

**Kruger Inc.**

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## **KRUGER SUPPLIER CODE OF CONDUCT**

Kruger Inc. (collectively with its affiliates, “**Kruger**”), is committed to protecting its employees, the environment, and the communities where Kruger does business. Through this policy and its implementation, Kruger strives to enhance its environmental, social, and economic performance throughout its supply chain by providing our suppliers with expected guidelines and principles.

To achieve its sustainability goals, Kruger believes in forming strong relationships with suppliers who share its values and who share the same commitment to delivering excellence. Kruger expects its suppliers and business partners to maintain high standards of honesty, integrity, and fairness. Under this Code, the term *suppliers* refers to Kruger’s suppliers and subcontractors as well as their own suppliers across the supply chain.

This supplier code of conduct (the “**Code**”) highlights what is expected of a party conducting business with Kruger. Kruger expects its direct contractors to share this Code with their own subcontractors and require at least the same standards of conduct from their own subcontractors.

Kruger expects that all suppliers provide competitive pricing that enables economic viability of both parties, while striving for continuous improvement of their commercial offering.

## **ENVIRONMENT RESPONSABILITY**

Kruger recognizes environmental protection as one of its corporate values and as a key component of sound business performance. Kruger is committed to minimizing, through a continuous improvement process, the impact its activities have on the environment and encourages its suppliers to do the same.

Kruger supports the responsible stewardship of resources, including forests, biodiversity, ecosystems, air, land, and water in all communities. Responsible stewardship makes sustained economic development possible. In this spirit, our suppliers must be aware of the following principles of environmental responsibility.

### **Compliance**

Suppliers must comply with all applicable environmental rules, laws, and regulations. Suppliers must also obtain and maintain environmental permits and approvals required to conduct their activities.

### **Energy and Climate**

Kruger encourages our suppliers to operate more efficiently and effectively, find new ways to conserve resources such as water, energy and fuel and pursue a reduction in their carbon footprint.



## Waste

Kruger encourages our suppliers to manage waste in a manner that protects and preserves the environment. This includes making an effort to reduce waste going to landfill, to increase the recycling and reuse of process waste whenever possible and harvesting value from waste to promote a more circular economy.

## Environmental Management Systems (EMS)

Kruger encourages our suppliers to pursue and adopt a relevant management system, which can demonstrate, through certification, the use of responsible process management in their business operations, products, and services.

## Forest Management

Kruger prefers to work with suppliers that have a sustainable and integrated approach to forest management—with a strong preference for third-party certified (FSC®, SFI, PEFC, CSA) inputs that enables economic development and respects environmental, social, and cultural values, including first nations and indigenous communities.

## SOCIAL

In accordance with internationally recognized laws and best practices governing working conditions, Kruger strives to provide the safest and healthiest work environment for all its employees and expects its suppliers to do the same. Under this Code, the term *employees* include, but is not limited to, temporary workers, migrants, students and contract workers.

- **Child labour:** In accordance with the United Nation's declaration of Human Rights and the principles established in the United Nations' Global Compact, Kruger condemns child labour. In the absence of a local legislation regarding minimum working age, 15 years old must be considered the minimal working age.
- **Wages & benefits:** The salary and applicable overtime wages of all employees, as well as working hours must comply with applicable laws and collective bargaining agreements.
- **Non-discrimination & harassment:** Suppliers must ensure that their workplace promotes equal employment opportunities and prohibits discriminatory practices, including harassment. Kruger condemns all forms of discrimination, including but not limited to discrimination based on race, gender, religion, disability, age, marital status, sexual orientation, political beliefs, or any other characteristic protected by applicable laws.



- **Freedom of association:** In accordance with the applicable local laws, suppliers must respect the employee's rights to bargain collectively and to freely join labour unions.
- **Health & safety:** Suppliers must comply with international, national, and local health and safety laws and regulations. Kruger encourages suppliers to implement appropriate procedures to mitigate health and safety risks and monitor occupational injuries and illnesses and to maintain an effective training program.
- **Community Development:** Kruger prefers to work with suppliers that are good corporate citizens who support the communities in which they live and work.

## ETHICS

Suppliers are expected to employ fair business practices and to maintain the highest standards of ethics and integrity. Suppliers are also expected to comply with all international, and local laws and regulations. Kruger condemns any form of corruption, extortion, bribery, or falsification.

- **Unfair trade practices:** Suppliers must comply with anti-corruption laws by refraining to use inappropriate means of influence to obtain advantages. Suppliers are encouraged to implement procedures to avoid corruption and bribery in their operations.
- **Anti-trust & Competition:** Suppliers must comply with anti-trust and competition laws by condemning practices that impair the function of a free and open marketplace; including any transactions that could impair impartiality.
- **Conflict of interest:** Relationships and contracts with third parties must not prejudice suppliers' relationship with Kruger. Suppliers must never place a Kruger employee in a situation that could compromise his/her ethical behaviour or integrity or create a conflict of interest. Before entering into an agreement with Kruger, and at any time during the business relationship, a supplier or potential supplier must disclose all information concerning any actual or potential conflict of interest. If a conflict of interest arises or if any behaviour deemed unethical on the part of a Kruger employee arises, it must be disclosed to Kruger immediately.
- **Gifts, Invitations and Favors:** Suppliers must not in any way oblige or appear to oblige Kruger's employees by providing gifts, favors, gratuities or personal benefits, unless it is a gift (such as a promotional item) of less than \$50 in value per year or casual entertainment or under the protocol of social obligations.
- **Lobbying:** Any contact with government personnel for the purpose of influencing legislation or rulemaking, including such activity in connection with marketing or procurement matters, is



considered lobbying. Suppliers are responsible for knowing and adhering to all relevant lobbying laws and associated gift laws, if applicable and for compliance with all reporting requirements.

- **Anti-Corruption and Bribery:** Suppliers must comply with anti-corruption laws that apply in countries where they conduct business. Accordingly, any attempt to improperly influence public officials is prohibited. Suppliers must not offer entertainment or gifts to government officials or make direct or indirect political contributions on behalf of Kruger.

## **PRODUCT SAFETY:**

Kruger is committed to providing products that meet applicable regulatory specifications and quality standards. Products manufactured or sold to Kruger must be safe for their intended use.

## **CONFIDENTIALITY AND INTELLECTUAL PROPERTY:**

Anything belonging to Kruger is considered Kruger's property. Any information on Kruger that is not public is confidential. Suppliers must process any personal, confidential, or sensitive data in accordance with applicable laws, contractual agreements, and Kruger's internal procedures.

Suppliers must ensure the protection of Kruger's intellectual property, trade secrets and any other proprietary information. Suppliers acknowledge that all patents, industrial designs, trade names, trademarks, copyrights, trade secrets and other intellectual property rights of Kruger are the sole property of Kruger.

## **MANAGEMENT SYSTEM**

Suppliers are expected to implement appropriate control measures to ensure compliance with the Code. Suppliers must ensure that the principles and conditions set forth in the Code are being upheld and respected and must take all necessary measures to prevent and deal with any violation of the Code. Kruger reserves the right to evaluate and monitor its suppliers' practices regarding the Code.

## **ACCOUNTABILITY**

### **Tracking Performance Data**

Kruger encourages our suppliers to develop appropriate internal controls and/or track progress to ensure accountability towards the sustainability principles being followed.



Kruger also supports suppliers' efforts to monitor the impact that their production processes are having on the surrounding environment and to use that data to identify ways to continuously improve process efficiency and minimize negative environmental impacts.

### **Targets and Goals**

Kruger encourages its suppliers to, like our sustainability initiative, commit to their own sustainable reduction targets in the areas of energy and water use, greenhouse and other gas emissions, waste, and packaging.

### **Risk Management**

Kruger expects our suppliers to have risk management strategies in place so that risks can be mitigated by both parties to prevent or minimize supply disruptions in our value chain. While Kruger recognises the unpredictability of extreme weather events and other disruptions, risk planning is instrumental for timely corrective actions and would be mutually beneficial for our organizations.

### **Reporting**

Kruger encourages our suppliers to report or provide Kruger with updates on their sustainability progress. Kruger will work with its suppliers to find ways to operate more efficiently and to ensure our standards of conducting sustainable business are being met.

### **AMENDMENT**

Kruger may update the Code from time to time at its discretion.

### **CONTACTS**

All questions or comments concerning the Code should be addressed to: [procurement@kruger.com](mailto:procurement@kruger.com).

Violations of the Code should be reported to Kruger's external ombudsman by email at the following address: [ombudsman@kruger.com](mailto:ombudsman@kruger.com) or by leaving a voicemail message at 1-877-843-4560.

A blue ink signature of François D'Amours, consisting of several overlapping, fluid strokes.

**François D'Amours**  
Executive Vice President  
and Chief Operating Officer  
July 2023

A blue ink signature of Dave Fontaine, featuring a large, stylized 'D' followed by several horizontal strokes.

**Dave Fontaine**  
Vice President  
Supply Management  
July 2023



**References:**

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