



Vendor Code of Conduct



Anchorage Sand and Gravel Co., Inc. and Fairbanks Materials, Inc. (hereinafter, the “Companies”) operate under a corporate code of conduct which is intended to promote ethical behavior, prevent and detect crimes, and ensure the Companies follow all applicable laws and regulations. The Companies expects all of their vendors, suppliers, contractors, and subcontractors to adhere to these same ethical standards. The purpose of this Vendor Code of Conduct is to clarify the Companies’ expectations regarding the conduct of Vendors with whom they do business.

As used in this Vendor Code of Conduct, the term “Vendor” means any third-party vendor, supplier, contractor, or subcontractor that has a contractual relationship with either of the Companies along with the employees, agents, and representatives of such entities, and including any lower-tier subcontractors or sub-suppliers retained by a Vendor in the course of doing work or providing services to the Companies.

Legal and Regulatory Compliance

Vendors must comply with both the letter and spirit of all applicable laws and regulations. Following the law is the minimum standard of conduct and is expected of everyone. No one has the authority to break a law or tell other people to break a law on behalf of the Companies.

When doing business in other countries, Vendors must follow international laws and any U.S. laws that apply to international operations, including but not limited to the Foreign Corrupt Practices Act.

Safety and Health

The goal of our safety program is to prevent accidents and injuries and to provide safe working conditions for everyone. The Companies are committed to safety and adhere to workplace safety laws and regulations and Vendors must also comply with all applicable workplace safety laws and regulations. Vendors are expected to use required safety equipment, follow proper safety procedures, and use good judgment and common sense to protect themselves, their coworkers, the employees and property of the Companies, and the public from injury.

Environmental Stewardship

The Companies have an Environmental Policy directing that they will operate efficiently to meet the needs of the present without compromising the ability of future generations to meet their needs. The Companies seek to work with Vendors that are committed to minimizing waste and maximizing resources, and that seek to be good stewards of the environment while providing high quality and reasonably priced products and services. Vendors are expected to comply with or surpass all applicable environmental laws, regulations and permit requirements.



Disclosing Conflicts of Interest

The Companies' internal policies identify certain situations involving Vendors that may constitute a conflict of interest. Employees of the Companies are forbidden from holding a significant financial interest (defined as 5% ownership or greater) in any company or other organization that does business or wants to do business with the Companies; unless this relationship is disclosed to the Companies and the business relationship has been approved in accordance with policy of the Companies.

Potential conflicts of interest may arise in other situations, such as when a Vendor employs someone who is also an employee of the Companies or someone who has a close personal relationship to an employee of the Companies. Vendors are expected to report any suspected conflict of interest to the Companies as soon as reasonably possible after the conflict is discovered.

Maintaining Business Records

Accurate, reliable information and records are critical to meeting the Companies' financial reporting and legal obligations. Vendors are expected to prepare required reports and invoices promptly, completely and accurately. Vendors must follow all applicable laws and contractual requirements in creating, maintaining and disposing of records reflecting their business dealings with the Companies.

Cybersecurity and Data Protection

Vendors are expected to protect the Companies' confidential information. Vendors must adopt and maintain processes to provide reasonable protections for personal, proprietary and confidential information, including information that they access, receive or process on behalf of the Companies.

Vendors must comply with all applicable privacy and data protection and information security laws and regulations. Vendors who provide cloud computing services or other forms of third-party information technology and information technology support must adhere to the specific control requirements required by the Companies' Information Technology policies, as applicable.

Employment Conditions

Vendors are expected to comply with all applicable equal employment opportunity and affirmative action laws. Vendors are expected to provide a work environment that is free of discrimination and unlawful harassment, including but not limited to discrimination or harassment based on age, race, color, religion, gender, sexual orientation, national origin, disability or veteran status. Vendors are expected to comply with wage and hour laws and other statutes that regulate the employer/employee relationship and the work environment, including laws prohibiting retaliation against employees who invoke their rights under labor and employee relations laws.



Fair Competition

Vendors are expected to comply with antitrust laws and avoid any anti-competitive behavior. This includes avoiding illegal arrangements with dealers, suppliers, customers or competitors that restrict the Companies' ability to compete with other businesses or the ability of other businesses to compete with the Companies. Vendors are also expected to avoid practices intended to increase the use of their own or the Companies' services except through fair marketing based on price, quality, product features and service. The Companies do not use or tolerate unfair or deceptive marketing practices.

The Companies' gift policy requires employees of the Companies to avoid conflicts of interest and the appearance of special influence, obligation or preferential treatment for one party over another. Vendors are expected to avoid any action that could be construed as an attempt to unduly influence an employee of the Companies.

Trademarks and Copyrights

The Companies respect the intellectual property rights of others and expects Vendors to respect the intellectual property rights of the Companies and third parties. Unauthorized use of the Companies' intellectual property by any Vendor, including copyrighted materials, is prohibited.

Politics and Government

Vendors are expected to follow all applicable laws regarding political contributions and to avoid providing any government official with any personal gift, loan, lavish entertainment or other payment that might be considered a payoff, bribe or improper influence as it pertains to business of the Companies.

Compliance With This Vendor Code of Conduct

Vendors are expected to report actual or suspected noncompliance with this Vendor Code of Conduct by employees of the Companies or by any Vendor. Reports may be submitted:

1. through the 24/7 ethics hotline at 1-844-606-0506;
2. through the Companies' ethics reporting website at kniferiver.ethicspoint.com;
3. to the Companies' Internal Auditing Director at auditing@kniferiver.com or by phone at 701-530-1400;
4. to the Companies' Chief Legal Officer at chieflegallofficer@kniferiver.com or by phone at 701-530-1400;
5. by mail to:
Audit Committee of Knife River Corporation
Board of Directors
1150 W. Century Ave.
Bismarck, ND 58503.