

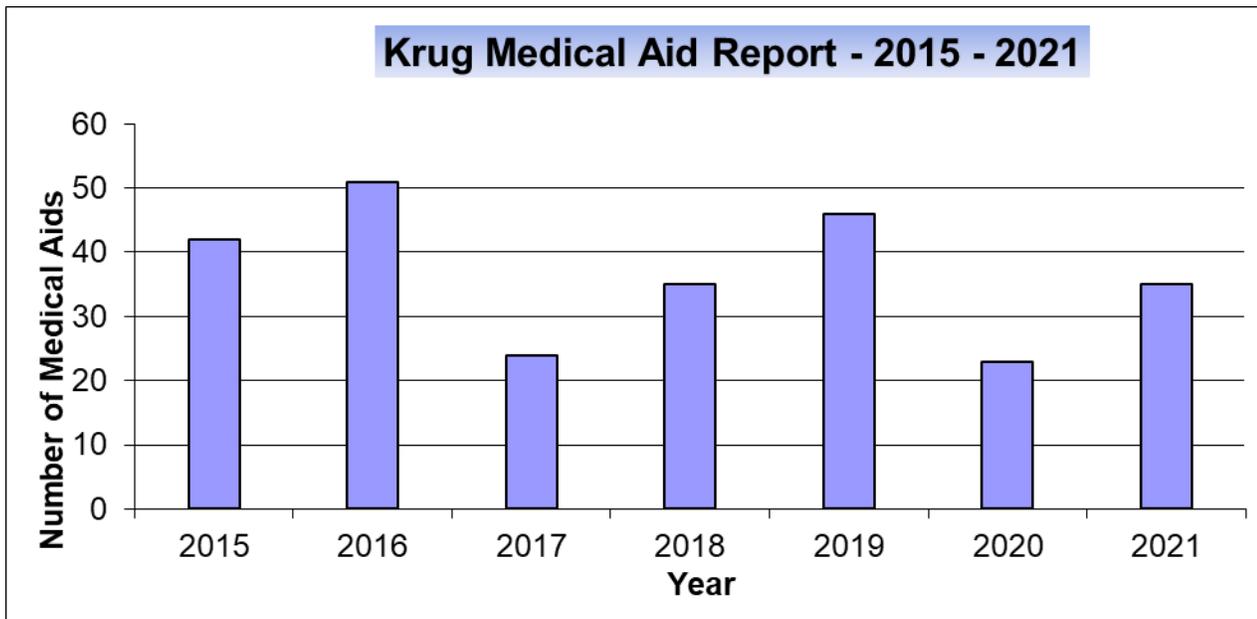
## ANNUAL SOCIAL RESPONSIBILITY REPORT – December 2021

The reputation of Krug has been built over 140 years on the principles of integrity and dignity in its relations with its staff, customers, suppliers, and the communities in which it operates. Meeting legal and regulatory requirements is simply the minimum.

### HEALTH and SAFETY

The safety of staff is one of the highest priorities of Krug. High standards are established in policies, procedures and training. We strive to have zero lost-time accidents. We measure, monitor and aim to continually reduce the number of incidents requiring medical aid. There is continuous health and safety training of all staff.

The following chart shows the progress made over the past 7 years.



Senior management meets quarterly to ensure the safety program is sound and in compliance with the Occupational Health & Safety Act. There is an ongoing process that includes:

- Development and maintenance of safety policies
- Auditing for compliance in areas such as housekeeping, use of personal protective equipment, machining guarding, and training for Lock-out, Forklifts, WHMIS, Harassment & Violence Prevention
- Reviewing WSIB claim performance
- Ensuring the Joint Health and Safety Committees are operating effectively and keeping staff informed
- Monthly Safety Inspections
- Promoting safety to staff
- Ongoing training

This is complemented by a rigorous investigation of all accidents and near misses to ensure appropriate corrective actions are implemented.

The health and well-being of staff is crucial to their productive contribution to the company's success. Benefits and an employee assistance program provide support to staff families.

## INCLUSIVENESS, EMPLOYMENT EQUITY and HUMAN RIGHTS

Krug will not tolerate discrimination on any of the prohibited grounds of the Ontario Human Rights Code including but not limited to age, creed, colour, race, ethnic origin, place of origin, disability, citizenship, family status, marital status, gender identity, gender expression, sex sexual orientation, receipt of public assistance and or persons with disabilities or aboriginal people.

All staff members are trained on these prohibited grounds, as outlined in our Harassment & Violence Prevented in the Workplace policies. The company's Employment Equity program eliminates any barriers to employment for the four designated groups which are women, aboriginals, visible minorities and persons with disabilities. Additionally, Krug has established policies in accordance with the Accessibility for Ontarians Disability Act (AODA) which is specific to people with disabilities. Further, Krug's hiring practices ensure a fair and objective process which include a job posting and interview process which is accessible to all employees.

The purpose of Krug's Employment Equity policy is to achieve equality in the workplace and correct the conditions of disadvantage in employment for the four designated groups as defined below. It is also an effort to give effect to the principle that employment equity means more than treating people in the same way but also requires special measures and the accommodation of differences.

It is the intent of Krug's Employment Equity Program to identify and remove any barriers to the recruitment, selection, hiring, promotion, termination, retention, accommodation, development and training of members of the four designated groups: women, aboriginal peoples, persons with a disability and visible minorities.

Krug's staffs break down as follows:

	Male	Female	Visible Minority	Aboriginal	Disability
2015	63.00%	37.00%	13.00%	1.00%	6.00%
2016	60.00%	40.00%	13.00%	1.60%	5.80%
2017	58.80%	41.20%	13.21%	2.07%	6.99%
2018	65.15%	33.95%	12.84%	4.59%	7.34%
2019	61.64%	38.36%	13.16%	2.09%	6.20%
2020	50%	38.59%	13.28%	2.03%	6.25%
2021	69%	31%	23%	4%	3%
Characteristics of Population in Communities In Kitchener Waterloo Region (Statistics last dated-2016)	49.4%	50.6%	19.6%	1.8%	5.5%

Krug protects and respects the rights of its people. Employees' rights are further guarded by other legislation including the Canadian Charter of Rights and Freedoms, the Occupational Health and Safety Act, The Employment Standards Act, Labour Relations Act and Freedom of Information and Protection of Privacy Act (FIPPA), The Personal Information Protection and Electronic Documents Act (PIPEDA) and the Personal Health Information Protection Act (PHIPA). Krug endeavours to satisfy itself that the treatment of both its staff and those of its suppliers' operations meets its standards as well as local, national and global laws and norms. This includes prohibiting forced or involuntary labor and child labor. Krug surveys its suppliers to be kept informed of their labor practices.

## COMMUNITY OUTREACH AND INVOLVEMENT

Krug is a strong supporter of the communities in which it operates. This includes charitable donations of cash and furniture, as well as staff contributions of cash and volunteer hours.

For decades Krug has been a strong supporter of the hospitals in its community. Over the years, the company has donated hundreds of thousands of dollars to the hospitals and its staff members have provided hundreds, if not thousands, of hours of volunteer time.

Similarly, the company and its staff have been long-time financial contributors to the United Way and have provided a substantial amount of volunteer leadership time at the local, provincial and national levels.

Krug is involved in supporting the community in many other ways. For example, we have donated both financially and in-kind (furniture) to many charitable organizations. Its staff members have provided volunteer time to many organizations including Kidsability, Canadian Cancer Society, Conestoga College, and the Kitchener and Waterloo Community Foundation.

In the past 12 months, among others, Krug and its staff supported the following organizations in donations of cash, time, furniture or materials:

- Bishops University
- The Lions Club
- CNIB
- Unicef
- St. Mary's Hospital
- Heart And Stroke
- Grand River Foundation
- Cancer Society
- And Kidney Foundation

## CORPORATE ETHICS

Krug's demands the highest level of ethical behaviour in all of its dealings. We expect all of our employees to follow all company policies and align their behaviours to our Mission, which is to "Delight our customers" and Core Values including "Integrity without Compromise", "Do Right By All Our Customers" and "It's Our People". Additionally, we have a gift policy which prevents individuals who are directly involved with customers or vendors from being influenced in their decision-making.

Krug does not condone or participate in any form of forced and/or compulsory labour, including child labour. The company does not employ any workers below the age of 16, as a minimum. All employment relationships are voluntary with no threat of penalty, including but not limited to any employment fees.

Because Krug is a privately-held company, an insider trading policy is not applicable.

Publicly disclosed here: [http://www.krug.ca/about/social\\_resp.aspx](http://www.krug.ca/about/social_resp.aspx)