



## Supplier Code of Conduct

ABX Innovative Packaging Solutions, LLC., its affiliates, divisions, and subsidiaries (“ABX”) strive to conduct business in a responsible manner. As we expand our business activities abroad and work with suppliers globally to meet customers’ needs, it is important to preserve our collective commitment to human rights in the workplace as well as a safe work environment.

To continue to honor these values and principles, ABX has decided to conduct business only with suppliers who share a similar commitment.

ABX has created this Supplier Code of Conduct (“Code”) to outline what we expect from our suppliers with respect to labor and employment rights, environmental health and safety, ethics and social responsibility, and global trade practices. Suppliers are expected to adhere to this Code and shall operate in full compliance with all applicable laws and regulations. When local laws and regulations are less restrictive than this Code, we expect you to adhere to our principles. Failure to comply with internationally recognized standards, and the standards set forth in this document, may result in the termination of our business relationship. ABX may conduct on-site audits to ensure compliance with this Code.

### ETHICS AND SOCIAL RESPONSIBILITY

Antitrust and Competition Laws. Supplier shall not violate antitrust and competition laws in the countries in which they operate. Supplier shall operate in fair competition and shall not engage in price fixing, price discrimination, or unfair trade practices that transgress federal or state law.

Anticorruption (FCPA, UK Bribery Act). Supplier shall not (i) offer or give anything of value to a foreign official, a foreign political party official, a foreign political party or a candidate for foreign political office that might be considered a bribe and (ii) shall make accurate and complete entries in its records following generally accepted accounting procedures as required by local law. Supplier shall not knowingly make any false or misleading entries on their books and records.

Conflicts of Interest/Gifts and Entertainment. ABX’s Code of Business Ethics instructs ABX employees and members of the Company’s Board of Directors to avoid conflicts of interest and any gifts and/or entertainment when there is any chance that the purpose is to: improperly influence the recipient; violate the Company’s Code (available for review on its website [www.abxpackaging.com](http://www.abxpackaging.com)); or violate the law. Supplier will familiarize itself with this policy and avoid contributing to a conflict of interest or the appearance of a conflict of interest or impropriety. Any involvement by a Supplier in any conflict may be grounds for a termination of business relationship.

Data Privacy. Supplier shall have an established information security system to protect ABX’s information and the information of its customers – from being shared, changed, or destroyed.

Disclosure of Information. Supplier shall accurately record and disclose information regarding their business activities, company structure, financial situation, and business performance in accordance with prevailing industry practices and applicable laws and regulations.



Intellectual Property. Supplier shall respect intellectual property rights and shall maintain controls to safeguard ABX's name, logo, trademarks, confidential information, and other intellectual property against unauthorized use, modification, and damage.

Operating License. Supplier shall have appropriate licenses, registrations, and certifications required to conduct business in the locations which they operate.

Social Responsibility. Supplier shall operate in an ethical manner and consider the environment when making business decisions. Supplier is encouraged to develop or adapt existing business practices to improve their work environment, community, and society in general.

Supplier Diversity. ABX is committed to supporting economic development efforts with diverse suppliers to the extent that jobs may be provided, entrepreneurship may be advanced and useful goods and services may be produced at competitive prices. We expect our Suppliers to adhere to similar principles and support and develop supplier diversity program within their organizations. As required, Suppliers shall provide data to ABX detailing spend with diverse suppliers.

Transparency. Suppliers shall provide transparency into their operations, policies, processes, and relevant records to ABX and/or its designated third party. Supplier will disclose conditions that may be in conflict with the Policy or any applicable regulations or laws in facilities that manufacture, inspect, package, store or handle ABX goods. Supplier will provide access and cooperation to ABX or designated third party representatives to conduct an assessment of the facility manufacturing ABX products to ensure compliance with local laws and regulations and the foregoing representations and warranties.

## **LABOR AND EMPLOYMENT RIGHTS**

Freedom of Association. Supplier employees have the right to form and/or join unions and bargain collectively. Supplier shall not retaliate or discriminate against any employee choosing to exercise their right to do so.

Child Labor, Involuntary Labor and Human Trafficking. Supplier shall not directly or indirectly employ or make use of any children. Supplier shall not use any forced labor, which means any work or service performed involuntarily under threat of penalty. Supplier will comply with the minimum employment age limit defined by national law or by International Labor Organization (“ILO”) Convention 138, whichever is higher. The ILO Convention 138 minimum employment age is the local mandatory schooling age, but not less than 15 years of age (14 in certain developing countries), subject to exceptions allowed by the ILO and national law. If Supplier's employees are working in facilities that are manufacturing or packaging Buyer finished products, serving as temporary employees to Buyer, or present at Buyer facilities, then these employees shall be at least 15 years of age (and no exceptions allowed by the ILO or national law will apply).

Wages and Benefits. Supplier shall provide employees with wages and benefits that meet the minimum required amount by applicable laws/regulations. In countries where no minimum wage law applies, employees shall be paid at a rate comparable to the prevailing industry average. Supplier is expected to pay personnel in legal tender, on a regular basis, and in a timely manner.



Hours of Labor. Within the bounds of normal seasonal and other fluctuations in business requirements, Supplier will:

- Maintain a reasonable overall pattern of required working hours and days off for its employees so that total work hours per week do not regularly exceed industry norms.
- Pay fair and timely compensation, including any required premium payments for overtime work.
- Advise new employees at the time of hiring if mandatory overtime is a condition of employment. In no event, however, shall any voluntary overtime be considered to be a breach of this article or any other provision hereof.

Harassment and Abuse. Supplier shall provide a workplace free from harassment, which can take many forms, including sexual, verbal, physical or visual behavior that creates or could create an offensive, hostile, or intimidating environment.

Non-Discrimination. Supplier shall hire, compensate, promote, discipline, and provide other conditions of employment based solely on an individual's performance and ability to do the job. Supplier will not discriminate based on a person's race, sex, age, nationality, marital status, ethnic origin, or any other legally protected status.

Diversity. ABX believes in the value of diversity and is committed to actively creating an environment where each team member feels empowered to learn, grow, and maximize his/her personal contribution. Celebrating the similarities and difference that shape each of us will continue to encourage innovative thinking and drive the kind of sustainable, competitive advantage that will help us grow and prosper for decades to come. We expect our Suppliers to be inclusive and ensure that their employees and other stakeholders are always treated with dignity and respect.

Sourcing of Materials from Areas of Conflict. As a U.S.-based company, ABX is required by law to track the use of certain minerals known as "conflict minerals" (tin, tungsten, tantalum, and gold) which are mined in conditions of armed conflict and human rights abuses in the Democratic Republic of the Congo or an adjoining country. Supplier will provide all relevant information upon request.

Disciplinary Practices. Supplier shall not use corporal punishment or other forms of mental or physical coercion as a form of discipline.

## **ENVIRONMENTAL HEALTH AND SAFETY**

Environmental Compliance. Supplier shall comply with all environmental laws and regulations. Supplier shall have applicable environmental permits and registrations for the business sector in which the Supplier operates. Permits and registrations shall be maintained, kept current, and made available to ABX for inspection on request.

Sustainability. Supplier should work to reduce the environmental impacts of their operations including natural resource consumption, material sourcing, waste generation, wastewater discharges, and air emissions. Supplier should prevent accidental releases of hazardous materials into the environment and adverse environmental impacts on the local community.



Health and Safety of Employees. Supplier shall provide its employees with a safe and healthy working environment in accordance with applicable local and national laws which shall include appropriate protection from exposure to hazardous materials and access to potable water and clean sanitation facilities. Supplier will also adhere to all applicable laws and regulations regarding Product Content Restrictions prohibition or restriction of specific substances including labeling laws (for both source and end market countries) and regulations for recycling and disposal.

Emergency Prevention and Response. Supplier shall identify potential emergency situations, implement preventative measures, and be prepared to execute emergency response plans.

## **PRODUCT QUALITY AND CONTINUOUS IMPROVEMENT**

Product Quality. Supplier shall provide high-quality products that meet the requirements and specifications set forth by ABX. Supplier shall create and maintain a Quality Management System (QMS) and Product Safety Management System that is approved by a reputable third party registrar, and shall be able to provide documentation of quality certificates upon request.

Batches / Records. Supplier shall supply all products in discrete batches, clearly labeled in conformance with purchase order requirements. All records shall be maintained so that batch traceability can be achieved and for a period of 7 years.

Certificates. Supplier will supply ABX a Certificate of Analysis for each batch indicating conformance to specifications and additional information and data, if available, upon request.

Continuous Improvement. Supplier is expected to remain competitive in the industry and should focus on continuous improvement efforts to enhance their business effectiveness. Efforts should include increasing customer satisfaction through reduced cost, faster response times, and improved product quality.

Obligation to Report. Supplier shall report quality issues, quality concerns, or quality non-conformities that were supplied to ABX in error, or in the event that a latent issue, concern, or non-conformity was detected after the material was shipped. ABX should be notified within 24 hours of complaint with a description of data needed to begin investigation. Supplier will further provide, in writing, within 10 business days, the cause and corrective action for any confirmed product quality event; final investigation and report to be provided within 30 business days.

Obligation to Communicate Changes. Supplier is obligated to communicate changes to their product, process, manufacturing location, and/or service with ABX, including but not limited to:

Specifications or any portion or component of the products; specifications or scope of the services; storage conditions; manufacturing processes, procedures, or equipment used to manufacture the products; raw materials; and location of manufacture or company ownership.

The general guidelines are that minor changes require notification and major changes require prior approval, such notification or approval to occur at least 90 days prior. This obligation varies depending on the type of goods supplied. Your ABX purchasing agent will advise you of the change communication requirements in coordination with ABX quality management based on your commodity or service.



Audits.

Supplier shall allow ABX to conduct quality and compliance systems audits at Supplier's facility. Supplier shall provide access to information pertaining to personnel, facilities, records, and control documents relevant to the supply of products and raw materials to ABX.

**GLOBAL TRADE PRACTICES COMPLIANCE CERTIFICATION**

Anti-boycott. U.S. anti-boycott laws prohibit ABX and our foreign affiliates from participating in or cooperating with foreign boycotts not sanctioned by the United States.

Export Controls. Supplier shall not directly or indirectly provide to ABX any material or service from a country, person, or entity that is subject to U.S. or other regional, unilateral, and multilateral regulations that restrict transactions with specific foreign entities, persons, or countries (often referred to as denied, debarred, and/or restricted parties). Examples of entities and persons include but are not limited to, terrorists, organizations that fund terrorists, and/or parties guilty of trade violations.

Countries that maintain consolidated lists of financial sanctions targets include the United States, the European Union, Canada, the United Kingdom, and Japan. In the United States, government organizations responsible for enforcing trade sanctions and embargoes include the U.S. Department of the Treasury Office of Foreign Assets Control (OFAC), U.S. Customs and Border Protection, the U.S. Commerce Department Bureau of Industry and Security (BIS), and the U.S. Department of State.

Supplier should implement due diligence compliance practices to screen their employees, customers, suppliers, Suppliers, agents and other business associates, including all parties in each transaction such as banks, insurance companies, shipping lines, and freight forwarders to ensure compliance with applicable laws and regulations concerning embargoes and sanctions.

Supply Chain Security. Supplier shall be familiar with the Customs-Trade Partnership Against Terrorism (C-TPAT) requirements and maintain a written security plan in accordance with such requirements addressing: container security and inspection, physical access controls, personnel security, procedural security, security training and threat awareness, and information technology security.

Trade Regulations. Supplier shall comply with the trade regulation laws of the country or legal subdivision in which they operate.

Supplier makes the following certifications to ABX:

Code of Conduct *[choose one]*

\_\_\_\_\_ Supplier has a Code of Conduct or similar document at least as strict as ABX's Supplier Code of Conduct to which it adheres. OR

\_\_\_\_\_ Supplier shall comply with the ABX Supplier Code of Conduct.

Human Trafficking

No materials supplied to ABX are produced directly or indirectly by means of slavery or human trafficking; (ii) Supplier complies with all applicable laws regarding slavery and human trafficking in the country or countries in which the Supplier conducts business, including the California Transparency in



Supply Chains Act of 2010 and the federal Victims of Trafficking and Violence Protection Act of 2000 as well as Trafficking Victims’ Protection Reauthorization Act of 2011 if it becomes law; and (iii) Supplier requires at least the same degree of compliance certified in writing from all of its suppliers of materials used in goods sold to ABX.

FCPA

It complies with all applicable anti-bribery laws of the country or countries in which Supplier does business including the Foreign Corrupt Practices Act of 1977 and that Supplier requires the same degree of compliance certified in writing from all of its suppliers of materials used in goods sold to ABX. Any form of extortion, corruption, or embezzlement is strictly prohibited and will result in immediate termination of the business relationship.

Conflict Minerals [choose one]

\_\_\_\_\_ No goods sold to ABX contain any conflict minerals, i.e. tin, tantalum, gold, or tungsten; OR  
\_\_\_\_\_ None of the minerals, tin, tantalum, gold or tungsten, which may be used in or constitute a part of any goods sold to ABX, originated in the Democratic Republic of the Congo or an adjoining country.  
AND

That the Supplier complies with the conflict mineral provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2011.

Supplier further promises to require that all of its suppliers of materials used in goods sold to ABX periodically update their certifications of compliance. In the event any certification or covenant above ceases to be completely accurate or true, Supplier will promptly so advise in writing.

The foregoing covenants are binding on Supplier for so long as it supplies goods to ABX. This certification supplements any existing supply contract between Supplier and ABX relating to supplied goods and is deemed to be incorporated into such contract. To the extent that anything in this certification conflicts with provisions of any other contract between Supplier and ABX, the provisions of this certification will control. All non-conflicting provisions of any prior written contract the term of which

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Signature \_\_\_\_\_ Date \_\_\_\_\_  
Company \_\_\_\_\_ Country \_\_\_\_\_  
  
Address \_\_\_\_\_

**Please return this completed page to [compliance@abxpackaging.com](mailto:compliance@abxpackaging.com)**