



Supplier Code of Conduct

February 2022



Contents:

1. Background and CSR vision
2. Social and ethical business standards
3. Environmental standards
4. Community standards
5. Governance process

1. Background and CSR vision

Nice-Pak and PDI have a longstanding commitment to driving sustainability in our products and engaging in responsible social and environmental practices aimed at benefiting our business, our associates, our communities, and society for generations to come. We hold ourselves to high ethical standards and seek to do business with reputable suppliers that share in our Corporate Social Responsibility (CSR) vision to create ***a clean and healthy world through our products, expertise, and education.***

This Supplier Code of Conduct (Code) asks all our supplier partners to join us in our efforts to go beyond mere compliance by formally committing to a set of standards promoting social responsibility, environmental stewardship, ethical business, and community impact. We expect our suppliers to use their best efforts to implement and adhere to the standards of this Code and strongly encourage exceeding the requirements of this Code wherever possible.

Nice-Pak/PDI's suppliers are essential to our business. Together, this Code provides us with an opportunity to better the lives countless people using our products each day.

2. Social and ethical business standards

- A) Legal compliance. Suppliers must conduct business in compliance with all applicable laws, rules and regulations set by governments and/or relevant jurisdictions at the national, state, provincial, and local level.
- B) Health and wellbeing of workers. Suppliers are responsible for maintaining a safe and healthy work environment through programs and procedures to manage, track and report physical, chemical, and biological hazards in the workplace. Procedures will include mechanisms to: i) encourage reporting by workers; ii) record injury and illness cases according to specific classifications; iii) provide medically necessary treatment; iv) investigate cases and implement corrective actions; and v) safely return workers to the workplace.
- C) Supply chain due diligence. Nice-Pak/PDI require safe, fair, and just working conditions throughout our supply chain, from the first mile to the last. In addition, a growing number of jurisdictions worldwide legally require companies to monitor and remediate human rights and environmental issues in their extended supply chains. Nice-Pak/PDI suppliers must meet or

exceed all applicable supply chain due diligence regulations. Examples include but are not limited to the Modern Slavery Act (United Kingdom), Devoir de Vigilance (France), and Transparency in Supply Chains Act (State of California, United States).

- D) Forced and Child labor. Suppliers must not use involuntary labor of any kind, including slave labor, indentured or debt labor, child labor, human trafficked labor, forced labor or prison labor.
- E) Human Treatment and Non-discrimination. Suppliers must provide a workplace free of harassment or abuse of any kind, harsh and inhumane treatment, unlawful practices, or discrimination. Employees and other stakeholders must be free to report concerns or potentially unlawful practices at the workplace.
- F) Working Hours. Work weeks are not to exceed the maximum set by national or local law, collective bargaining agreements, or whichever provides greater protection to the worker. All overtime shall meet the terms of any collective bargaining, or any other employee agreements, or otherwise shall be voluntary and shall be compensated.
- G) Freedom of association. Suppliers will respect the rights of workers to associate freely, including the right to join a labor union or similar organization, and to communicate openly with management regarding working conditions without fear of reprisal, intimidation, or harassment.
- H) Anti-corruption. The highest standards of integrity are expected in all business interactions. Any and all forms of corruption, extortion and embezzlement are strictly prohibited. Nice-Pak and PDI make buying decisions strictly based on quality, performance, suitability of the product or service, and cost. Payment or acceptance of bribes, kickbacks or any other questionable incentive is strictly prohibited. Suppliers must not employ Nice-Pak and PDI associates, or their immediate family members, unless these potential conflicts are fully disclosed and addressed in advance.
- I) No Improper Advantage. Bribes or other means of obtaining undue or improper advantage are not to be offered or accepted. No Supplier, or its representatives or employees, shall offer to any employee a kickback or bribe. Suppliers should observe local custom with respect to gifts, although the value of such offers should never be considered material enough to influence business decisions or contravene applicable regulations.
- J) Animal welfare. Suppliers will adhere to relevant regulations on animal welfare. Alternative means of testing should be used whenever there is a scientifically valid rationale and wherever permitted by regulatory bodies.
- K) Chemicals of concern. Suppliers will implement responsible chemicals management procedures to protect human health and the environment from harm resulting from chemicals used in all stages of production. Suppliers will strive to reduce or eliminate chemicals of concern using procedures that take into account exposure pathways, human health impacts, toxicology, and the availability of alternative materials. Materials of particular interest to Nice-Pak/PDI include but are not limited to: known or probable carcinogens, phthalates, heavy metals, and persistent bioaccumulative and toxic materials e.g. PFOA, PFOS. Suppliers will have adequate systems in place to identify and disclose to Nice-Pak/PDI all chemicals in their products and ingredients that are regulated by governments or other authorities having jurisdiction in the regions where they are used.

3. Environmental standards

Nice-Pak/PDI are committed to preventing deterioration of the environment and minimizing the impact of production on the land, air and water in our neighboring communities and planet. These commitments can only be fully met through awareness and cooperation of supplier partners.

- A) Waste prevention and reduction. Nice-Pak/PDI strive to reduce waste and eliminate waste-to-landfill through circular design, efficient operations, and innovative end-of-life partnerships. Suppliers will ensure that hazardous waste streams are handled according to applicable laws. Export of hazardous waste to any developing country is prohibited. In addition, suppliers should implement comprehensive manufacturing waste management practices consisting of continuous improvement goals, policies, and procedures. Effective strategies will prioritize holistic source reduction including closed-loop systems and processes.
- B) Emissions to air and water. Suppliers will measure and report water and air discharges into the environment including regulated chemicals, such as VOCs, and greenhouse gas emissions (GHGs), as needed. Suppliers should identify ways to reduce these emissions to protect the health and wellbeing of people and the environment in surrounding communities and globally. Suppliers should develop data tracking and disclosure of greenhouse gas emissions, in their own operations and supply chain, using methods outlined in the Greenhouse Gas Protocol Corporate Standard, or equivalent.
- C) Life cycle environmental stewardship and circularity. Whenever possible, suppliers should strive to address sustainability holistically so as to avoid unintended tradeoffs of environmental or social impact across material sourcing, production, transportation and disposal. We encourage suppliers to engage in life cycle analysis (LCA) of products furnished to Nice-Pak/PDI and make LCA reports available for review to support our data sharing efforts with customers and product end users. Suppliers will incorporate circular economy principles to reduce material consumption, increase post-consumer recycled content and enable effective recycling and reuse.
- D) Climate change. Suppliers will strive to implement policies and procedures to assess and mitigate risks related to climate change. Suppliers will be encouraged to disclose to Nice-Pak/PDI all material risks related to climate change including cost risk, logistics risk, and supply chain risk (e.g. availability of raw materials). Suppliers are strongly encouraged to support Nice-Pak/PDI in our transparency commitments to customers and product end users by participating in third party disclosure mechanisms including CDP.
- E) Transportation and logistics optimization. Whenever possible, suppliers will strategically manage transportation to minimize the climate and waste footprint of shipments. Suppliers will optimize transport modes and distances as well as packaging material types and quantities. Effective packaging strategies minimize waste and consumption of single use plastics while also minimizing losses related to damage in transit.
- F) Deforestation risk. Suppliers of products made with forest-derived ingredients (e.g. fiber, timber, pulp and paper) or ingredients generally known to be linked to deforestation (e.g. palm oil, soy) should strive to demonstrate time-bound public goals, commitments, policies, measurement systems, and action plans to prevent deforestation risks related to company operations and raw

material sourcing. Effective strategies will employ chain of custody tracking of raw materials, audit verification, supply chain risk assessment methods, and/or third party certifications appropriate to the risk profile of each raw material. Suppliers are encouraged to participate in CDP Forests disclosures and to assist Nice-Pak/PDI in reporting efforts.

- G) Ecosystems. Suppliers with agricultural operations or supply chains will take care to ensure sourcing activities do not adversely impact ecosystems. Examples include: protecting biodiversity from monoculture crop practices, protecting High Conservation Value areas (HCVs), implementing sustainable management plans for species identified as endangered by the International Union for Conservation of Nature (IUCN). Under no circumstances may suppliers acquire raw materials from IUCN protected areas categories I-IV, UNESCO World Heritage Sites, wetlands on the Ramsar List, or areas converted from High Carbon Stock forest. Suppliers may utilize third party datasets and tools such as [UN Protected Planet](#) to set policies and monitor compliance based on geographic locations of first mile suppliers.
- H) Water stewardship. Suppliers strive to mitigate impacts on water resources associated with operations and supply chain, including conservation measures, protection against flooding, reducing impact on water quality, and ensuring accessibility to water for local communities. Tools such as [World Resources Institute \(WRI\) Aqueduct](#) may help suppliers identify and manage water risk based on location.

4. Community standards

- A) Support for economic development and education. Nice-Pak/PDI support education and invest both economically and philanthropically in the professional development of our associates and across communities where we operate. We encourage our suppliers to play a similar role in creating development, advancement, and educational opportunities. Initiatives include job training, professional development, apprenticeship programs, paid internships, and co-ops.
- B) Diversity and Inclusion. Building an inclusive supply chain is a strategic priority for our business. Suppliers should strive for diversity and inclusion within company operations, including addressing gender gaps in leadership representation and pay. Additionally, suppliers will strive to influence diversity within their own supply chains by identifying, cultivating, and utilizing diverse suppliers. We actively seek to provide opportunities to certified minority, women, veteran, service-disabled veteran, disability, and LGBT owned businesses. Suppliers are encouraged to support supplier diversity efforts by utilizing diverse businesses. As such, Suppliers may be asked to report their diversity status and certifications as well as their diverse spend, including "Tier 2" spend.
- C) Health and environmental advocacy. Nice-Pak/PDI encourage suppliers to share in our support for non-political organizations that promote human health, wellbeing, and environmental stewardship. Issues we advocate for include infection prevention, hand hygiene, product end-of-life stewardship, a transition to renewable energy, forest stewardship, environmental education, the circular economy and more.

5. Governance process

- A) Responsible contact. The Nice-Pak/PDI Sustainability group is responsible for overseeing this Code and monitoring compliance in partnership with the Procurement department. Speak with

your Nice-Pak or PDI sustainability or procurement contact about any questions and to promptly report any instances of non-conformance.

- B) Updates to the Code of Conduct. Any updates to this Code will be announced in a timely manner and will be issued.
- C) Risk-based approach to compliance. Nice-Pak/PDI apply a risk-based methodology to monitoring compliance based on our CSR Steering Team's determination of risk across all of the commodities, products and geographies that make up our supply chain.

(i) Lower Risk Suppliers are not located in labor and environmental risk hotspots, do not supply large quantities of products or commodities essential to our operations, and do not source raw materials or intermediate products from global locations known to be at-risk for environmental and social issues. These suppliers are asked to self-certify Code of Conduct compliance annually.

(ii) Higher Risk Suppliers provide large quantities of products or commodities essential to our operations and/or engage in sourcing of products or raw materials through global supply chains that include multiple intermediate suppliers (upstream tiers). Risks may vary by location and/or commodity including labor risk, environmental risk, water risk, geopolitical risk, logistical risk, etc.

Higher risk suppliers, determined at the sole discretion of Nice-Pak/PDI, are asked to self-certify annually **and** provide backup documentation, as needed. Documentation includes but is not limited to sustainability and labor policies, government licenses, third party audit reports, certificates of compliance with third party labor and environmental standards, supply chain mapping, and more. Nice-Pak/PDI may validate supplier responses using various methodologies ranging from site visits to third party social and environmental audits and remote monitoring tools.

- D) Nice-Pak/PDI may conduct audits or assessments to ensure our suppliers' compliance with this Code and will take appropriate measures regarding supplier relationship if there are any reasons for concern, including but not limited to the failure to cooperate with any audits or assessments or like request for information. We reserve the right to discontinue any relationship for non-adherence to the principles of this Code, failure to correct violations, or displaying patterns of non-compliance with these standards.
- E) Report a Violation. If you know of or suspect a violation of applicable laws and regulations, any Company policies or the Code, you must immediately report that information to your Nice-Pak / PDI procurement contact. Alternatively, you may also report a suspected violation through other channels, such as the Company's compliance hotline (for English speakers 844-640-0004; for Spanish speakers 800-216-1288), website (www.lighthouse-services.com/nicepak-pdi), or by email to reports@lighthouse-services.com. All reported violations will be promptly investigated and treated confidentially to the greatest extent possible.



NICE-PAK PRODUCTS, CEO



PDI, CEO



**NICE-PAK PRODUCTS
INTERNATIONAL, Managing Director**



PDI, President and COO