



## **KRUGER PRODUCT'S SUPPLIER CODE OF CONDUCT**

### **A RESPONSIBLE, ETHICAL AND SUSTAINABLE PARTNERSHIP.**

At **Kruger Products**<sup>1</sup>, we see our company as one big family, united by trust and mutual respect. Our core values include entrepreneurship, social and environmental commitment, integrity and customer satisfaction. We promote lasting relationships with our partners based on trust, integrity and transparency. This collaboration is essential to ensure a responsible, ethical and sustainable sourcing program.

As a supplier of Kruger Products you play a crucial role in maintaining our high standards of environmental, social and economic responsibility (ESG) and providing us with quality products and services. Kruger Products' Supplier Code of Conduct (the "**Code**") sets out our expectations of honest and reliable partners who share our concerns and respect our practices, policies, international ESG standards, and applicable laws and regulations.

Thank you for your continued commitment and valuable collaboration.

A handwritten signature in blue ink, appearing to read 'Dino Bianco', written over a light blue circular stamp.

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**DINO BIANCO**  
Chief Executive Officer

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<sup>1</sup> 1 « **Kruger Products** » refers collectively to Kruger Products Inc. and its affiliates.

## SCOPE OF THE CODE

The Code applies to our entire supply chain, including our primary suppliers and their employees, subcontractors, agents, representatives and all affiliated entities. We require our primary suppliers to adhere to the principles and values set out in the Code, and that their own suppliers and representatives meet our high standards as well.

This Code is applicable worldwide and must be complied with in addition to our suppliers' local laws and regulations. Where the Code is stricter than these laws, the Code prevails; otherwise, local laws apply. Our suppliers must also communicate this Code to their representatives, maintain adequate policies and procedures to ensure compliance, and use all necessary or useful means to implement the principles laid down in our Code. Finally, they must undertake to follow periodic updates of the Code and ensure compliance.

## OUR EXPECTATIONS OF SUPPLIERS

### ENVIRONMENTAL RESPONSIBILITY

**Kruger Products values environmental protection as a key corporate value and supports the responsible management of resources, including forests, biodiversity, ecosystems, air, land and water.**

#### ► Compliance

Our suppliers must comply with the laws and regulations applicable to their activities. They must also ensure that they obtain and keep up to date the environmental permits and approvals required for their operations. Kruger Products expects its Suppliers to become familiar with and comply with its environmental policy.

#### ► Energy and climate

We encourage our suppliers to adopt eco-responsible practices, such as saving water, energy and fuel, as well as continuously reducing their carbon footprint.

#### ► Waste

Our suppliers should also manage their waste responsibly by reducing landfill, and increasing recycling, reuse and recovery of process waste, to support a circular economy.

#### ► Environmental Management Systems (EMS)

We support the environmental initiatives of our suppliers, and promote lasting collaboration with our partners and local communities to ensure sustainable environmental management.

### ► **Deforestation and biodiversity**

Kruger Products is firmly committed to preventing deforestation and protecting biodiversity throughout its operations and supply chain, and our suppliers must comply with applicable regulations on deforestation and the conservation of sensitive ecosystems. We also encourage suppliers committed to sustainable forest management, recipients of recognized certificates such as FSC, SFI, PEFC, CSA or similar. Suppliers should regularly assess the risks of deforestation and impacts on biodiversity within their operations and supply chain. When applicable, our Suppliers are also required to track the origin of all forest materials sold to us, and to provide Kruger Products with detailed information, including sustainability certificates and any relevant documentation on their provenance.

## **SOCIAL RESPONSIBILITY**

**In line with international standards on working conditions and human rights, Kruger Products strives to provide the safest and healthiest possible working environment for all its employees, and expects the same of its suppliers.**

### ► **Forced or compulsory labour, modern slavery and human trafficking**

Kruger Products categorically condemns forced labour, modern slavery and human trafficking. Our suppliers must guarantee that they do not benefit in any way from forced or compulsory labour, as defined by the International Labour Organization Convention No. 29: “any work or service exacted under the menace of any penalty and performed against the will of the individual”. All work must be performed on a voluntary basis, and employees must be free to leave their jobs with reasonable notice. Any form of corporal punishment, threat of violence or physical, sexual, psychological or verbal abuse is strictly prohibited. Suppliers must not retain their employees' personal documents or use such documents as a means of control. Kruger Products also requires its suppliers to report to the relevant authorities any situation of forced labour, modern slavery or human trafficking in their supply chain, and to apply zero tolerance.

### ► **Child Labour**

Kruger Products strictly prohibits all forms of child labour within its organization and supply chain. Child labour is defined as “work which deprives children of their childhood, their potential and their dignity, and which harms their physical and mental development, in particular by interfering with their schooling”. Suppliers must respect the minimum age of employment set in Principle Five of the [United Nations Global Compact](#). Any form of neglect, abuse or exploitation of children or adolescents is prohibited.

### ► **Freedom of association**

Kruger Products requires its suppliers to guarantee employees the right to create, join and lead their own associations without interference. Suppliers must respect employees' right to join a trade union and to bargain collectively, facilitating collective bargaining to establish working conditions, in accordance with local laws.



▶ **Working conditions**

Kruger Products requires its suppliers to comply with labour laws and standards to ensure a positive environment that supports employee well-being. This includes (i) compliance with legislation on wages and benefits, (ii) compliance with regulations on working hours, including overtime, rest and vacations, as well as disciplinary and dismissal practices, and maternity protection, and (iii) ensuring a quality working environment and mandatory benefits under local law.

▶ **Discrimination and harassment; diversity and inclusion**

Kruger Products strongly condemns all forms of discrimination, whether based on race, gender, religion, disability, age, marital status, sexual orientation, political beliefs or social class. This list is not exhaustive and includes all characteristics protected by law. Suppliers must guarantee an equal working environment, free from discrimination and harassment. Any difference in treatment must be based solely on competence or legal requirements. Our suppliers should actively promote diversity and inclusion in their operations, raise awareness of these issues among their teams and adopt practices that foster an inclusive workplace, and must comply with laws and regulations on reasonable accommodation for employees.

▶ **Community rights**

Kruger Products expects its suppliers to respect the rights, cultures and traditions of local communities, while supporting their sustainable development. Suppliers should minimize the negative impacts of their activities, promote dialogue with stakeholders and contribute to improving quality of life through social and economic initiatives. Any activity affecting First Nations or any community should be subject to a free, prior and informed consultation process. Upon request, suppliers shall share reports and audits on their efforts to support the rights of local communities with Kruger Products.

▶ **Health and safety**

Kruger Products attaches great importance to the well-being of its employees and requires its suppliers to put in place effective processes and policies to prevent the risk of physical or psychological harm, as well as work-related illness and injury. Suppliers must (i) establish a management system to regularly assess risks, (ii) comply with national and international health and safety laws, (iii) implement procedures to mitigate risks and monitor injuries, (iv) maintain a regular training program to avoid hazards and promote good practices, (v) provide their employees with access to essential facilities and services, including drinking water, adequate toilet facilities, emergency exits, fire safety equipment, first aid kits and emergency services (medical, fire and environmental), (vi) share their safety certificates and/or health and safety performance reports with Kruger Products, upon request, and (vii) ensure that their employees can report any actual or suspected health and safety problems without fear of reprisal.



## ETHICS AND BUSINESS

**Suppliers must adopt fair business practices and observe the highest standards of ethics and integrity. Kruger Products condemns any form of corruption, extortion, bribery or forgery.**

### ► **Unfair business practices**

Suppliers must comply with laws on unfair commercial practices by refraining from using inappropriate and illegitimate means of control, including market manipulation, misleading advertising, intellectual property infringement, abuse of dominant position, dumping, price fixing, product or service adulteration, and any other form of fraud or deception towards consumers, competitors or business partners.

### ► **Antitrust and competition**

Kruger Products recognizes that anti-competitive practices undermine efficiency and business growth. Suppliers must comply with antitrust and competition laws, condemn such practices and implement measures to promote a free market and honest, sustainable economic development throughout the supply chain.

### ► **Conflict of interest**

Suppliers must ensure that their relationships with third parties do not interfere with their partnership with Kruger Products. They must never place a Kruger Products employee in a situation that could compromise his or her integrity or create a conflict of interest. Any conflict of interest, whether real, apparent or potential, must be disclosed before entering into an agreement with Kruger Products and at any time during the business relationship. Any conflict of interest or unethical behaviour must be reported to Kruger Products immediately.

### ► **Gifts and other benefits**

Kruger Products acknowledges that it may be common for a supplier to offer gifts, hospitality, or other benefits to the employees of its clients. However, Kruger Products requests that its suppliers adhere to the following limits when it comes to its employees: (i) the gift or benefit must be unsolicited and of modest value; (ii) it must not be cash or cash equivalents (such as gift cards, discounts, loans, etc.); and (iii) it must not, in any actual, apparent, or potential way, affect or compromise the objectivity or impartiality of those employees.

### ► **Lobbying**

Any communication with government personnel for the purpose of influencing legislation or rulemaking is considered lobbying. Suppliers must be aware of and comply with lobbying and gift laws and reporting requirements. Kruger Products requires that its suppliers' interactions with government officials be honest, accountable and transparent.

### ► **Anti-corruption**

Suppliers must comply with the anti-corruption laws applicable in the countries in which they operate. Suppliers must not, under any circumstances, attempt to unduly influence public officials, nor offer government officials entertainment, gifts or make political contributions, direct or indirect, on behalf of Kruger Products.



## CONFIDENTIALITY

**Kruger Products attaches great importance to the protection of its confidential information and intellectual property. Kruger Products demands the utmost vigilance from its suppliers to guarantee the security of this information.**

### ► Confidentiality

Everything that belongs to Kruger Products is considered its property. All non-public information is strictly confidential. Suppliers may not use or disclose it without Kruger Products' written authorization, and then only for Kruger Products' benefit.

### ► Personal information

Suppliers shall collect, use, disclose, retain and destroy the personal information of Kruger Products related persons in accordance with applicable laws and regulations, including Quebec's Act Respecting the Protection of Personal Information in the Private Sector.

### ► Compliance and best practices

Suppliers must comply with all applicable laws, regulations and recognized best practices regarding privacy, data protection and information security for all Kruger Products related data.

### ► Duty to notify and cooperate

In the event of any actual or potential confidentiality incident involving Kruger Products' confidential or personal information, suppliers must notify Kruger Products immediately and take the necessary steps to mitigate or remedy the loss or damage in accordance with laws and regulations.

## BRAND IMAGE

**Kruger Products' reputation is built on an unwavering commitment to the quality and safety of its products and services. Our suppliers play a crucial role in preserving this reputation. We expect our partners to respect our values and be constantly vigilant in protecting the integrity of our brand, by carefully selecting suppliers renowned for their quality and irreproachable ethics.**

### ► Commitment to quality

Kruger Products is committed to preserving its reputation, credibility, and image by ensuring that its suppliers provide products and services that meet the established and required specifications and quality standards set by Kruger Products. Each delivery must guarantee an optimal level of quality and adhere to the minimum quality standards established by Kruger Products to ensure customer satisfaction.

### ► Regulated use of the Kruger Products brand

Kruger Products attaches the utmost importance to the brand it has built up, representing its commitment to excellence and reliability. The use of the Kruger Products brand or image by third parties and suppliers requires prior written authorization from Kruger Products. This

restriction includes the use of logos, trade names, visual identities and any other distinctive element associated with Kruger Products.

▶ **Respect and cooperation**

Suppliers are required not to damage Kruger Products' reputation through their activities on the media and social networks and must comply with applicable laws.

## MANAGEMENT SYSTEMS

**Suppliers must implement appropriate control measures to ensure compliance with the Code. Kruger Products encourages its partners to set clear objectives and proactively manage risks in order to minimize their ESG impact and ensure supply chain continuity.**

▶ **Performance monitoring**

Kruger Products encourages its suppliers to implement internal controls to ensure compliance with ESG principles and to monitor their progress. Kruger Products supports efforts to monitor ESG impact in production and uses this data to improve efficiency and reduce negative environmental impacts.

▶ **Targets and objectives**

Kruger Products encourages its suppliers to commit to sustainable reduction targets for water and energy consumption, greenhouse gas emissions, and waste management.

▶ **General risk management**

Our suppliers should implement risk management strategies to minimize or prevent disruptions in the supply chain. While the unpredictability of extreme weather events and other disruptions is recognized, risk planning is essential to take timely preventive and corrective action, benefiting all.

▶ **Reporting on progress**

Kruger Products encourages its suppliers to share their ESG progress, in order to work with them to identify ways to improve operational efficiency and ensure that its ESG standards are met.

## CONTROL MEASURES

**Suppliers must implement appropriate control measures to ensure compliance with the Code and its principles and conditions and take concrete steps to prevent any breach of the Code. Kruger Products reserves the right to evaluate and monitor the practices of its suppliers with respect to the Code.**

▶ **Audit and investigation rights**

Suppliers allow Kruger Products to monitor their compliance with the Code, must cooperate during audits, provide accurate answers and give access to documents and facilities. They must keep accurate records demonstrating compliance, and Kruger Products may request an



independent audit at the supplier's expense. In the event of a problem, suppliers must take corrective action and work together for a prompt solution.

▶ **Penalties for non-compliance with the Code**

Kruger Products may suspend or terminate its relationship with its suppliers in the event of a breach of the Code, after a reasonable period of time to correct the defect if possible and without harm to Kruger Products or its image.

▶ **Reporting**

To report any concerns or to disclose any actual or potential violations related to this Code, please write to [corporate.secretary@krugerproducts.ca](mailto:corporate.secretary@krugerproducts.ca).



## SUPPLIER'S COMMITMENT

By signing this document, we acknowledge that we have read the Kruger Products' Supplier Code of Conduct and undertake to act responsibly and to comply with its principles and requirements. We also undertake to communicate its contents to our employees, agents and subcontractors in a manner they can understand.

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SUPPLIER'S LEGAL NAME

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SIGNATURE AND DATE

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HEAD OFFICE ADDRESS

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NAME AND TITLE

*I am authorized to sign on behalf of the supplier.*