



## FOREST STEWARDSHIP POLICY: RESPONSIBLE SOURCING FOR NATURALLY DERIVED FIBER AND PALM

Nice-Pak and PDI

1. Introduction statement
  - a. Nice-Pak and PDI are committed to *Creating a clean and healthy world through our products, expertise, and education.*
  - b. We are committed to sustainable production through our manufacturing and logistics networks.
  - c. We use forest-derived materials in the fibers that make up some of our wet wipe applicators and, to a lesser extent, in paper and corrugated packaging, palm and other naturally derived ingredients.
  - d. Forests provide many benefits including biodiversity, water and air quality. We believe in the importance of forest stewardship to protect this vital natural resource, as well as human rights and human health.
  - e. Sustainable forest management fosters human prosperity and plays an important role in the battle against climate change.
  - f. This policy is implemented internally and within our multi-tiered global supply chain.
  - g. Nice-Pak and PDI do not manage any forests directly and most of our direct suppliers do not own or manage forests directly; nevertheless, we have a responsibility through our sourcing practices to ensure our products do not contribute to deforestation or unsustainable land use.
  - h. We aim to increase awareness of the value of the world's natural resources, promote the preservation of biodiversity, and the health of humankind and the planet through responsible harvesting and regeneration of forests.
  - i. To that end, this policy addresses our expectations for suppliers as well as our own operational commitments.
2. Scope
  - a. This policy is global.
  - b. Covers expectations for suppliers, internal procedures, processes, and implementation.
  - c. Covers all steps of raw material transformation along our supply chain for the following naturally derived materials: wet wipe applicators, nonwoven fiber, paper and corrugated packaging, wood pulp, and palm derived ingredients.
  - d. Suppliers sign off on the Supplier Code of Conduct, which references this policy.

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+44 (0) 1352 736700



- e. Suppliers are responsible for monitoring and certifying compliance of their suppliers and sub-suppliers.

3. Certification

- a. We require suppliers to certify their operations for sustainable forest management in line with this policy and to document that naturally derived materials are legally harvested.
- b. We support and recognize the value of all credible forest certification standards including PEFC, SFI and FSC for naturally derived fiber and RSPO for palm oil and any other naturally derived ingredients, where applicable.
- c. We expect that suppliers submit their plans to advance sustainable fiber including PEFC, SFI or FSC for Nice-Pak and PDI, as applicable. We expect that suppliers of ingredients containing palm oil advance towards RSPO certification.
- d. We ensure compliance through independent third-party certification audits of our chain of custody.
- e. There are several forest certification standards around the world that play a role within our supply chain to help achieve our policy commitment.
- f. We participate in SFI, PEFC, RSPO and FSC certification programs and we require our suppliers to report to us on the percentage of raw material certified to each of these standards and the country of origin for the fiber.
- g. We participate in the RSPO certification program for palm derived ingredients, and we require our supplier to report percentage of palm and certified RSPO palm in our product ingredients.
- h. We are striving for 100% of the naturally derived materials in our products to be certified to a recognized standard by 2025.
- i. We strive to label products with SFI, PEFC, RSPO or FSC logos to inform consumers of responsible resource use and management.

4. Support for education, conservation, and advocacy

- a. Educating employees, customers, and consumers on the value of ecosystem conservation is one critical way that we drive impact beyond our supply chain.
- b. We directly contribute to conservation and education initiatives by supporting non-governmental organizations through financial support, data sharing, certification/accreditation, volunteerism, and more.
- c. We encourage our suppliers to support forest conservation organizations according to their size, influence, and position in the supply chain.

5. Support of innovation for sustainability, traceability, and verification

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- a. Research and development into economically viable sustainable alternatives to forest-derived materials including agricultural byproducts, post-consumer recycled fibers.
  - b. Continuous improvement of GHG emissions, wastewater emissions and human health impacts at all stages of production.
  - c. We work towards carbon neutrality through the reduction of emissions and supporting carbon capture and storage.
  - d. Traceability of raw material in partnership with our suppliers (involving technology, data sharing, reporting).
  - e. We are audited annually by SFI FSC, PEFC and RSPO.
6. Our requirements to avoid risk in the supply chain for all naturally derived fiber and palm derived ingredients
- a. Derived from wood that is legally harvested and traded in full compliance with the EU Timber Act, the U.S. Lacey Act and any other applicable regulation at every jurisdiction in the supply chain (country of origin, processing, shipping/import).
  - b. Forest management practices are in place to maintain and conserve biological diversity.
  - c. No sourcing from protected areas or endangered species habitat.
  - d. No sourcing from conversion sources originating from regions experiencing forest area decline.
  - e. No sourcing other types of controversial sources, including “conflict timber,” recognizing that definition may change over time.
7. Recognizing and protecting human rights
- a. Materials are sourced in accordance with the Universal Declaration of Human Rights (UDHR).
  - b. We acknowledge the rights of indigenous and rural communities to sovereignty over their territories, lands and resources and require our suppliers and sub-suppliers to do the same.
8. Transparency
- a. Suppliers are required to share data with us, which in turn enables us to be transparent with customers and consumers regarding our performance.
  - b. Our suppliers must report to us, as requested, on a number of metrics on each lot of material and in aggregate e.g. % of certified raw material, country of origin, tree species, certification standards in place, third party audit reports, and environmental emissions (GHG, waste, waste water).
  - c. We believe in partnering with our suppliers to establish traceability and transparency and are striving for 100% of our forest-derived raw material to be traceable by 2030.
  - d. Metrics are discussed in our Global Corporate Social Responsibility Report and forthcoming progress updates.

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- e. We report to CDP, Ecovadis, RSPO ACOP and SEDEX on our responsible sourcing policy commitments and performance, as applicable.

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Robert Julius, Chairman/CEO, Nice-Pak Products

A handwritten signature in black ink, appearing to read 'R Woodall'.

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Robert Woodall, Managing Director, Nice-Pak International

August 10<sup>th</sup>, 2021

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Zachary Julius, CEO, PDI

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Kent Davies, President/COO, PDI

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