



# CSR Report

At NORAD, we have been delivering world class customer service for decades. Located in the Port of Davisville, RI we stand alone as the port processing gateway to the Northeast and Canada. Working closely with our port partners, everything is possible, including doing so in a way that is sustainable to the environment. We have 36 years of experience in port processing and have enjoyed adapting and changing with the modern world as more sustainable ways of operating have come about. By doing operations in an environmentally, economically, and socially responsible manner, we aim to safeguard the livelihoods of present and future generations. In this report we acknowledge our risks, existing measures taken, future measures and our Sustainability Requirements for our company, suppliers, and business partners.

## Guidelines

- NORAD relies heavily on collaboration with our business partners in diverse regions and industries. We strive to promote CSR initiatives in our business practices and promote the protection of the environment and human rights.
- In order to conduct responsible business that respects human rights and protection of the environment, NORAD asks our partners to understand and implement practices that pursue sustainability for the environment and human rights.

## Risks and Policies

At NORAD, we have many different departments, all of which must work together to provide an efficient and effective service to our business partners. We monitor our business practices closely to ensure that we are always operating to our high standards and honor our code of conduct. Some risks that come with operating a company as varied as ours are:

### Human Rights

We employ many staff at varying shifts around the clock from our mechanics, yard crew (such as drivers, scanners, spotters, etc.), office staff, accessory installers, and security guards. This varying schedule puts us at labor law risks such as documenting hours worked, safe working conditions and ensuring that all full-time employees are receiving their benefits. We ensure that all local and federal labor laws are followed by monitoring employee schedules and ensuring they are receiving fair working hours, safe working conditions and are being paid for their hours worked. We condemn all forms of illegal,



unfair, unethical labor practice that exploits workforce, destroys social security, could be considered slavery, or serves as tax evasion, including but not limited to undeclared and “grey” work or holding back wages.

We are conducting business in an industry that is heavily dominated by males, so we provide equal opportunity for employment and do not discriminate based on gender, marital status, age, national or social or ethnic origin, color, religion and political opinion, disability, sexual orientation, employee representation, property, birth, or other status. We at NORAD do not tolerate any discrimination or harassment or any type from abuse. No direct or indirect discrimination shall take place based on any professionally non-relevant trait or circumstance. All staff is expected to follow the highest standards of conduct in all verbal and written communication based on mutual respect, and must refrain from any form of harassment, slander or any behaviour that could be taken as offensive, intimidating, humiliating, malicious or insulting.

### **Unethical Business Practices**

Our unique location at the Port of Davisville gives us the opportunity to provide service in many ways: rail, by sea and by road. This means we have more competitors based on our many modes of service, however our relationships with competitors are built upon trust and mutual benefits compliant with competition law. We are dedicated to ethical and fair competition, as we price our services based on quality, functionality, and competitive pricing. We make independent pricing and marketing decisions and do not improperly cooperate or coordinate our activities with our competitors. We do not offer or solicit improper payments or gratuities, nor will we engage or assist in unlawful boycotts of particular customers. We commit to comply with all applicable trade controls, restrictions, sanctions, and import-export embargos. NORAD does not tolerate any unfair business practice. Our decisions shall be based on objective and fair assessments avoiding the possibility of any improper influence. A "conflict of interest" exists when an employee's personal interest (that can be linked to e.g., friends, family, or customer, competitor, supplier, contractor entity, as well) interferes or potentially interferes with the best interests of NORAD. We refrain from damaging competition and the reputation of any business partners, and any behaviour that harms competitor’s creditability. We do not hold back maliciously, unlawfully, or unduly payments towards our partners, and we do not allow such practices in our supply chain, we fight the unethical practice of “debt chain”. We do not use or accept counterfeit parts; we make a conscious effort to receive all necessary parts directly from the auto manufacturers to verify authenticity. We follow all Export Control and Trade Sanctions regulations and make sure that we do not violate these laws in any manner.



Our staff is responsible for ensuring fair business during their job and adhere to every competition, consumer protection and fair marketing rule. Customers and business partners shall be treated fairly and equally, products and services shall be displayed in a manner that is fair and accurate (fair marketing and advertising), and that discloses all relevant information.

We firmly condemn and do not tolerate all forms of corruption including, but not limited to bribery, and extortion. It is prohibited directly or indirectly offering, promising, giving, asking, soliciting, or accepting any unfair advantage or benefit, in order to obtain, retain or facilitate in any way the business. An unfair advantage or benefit may include cash, any cash equivalent (e.g., voucher), gift, credit, discount, travel, personal advantage, accommodation, or services. We do not permit facilitation (or “grease”) payments to government officials or private business in order to secure or speed up routine actions. Corruption for either to obtain or retain business, or to obtain or retain an advantage in the conduct of business is considered gross misconduct. Similarly accepting or allowing another person to accept a bribe is considered gross misconduct. Our staff has to account for all benefits received in the course of doing business and must to not give or receive bribes or otherwise act corruptly.

We shall avoid any actions that create a perception that favourable treatment was sought, received, or given in exchange for personal benefits. We will neither give nor accept any benefits that could reasonably be perceived as bribery, attempts to influence, or be influenced. Our staff may never use personal funds or resources to do something that cannot be done with our resources. We may accept and offer occasional gifts and hospitality that are customary and conform to reasonable ethical practices of the market, provided that they are not inappropriately excessive, not frequent and do not reflect a pattern of frequent acceptance, does not create the appearance of an attempt to influence business decisions. Only trivial gifts with low value can be accepted. All other gifts must be politely refused or, if received through post, returned to the donor. If return is not possible it shall be offered for charity or community purposes. It is the responsibility of the person offering, providing, receiving, or accepting the gift to decide whether the gift is appropriate. If any of these laws or policies are violated, the whistle-blower is to be protected against retaliation.

## **Environmental Policy**

NORAD is committed to protecting the environment, the health and safety of our employees, and the community in which we conduct our business. In our mechanic and accessory shop we handle hazardous chemicals, and run a risk of mishandling these, which would expose our employees and the environment to these chemicals. To prevent this, we conduct training on safe handling when employees are hired and repeat this training annually. It is our policy to seek continual improvement throughout our business operations to lessen our impact on the local and global environment by conserving



energy, water, and other natural resources; reducing waste generation; recycling and reducing our use of toxic materials. We are committed to environmental excellence and pollution prevention, meeting or exceeding all environmental regulatory requirements, and to purchasing products which have greater recycled content with lower toxicity and packaging, that reduce the use of natural resources. Our current business model allows our customers to utilize three modes of transportation for importing and exporting vehicles: truck, rail, and ship. NORAD facilities were specifically constructed with ease of access in mind to minimize unnecessary travel for all imports and exports, and moves around our property. One way that we do this is by maximizing the efficiency of customer vehicle movement around our property by ensuring that our employee transport vans are filled to their safe capacity to reduce the number of unnecessary trips. This helps us reduce emissions released into the air by limiting the number of trips made around our property. We also communicate with our utilities companies every six months to ensure that we are using the most environmentally friendly products that reduce our energy use. Currently we are using 2% of renewable energy to conduct our business, we are limited in what we can do as we do not own the property or building that we conduct business on. When new technology is available that we are able to implement, we make those changes to ensure that we are protecting the environment and reducing our impact as much as possible.

The goal of this policy is to ensure that products and services purchased or contracted for conform to the goals of our company's environmental policy. We will strive, where feasible, to purchase environmentally preferable products and services to meet the company's office and operational needs. We will also favor suppliers who strive to improve their environmental performance, provide environmentally preferable products, and who can document the supply chain impacts of their efforts.

Wherever possible, purchasing decisions and business partners will favor products that reduce greenhouse gas emissions, and help with decarbonization. We prefer products that are made with renewable energy and/or are energy efficient, reduce pollution from all discharges (releases to air, water and land) and reduce the use of toxic materials that are hazardous to the environment, our employees, and the public. We prefer products and business partners that limit or prevent noise pollution. We choose products that contain the highest possible percentage of post-consumer recycled content, and reduce packaging and other waste. We value products that conserve water and does not impact the local water supply or quality, as well as products that are reusable and sustainable to the environment. We prioritize products that minimize transportation and are locally sourced, serve several functions, and are durable.



We contract with companies that do not harm the local flora, fauna and soil quality and prioritize protecting these assets. NORAD and our business partners have a policy to not transport, sell or handle any animals and we favor suppliers and business partners who treat animals humanely, and do not harm, test, transport, exhibit or handle them in an inhumane manner.

Environmentally preferable products and services that are comparable in quality to their standard counterparts will receive a purchasing preference. In situations where the most environmentally preferable product is unavailable or impractical, secondary considerations will include production methods and the environmentally and socially responsible management practices of suppliers and producers. Environmentally preferable purchasing is part of our long-term commitment to the environment. By sending a clear signal to producers and suppliers about this commitment, we hope to support wider adoption of environmentally preferable products and practices. We are committed to minimizing our impact on the environment through our business practices and choose sustainable options in our business decisions. We actively make choices to reduce and prevent pollution, choose renewable energy, and recycle, and choose business partners who value the same environmental policies. We respect the land, forest, and water rights of all people, including those of indigenous and minorities and ensure that we are not violating these rights.

### **Sustainability Requirements for Suppliers**

NORAD is committed to a sustainable working environment for our employees and business partners as well as reducing our impact on the environment. We are constantly evaluating our working conditions to ensure that our standard of work is sustainable to the environment and can make any necessary changes if the opportunity arises. We require that our suppliers follow these standards that we have set. If we discover that they are in violation of these standards, we reserve the right to take appropriate measures. We may give the opportunity to correct the violation upon discovery, and should the supplier have a pattern of violating the standards we may discontinue the relationship with the supplier. We will not tolerate retaliation against a whistleblower or anyone who in good faith raises a concern or reports misconduct of the supplier. We require our direct suppliers (Tier-1) hold these same standards for their suppliers, so these high standards are carried along through the supply chain.



### **Environmental management of their business**

We value companies that prioritize energy efficiency and have a commitment to reducing greenhouse gas emissions, utilize recycling programs and choose environmentally friendly options. We require them to protect about animal welfare, and partner with companies who do the same. Our business partners are to respect the land, forest, and water rights of all people, including indigenous and minorities, and ensure that they are not violating these rights or forcing eviction to capitalize on the loss of those rights. Our partners are to report their greenhouse gas emissions (GHG) as accurately as possible, and have goals set to minimize their future emissions. They must prioritize products and services that protect water quality, consumption, and management. They must monitor air quality and use products that prioritize decarbonization. We require our partners to reduce the amount of waste they produce, recycle and reuse products as much as possible. They are to be mindful about sustainable resource management, and have policies in place that protect biodiversity, land use and prevent deforestation, protect soil quality and prevent noise pollution. They must manage chemicals responsibly and have training and regulations in place to prevent misuse.

### **Ethical Business Practices**

Our business partners are to be anti-corruption and anti-money laundering and conduct business in an ethical way. They must protect data and have a data security system in place to ensure that all measures are being taken to protect this information. They must keep accurate records and disclose information in a factual way. We require our business partners to protect intellectual property and give credit honestly and fairly to the person(s) to whom it is due. We forbid the use of counterfeit parts in our business practices and hold the same standards for our suppliers. Any whistleblower is not to be retaliated against if any laws or policies are violated. All parts are to be authentic and procured in an honest way. We require that our business partners follow customs laws and regulations. All Export Control and Trade Sanctions regulations are to be followed and not violated in any manner.

### **Human Rights**

They are required to hire without discrimination of gender, race, gender presentation, ethnicity, disability and have rules and policies in place that protect the rights of their employees. These employees are to be treated fairly and be provided with necessary accommodations to complete their work. They must have fair labor practices and safe working conditions while providing fair wages and benefits and follow all local and federal laws for fair labor practices. They will be dedicated to fair competition and be anti-corruption, be against child labor, slavery, with no harassment or discrimination in the



workplace and allow their workers freedom of association and collective bargaining. They must recruit their employees in an ethical manner and hire their workers lawfully, in a fair and transparent manner that respects and protects their rights. If our partners use private or public security forces, they are to have rules and regulations in place that ensure they do not infringe upon anyone's rights, or harm people or animals while maintaining a secure work environment. Our business partners must value health and safety of their employees and have policies in place that protect their health and safety.

Supplier is in compliance with and requires its subcontractors along the supply chain, and any person under its control to comply with, all applicable state, national, and international laws, rules and regulations relating to ethical and responsible standards of behavior, including, without limitation, those dealing with human rights, modern slavery, conflict mineral sourcing, environmental protection, sustainable development, bribery and corruption. Supplier has adopted and implemented appropriate and effective policies to ensure compliance. Supplier understands that if they do not meet the criteria NORAD has set in their Corporate Social Responsibility report (CSR), they will be given the opportunity to make changes to meet the criteria. If repeated violations of the CSR occur, NORAD has the right to take appropriate action which may result in ceasing to do business with violating supplier.