



Traeger Pellet Grills LLC Statement on Forced Labor, Human Trafficking and Modern Slavery for Fiscal Year 2021

1 Introduction

The below statement is provided to meet mandated disclosure requirements for the UK Modern Slavery Act and the California Transparency in Supply Chains Act.

The Modern Slavery Act (2015): The Law requires entities conducting business in the UK with revenues exceeding £36 million to disclose details regarding their management efforts to prevent forced labor and human trafficking in their supply chains.

The California Transparency in Supply Chains Act (2010): The Law requires manufacturers and retailers doing business in California with revenues exceeding US \$1 million to disclose their management efforts to prevent human trafficking in their supply chains.

1. Traeger Company Background

Traeger Pellet Grills LLC offers a range of grills, pellets, cooking sauces, rubs, shakes, and accessories. The Company is headquartered in Salt Lake City, Utah USA. The Company was founded in 1985 and continues to operate as a limited liability company. Traeger employs approximately 800 employees across its HQ offices and its wood pellet production facilities located throughout the United States.

2. Our Operations and Supply Chain

Traeger's HQ operations include sales, marketing, research, product development, supply chain and logistics. Traeger also owns wood pellet production facilities located throughout the United States. The Company also has subsidiaries located in Canada, the United Kingdom, Denmark and Germany through which it conducts sales and marketing operations, and uses distribution channels and agreements to sell goods across additional markets, including certain EU countries and Australia, and maintains a production management presence in China.

Traeger sources supplies world-wide through various supply chains including product and materials sourcing, packaging, distribution, procurement of equipment, as well as other goods and services. Traeger's production facilities are located across the United States and its contract manufacturing is spread out across the world. Most contract manufacturing occurs in Asia, notably China and Vietnam.

3. Our Risks

Traeger is most exposed to forced labor and human trafficking risks through our contract manufacturers, located primarily in China and Vietnam. Both countries are considered high-risk for forced labor according to NGOs around the world and the United States government. We expect to continue sourcing from both countries for the foreseeable future and will manage the risks through its Responsible Sourcing Program, detailed below.

Traeger monitors its supply chain risks continuously to identify current global events and geopolitical developments that could impact our risk exposure. Some of the peripheral issues Traeger monitors regularly include:

- The use of labor brokers in our supplier-base
- Our factories' subcontracting practices
- Ways to obtain better visibility of our lower-tier suppliers

To manage the above risks, Traeger depends upon our Responsible Sourcing Program policies, pre-sourcing due diligence, and compliance auditing and remediation activities. We require suppliers in which we have direct relationships to communicate our compliance expectations to their suppliers. While no issues related to modern slavery or human rights have been identified in our supply chain, we remain vigilant and committed to protecting our supply chain workers.

3. Our Policies

Traeger understands that supplier compliance with our expectations requires both supplier facing and internal facing policies. The following policies address the multi-faceted approach.

Supplier Code of Conduct

Traeger communicates its compliance requirements to suppliers through its Supplier Code of Conduct. As stated in our Supplier Code of Conduct, Traeger expects its suppliers to adhere to the following provision.

Suppliers will not use forced, bonded, indentured or prison labor for any parts of production of Traeger products. Suppliers will not traffic in persons or employ the use of slave labor, bonded labor, indentured labor, or involuntary convict labor. This includes the transportation, harboring, recruitment, transfer, or receipt of persons by means of threat, force, coercion, abduction, fraud, or payments to any person having control over another person for the purpose of exploitation. Workers will not be required to hand over passports or identification documents or pay recruitment-related fees.

Supplier compliance with Traeger's Supplier Code of Conduct is monitored through annual on-site audits and inspections that cover factory management practices including recruitment fees, treatment of migrant workers, business relationships with labor brokers, and factory staff training.

Responsible Sourcing Policy

Traeger reinforces its supplier compliance expectations with our internal Responsible Sourcing Policy. As part of the Policy, our Sourcing and Operations teams are expected to:

- Integrate Traeger's ESG Principles into all sourcing decisions, including selection and retention.
- Communicate with suppliers around planning, forecasting and lead times to prevent production capacity issues that incentivize supplier subcontracting and excessive working hours.

- Train all management on Traeger’s Responsible Sourcing Program policies and procedures.

4. Due Diligence and Verification

Traeger maintains an internal standard operating procedure that covers pre-sourcing due diligence, auditing and monitoring, and remediation processes.

Pre-Sourcing Screening

Prior to signing manufacturing services agreements with potential production partners, Traeger conducts extensive due diligence to ensure that suppliers:

- Are not included on any sanctions or watchlist
- Have a history of safe working conditions that comply with local laws
- Are not the subject of any pending investigations related to forced labor, worker abuse, or otherwise
- Meet Traeger minimum standards of care related to responsible business practices, forced labor, or otherwise

To confirm that potential production partners meet the above requirements, Traeger uses third-party proprietary tools to verify sanction, watchlist, PEP exposures, as well as a qualitative review of supplier management systems, previous audits, and grievance management at the facility.

Auditing

As part of Traeger’s Responsible Sourcing Program, the Company implements a risk-based audit program that considers the factory’s risk profile to determine the need for an audit or an alternative performance verification. We use a third-party audit management firm to conduct quality control checks on all audits performed, which provides us with extra assurance of the audit’s impartiality and provides an additional method to ensure impartiality throughout the audit process.

Remediation

Traeger requires its suppliers to correct compliance issues identified in audits, including those identified during pre-sourcing due diligence. All zero-tolerance issues identified in an audit require immediate remediation followed by an audit to confirm the issues are resolved and workers are protected. All non-zero tolerance issues require a Corrective Action Plan and progress reviews at 30, 60 and 90 days to ensure that compliance issues are remediated.

5. Training

Traeger addresses forced labor and human trafficking through internal trainings and through supplier training activities.

Internal Training

All key internal functional units are trained in management obligations related to the prevention of forced labor and human trafficking. Business units that receive training include Human Resources, Sourcing, Operations, Compliance and Sales. Internal trainings are performed in-person and virtually. Traeger employees are trained how to use the company grievance channel to report issues related to labor abuse.

Supplier Training

Traeger conducts annual supplier trainings that cover our Supplier Code of Conduct compliance expectations, including force labor and human trafficking, freedom of association and anti-bribery. The trainings are performed both in-person and virtually and focus on high-risk regions and challenges. Supplier management is trained on Traeger’s compliance requirements and ways that they can improve their management capacity to prevent forced labor in their operations.

6. Grievance Channels

To promote effective access to remedy for our supply chain workers, Traeger requires all suppliers to maintain an anonymous grievance mechanism for workers to report violations and/or concerns related to management practices.


As a secondary control in case factory management is unresponsive to worker reports, Traeger provides a supply chain specific grievance mechanism for workers to report violations and/or concerns directly to Traeger. Workers employed directly by Traeger are provided a direct reporting channel managed by the Human Resources and Legal departments.

7. Effectiveness of Supply Chain Due Diligence

Traeger's Responsible Sourcing Program was launched in 2021. The Company plans to implement several KPIs to monitor the effectiveness of our Responsible Sourcing Program efforts.

Effectiveness metrics will include the following:

- Audit scores (tier 1 and tier 2)
- Most common compliance issues identified in audits
- Audit scores (year on year)



Jeremy Andrus
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Traeger Pellet Grills LLC

[Signature as required by the UK Modern Slavery Act]

Traeger Contact Information

If you have any questions about the contents of this disclosure, or about Traeger's Responsible Sourcing Program, please contact esg@traegergrills.com