

## Global Anti-Corruption and Whistleblower Protection Policy

### Context, Purpose & Scope

**Context:** Corruption hampers economic development and poverty reduction efforts, distorts markets, and exacerbates inequality. Within the forestry sector, Interpol estimates the annual cost of corruption at almost USD29 billion.<sup>1</sup> Corrupt practices contribute to illegal deforestation, the underpricing of essential ecosystem services, climate change and biodiversity loss. Against this background, the world, including the US and Canada, has united around its support for reducing corruption and bribery in all its forms (Sustainable Development Goal 16.5) through implementation of the *United Nations Convention against Corruption (UNCAC)*. The United Nations Global Compact (UNGC) 10<sup>th</sup> Principle calls on business to *work against corruption in all its forms, including extortion and bribery*. And the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises (MNE) provides principles and standards for responsible business conduct for *Combating Bribery, Bribe Solicitation, and Extortion* supported by its Member States.

According to Transparency International, corruption is a crime defined as “*the abuse of entrusted power for private gain*”. It is outlined in the UNCAC, as any attempt to bribe a public official, or a private individual or entity. This includes the abuse of power or position for private gain, any form of financial embezzlement or participation in money-laundering and any attempt to obstruct legal recourse. Bribery, fraud, abuse of office, extortion, cronyism, and nepotism were identified as the most common forms of corruption within the forestry sector by Interpol.

Where companies choose to do business and source their products can significantly affect their risk exposure. Transparency International, in its 2021 Corruption Perceptions Index, underscored the high risk of corruption from major forestry product exporting countries, including Russia, Indonesia, Malaysia, Peru and Brazil. Utilizing post-consumer materials in its production from Canada and the US (countries with low risk of corruption) and sourcing most of its virgin fiber from Canadian-based FSC certified suppliers, greatly reduces Sustana’s corruption risk exposure, comparatively, within the industry.

**Purpose:** To communicate our commitment to identify, report and combat any form of corruption within our business operations.

**Scope:** This policy applies to all Sustana employees, contract workers, interns, consultants, suppliers, and other business partners with which we have a contractual working relationship.

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<sup>1</sup> Interpol, <https://www.interpol.int/News-and-Events/News/2016/Global-corruption-in-forestry-sector-worth-USD-29-billion-a-year-INTERPOL-report>

### Our Commitment: Zero Tolerance

Sustana recognizes, and through this policy, requires compliance with international and national laws and regulations on corruption, including, for example, the United Nations *Convention against Corruption* (UNCAC), the U.S. *Foreign Corrupt Practices Act* (FCPA), the Canada *Corruption of Foreign Public Officials Act* (CFPAO), the Quebec Anti-Corruption Act, and the Clean Company Act Brazil. Sustana's operations are primarily in North America, between the US and Canada, with a small number of international suppliers. Sustana does not assess its overall exposure to corruption to be high risk and is committed to continue oversight to ensure full accountability within its relatively small and regional supply chain.

Sustana is committed to conducting business responsibly, ethically, and transparently throughout its global operations and value chain. The success of our business relies heavily on the trust we build and maintain with employees, customers, suppliers, investors, other partners, and the communities within which we operate. Corruption and bribery undermine that trust and are inconsistent with Sustana's core value of integrity. Incidents of corruption can result in large financial penalties, loss of a license to operate, severe damage to our reputation, and imprisonment for individuals involved. To protect and promote our core values and reputation, Sustana has a zero-tolerance approach towards all forms of corruption – including bribery and extortion – and any form of retaliation against whistleblowers. This approach is integrated throughout our corporate DNA and codified in our:

- US and Canada Employee Handbooks
- US and Canada Employee Codes of Conduct
- Supplier Code of Conduct

### The Dos and Don'ts

Sustana prohibits all forms of corruption. Sustana employees, representatives and suppliers are expected to comply with this policy and are bound by all applicable national and international laws and regulations related to anti-corruption whether they are doing business at home or abroad.

#### **The Dos:** Employees, representatives, intermediaries, and suppliers **should:**

- Ensure that all business partners, suppliers and third parties are aware of and in accordance with the company's zero-tolerance to any act of corruption.
- Ensure that all information on payments is electronically recorded and that conversations take place using official electronic communication and if in-person are recorded.
- Identify any potential conflict of interest with business partners – including business interests, family or political affiliations, disclose these to the Compliance team and carry out enhanced due diligence as necessary.
- Report any potential incidents and red flag any concerns to the relevant team members.
- Accurately record payments and transactions so all payments are accounted for.
- Report any gifts to, and record all information with, the CFO.
- Record all business and entertainment expenses.

**The Don'ts:** Employees, representatives, intermediaries, and suppliers **shall not**:

- Directly or indirectly engage in any attempt to solicit money for contracts or promoting business relationships.
- Give or receive bribes or improper advantages to ensure access to business contracts or promote a specific company or individual.
- Take part in any direct relationship with public officials that may affect Sustana official business or regulation surrounding the company.
- Offer facilitation payments, such as those made to secure participation in a bid, or a contract or any form of business. In exceptional situations where employees would reasonably be deemed to be under duress (i.e., a situation whereby a failure to make payment might result in risk to your, a family member or colleagues' health and safety), a payment may be made. However, this incident must be immediately reported, and the payment and details of the transaction accurately recorded, reporting to relevant law enforcement authorities where necessary.
- Offer or pay bribes (directly or indirectly) to any public official in any jurisdiction or any private individual.
- Request or accept any form of bribe or payment-in-kind.
- Request or accept any form of gift which could be considered an attempt to influence.
- Use entertainment or other business expenses to place undue pressure.
- Turn a blind eye if you hear of any acts of bribery within the business or the supply chain, it is your responsibility to report these to the Chief Financial Officer (CFO).
- Have conversations around payments or any influence-peddling using personal devices or non-official communication tools.

### **Enforcement**

All Sustana employees, contract workers, interns, consultants, suppliers, and other business partners with which we have a contractual relationship must have a copy of this policy and a signed agreement to Sustana's zero-tolerance to corruption. This policy will be strictly enforced, and violation of it may result in disciplinary action, up to and including termination of employment or the business relationship. The matter may also be referred to relevant law enforcement authorities. Training will be provided for relevant Sustana employees to ensure their understanding of the policy and its application in practice.

### **Reporting**

Sustana has a dedicated team to immediately investigate any potential abuse of power or act of corruption and follow up on all reporting. Any concerns or questions regarding potential corruption and violation of this policy should be reported promptly through appropriate channels by any Sustana employees or third parties.

There are a range of mediums through which concerns related to corruption may be reported, including:

- To supervisors, management, or Human Resources
- By email to [report@sustanagroup.com](mailto:report@sustanagroup.com) or [hr@sustanagroup.com](mailto:hr@sustanagroup.com)
- Ethics Reporting Hotline (3<sup>rd</sup> party hosted platform) to make an anonymous or non-anonymous report online or by phone: <http://sustana.ethicspoint.com/>

Whistleblowers are encouraged to identify themselves and reports will be treated as confidentially as possible.

### **Employee and Whistleblower Protection: Zero Retaliation**

Sustana employees or third parties working with Sustana have the right to submit a confidential or anonymous report concerning any potential malpractice or act of corruption identified in the business or its supply chain. Sustana is committed to carrying out a timely investigation of any reports relating to any form of corruption and ensuring the confidentiality and protection of the employee or third party.

Sustana has zero tolerance for any retribution within the company and recognizes the right of whistle blowers and will work with them to ensure there are no legal repercussions for their actions.

### **Anti-Corruption Program Roles and Responsibilities**

The CFO is directly responsible for oversight and implementation of this policy. The CFO may delegate one or more of the following anti-corruption program actions and responsibilities to Sustana staff.

- Monitoring of corruption risk and anti-corruption performance.
- Approval of external disclosure of corruption-related matters.
- Policy review and approval.
- Reporting of corruption risks, incidents, and corrective measures to Board of Director's Audit Committee.
- Preparation of external disclosures on anti-corruption-related matters.
- Regularly leading corruption risk assessments in cooperation with other departments across Sustana's own operations, value chain, and business relationships.
- Identifying and monitoring material corruption risks.
- Documenting best practices and lessons learned.
- Developing and updating prevention measures and processes based on lessons learned.
- Conducting investigations and identifying root causes of corruption incidents.
- Developing and updating Global Anti-corruption and Whistleblower Policy.
- Ensuring all employees have read and agreed to comply with this policy.
- Conducting anti-corruption training for relevant employees.
- Receiving confidential corruption reports and raising them to the CFO.
- Ensuring all suppliers receive and agree to comply with this policy.

- Ensuring all other third parties with which Sustana has a contractual agreement receives and agrees to comply with this policy.
- Ensuring all employees, contract workers, and interns receive and agree to comply with this policy.

**Legal Disclaimers**

Sustana reserves the right to modify this policy at its discretion. Updated policies will be shared in a timely manner.

**Effective:** December 30, 2022

**Document Control**

This policy must be reviewed and approved by the ESG Committee on an annual basis.

<b>Action</b>	<b>Major Revisions and Comments (if any)</b>	<b>Version and Date</b>
Executed	First version drafted by the Vice President of Sustainability, and reviewed by the CEO, interim CFO, and COO.	Version 1 December 30, 2022
Executed	Ethics Reporting Hotline added	Version 1.1 August 11, 2023



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