



SUSTAINABLE FORESTRY POLICY

EFFECTIVE DATE
September 2024

■ PURPOSE

This policy explains how Novolex Holdings, LLC, including its wholly owned subsidiaries, (collectively “Novolex” or the “Company”), shall meet its mission and statutory and voluntary standards obligations to utilize and secure forest-based materials in a responsible and sustainable manner for the production of its paper packaging products.

■ SCOPE

Novolex shall take appropriate measures to ensure that its employees, agents, contractors, and supply chain business partners, in particular those that provide Novolex with forestry-based materials, comply with this policy.

■ POLICY STATEMENT

Novolex is committed to using forest-based materials that are procured from responsibly managed forests, engage supply chains that apply sustainable harvesting and replanting practices, protect water resources, promote biological diversity, utilize fair labor practices, and meet all applicable regulatory and established industry standards.

■ DEFINITIONS

“**Biological Diversity**” is defined as the variability among living organisms from all sources including, inter alia, terrestrial, marine, and other aquatic ecosystems and the ecological complexes of which they are a part; this includes diversity within species, between species, and of ecosystems¹.

“**Certification**” is defined as attestations by third parties related to a level of achievement based on established criteria for implementing programs, processes, and systems.

“**Chain of Custody**” is defined as the path taken by raw materials, processed materials, finished products, and co-products from the forest to the consumer or, in the case of reclaimed, recycled materials or products containing them, from the reclamation site to the consumer, including each stage of processing, transformation, manufacturing, storage and transport where progress to the next stage of the supply chain involves a change of ownership (independent custodianship) of the materials or the product².

“**Conflict Timber**” is defined as timber that have (sic) been traded at some point in the Chain of Custody by armed groups, be they rebel factions or regular soldiers, or by civilian administrations involved in armed conflict or its representatives, either to perpetuate conflict or take advantage of conflict situations for personal gain³.

“**Deforestation**” refers to the intentional clearing of forest land to convert to non-forest use including agricultural and urban use.

“**Illegal Logging**” is defined as circumstances in which timber is harvested in violation of national and international law.

“**Indigenous Peoples**” are defined by the United Nations as groups of people that can be identified or characterized as:

- Peoples who self-identify at the individual level and are accepted by the community as their member;
- Maintain historical continuity with pre-colonial and/or pre-settler societies;
- Maintain a strong link to territories and surrounding natural resources;
- Maintain distinct social, economic, or political systems;
- Maintain a distinct language, culture, and set of beliefs;
- Form non-dominant groups of society; and
- Resolve to maintain and reproduce their ancestral environments and systems as distinctive peoples and communities⁴.

“**Paper Packaging Products**” are defined as products produced from primary and secondary fiber-based materials and sold to brokers, distributors, or directly to end-use customers. Such products may be made from recycled paper, virgin paper, molded fiber, including but not limited to bagasse (processed sugar cane) and bamboo, and other fiber alternatives.

¹ Convention on Biological Diversity 1992, Article 2; Forest Stewardship Council (FSC)-STD-01-001 V5-2

² Forest Stewardship Council (FSC)-STD-40-004 V2-1

³ Programme for the Enforcement of Forest Certification (PEFC) ST 2002:2020, 3.6

⁴ United Nations Indigenous Peoples, Indigenous Voices Factsheet

■ DEFINITIONS Continued

“**Post-Consumer Recycled**” material (PCR) is defined as product that has been used by individuals or businesses has been reclaimed and returned to use, avoiding landfill and, for paper, avoiding tree harvesting.

“**Recycled Material**” is defined as material that would otherwise be disposed of as waste in landfills or used as an energy source. For purposes of use in the production of paper packaging products such material would have been collected and reclaimed as recycled paper reducing the demand on virgin paper.

“**Forest Based Materials**” is defined as fiber obtained from wood and other wood-based materials used to produce paper including but not limited to lightweight specialty papers, parchment papers, multiple paper grades, coated and uncoated paperboard, kraft papers, and recycled paper.

■ COMMITMENTS

Forestry supply chains are long and complex. Forestry starts at the forests and is often handled through intermediary logistics providers and mills. Novolex purchases forest-based materials from paper mills upstream in our supply chain and convert those materials into paper packaging products for our customers and their consumers. In accordance with this policy, Novolex has developed and implemented multiple programs and procedures to guide and ensure that forest-based materials are purchased from organizations that engage in sustainable forest practices.

Novolex is committed to annually review the effectiveness of this policy which covers but is not limited to responsible sourcing of forest-based materials as well as our performance in adherence to this Policy in the broader context of the Novolex Sustainability Policy.

Sustainable Forests Management Principles

Novolex complies with all legal requirements applicable to our supply chains. In addition, the company is committed to work closely with supply chain partners to source forest-based materials from sustainably managed forests and thereby avoid controversial sources of raw materials that

- Arise from illegal logging or trade in illegal wood or forest paper packaging products;
- Violate Indigenous and human rights in forestry operations.
- Destroy high conservation values in forestry operations;
- Significantly convert forests to plantations or non-forest use;
- Introduce genetically modified organisms into forestry operations;
- Violate applicable workplace ILO Core Conventions, as defined in the ILO Declaration on Fundamental Principles and Rights at Work, 1998
- Identified as Conflict Timber; and
- Are sourced from areas without effective social laws.⁵

Fiber Procurement Goals

Novolex is committed to maintain and adopt current and emerging methods to ensure forest-based materials are sourced from certified sources and avoid controversial sourcing practices, such as those defined by the Forest Stewardship Council® FSC®, by ensuring that:

- Wood fiber source origin is traceable;
- Wood fiber is harvested in compliance with applicable laws and regulations;
- Wood fiber is not harvested in violation of internationally accepted guidelines and treaties to protect human rights of indigenous peoples;
- Wood fiber does not originate from locations identified as containing high conservation value; and
- Wood fiber does not originate from areas with natural forest conservation rate of more than 10% annually for the purposes of timber production plantations or other non-forest use.

Forestry Certifications

Independent certifications of responsible forestry practices are essential to the implementation of this policy. Novolex maintains certifications for sustainability and Chain of Custody standards promulgated by the three leading, globally recognized third-party organizations dedicated to verifying sustainable forestry procurement practices. These organizations are the Forest Stewardship Council® (FSC®) (FSC-C010800), the Sustainable Forestry Initiative® (SFI®) (SFI-01567), and the Programme for the Endorsement of Forest Certification (PEFC) (PEFC/29-31-412). Certifications by these organizations attest that the requisite practices are applied and ensure that Novolex supply chains:

- Conform with international legislation, agreements and accords;
- Comply with national and local legislation and regulations;
- Commit to forest regeneration and reforestation;
- Protect ecologically and culturally unique forest areas; and
- Maintain and conserve biological diversity.

Novolex prioritizes the use of certified forest-based materials that endorse regenerative forestry programs and have been verified by third parties. By sourcing forest-based materials primarily from the United States and Canada, Novolex can further ensure its paper supply comes from forests areas that promote sustainable practices.

Novolex maintains four forestry program certifications.

⁵ Meets requirements of FSC-PRO-10-004 V2-0 Policy for Association of Organizations with FSC.

■ COMMITMENTS Continued

- Forest Stewardship Council® FSC® Chain of Custody Standards: SA-COC-013255
- SFI® 2022 Certified Sourcing Standard: NSF-SFI-CS-C0195754
- SFI® 2022 Chain of Custody: NSF-SFI-COC-C0195754
- PEFC ST 2002:2020 Chain of Custody: NSF-PEFC- COC-0195754

In addition, and whenever feasible, Novolex commits to sustainable forest management and sustainable sourcing through a verified Chain of Custody accreditation system which can provide an additional level of oversight of forestry supply chains.

Due Diligence

To ensure that Novolex's forest-based materials sources do not originate from countries of risk or potential controversial sources, the company conducts the requisite due diligence which includes but is not limited to certification from the aforementioned organizations and procedures. Novolex shall regularly assess risk and complete additional due diligence procedures applicable to existing or prospective supplier purchases of wood fiber as needed.

Use of Recycled Materials

Novolex is committed to the use of recycled and alternate materials that can reduce reliance on prime forestry materials. More than half of Novolex's paper packaging products is manufactured using recycled material which comes from 100% certified post-consumer recycled sources.

Support for Human Rights

Novolex is committed to supporting human rights and maintains a zero-tolerance policy concerning the use of illegal, forced, or involuntary labor, human trafficking, child labor or any unfair or discriminatory labor practices. The Novolex Human Rights Policy explains our commitments and procedures to safeguard human rights which align with globally recognized declarations and covenants. Novolex submits evidence annually of its support for human rights and the elimination of human rights abuses in the company's supply chains as required by the jurisdictions in which the company operates.

- The Novolex Modern Slavery Statement fulfills requirements of the U.K. Modern Slavery Act 2015, the California Transparency in Supply Chains Act, and the Dutch Child Labor Due Diligence Law.
- Novolex submits a report in compliance with Canada's Fighting Against Child Labour and Forced Labour in Supply Chains Act.

This policy and efforts to promote understanding across the company reflect the expectations of our customers and other stakeholders, assuring them of Novolex's dedication to protect human rights. We acknowledge that inadequately managed human rights issues could have adverse effects on the workers directly involved and, on our employees, contractors, suppliers, customers, and others.

This policy also demonstrates that Novolex is committed and strives to implement the FSC® Core Labor requirements consistent with national law, rights, regulations and administrative/judicial rules and procedures, including the right to collective bargaining and elimination of discrimination.

■ REPORTING

Novolex will report on the status of forestry-based materials procurement initiatives in the company's sustainability reports which are issued annually and published on the company's website. The reports include the quantity of forestry sourced materials, the percent of which are certified, and by which means. The annual sustainability reports also document Novolex policies, programs and procedures that support human rights in company operations and supply chains. As well, third party certifications demonstrating adherence to forest-based commitments stated in this policy will be available upon request.

■ GOVERNANCE

The Novolex Board of Directors is the highest governing body of the corporation with oversight over the company's environmental, social and governance strategies. The Sustainability & Environment, Health and Safety Committee of the Board reviews company policies, procedures and programs designed to promote sustainable operations and supply chains. The Chief Procurement Officer, the Senior Vice President of Corporate Affairs, and the Director of Quality and Food Safety are owners of this Policy and are responsible for overseeing its implementation, administration, and interpretation.

■ RELATED POLICIES

- Employee Code of Conduct
- Human Rights Policy
- Modern Slavery Statement
- Report on Canada's Fighting Against Child Labour and Forced Labour in Supply Chains Act
- Sustainability Policy
- Supplier Code of Conduct
- Trade Sanctions Policy



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