



SUPPLIER BUSINESS PRACTICES POLICY

THE PGT INNOVATIONS FAMILY OF BRANDS





1070 TECHNOLOGY DRIVE ■ NORTH VENICE, FL 34275
PH: 941.480.1600 ■ F: 941.480.2778
PGTINNOVATIONS.COM

As a national leader of premium windows and doors, PGT Innovations is committed to providing our customers with high-quality, long-lasting products that meet demanding test criteria. Furthermore, our team is dedicated to maintaining business partnerships with organizations whose practices align with our corporate social responsibility guidelines, which include ethical sourcing.

To ensure full transparency about our expectations of our supplier partners and the criteria that will be used in the case of evaluations by auditors, we are pleased to share the attached Supplier Business Practices Policy. Through these standards, we have built a solid foundation of ethical principles and values that have delivered success in our supplier relationships.

At the highest level, our guidelines require that all goods and components procured for our products are produced in supplier facilities that meet specific criteria for human rights, workplace safety, and environmental compliance.

PGT Innovations will not knowingly engage and/or work with suppliers that do not comply with the standards outlined in our policy and reserves the right to assess supplier compliance to the policy from time to time. Should nonconformances be identified, thorough investigations and corrective actions will be required.

Your organization, as one of our valued suppliers, plays a pivotal role in the success of our company's future, and we are thankful for both your business partnership and that your ethical business standards mirror our own.

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A REPUTATION BUILT ON HONESTY AND INTEGRITY

As the nation's leader in impact-resistant windows and doors, PGT Innovations (PGTI) has earned a reputation for conducting business with honesty and integrity. All of our products are made in facilities that meet specific criteria for human rights, working conditions, and environmental protection, and we require that all products, goods, or materials produced for the use of any PGTI business unit also meet these criteria.



PGTI BUSINESS CODE OF CONDUCT AND ETHICS

PGTI adheres to the following standards when selecting and working with suppliers of any and all purchased goods:

1. Supplier complies with all applicable local laws and regulations.
2. Supplier does not employ workers younger than the minimum age required by law.
3. Supplier does not engage in forced labor (including slavery and human trafficking).
4. Supplier provides appropriate wages and benefits as required by law.
5. Supplier does not require excessive working hours that exceed local laws or business customs.
6. Supplier does not physically and/or mentally punish workers.
7. Supplier does not unlawfully discriminate against workers but encourages employment based on job performance.
8. Supplier respects workers' rights to associate freely.
9. Supplier maintains safe and clean workplaces and/or residential facilities in compliance with the law.
10. Supplier protects our confidential and proprietary information.
11. Supplier has a Conflict Minerals Declaration and all products are DRC Conflict-Free.

The above standards apply whether the supplier is a PGTI division, an affiliate, or a third party. PGTI will periodically assess our suppliers' compliance with these standards and will investigate any reported noncompliance and take appropriate action, if necessary. PGTI will not knowingly conduct business with suppliers that do not comply with the above standards. PGTI expects all suppliers, affiliates, and third parties to respect and uphold human rights at the forefront of their business dealings.



IMPLEMENTATION OF THE POLICY

The following guidelines are intended to provide suppliers to PGTI's family of companies ("PGTI's suppliers" or "our suppliers") with information that will help them meet and put into practice PGTI's Supplier Business Practices Policy. These guidelines address all aspects of the Supplier Business Practices Policy and apply to all suppliers, including those owned by, or affiliated with, PGTI.

These guidelines provide practical information that will enable you, as suppliers, to understand and anticipate what PGTI expects and what its auditors will be evaluating as they assess your facilities. These guidelines will also help you achieve compliance and build effective management tools and systems for continuous improvement. In addition to promoting humane and responsible practices, these policies are also good for your business.

This document is constructed in the following way:

- Each section corresponds to one of PGTI's Supplier Business Practice Policies (the "Policies").
- The first part of each section simply quotes the relevant policy.
- Next, we explain what the particular policy means in practical terms.
- After that, we offer a general summary of what the auditors will be looking for in assessing compliance with the particular policy.
- Indicators of noncompliance are listed in the next section. This is not a complete list, but is simply intended to provide guidance regarding the types of actions that suggest that the policy has been violated.
- Finally, we describe good management practices. These are offered as suggestions of what you, as our supplier, might do to minimize your risk of noncompliance, build effective management systems, and develop capacity for continuous improvement.

Please be aware that PGTI's customers often have their own standards and expectations, and that these will sometimes require additional compliance on the part of our suppliers.

We will attempt to make such requirements known to you, as appropriate, and our monitoring and assessment activities will assess your compliance both with our standards and with any more rigorous requirements of our customers.



COMPLIANCE WITH LAWS AND REGULATIONS

SUPPLIER BUSINESS PRACTICES POLICY LANGUAGE

Our suppliers shall comply with all applicable laws and regulations.

WHAT DOES THIS MEAN?

PGTI requires that its suppliers and their facilities comply with all laws, including:

- Local employment and labor laws and regulations.
- Environmental laws and regulations.
- Laws, regulations, and internationally adopted restrictions concerning bribery and corruption.
- Intellectual property laws, including patent, trademark, and copyright laws and rights.
- Country-of-origin laws and labeling requirements.

To fulfill their compliance obligations, PGTI suppliers must:

- Understand and comply with all requirements of all applicable labor and employment laws and regulations, including, but not limited to, laws and regulations governing minimum wage, working hours, overtime, holidays, benefits, forced labor, and child labor.
- Understand and comply with all requirements of all applicable trade laws and regulations, including, but not limited to, laws pertaining to product design, manufacture, packaging, labeling, importation, and country of origin.
- Understand and comply with all requirements of all applicable laws, regulations, and international norms concerning bribery, facilitation payments, and corruption, including, but not limited to, the Foreign Corrupt Practices Act (www.usdoj.gov/criminal/fraud/fcpa.html).
- **Understand and comply with all environmental laws and regulations applicable to their business. We expect them to accomplish this by, among other things:**
 - Understanding and managing the environmental impacts of their operations.

- Understanding the requirements and expectations of local and national environmental laws and regulations.
- Maintaining appropriate environmental documentation and licenses.
- Protect and respect intellectual property rights and obligations, including those relating to the use of patents, copyrights, and trademarks.
- Understand and comply with all antiterrorism laws and regulations.
- Understand and comply with all other applicable legal and regulatory requirements relating to their business.
- Track legal and regulatory changes relevant to all applicable legal and regulatory requirements relating to their business.

WHAT WILL AUDITORS BE LOOKING FOR?

Auditors will:

- Look to see whether facility management possesses a working knowledge of all local laws and regulations relating to or impacting their business.
- Review any and all available documentation relating to legal compliance.
- Look to see whether facility management maintains books and records in accordance with the expectations of the various laws and regulations applicable to their business.
- Look for evidence of previous violations by the supplier or its management of legal and regulatory demands.

With respect to environmental compliance, auditors will also:

- Review records for certifications and other evidence of compliance with applicable local, national, and international environmental laws and regulations.
- Visually inspect the facility for evidence of practices that are inconsistent with applicable local, national, and international environmental laws and regulations.

- Look for efforts by the facility to reduce disposal waste and emissions into the air, ground, and water.
- Determine whether facilities handle, store, and dispose of hazardous waste in an environmentally safe manner.
- Determine whether facilities recycle and reuse materials to the greatest extent possible.

INDICATORS OF NONCOMPLIANCE

- Falsification of documents.
- Expired IDs or permits.
- Poorly maintained books or records.
- Multiple sets of books or records.
- Unexplained or poorly documented cash transactions.
- Willful tampering with or altering proper category or country-of-origin documentation.
- Evidence of illicit or unlawful transshipment.
- Failure to maintain production or purchase order records.
- Failure to maintain records of exports.
- Moving production from identified and known PGTI authorized sourcing facilities to other manufacturing facilities without PGTI knowledge and approval.
- **With respect to environmental compliance issues, indicators of Noncompliance also include evidence that the facility:**
 - Cannot produce certifications documenting compliance with applicable local, national, or international environmental laws and regulations (where such documentation should exist).
 - Is discharging untreated wastewater.
 - Lacks appropriate exhaust treatment or ventilation systems or equipment.
 - Stores and/or disposes of hazardous substances without appropriate protections and precautions.

GOOD MANAGEMENT PRACTICES

Designation by facility management of an individual or individuals with explicit responsibility and accountability for understanding the facility's legal obligations and assuring compliance with these obligations.

- Cooperation by facility management with monitoring personnel responsible for reviewing compliance practices, including both government personnel and PGTI auditors.
- Effective, periodic, and updated training of management personnel on legal and regulatory requirements.
- Development of management systems for ongoing legal and regulatory compliance.
- Avoiding inappropriate requests to local authorities for special exemptions from legal or regulatory requirements.
- Ongoing monitoring by facility management of legal and regulatory compliance.
- Open and transparent bookkeeping.
- Avoidance of the appearance of improper relationships with regulatory or government officials.
- No retaliation against someone who reports violations.
- With respect to environmental issues, additional good management practices might include:
 - Development by supplier of an environmental management system based on ISO 14000 series standards.
 - ISO 14000 certification of supplier.

CHILD LABOR

SUPPLIER BUSINESS PRACTICES POLICY LANGUAGE

Our suppliers shall protect against the use of workers younger than the minimum age required by law.

WHAT DOES THIS MEAN?

PGTI expects its suppliers to:

- Comply with all applicable and relevant national laws and regulations, including laws and regulations governing:
 - Minimum age of employment (PGTI minimum age is 18 years old per ILO C182 - Worst Forms of Child Labour Convention, 1999 (No. 182)).
 - Young workers (see below).
 - Apprenticeship programs (see below).
- Obtain and maintain accurate employee documentation.

Legal restrictions placed on “young workers”:

- Many exporting countries place legal restrictions on the number of hours that may be worked by young workers (defined as workers above the legal minimum age for work but younger than age 18). These restrictions include the number of overtime hours performed by young workers. Young workers in many countries are also barred from performing certain types of work, such as hazardous work, night work, and overtime work. PGTI expects its suppliers to understand and comply with laws such as these, protecting young workers.

Apprentice Programs:

- Apprentice programs are regulated by law in most countries, with specific limits on number of hours worked, duration of training period, and number of times the same worker can be classified as a trainee.
- In some cases, for the period of training, apprentice program payments are legally below minimum wage. Limits on duration of training period must be strictly followed, and wages must be raised to normal pay rates at the end of the training period.

WHAT WILL AUDITORS BE LOOKING FOR?

- Knowledge by facility management of all local child labor laws and regulations.
- Reliable proof of age and assurance that copies of all relevant documentation are kept on file. Note that, because such information is often falsified either by young people seeking work or by local employment agencies, auditors will be particularly focused on verifying the authenticity of such documents.
- Information regarding the hiring practices of the facility, particularly regarding how age is verified before a worker is hired.
- If applicable, auditors will seek to verify that young workers are not performing work that is hazardous in nature or are not otherwise performing work in violation of local laws and regulations governing the employment of young workers.

Auditors will also:

- Determine if young workers are working the legally specified number of hours.
- Determine whether the facility tracks the nature and volume of work performed by young workers.
- Look to facility practices to establish that facility management is familiar with all local laws on trainees and apprentices.
- Determine whether workers are kept on trainee wages beyond legally specified durations.

INDICATORS OF NONCOMPLIANCE

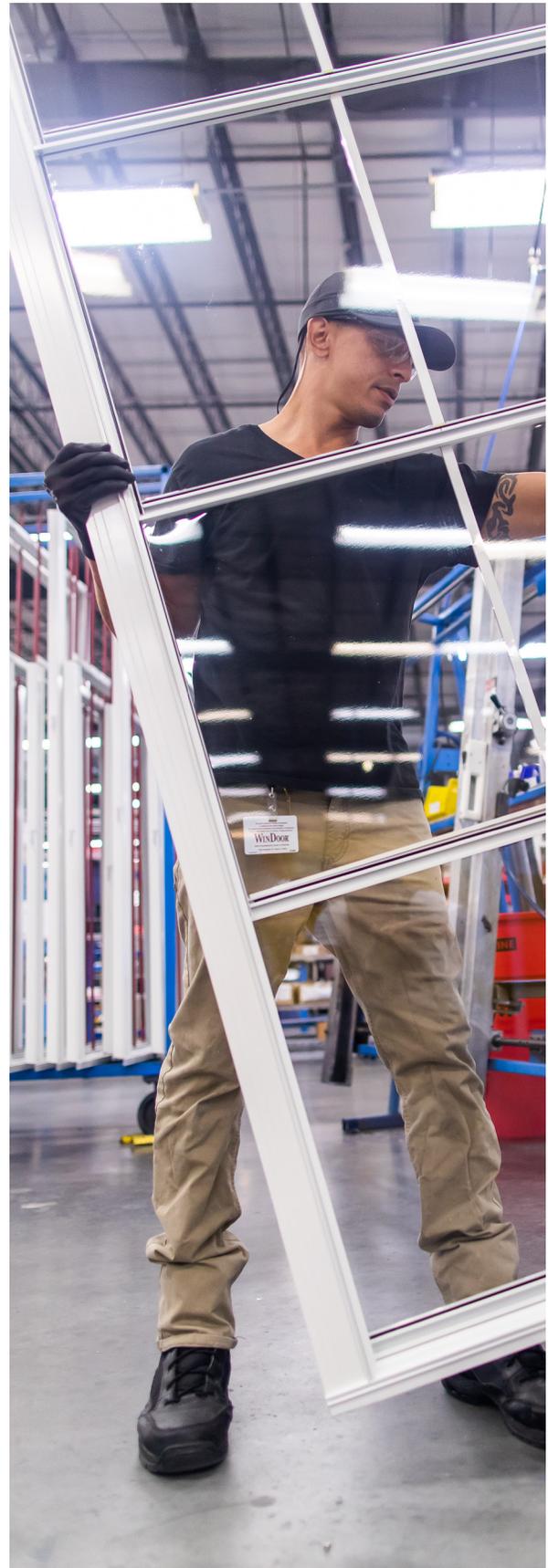
- Use of workers below the legal age of employment.
- Incomplete or missing age documentation records verifying the age of all employees.
- Facility has nonexistent or poor age-verification systems.
- Children present in the facility (except in approved, separated Childcare facilities).
- Record review indicates history of child labor (e.g., workers hired prior to legal working age).

- Young workers not working within the appropriate, lawful conditions of employment (e.g., excessive working hours, excessive overtime hours, working within school hours, working under hazardous conditions, etc.).
- No system for monitoring young workers and apprentices according to local laws and regulations.

GOOD MANAGEMENT PRACTICES

The facility has:

- Verified the age of each worker prior to his or her employment.
- Put an appropriate age-verification system in place.
- A system that ensures that young workers are working within the legally specified number of hours.
- A system that ensures that young workers are not performing hazardous work.
- A system for monitoring young workers to assure ongoing compliance.
- A clear program for hiring, training, and promoting apprentices.



FORCED LABOR

SUPPLIER BUSINESS PRACTICES POLICY LANGUAGE

Our suppliers shall protect against the use of forced labor.

WHAT DOES THIS MEAN?

Employment at PGTI supplier facilities must be voluntary. Accordingly, PGTI expects its suppliers to:

- Prevent the use of forced labor, including prison labor, indentured labor, bonded labor, debt labor, or otherwise.
- Prevent practices that limit employees' freedoms, such as requiring employees to pay recruitment commissions, requiring employees to pay unreasonable deposits, or withholding travel documents.

Forced or Prison Labor:

- Workers cannot be employed at PGTI supplier facilities if they are forced to work without compensation by the state or the military as a requirement of a criminal or civil penalty or sentence.
- Forced or prison labor most often occurs where the supplier facility is using a government or military-controlled or affiliated agency to provide or arrange for the hiring of workers.
 - Forced or prison labor is also common where the supplier is controlled by, or affiliated with, the government or the military.

Indentured or bonded labor:

- Indentured or bonded labor refers to conditions in which, in order to pay off supposed debts, workers are not free to terminate their employment at their discretion.
- Examples include situations in which employees work to pay off debt incurred by another person who offered the worker's labor in exchange. In some parts of the world, it is not uncommon for children to work to pay off debts of parents or other relatives.
- Indentured or bonded labor also occurs where workers are forced to incur debt to

their employer in order to pay for uniforms, transportation costs, equipment, supplies, and similar job-related expenses, and must then work without compensation in order to pay off that debt.

- In all such cases, workers lack the freedom to leave their employment at their own free will, and are forced to remain employed even if they wish not to do so.

Other forms of forced labor include:

- Situations in which labor contracts or practices create unreasonable legal or practical limitations on a worker's ability to leave his or her employment.
- Employers retaining worker identification or travel documents without employees having free access to and use of the documents, payment of excessive fees by workers upon entering employment, withholding of worker paychecks during an indefinite period of "probation," and the requirement that workers pay a penalty upon termination of their employment.

WHAT WILL AUDITORS BE LOOKING FOR?

Auditors will:

- Review hiring practices and documents to determine the source of labor and the terms of hiring.
- Look into the use of labor contracts that a hiring agent may use to limit workers' ability to voluntarily terminate their employment.
- Look for required payments or deposits by workers to hiring agents or employers for such things as equipment, supplies, uniforms, or similar items.
- Evaluate whether workers are free to leave the facility during off-hours.
- Evaluate the reasonableness of any restrictions on workers' free time.
- Verify that identification and travel documents are not withheld from employees (with a particular focus on migrant workers).

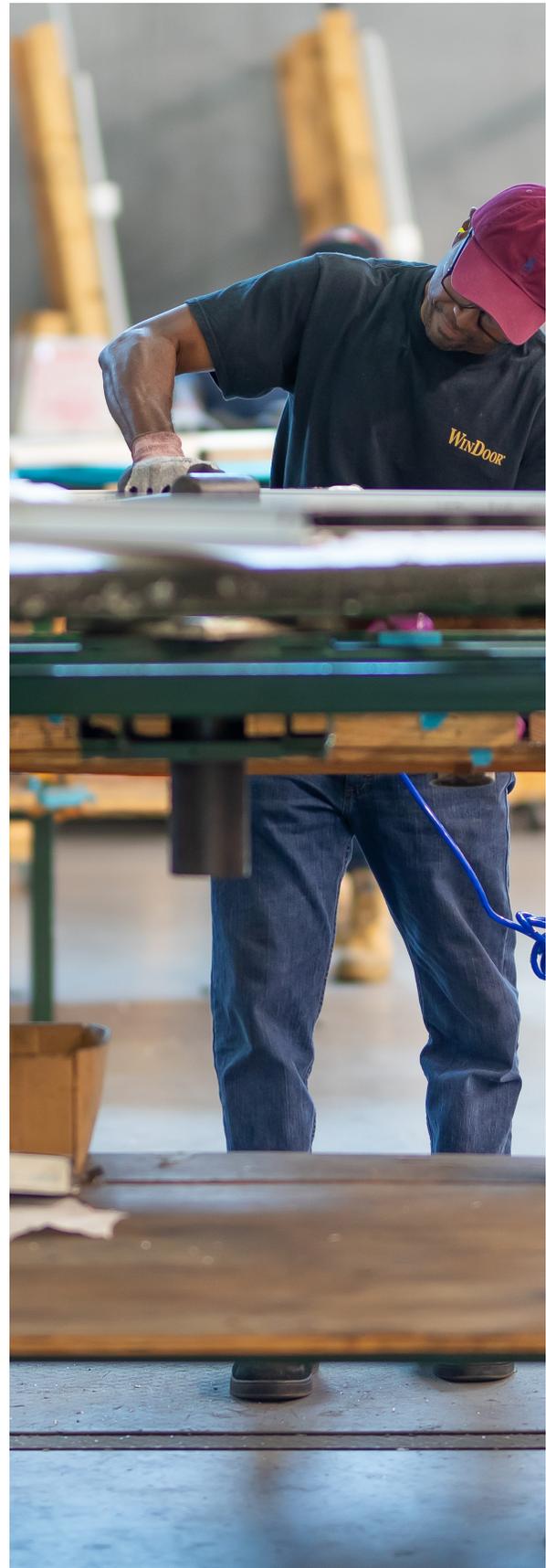
- Establish whether workers are aware of compensation practices and are being compensated directly.
- Try to assess whether subcontractors are operating in compliance with the prohibition on forced labor.

INDICATORS OF NONCOMPLIANCE

- Any type of prison, bonded, indentured, or forced labor.
- Requirements of deposits by new or existing workers for equipment, supplies, uniforms, room, or board.
- Contract terms that limit workers' freedom to voluntarily terminate their employment.
- Workers prohibited from leaving the facility or dormitories during certain times.
- Unreasonable restrictions on liberties, such as bathroom usage, drinking water, and use of the infirmary.
- Withholding of paychecks until a worker has worked for some probationary period beyond a normal pay period.
- Withholding of government issued identification, passports, or work permits with or without employee consent.
- Refusal to allow use of external medical facilities when and as appropriate.

GOOD MANAGEMENT PRACTICES

- Elimination of all unreasonable or non-work-related restrictions on basic liberties and on free movement of workers.
- Labor contracts that do not include unreasonable recruitment fees and deposits and that do not impose penalties for terminating employment.
- Written instructions to facility subcontractors and labor recruiters verifying expected compliance with the prohibition on forced labor.
- No withholding of government issued identification, passports, or work permits.



WAGES AND BENEFITS

SUPPLIER BUSINESS PRACTICES POLICY LANGUAGE

Our suppliers shall provide appropriate wages and benefits as required by law.

WHAT DOES THIS MEAN?

The Policy on wages and benefits requires PGTI suppliers to:

- Abide with all applicable laws relating to wages and benefits, including laws governing minimum wages, overtime, piecework, and benefits.
- Pay at least the legally prescribed minimum wage.
- Have a system in place to verify and accurately record payroll, deductions, and hours worked by employees and maintain accurate timecards, payroll, overtime documentation, and other records.
- Provide their workers with complete wage statements for each pay period, in which deductions are clearly explained and reasonable.

WHAT WILL AUDITORS BE LOOKING FOR?

Auditors will:

- Review the supplier's system for recording time worked to ensure that time is recorded accurately and completely. They will review a random sample of payroll records to determine whether all mandated pay and benefits are provided and whether overtime is being properly calculated and paid.
- Review timesheets and other records to ensure that workers' wages are being calculated accurately and to determine whether workers have received appropriate compensation for leave taken.
- Determine how workers' time on the job is recorded, and whether it is recorded accurately (i.e., whether time clocks work properly, log-in sheets are valid and up-to-date, and production records correspond to recorded hours).
- Attempt to determine, through worker interviews and otherwise, (a) whether workers

know how their pay is calculated, (b) whether workers are given information relating to wages in an understandable form, and (c) whether workers are familiar with the facility's overtime compensation policies.

- Assess whether Piecework production targets result in workers earning below the legal minimum wage.
- Determine whether workers are provided with required insurance and other legally required benefits.
- Determine whether mandatory withholdings have been paid over to the appropriate government agency or agencies.

INDICATORS OF NONCOMPLIANCE

- Falsified, missing, incomplete, or inaccurate payroll, benefits, and/or time records.
- Nonpayment or late payment of wages.
- Nonpayment for actual overtime worked (work done off the clock).
- Minimum wage.
- Miscalculation of wages.
- Illegal or unauthorized wage deductions.
- Compensation not directly paid to workers.
- Failure to provide employer/employee-mandated benefits withholdings to the appropriate government agency/agencies or withholdings to the appropriate government agency/agencies.
- Failure to provide pay stubs to workers.
- Incomplete payroll records.
- Failure to provide copies of employment contracts to workers.

GOOD MANAGEMENT PRACTICES

- The facility pays workers at least the minimum wage prescribed by law.
- The facility maintains an accounting system that ensures that all workers are paid for overtime at legally mandated rates.

WORKING HOURS

SUPPLIER BUSINESS PRACTICES POLICY LANGUAGE

Our suppliers shall protect against excessive working hours that exceed local laws or business customs.

WHAT DOES THIS MEAN?

The Policy on working hours requires PGTI suppliers to:

- Comply with all applicable laws relating to working hours and overtime.
- Assure that all overtime is compensated in accordance with the requirements of local law.

WHAT WILL AUDITORS BE LOOKING FOR?

Auditors will:

- Review the facility's system for recording time worked to ensure that time is recorded accurately and completely.
- Interview workers to determine if they are knowledgeable about the facility's overtime policies.

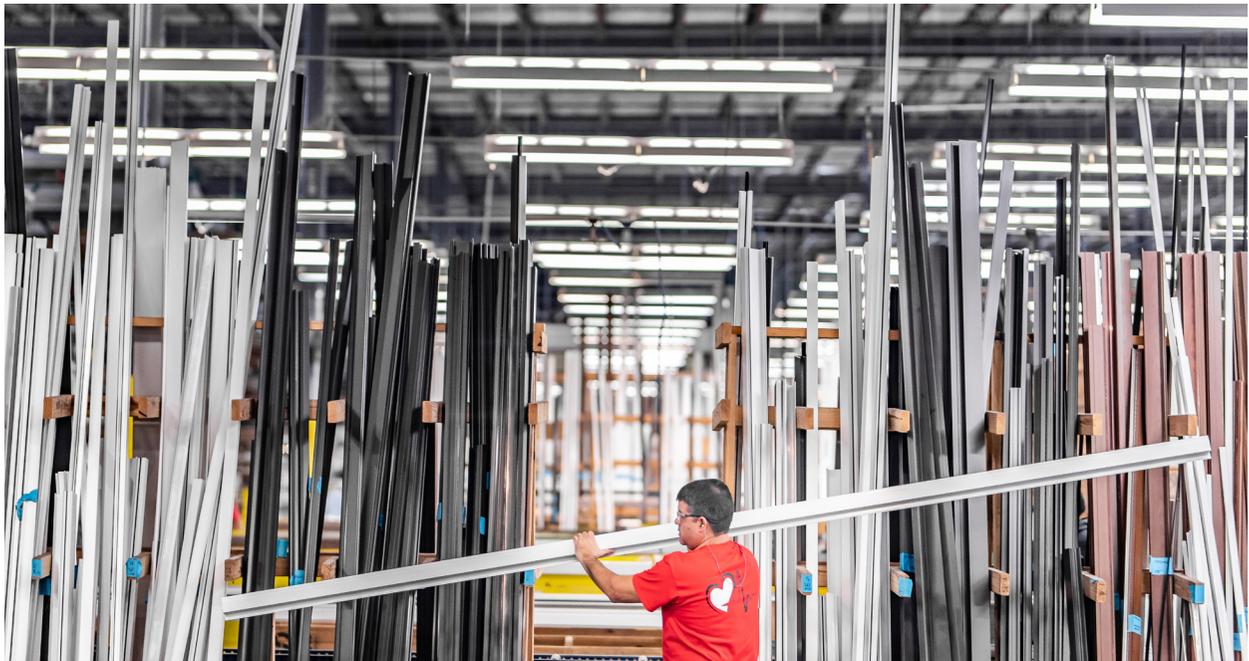
INDICATORS OF NONCOMPLIANCE

- Falsified, missing, incomplete, or inaccurate time records.
- Nonpayment for actual time worked (work performed off the clock).
- Excessive overtime on a regular basis beyond that permitted by law.
- Not providing legally mandated rest days, holidays, or vacation days.
- Failure to provide legally mandated meal or rest breaks.
- Broken time clock.

GOOD MANAGEMENT PRACTICES

The facility:

- Is aware of capacity restraints and can effectively plan overtime and limit excessive hours.
- Works closely with PGTI and other purchasers to try to anticipate and plan for variable overflow that might impact the working hours of its employees.



PHYSICAL OR MENTAL PUNISHMENT

SUPPLIER BUSINESS PRACTICES POLICY LANGUAGE

Our suppliers shall protect against physical, verbal, and mental punishment or harassment of workers.

WHAT DOES THIS MEAN?

The Policy provision on physical or mental punishment requires PGTI suppliers to respect the rights and dignity of their employees. It prohibits them from:

- Acting in a threatening way towards workers.
- Submitting workers to sexually demeaning conditions.
- Using improper or illegal fines to discipline workers.
- Engaging in physical, sexual, psychological, verbal, or other forms of harassing, intimidating, or abusive discipline or conduct.

Examples of prohibited physical, psychological, or verbal abuse and harassment:

- Physical contact intended to hurt or harm an employee.
- Any comments suggesting threats of harm to an employee's physical or mental well-being.
- Discipline resulting in the withdrawal of basic physical comforts provided to other workers.
- Separation or isolation of workers, workers being forced to stand without working, imposing work to demean or degrade the worker, workers being forced to wear derogatory signs, and similar such demeaning practices.
- Threatening or firing workers for talking with auditors.
- Coaching workers on what to say to auditors.

Behavior that might be considered sexual harassment:

- Supervisors touching employees in any way that could be considered to have sexual implications.

- Sexual comments made to employees that would be considered to create an unreasonably hostile work environment.
- Inappropriate or provocative materials posted that could be considered demeaning.
- Requiring any form of sexual favor in exchange for beneficial treatment in employment or as a condition of maintaining employment.

Appropriate forms of discipline include:

- Actions including suspension, penalties (excluding monetary fines), withdrawal of benefits not required by law, warnings, and termination, that are reasonably tied to the infraction.
- Other forms of non-abusive or non-harassing discipline.
- A progressive disciplinary system, with verbal warning, written warning, suspension, then termination, if applied fairly.

NOTE: All disciplinary actions should be clearly documented.

WHAT WILL AUDITORS BE LOOKING FOR?

Auditors will:

- Review any written policies and practices to identify work rules.
- Review personnel files to see if there is any record of disciplinary actions, and will determine whether the discipline was appropriate, based on the infraction, and in compliance with PGTI's standards.
- Determine whether disciplinary actions that amount to penalties result in the facility paying the worker below the minimum wage.
- Speak with workers to learn of instances when discipline was used by management.
- Speak with management and assess their attitude with respect to harassment or abuse.

- Establish whether managers and supervisors receive any training or education on appropriate discipline.

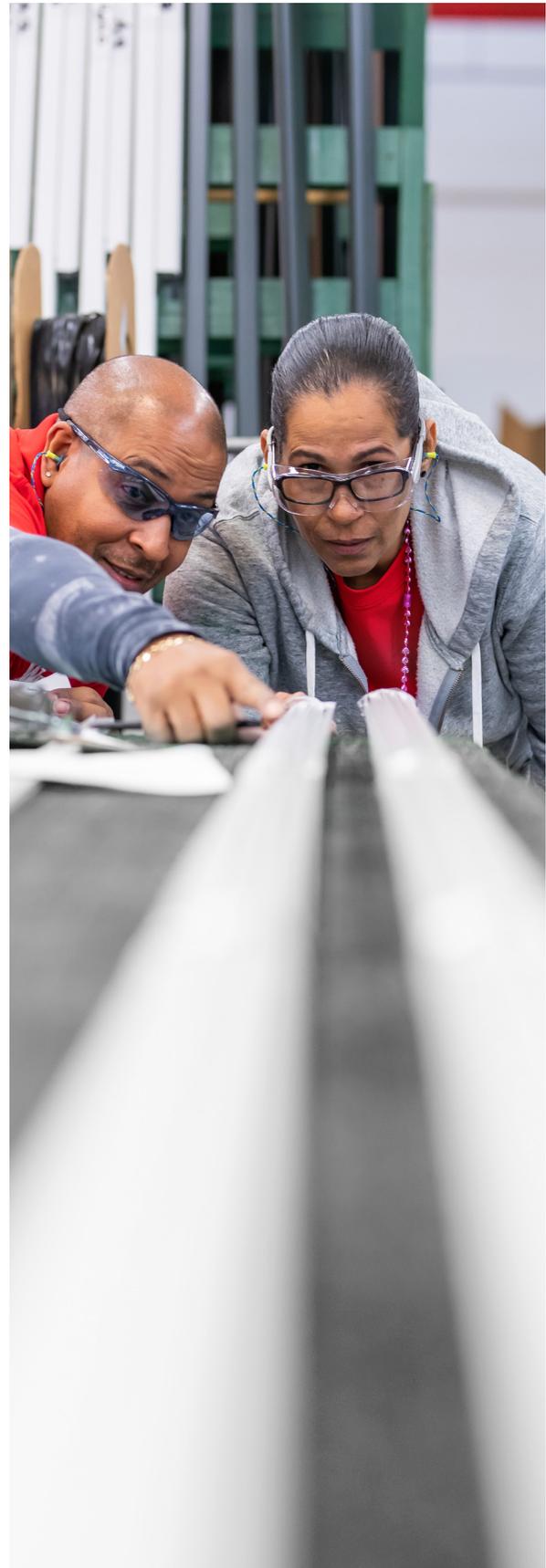
INDICATORS OF NONCOMPLIANCE

- Any evidence of physical, psychological, verbal, sexual, or any other form of abuse or harassment.
- Use of wage deductions or monetary fines.
- The posting on walls or public places of provocative or inappropriate materials.
- An absence of programs and policies whereby expectations are clearly defined and facility management personnel are trained on the expectations of PGTI and the requirements of local laws and regulations.

GOOD MANAGEMENT PRACTICES

The facility has established:

- Mechanisms (like a suggestion box) by which workers can raise, without fear of retribution, issues of concern, including treatment by their supervisors.
- A training program for management and supervisors delineating policies and disciplinary action regarding physical, verbal, and sexual abuse and harassment.
- A training program for management and supervisors delineating policies and disciplinary action regarding treatment of workers in the workplace.
- A progressive disciplinary system that they have implemented, which includes verbal warnings, written warnings, suspension, and finally termination as a way of disciplining workers.
- Policies that ensure disciplinary practices are written down and clearly understood by workers.
- Policies that ensure that all disciplinary actions are clearly documented.



NONDISCRIMINATION

SUPPLIER BUSINESS PRACTICES POLICY LANGUAGE

Our suppliers shall protect against unlawful discrimination against workers and encourage employment based on job performance.

WHAT DOES THIS MEAN?

The Policy provision on discrimination:

- Applies to all employment decisions, including recruitment, hiring, compensation, training, promotion, discipline, termination, and retirement.
- Prohibits unlawful discrimination.
- Promotes employment decisions that are grounded upon an employee's ability to perform his or her job.

WHAT WILL AUDITORS BE LOOKING FOR?

The auditors will:

- Review hiring practices to determine whether some classes of people are unlawfully barred from employment.
- Determine whether people with certain characteristics are either unlawfully channeled into certain jobs or barred from certain jobs.

INDICATORS OF NONCOMPLIANCE

- Unlawful discrimination in recruitment, hiring, compensation, training, promotion, discipline, termination, and retirement.
- Variations in pay, benefits, or promotion based on an unlawful basis such as gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.

GOOD MANAGEMENT PRACTICES

The facility:

- Has created written job descriptions that focus solely on occupational qualifications rather than personal characteristics.
- Periodically reviews hiring practices to ensure that they are in compliance with PGTI's Policy and with local laws and regulations.
- Trains facility management and hiring agents on laws, regulations, and PGTI expectations regarding nondiscrimination.



FREEDOM OF ASSOCIATION

SUPPLIER BUSINESS PRACTICES POLICY LANGUAGE

Our suppliers shall respect workers' rights to associate freely.

WHAT DOES THIS MEAN?

Freedom of association and collective bargaining are subject to different sets of legal and regulatory constraints in different countries. Understanding of local laws and regulations is critical to satisfy the needs of PGTI's expectations.

In countries in which freedom of association and collective bargaining are protected by law, PGTI suppliers must respect the rights of employees to associate freely and bargain collectively.

Suppliers are not permitted to unlawfully:

- Interfere with their workers' ability to exercise this right.
- Threaten, discipline, punish, or fire workers because they exercise this right.
- Refuse to hire workers because of their associations.
- Participate in blacklisting of union organizers by providing their names and details of their activities to other employers, to employers' associations, or to the government.

In countries in which only state-approved workers' organizations are permitted, PGTI Suppliers:

- Are not required to recognize illegal workers' organizations.
- Might consider promoting mechanisms that enable workers to express grievances and improve working conditions without fear of intimidation, retribution, or punishment. These might include: developing labor-management committees, making space for informal workers' groups to meet, or conducting employee surveys to promote harmonious, productive workplace conditions.

WHAT WILL AUDITORS BE LOOKING FOR?

Auditors will:

- Determine if there are any legal restrictions placed on union organizing efforts.
- Ascertain if there have been any work stoppages in the past year.
- Attempt to learn more about the relationship between management and workers if there are formal workers' organizations.
- Verify that no excessive restrictions on employee communication are placed on workers.
- Attempt to determine whether there have been any efforts by workers to form a union, and if so, what happened.
- Examine employee contracts, if applicable, to ensure that workers are not prohibited from forming a union in countries where unions are permitted by law.
- Evaluate whether harassment and abuse of union members has taken place.
- Evaluate, through worker interviews and otherwise, whether processes exist for workers to express grievances and concerns without fear of retribution.
- Evaluate whether the facility has an effective system for addressing worker grievances and concerns.

INDICATORS OF NONCOMPLIANCE

- Threats of termination to workers who support lawful attempts to organize.
- Refusing employment to union members.
- Absence of meaningful processes for workers to express grievances and concerns.
- Absence of system for addressing worker grievances and concerns.

FREEDOM OF ASSOCIATION (CONTINUED)

GOOD MANAGEMENT PRACTICES

The facility:

- Provides space and time for workers to communicate with each other.
- Encourages workers to make suggestions for improving facility conditions.
- Develops meaningful processes for workers to express grievances and concerns.
- Develops a system for addressing worker grievances and concerns.

SAFE AND CLEAN WORKPLACES AND DORMITORIES

SUPPLIER BUSINESS PRACTICES POLICY LANGUAGE

Our suppliers shall maintain safe and clean workplaces, including any residential facilities, in compliance with the law.

WHAT DOES THIS MEAN?

PGTI looks to its suppliers to maintain safe and clean facilities by, among other things:

- Complying with all applicable local laws and regulations.
- Providing safe, comfortable, and adequate lighting, temperature control, and ventilation.
- Equipping machinery with appropriate guards and safety cut-offs to prevent injury.
- Clearly marking all fire and emergency exits and passageways and keeping them unlocked and clear of materials and equipment.
- Providing, testing, and maintaining fire extinguishers and conducting evacuation drills at least every year.
- Providing workers, at no cost, with eye protection and other necessary personal protective equipment (PPE), and training workers in the proper use of such equipment.
- Properly using, storing, and disposing of hazardous materials and training workers regarding the same.

- Providing safe supplies of potable water and maintaining all lavatory facilities in a sanitary condition.
- Ensuring that, if residential facilities are made available to employees, these facilities provide their inhabitants with safe and healthy living arrangements in accordance with all applicable local laws and regulations.

WHAT WILL AUDITORS BE LOOKING FOR?

Auditors will:

- Perform a walkthrough of the facility looking for potential health and safety problem areas of the sort described above.
- Verify that workers are provided training and education on health and safety issues, handling of hazardous chemicals or substances, use of personal protective equipment, and proper operation of dangerous machinery.
- Verify that the facility maintains accurate records to support and document health and safety efforts.
- Verify the existence of appropriate on-site first aid equipment, on-site health care capacity, and protocols for managing health and safety emergencies that cannot be handled through recourse to on-site resources.

- Visit dormitories, where applicable, to evaluate potential health and safety issues relating to adequate space per resident, availability and accessibility of emergency exit routes and personal safety equipment, door locks on the inside rather than the outside of dorm rooms, ventilation, lighting, toilet facilities segregated by gender, potable drinking water, emergency medical care, clean and sanitary food preparation, and similar health and safety issues.

INDICATORS OF NONCOMPLIANCE

- Structurally unsafe buildings.
- Presence of excessive heavy machinery on floors above the first floor.
- Blocked, locked, or no emergency exits, including those exits incapable of being opened.
- Lack of secondary exits.
- Lack of fire escapes for buildings over one story.
- Immediate fire hazards (such as exposed or frayed electrical wiring, open flames, etc.).
- No accessible fire fighting equipment.
- Non-operating, inaccessible, expired, or an insufficient or inadequate number of fire extinguishers.
- Blocked aisles.
- Emergency exit doors that open inward (versus opening outward).
- Failure to have adequate machine guards, or evidence of removal of machine guards.
- Personal protective equipment that is unavailable, unused, or used improperly.
- Worker exposure to unsafe or hazardous chemicals or substances.
- Hazardous chemicals or substances that lack proper labels or data sheets.
- Hazardous waste dumping.
- Insufficient width of fire exits and evacuation routes.
- No evacuation plans or signs.
- Missing handrails.
- Poor or inadequate ventilation, lighting, and temperature controls.

- Missing or inadequate first aid supplies.
- Unsanitary or insufficient toilets and canteen areas.
- Failure to perform routine building and machine maintenance.
- Failure to conduct regular fire drills.
- No potable water or functioning toilets.
- Missing exit signs.
- Insufficient or no emergency lighting.

GOOD MANAGEMENT PRACTICES

- Appointment and training of a health and safety manager to oversee compliance.
- A health and safety committee of workers and management.
- Health and safety training and education provided to all employees during initial orientation and on an ongoing basis.
- Worker training on the operation of machinery in a safe and effective manner.
- Worker training on the use of personal protective equipment and the handling of hazardous chemicals and substances.
- Regularly conducted fire and emergency evacuation drills.
- Availability, maintenance, and restocking of an appropriate number of first aid kits.
- Training of a sufficient number of employees in first aid and using fire emergency equipment.
- Consultation with independent health and safety professionals for guidance and assessment regarding existing practice and performance.
- On-site medical care available during all working hours to address basic health and injury needs.
- Systems to address severe injuries in an appropriate manner (such as agreements with local hospitals, transportation arrangements, etc.).
- Maintain up-to-date licenses for medical care personnel.
- Maintenance and ongoing review of injury records to enable continuous improvements and to reduce incidents of work-related injuries.



PROTECTION OF INTELLECTUAL PROPERTY AND TRADEMARKS

SUPPLIER BUSINESS PRACTICES POLICY LANGUAGE

Our suppliers shall protect all confidential and proprietary information, as stated in the PGTI Non-Disclosure Agreement (NDA).

WHAT DOES THIS MEAN?

- PGTI expects its suppliers to properly use and protect its proprietary and confidential information, including any and all such information related to PGTI's family of brands.
- This means, among other things, that our suppliers must not discuss PGTI orders, commercial terms, customer information, product specifications, or other business activities (PGTI confidential or proprietary information) with anyone other than PGTI personnel (including personnel of PGTI's family of brands), unless the supplier has received explicit written permission from PGTI to do so.
- In particular, suppliers should not discuss PGTI confidential or proprietary information with any of their other customers, customer representatives, or customer auditors.
- In addition, suppliers must not reverse-engineer PGTI products for purposes of creating counterfeit product or for any other purpose, attach look-alike brand labels to non-PGTI products or otherwise mislabel products, sell look-alike designs intended to mislead purchasers concerning the origins or producers of any products, or otherwise engage in practices that will mischaracterize in any way products that are or are not PGTI products.

WHAT WILL AUDITORS BE LOOKING FOR?

Auditors will:

- Look for evidence that PGTI confidential and proprietary information is not being adequately protected.
- Look at whether display cases or exhibits in public areas at suppliers' facilities disclose PGTI confidential and proprietary information.

- Look for production practices indicating that products are being reverse-engineered, counterfeited, mislabeled, improperly identified, or otherwise produced in a way that is designed to mislead purchasers regarding whether a product is or is not a PGTI product.
- Assess supplier's procedures for protecting PGTI confidential and proprietary information.
- Inquire whether supplier personnel are properly trained to protect PGTI confidential and proprietary information.

INDICATORS OF NONCOMPLIANCE

- Documents (whether relating to PGTI or to supplier's other customers) left in places where they can be easily read by others.
- Inadequate or faulty document management systems.
- Inadequate security protections on computer equipment, telephones, and PDAs.
- Absence of training of supplier personnel regarding protection of PGTI confidential and proprietary information.
- Evidence that would suggest reverse-engineering, counterfeiting, mislabeling, misrepresenting, or otherwise misusing PGTI confidential and proprietary information in a way intended to mislead purchasers regarding whether a product is or is not a PGTI product.

GOOD MANAGEMENT PRACTICES

- State-of-the-art document and electronic data management systems.
- Effective training of management on use and protection of confidential and proprietary information.

DECLARATION OF CONFLICT MINERALS

SUPPLIER BUSINESS PRACTICES POLICY LANGUAGE

Supplier has a Conflict Minerals Declaration and all products are DRC Conflict-Free.

WHAT DOES THIS MEAN?

Conflict minerals refers to four minerals referenced in Section 1502 of the United States of America Dodd-Frank Wall Street Reform and Consumer Protection Act:

- Cassiterite (derivative metal – Tin); Columbite-tantalite (derivative metal – Tantalum); Wolframite (derivative metal – Tungsten); and Gold.
- More recent and universal use is to describe minerals sourced from conflict-affected locations for which the sale can contribute to perpetuating armed violence, instability, insecurity, and associated human rights violations.
- Areas of conflict and high risk include the Democratic Republic of Congo (DRC) and its adjoining countries.
- PGTI expects its suppliers to have a declaration statement and due diligence process to support responsible mineral production and global sourcing.
- The smelter link is a most important one within the supply chain and the Responsible Minerals Initiative (RMI) has established criteria for gauging a smelter's risks. This has become an industry-standard metric.
- Using criteria like the Responsible Minerals Assurance Process (RMAP), smelters can better be evaluated for conformance.

WHAT WILL AUDITORS BE LOOKING FOR?

Auditors will:

- Look for a declaration statement or policy showing commitment to responsible mineral sourcing from conflict-free global areas.
- Review how the supplier performed due diligence mineral sourcing, if applicable.
- Ask for audits according to RMAP standards.
- Request information regarding smelters to see if there is compliance (including grace periods for audits) or noncompliance from audits.

INDICATORS OF NONCOMPLIANCE

- There is no review of the Conflict Minerals topic or evidence of leadership discussion.
- Supplier does not have a declaration statement or policy around responsible mineral sourcing.
- There was an agreement to undergo an RMAP audit, but it has not been completed.
- Supplier has been approached to participate in an RMAP audit, but refused the audit.
- Evidence of a failed RMAP audit.

GOOD MANAGEMENT PRACTICES

- Regular audits of supply chain to ensure compliance.
- Audit of smelters, according to RMAP standards.
- Work with compliant smelters and knowledge regarding Conflict Mineral reviews.



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