



California Transparency in Supply Chains Act Disclosures

KapStone Paper and Packaging Corporation and its subsidiaries (“KapStone”) endeavor to conduct business in a manner conforming to the highest ethical and business standards. KapStone expects its suppliers also to conduct themselves ethically.

The California Transparency in Supply Chains Act of 2010 (the “Act”) requires certain companies doing business in California to disclose their efforts to eradicate slavery and human trafficking from their direct supply chains. According, the Act requires that we disclose the following:

- Verification. KapStone has no formal verification process to evaluate and address the risks of human trafficking and slavery in its supply chain. However, KapStone requires that all suppliers comply with KapStone’s Code of Business Conduct and Ethics, which require its suppliers to adhere to relevant laws relating to slavery, human trafficking, and child labor. A copy of these standards may be found at <http://www.kapstonepaper.com>. KapStone reserves the right to verify that its suppliers are in compliance with these terms and conditions.
- Auditing. KapStone predominantly relies on suppliers located in the United States, and KapStone does not typically directly engage suppliers from countries with an increased risk of human trafficking and slavery based on the U.S. Department of Labor’s List of Goods Produced by Child Labor or Forced Labor (2012). As such, KapStone does not currently audit its suppliers for compliance.
- Certification. KapStone’s purchase order terms and conditions require its suppliers to certify compliance with KapStone’s Code of Business Conduct and Ethics, including requirements to adhere to laws relating to slavery, human trafficking, and child labor. KapStone’s purchase order terms and conditions also require its suppliers to comply with all laws regarding slave labor and human trafficking.
- Internal Accountability. KapStone requires its employees to annually certify that they comply with KapStone’s Code of Conduct and Ethics, which may be found online at <http://www.kapstonepaper.com>. This code requires compliance with all laws, which includes laws related to slavery and human trafficking. Failure to comply will result in appropriate action, up to and including dismissal.
- Training and Awareness. KapStone endeavors to train its employees to act with the highest ethical and business standards. KapStone commits that it will continue to evaluate the training of employees in its sourcing and procurement departments to ensure their attention to these and other compliance concerns.