

# Human Rights & Workforce Management Policy

## 1. Why We Have a Human Rights & Workforce Management Policy:

- A. Human rights are the fundamental rights, freedoms, and standards of treatment to which all people are entitled. They include the right to life, liberty, security of person, and non-discrimination.
- B. Human rights abuses exist everywhere including the everyday business environment. Some of the human rights abuses that emerge in the workplace are inequality, discrimination, harassment, sub-standard wages, unsafe working conditions, and lack of privacy. The responsibility to respect human rights is a global standard for all business enterprises wherever they operate.
- C. The United Nations Universal Declaration of Human Rights and the UN Global Compact on Human Rights, among other standards, guide businesses in addressing human and workforce rights. Businesses that adhere to these standards do not engage in or tolerate abuses. They take responsibility to remedy any abuses that occur.
- D. Workforce management is designed to provide positive, mutually productive relations between a company's management and its workforce. Workforce management is important to maintaining workforce integrity, stability, satisfaction, and well-being. Effective workforce management includes eliminating all forms of forced, bonded, or child labor, protecting workers' fundamental rights to fair wages, and decent and safe work conditions, and providing for freedom of association.
- E. CTDI is a full-service, global engineering repair and logistics company. Our employees work with customers, suppliers and partners around the world. As a global engineering repair and logistics company we meet social expectations to behave responsibly as a corporate citizen through every employee interaction, every partner relationship, and every customer engagement.
- F. CTDI is a family business that has consistently maintained close relations between executive management, middle management and all employees, thereby creating a working environment conducive to mutual cooperation and dialogue. Through our workforce management commitments, we strive to assure fair and just workforce practices.

**2. Our Commitments: Based on the foregoing considerations, we commit to comply with all laws and regulations in each jurisdiction where we do business that apply to human and workers' rights. We make the following specific commitments:**

Human Rights Commitments:

- A. Adhere to the principles of the UN Global Compact and the UN Guiding Principles on Business and Human Rights, which set out business responsibility toward human rights.
- B. Treat all employees with dignity and respect. Assure that the work environment is free from inhumane treatment or harassment. Prohibit threats or abuse of any kind. Encourage all employees to create a positive working environment of respect, dignity, and courtesy. Encourage all employees to apply human rights principles and practices to their daily activities and interactions
- C. Align our corporate governance framework, other policies, and business practices with our commitments on human rights.
- D. Investigate and track allegations and pursue action to remedy human rights violations and correct adverse or at-risk conditions.
- E. Encourage our supply chain partners to observe our policy commitments on human rights.

Workforce Management Commitments:

- F. Prohibit underage labor and adhere to minimum age provisions of applicable laws and regulations. Address underage labor and remediate incidents when found.
- G. Prohibit the use of forced, bonded, compulsory labor or labor trafficking. Ensure that employment between the company and employees is voluntary. Make sure that temporary workers are treated fairly and equitably without discrimination.
- H. Provide employees with fair and competitive compensation and benefits. Ensure that we pay the legal minimum wage. Compensate all overtime hours worked. Ensure that benefits are composed of all the mandatory benefits as well as other competitive benefits that would support productivity and engagement.
- I. Respect the rights of employees to freely associate. Comply with legal requirements worldwide regarding employee and third-party involvement. Maintain positive and direct communications and relationships with employees. Promote direct constructive dialog between employees and management.

- J. Actively engage and collaborate with employees to find ways to continually improve work satisfaction. Promote career development, merit/performance-based promotions, incentive pay, and improved work conditions. Provide all our employees with opportunities for training, advancement and career development, giving all employees the means to move forward in accordance with their aspirations and capabilities.

**3. Policy Steward Responsibilities. To ensure that our Human Rights & Workforce Management Policy is understood, implemented and respected, the policy steward shall:**

- A. Understand the principles, guidelines, and requirements of the standards to which we have committed to adhere.
- B. Work with managers to make sure that all employees and third parties acting on our behalf understand their responsibility to follow this policy.
- C. Ensure that training is provided to all employees on human rights principles and practice. New and existing employees should receive training on working conditions, including occupational health and safety. Supervisors and managers should receive training on how to maintain a safe and respectful workplace, avoid harassment and communicate with workers.
- D. Ensure that open channels of communication are maintained for stakeholders to report abuses and concerns.
- E. Ensure that systems are in place to monitor activities within our operations to track compliance and violations of policy requirements and to identify potential violations to this policy and report these activities and findings to management.
- F. Monitor progress toward our commitments in this Policy by using measurable, quantifiable information and report in an objective and transparent manner. Establish and monitor KPIs.
- G. Communicate internally and publicly on our commitment and progress toward managing negative human rights and workforce impacts. Engage in direct and continual workforce dialog on issues affecting or important to our employees.
- H. Provide regular reports to the Policy Governor on the overall effectiveness of our Human Rights & Workforce Management Policy, programs and practice.

**4. Policy Governor Responsibilities. The Policy Governor shall oversee our Human Rights & Workforce Management Policy, and shall:**

- A. Ensure that our Human Rights & Workforce Management Policy, practices, and procedures remain an effective strategy for ensuring that CTDI's operations and activities uphold our stated commitments.
- B. Review all of the Policy Steward's reports and recommendations.
- C. Take action to support continuous improvement of performance on human rights and workforce management.
- D. If business activities or operations change, amend our Human Rights & Workforce Management Policy as needed to account for those changes and avoid deterioration of performance.

**Policy Steward:** Kristin Bartholomew, Director of Human Resources

**Policy Governor:** CTDI Sustainability Committee

**Effective Date:** December 2015