



PCA's Social Responsibility and Sustainability Expectations of our Direct Suppliers

Each PCA employee must follow the requirements of PCA's "Statement of Business Principles." Common to each of the rules within the statement is the imperative to earn and maintain trust in all that we do. We work with many suppliers, contractors and business partners. Ideally, we and they will have comparably high standards of conduct and will always execute to those standards. Of course, we cannot and do not presume to control how they run their businesses. We do, however, wish to take pragmatic steps to align what they do for us with our own standards of fair and honest dealings.

SUPPLIER SELECTION AND RISK ANALYSIS

As we evaluate potential suppliers, we want to be familiar with their own standards of conduct and reputations, as well as their ability to deliver quality, service and total value to PCA — and by doing so — to PCA's customers.

PCA'S APPROACH TO ASSURANCE OF SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

Once we determine a good fit with a supplier or business partner, we execute an agreement that not only provides the key commercial requirements but also specifically incorporates our social responsibility and sustainability expectations (this document). For example, we include provisions on child labor and worker safety. We will work toward having these responsibility and sustainability expectations present in all agreements with suppliers and business partners. By inclusion in our agreements, we may also conduct compliance audits. We will apply a risk-based approach to determine which (if any, and when) suppliers are subject to audit by our internal procurement or other audit resources.

SOCIAL RESPONSIBILITY AND SUSTAINABILITY EXPECTATIONS (SUPPLY AGREEMENT PROVISIONS)

In addition to complying with all laws and regulations, suppliers must comply with the following in connection with the goods and services provided to PCA:

Forced Labor

Supplier will not use any forced labor, which means any work or service performed involuntarily under threat of physical or other penalty. Supplier shall respect the freedom of movement of its workers and not restrict their movement by controlling identity papers,

holding money deposits or taking any other action to prevent workers from terminating their employment. If workers enter into employment agreements with Supplier, workers should do so voluntarily. PCA expects that our suppliers will maintain fair working conditions and freedom of engagement and association.

Child Labor

Supplier will not directly (or indirectly through the use of its subcontractors) employ any children under the age of 18 years unless legal, necessary, appropriate and the following are met:

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. Note: PCA does not allow Supplier use of any exceptions available through ILO or local/national law that would permit use of labor by individuals less than 15 years of age. Supplier will ensure that employees working in facilities that are manufacturing PCA’s finished products, serving as temporary employees to PCA or present at PCA facilities are at least 18 years of age.

Discrimination

Supplier will not discriminate based on a person’s race, gender, age, nationality, marital status, ethnic origin or any legally protected status.

Harassment and Abuse

Supplier will provide a workplace free from harassment, which can take many forms, including sexual, verbal, physical or other behavior that creates an offensive, hostile or intimidating environment.

Safety and Health

Supplier will endeavor to provide safe working conditions, provide its employees with appropriate protection from exposure to hazardous materials and provide its employees with access to potable water and clean sanitation facilities.

Third-Party Representation

Supplier will respect the decision of its employees to join and support a union, as well as their decision to refrain from doing so where legally permitted.

Working Hours and Compensation

Within the bounds of normal seasonal and other fluctuations in business requirements, Supplier will (i) 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; (ii) pay fair and timely compensation, including any required premium payments for overtime work; and (iii) advise new employees at the time of hiring if mandatory overtime is a condition of employment.

Disciplinary Procedures

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

Business Integrity

Supplier will promote honesty and integrity in its business conduct by raising ethical awareness among its employees and providing direction and education on ethical issues. Further, Supplier will not pay or accept bribes, arrange or accept kickbacks, or participate in illegal inducements in business or government relationships.

Environment and Sustainability

Supplier will endeavor to be a good steward with regard to natural resources and its impact on the environment, employees and neighbors. PCA expects our suppliers to diligently work to — and make all reasonable efforts to — minimize impacts on natural resources while improving its environmental performance by setting and then working toward quantifiable goals that reduce the impact of its activities and improve the sustainability of its, and therefore, PCA's products.

Third-Party Forest and Fiber Certification

All of PCA's operations in North America are certified to the ***Sustainable Forestry Initiative® (SFI®)*** Fiber and Certified Sourcing and Chain of Custody Standards. The SFI Fiber Sourcing Standard contains thirteen objectives relevant to fiber procurement organizations. All of PCA's operations are also certified to the Programme for the Endorsement of Forest Certification (PEFC) Chain of Custody Standard, which includes requirements (among others) to avoid sourcing from controversial sources, as well as to assure that forced labor is not used. Suppliers of timber, processed wood, wood fiber and paper products (including containerboard, white-top/mottled white/bleached printed or unprinted paperboard, labels and/or "top sheets") are required to take steps to avoid procurement from controversial sources in any shipments to, or on behalf of, PCA. Controversial sources that shall be avoided (among others) include forest management activities that are in non-compliance with applicable laws, regulations and international agreements. Controversial sources of wood fiber also currently include utilizing genetically modified organisms and converting forests to other vegetation types, as defined by the SFI and PEFC Chain of Custody Standards

ACCOUNTABILITY

A supplier's failure to comply with these expectations will result in termination of the supplier relationship.