UN Sustainable Development Goals, the UN's Universal Declaration of Human Rights, the UN's Guiding Principles on Business and Human Rights and the standards set out by the International Labour Organization (ILO).

2. Purpose

The purpose of the *Sustainable Procurement Policy* is to articulate CDSEG's long-term commitment to using ethical, environmentally friendly, and socially responsible sourcing practices. It aims to provide guidance to CDSEG's employees and collaborators for making purchasing decisions that are aligned with its sustainability goals. The policy also intends to provide insight to current and prospective suppliers on CDSEG's commitment to integrate the below principles in its procurement practices.

3. Scope

All purchases made for CDSEG or on its behalf, by its employees or by third parties, must comply with the responsible procurement principles stated in this policy as well as with those set forth in the *Corporate policy on the Procurement of Goods and Services*. CDSEG's employees and collaborators must make sure, when making purchasing decisions, to assess the supplier's commitment on the principles below.

II. STATEMENT

- Suppliers must always carry out their business in a manner that complies with all applicable local laws where services or goods are provided.
- Should the principles outlined in this policy and local laws touch on the same issues, the highest standard will apply.
- Agreements with partners and promoters are governed by the social responsibility clause included in each agreement and referring to the present policy.
- CDSEG is committed to implementing an approach based on collaboration and dialogue with its suppliers and use a system to control and verify the implementation of its *Sustainable Procurement Policy*. Suppliers' stated ESG-related practices may be subject to verification by CDSEG or a third party.

III. PRINCIPLES

1. Environmental criteria

Suppliers must act in a way that is environmentally responsible by demonstrating a concerted effort to improve their performance in this respect and by demanding the same of their suppliers. This includes but is not limited to:

- Considering environmental impacts and dependencies when making business decisions, or when designing and developing products or services;
- Respecting the legal requirements pertaining to environmental compliance;
- Implementing measures to prevent and reduce adverse environmental impacts, including but not limited to greenhouse gas (GHG) emissions (CO₂e), water pollution, ecosystem degradation, and noise pollution;
- Supporting CDSEG in reporting on its Scope 3 GHG emissions related to purchasing of goods or services (Category 1, GHG Protocol);
- Ensuring that their environmental performance and their supplier's is continuously improving, including but not limited to implementing measures to improve its management of water, energy, and residual and hazardous materials;
- Overseeing and optimizing their supply chain and their supplier's, including working with suppliers and sub-contractors that have certifications, when applicable and relevant, such as ISO 14001, LEED, Energy Star, Forest Stewardship Council (FSC), Cradle to Cradle, Green Seal;
- Establishing water management goals and engaging stakeholders in promoting water stewardship throughout their supply chain.

2. Social criteria

Labour and Human Rights

Suppliers must act in a responsible manner in regards to labour management and demonstrate a commitment in understanding and respecting all applicable laws, UN Guiding Principles on Business and Human Rights and ILO standards and by requiring the same commitment from their suppliers and sub-contractors.

Being partially Canadian based and operated, some of CDSEG's legal entities must comply with the *Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff* (also known as Bill S-211). CDSEG expects full compliance from its suppliers subject to this Bill.

Child Labour

No child below the age required to complete compulsory education in the country where the work is performed shall be engaged in labor. Additionally, individuals under the age of 18 should not be employed during nighttime hours or in hazardous conditions.

Suppliers are required to establish, engage in, and support policies and programs aimed at facilitating the transition of any child from performing child labour to allowing such child to receive quality education. The objective is to ensure that the child receives a quality education until they are no longer considered a child. These policies and procedures must adhere to the relevant International Labour Organization (ILO) standards.

Forced Labour

There shall not be any use of forced labour, whether in the form of prison labour, indentured labour, bonded labour or otherwise, directly from the supplier or through third party vendors or supply chains.

Employees should not be obligated to surrender their identity papers to their employer, and employees must have the freedom to terminate their employment with reasonable notice at all times.

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

Health and Safety

Suppliers are obligated to ensure a secure and healthy work environment, implementing necessary measures to prevent accidents and injuries related to or occurring during work. This involves minimizing the inherent hazards in the working environment.

All employees or subcontractors of the suppliers are entitled to convenient and safe access to clean toilet facilities and potable water. If applicable, sanitary facilities for food storage should also be made available.

In instances where accommodation is provided, accommodation must be clean, safe, and adequately meet the basic needs of the workers.

Discrimination

Supplier shall make sure that there is no discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, neurotype, sexual orientation, nationality, political opinion, or social or ethnic origin.

Hours of work

Suppliers must comply with all applicable laws. Employees shall be compensated for overtime hours in accordance with applicable laws.

Harassment or abuse

Every employee of the suppliers shall be treated with respect and dignity. No employee shall be subject to any physical, sexual, psychological or verbal harassment or abuse.

Diversity

CDSEG's employees shall exert commercially reasonable efforts to identify and allocate business opportunities to, or enhance the volume of business awarded to, diverse suppliers, including but not limited to those owned by minorities¹, women, LGBTQ2S+ individuals, Indigenous peoples², First Nations, Inuit, Métis, and persons with disabilities. Diverse suppliers may also include businesses from underrepresented communities or those with diverse cultural backgrounds.

Suppliers shall exert the same efforts to award business and opportunities to suppliers of the above-mentioned groups.

Gender equity

Suppliers shall be able to demonstrate commitment to gender equity through dedicated gender-explicit policies and/or the formalization of confidential complaint procedures or other mechanisms that uphold the protection of gender equity principles. Examples of such policies include equal pay for equivalent work, promotion of women and non-binary individuals to leadership positions, and the implementation of family-friendly policies such as flexible working hours and parental leave.

3. Governance

Local procurement

Local procurement practices, involving conducting business with suppliers located near CDSEG's

¹ Cirque du Soleil Entertainment Group uses the [Employment Equity Act](#)'s definition to identify minorities; *persons, other than Aboriginal peoples, who are non-Caucasian in race or non-white in colour.*

² Based on the principles of [The United Nations Declaration on the Rights of Indigenous Peoples](#)

operation centers where supplies are used, and aiming to enhance CDSEG's supply chain resilience while promoting economic and social development in the communities where it operates shall be prioritized.

Circular economy

The transition to a circular economy shall be considered when engaging with suppliers. This includes prioritizing the procurement of circular goods, doing business with recognized circular suppliers, and/or opting for circular procurement contracts.

Ethics

Suppliers must act in accordance with and demonstrate compliance with all applicable laws and ethical codes prohibiting criminal conduct, including bribery, corruption, fraud, and human rights abuses. They shall take proactive measures to identify, assess, and mitigate any wrongdoing in these areas.

Transparency

Suppliers are expected to uphold obligations of transparency in their business practices and to collaborate with CDSEG to comply and provide information on the above-mentioned principles.

IV. AUTHORITY

The application of this policy is implemented and monitored by the CDSEG's Procurement department and is supported by the Health, Safety and Sustainability department of CDSEG.

V. DEFINITIONS

Circular economy: An economic model opposed to the traditional linear model whose main objective is to reduce waste to a minimum through sharing, leasing, reusing, repairing, refurbishing and recycling practices that extend the life cycle and value creation potential of existing products.

International Labour Organization (ILO): The ILO is the international organization responsible for drawing up and overseeing international labour standards. It is a "tripartite" United Nations agency that brings together representatives of governments, employers and workers to jointly shape policies and programs promoting decent work for all.

Sustainable procurement or responsible procurement: Responsible Procurement is a procurement "methodology" that incorporates the selection of goods and services which promote a healthier community and environment by considering the costs as well as the environmental and social impacts of products and services through all stages of their lifecycle.

Sustainable development: Sustainable development means a development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Sustainable development is based on a long-term approach which takes into account the inextricable nature of the environmental, social and economic dimensions of development activities.

United Nations' Guiding Principles on Business and Human Rights: The Guiding Principles on Business and Human Rights (GPBHR) are a set of 31 principles endorsed by the United Nations Human Rights Council in 2011 that recognize the role of States and businesses in respecting, protecting, and fulfilling human rights and fundamental freedoms such as those proclaimed in the UDHR.

United Nations' Sustainable Development Goals (SDGs): The Sustainable Development Goals (SDGs) are a set of 17 objectives established by the United Nations in 2015 to address pressing social, economic, and environmental challenges by 2030. Each goal serves as a framework for states and organizations of all types to streamline contributions to global sustainability efforts.

United Nations' Universal Declaration of Human Rights: The Universal Declaration of Human Rights (UDHR), proclaimed in 1948 by the United Nations, constitutes a foundational text for the international recognition of human and civil rights. Although not legally binding, the articles of the UDHR have served as baseline for national and international human rights instruments such as international treaties, national constitutions, and other legal codes.

VI. REFERENCES

[2021 Corporate Policy – Procurement of Goods and Services](#)

[Bill S-211 – Fighting Against Forced Labour and Child Labour in Supply Chain Act](#)

[International Labour Organization's Conventions and Recommendations \(ILO\):](#)

- [C138 - Minimum Age Convention, 1973 \(No. 138\)](#)
- [C182 - Worst Forms of Child Labour Convention, 1999 \(No. 182\)](#)
- [R146 - Minimum Age Recommendation, 1973 \(No. 146\)](#)
- [C029 - Forced Labour Convention, 1930 \(No. 29\)](#)
- [C105 - Abolition of Forced Labour Convention, 1957 \(No. 105\)](#)
- [C087 - Freedom of Association and Protection of the Right to Organise Convention, 1948 \(No. 87\)](#)
- [C098 - Right to Organise and Collective Bargaining Convention, 1949 \(No. 98\)](#)
- [C111 - Discrimination \(Employment and Occupation\) Convention, 1958 \(No. 111\)](#)

[United Nations' Declaration on the Rights of Indigenous Peoples](#)

[United Nations' Guiding Principles on Business and Human Rights](#)

[United Nations' Sustainable Development Goals](#)

- [Goal 3: Ensure healthy lives and promote well-being for all at all ages](#)
- [Goal 5: Achieve gender equality and empower all women and girls](#)
- [Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all](#)
- [Goal 10: Reduce inequality within and among countries](#)
- [Goal 12: Ensure sustainable consumption and production patterns](#)
- [Goal 13: Take urgent action to combat climate change and its impacts](#)
- [Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development](#)
- [Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels](#)

[United Nations' Universal Declaration of Human Rights](#)