

Supplier Expectations



Our Expectations

Our suppliers are an important part of Tower Supplies success in continuing to meet and exceed our customers' expectations.

At Tower Supplies, we expect our suppliers to meet rigorous performance standards. In choosing to do business with Tower Supplies, suppliers are committing to adhere to our Supplier Code of Conduct and meet the following expectations.

Quality

- Suppliers should provide high quality products and services, which are free from defects.
- Suppliers should employ documented defect prevention methods and tools in their operations, including but not limited to manufacturing and quality inspection plans to find and eliminate defects.
- Upon request, Tower Supplies requires prompt root cause problem solving and other actions to ensure containment and prompt correction of any issues found.

Delivery / Lead Time / Inventory

- 100% on-time delivery is required.
- Suppliers should ship per our routing guides where applicable.
- Any changes must not be made without prior agreement.

Service / Communication

- Suppliers are responsible for ensuring that they clearly understand Tower Supplies expectations at all **times**. Suppliers should strive to exceed these expectations in our dealings.
- Suppliers should acknowledge purchase orders within 24 hours and any changes should be communicated in a clear and concise method.
- From time to time, unplanned or unexpected critical issues will arise, and Tower Supplies expects our suppliers to act with urgency to help resolve these issues as they occur.
- Tower Supplies expects suppliers to use appropriate communication methods as required by our local units, which may include electronic notices and transactions, including electronically communicated forecasts, purchase orders, supplier confirmation of commitments to on-time delivery and Advance Shipping Notices (ASNs), electronic invoicing and payments, and other electronic transactions.
- Suppliers should monitor, and notify Tower Supplies of, any possible end of life or obsolescence of critical components.
- Suppliers must communicate, and obtain approval in advance from Tower Supplies for, any product or process changes.
- Suppliers should always be truthful, honest and respectful in all communication – whether by word of mouth or by electronic communication.

Safety

- Suppliers should operate in compliance with all applicable laws, rules and regulations (collectively, "Laws").
- Suppliers should ensure their own product designs are free from design issues that may lead to or cause injury.
- Suppliers should use industry best practices to ensure that all services are performed safely and to ensure the safety of their employees and others who may visit their facilities.
- Suppliers should achieve ISO 45001 certification or meet the requirements thereof.

Innovation and Technology

- Suppliers should work with and support Tower Supplies as we innovate great products and services for our customers to enable Tower Supplies to provide customers with solutions to their critical needs and challenging pain points.
- We expect our suppliers to invest in innovation that will improve both their products and processes. Tower Supplies encourages collaboration with our suppliers related to product development, which will lead to growth in our respective businesses.

Commercial Value

- Suppliers are expected to respond to tenders sent out via the Tower Supplies VMS Arcus
- Suppliers are expected to continuously improve the value proposition of goods and services provided.
- Suppliers are expected to participate in Value-Add/Value Engineering (VA/VE) activities in support of product improvement when required.
- Continuous improvement in year-over-year total cost is expected of Tower Supplies suppliers. Suppliers are expected to provide competitive products that help Tower Supplies win in the marketplace.

Supplier Expectations cont...



Sustainability

- Suppliers are expected to conduct their business in a safe and sustainable manner, consistent with all applicable Laws, including Laws against slavery, human trafficking and child labour and other Laws pertaining to human rights, as well as environmental, health and safety Laws that protect the well-being of employees.
- Suppliers must focus on reducing the overall environmental impact of their activities and related carbon footprint, landfill waste and water usage and will partner with Tower Supplies as we strive to meet our own environmental impact reduction goals.
- Suppliers are expected to achieve ISO14001 certification or meet the requirements thereof.
- Suppliers are expected to support sourcing to diverse businesses, including woman and minority owned businesses and businesses owned by military veterans and people with disabilities.

Business Continuity

To ensure business continuity, suppliers should perform their own business risk assessments. At a minimum, suppliers should conduct ongoing reviews of the following risks and take appropriate actions to mitigate:

- Labour disruptions or shortages,
- Potential for disruption within supplier's supply chain,
- Sufficient capacity to meet customer demand,
- IT systems effectiveness and cybersecurity,
- Power interruption potential and impact,
- Propensity for natural disasters at site locations,
- Management succession,
- Legislative impacts,
- Financial solvency and
- Business ethics and compliance.