



2020

Corporate
Social Responsibility
Report

Together for
health and life.



We stand together, for health and life

Letter from leadership



This is a unique, challenging, and incredibly urgent time in the history of the world and of our companies. There is so much at stake and at the same time, so much worth looking forward to.

Today as we publish our 2020 corporate social responsibility (CSR) report, our communities are in the throes of fighting the COVID-19 global pandemic.

Our more than 2,850 associates are working as one united team supporting healthcare professionals on the front lines of this global fight, foodservice establishments delivering customer and employee satisfaction, and families looking out for the health of their households.

The prevalence of community health crises is becoming part of a new normal that we are prepared to fight for the long term.

Public health is directly linked to both environmental sustainability and the social and economic wellbeing of communities. This is why we tie our mission to our business strategy using a broad, comprehensive, long term view on sustainability and corporate responsibility.

With this report—the latest in our longstanding commitment to education and transparency—our intention is to provide an inside look at our approach, performance, and aspirations across three strategic pillars:

- Advancing the health, safety, and wellbeing of our associates, our customers, consumers, and communities
- Sustaining our environment through continuous improvement and innovation across all stages of the product life cycle
- Educating and supporting our communities economically and socially with an unwavering commitment to improving every life that we touch

To our associates, customers, suppliers, families, communities, friends, and consumers— today and always we stand with you, *Together for Health and Life*.

Sincerely,

Robert P. Julius
Chairman and CEO,
Nice-Pak Products, Inc.

Zachary T. Julius
CEO, PDI

Each year we touch consumers of our products more than 100 billion times.

We take every opportunity to educate customers, consumers, families, and communities to help promote the health and wellness of people and the environment.



2016-2017

Previous CSR reports published

Nice-Pak/PDI (2nd report) and Nice-Pak International (8th report)

2016

Nice-Pak opens new world class manufacturing site

Westwood Park, Wigan, United Kingdom

2019

PDI opens new state-of-the-art world headquarters

Woodcliff Lake, New Jersey, USA



“At PDI we are laser focused on saving lives through multi-layered infection prevention solutions. The science is clear that human health and the health of the environment go hand-in-hand. As we plan for continued double digit annual growth, it is imperative that our growth be sustainable. Executing on our mission to **be the difference** requires close partnerships internally and with our customers.”

Kent Davies,
President & COO, PDI



“Earlier this year our team proudly led the development of six global sustainability pledges to protect people and the environment. Today we are working at record speed to expand access to hand hygiene, surface disinfecting and cleaning products to customers who need them most. At the same time, we will continue to deliver on our continuous innovation pledges. We believe in a cleaner, healthier, brighter future for all.”

Michael Staton,
CEO, Nice-Pak International

Our first global report

This report covers our worldwide performance from 2016 through 2019 on a slate of issues that matter most to our stakeholders, determined by strategic assessments performed in 2019.

In prior reports, North America and Europe reported separately. Our new global approach blends our performance data, which can change the performance trajectory of certain data points.

The timeline below highlights a number of milestones since our last reports.

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2020

Carbon Disclosure Project (CDP) score improves by a full letter grade

3rd consecutive year of reporting on greenhouse gas emissions

2020

“GOLD” rating received from EcoVadis in European sustainability rankings

Nice-Pak’s fourth consecutive GOLD ranking

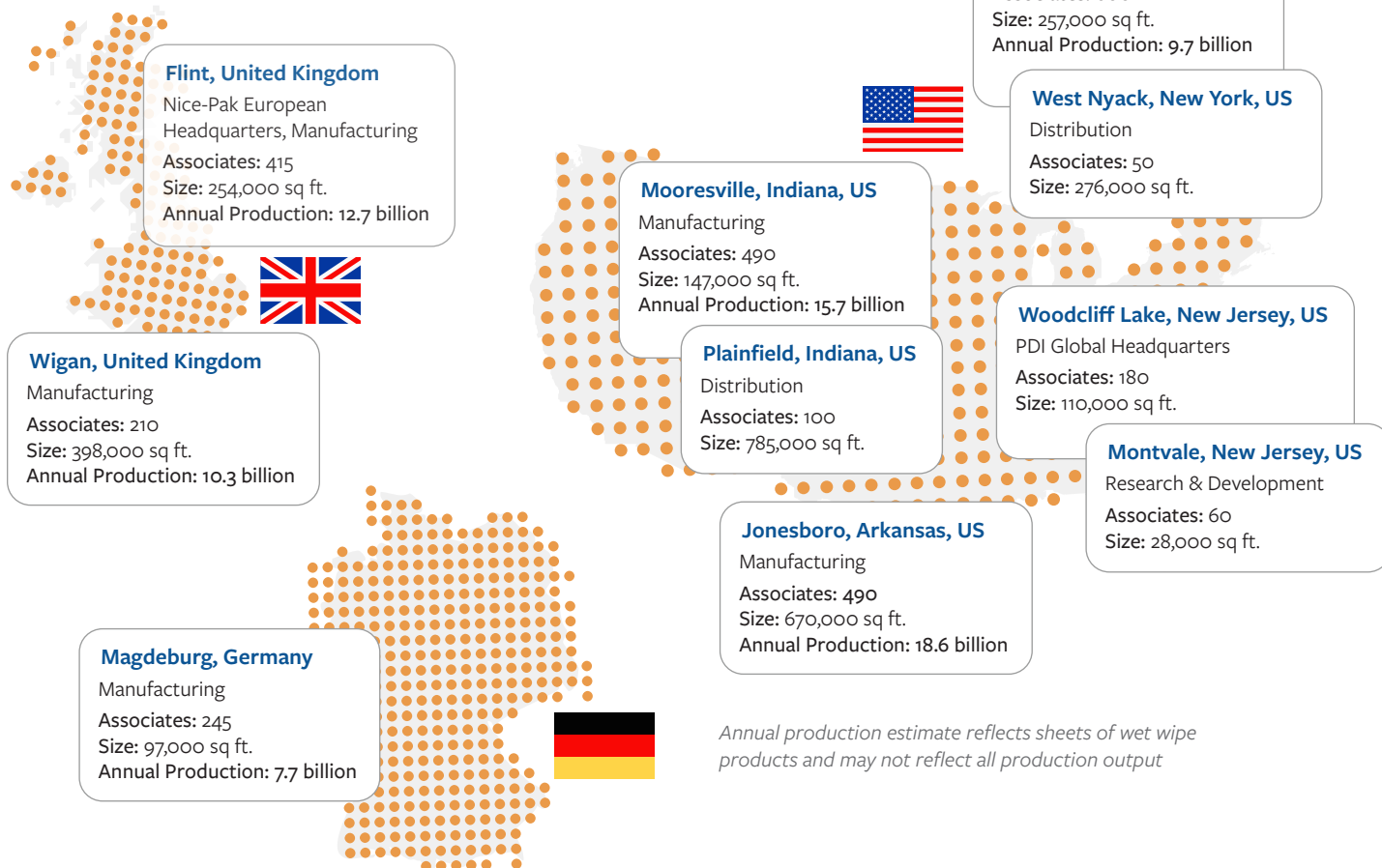
2020

New sustainability and corporate responsibility leadership

First global director of sustainability and corporate responsibility joins the organization

Serving customers worldwide

Our global operational footprint



Annual production estimate reflects sheets of wet wipe products and may not reflect all production output

UNITED BY PURPOSE

One global team working together to save lives, improve health, and make a difference every day.

We are...

- Fourth generation family-owned businesses dedicated to excellence in product quality and customer service
- Trusted advisors to our customers through leading edge research and development, insight, education and engagement
- Aligned in our missions to save lives by fighting preventable infections and by enhancing everyday health and wellness

About PDI

Behind everything we do is a devotion to reducing the spread of infection.

Established in 1977, our three divisions offer a multi-layered suite of solutions to fight Healthcare Acquired Infections (HAIs) and Community Acquired Infections (CAIs).

Because of what we do every day, someone's mother, brother, father, son, sister, aunt, uncle, child or lover won't get sick, die, or suffer.

About Nice-Pak

Our passion is helping our world stay healthy and well.

In 1957, we pioneered wet wipes with our founder's invention of the first disposable wet napkin. Today we are the global leader in innovative wipes to sanitize, clean, disinfect, and support healthy personal and environmental hygiene.

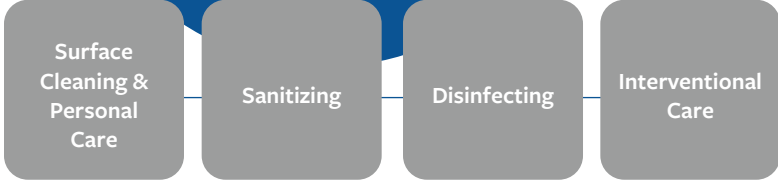
Our customers—leading mass merchandisers, warehouse clubs, food and drug retailers trust us to deliver superior quality products.

“The R&D team takes our role very seriously. As we come together to fight the COVID-19 pandemic we are educating customers and consumers on an exciting pipeline of innovations which support better hygiene, improve skin health, and are truly better for the environment.”

James Dalton,
Vice President of Research & Development, Nice-Pak

SOLUTIONS

Our diversified lineup of owned brands spans the entire cleaning continuum. Additionally, PDI and Nice-Pak are trusted advisors to brand-name and private label contract manufacturing customers.



Markets

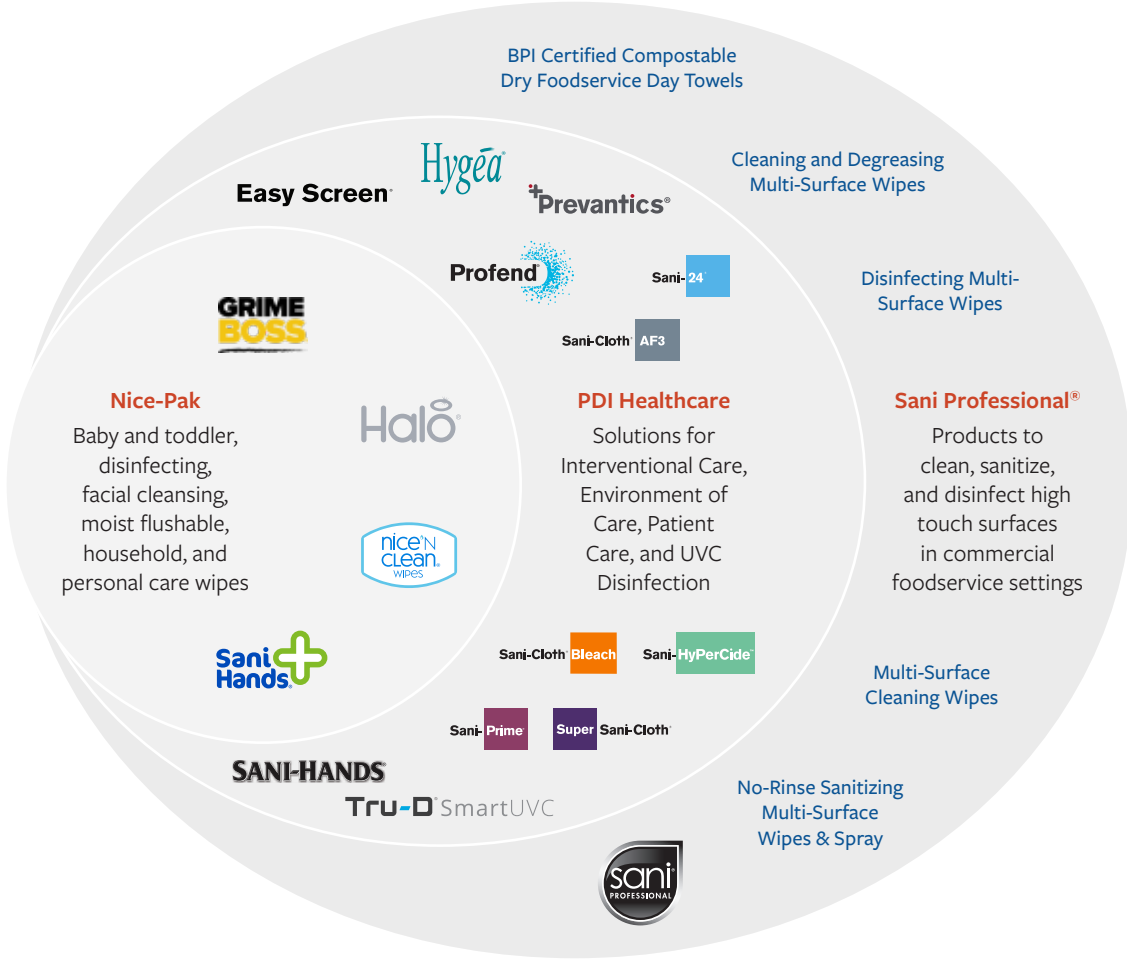
A world of expertise—we serve customers globally in these primary markets:

- Retail/consumer products**
baby, personal care, cosmetic
- Healthcare**
patient care, environmental care, interventional care
- Foodservice**
restaurants, cafeterias, hospitality, and more
- Contract and private label manufacturing**
for OTC, Rx healthcare and consumer goods markets

OUR FAMILY OF OWNED BRANDS



In 2019, PDI completed two strategic acquisitions to further its investments in a broad array of infection prevention products and solutions. PDI acquired Plus Wipes, based in Corby, United Kingdom and a majority stake in Tru-D® SmartUVC based in Memphis, Tennessee. Reporting will be integrated into future reports.



Our approach

Three interrelated focal pillars guide our reporting on the social and environmental issues most significant to our business and stakeholders.


Our sustainability and corporate responsibility vision:

Achieve the highest standards across all categories and markets we serve.

We execute our vision through accountability, education, engagement and innovation.


Management accountability

Achieve the highest standards for business ethics, integrity, environmental and social governance in everything we do, every day.

 Learn more about our governance practices on page 27


Stakeholder education, engagement, and transparency

Cultivate a culture of openness, communication, and excellence. This starts with listening to the needs of our community of associates, suppliers, customers, and consumers.

 Learn more about our communities on page 22

Product and supply chain innovation

Apply science and data to continuously improve our impact across the life cycle of our products, from raw ingredients through end-of-life.

 Learn more about our life cycle innovation priorities on page 17

Together for health and life.



Advancing health and wellbeing

Advancing the health, safety, and wellbeing of our associates, our customers, consumers, and communities

- Customer education
- Products
- Our essential COVID-19 response
- Workplace safety & wellbeing
- Social and ethical standards
- Health + environmental link



Sustaining our environment

Sustaining our environment through continuous improvement and innovation across all stages of the product life cycle

- Customer and consumer education on renewable materials and responsible use
- Resource management in facilities
- Sustainable innovation in wipes & packaging
- Responsible sourcing



Educating and supporting communities

Supporting our associates, customers, consumers and global communities toward a healthier, more sustainable future for all

- Education and community economic development
- Commitment to diversity and non-discrimination
- Volunteerism and philanthropy

Across the three pillars of our corporate responsibility strategy, education is a fundamental and universal element of our strategy.

Global highlights

Performance snapshots across our three focal pillars

PDI launches

**4 new products
in under 3 years**

and adds UVC total room disinfection, strengthening infection prevention capabilities

Nice-Pak launches

**skin health research
and development
platform**

for wet wipes, leveraging prebiotic formulas to help maintain a healthy skin microbiome

Sites worldwide

**achieved industry-
leading safety
performance**

with Total Recordable Incident Rates (TRIR) < 1.0 every year from 2016-2019

Nice 'n CLEAN® Aqualettes™

**launches first 100%
recyclable packaging**

in UK market

Greenhouse gas emissions

**intensity reduced by
6.4% since 2016**

Renewable energy usage totals 12.5 million kWh (2016-2019) the equivalent of powering 1,100 average households¹ for a year

Orangeburg leads worldwide

\$5 million in savings

in production site efficiency optimizations through "Project Optimize"

Charity and volunteerism

**Over \$1.5 million
donated to charities**

Associates volunteered for more than 70 organizations globally

European sites earned

**"Top Employer"
designation for
the seventh year**

In North America, Jonesboro was honored by the Mayor's office for ten years of community economic impact and service

European sites achieved

**EcoVadis GOLD
certification**

for labor and human rights, business ethics, sustainable procurement and environmental practices

¹ Based on US EPA average household electricity consumption trend data at time of calculation in 2020.

Advancing health and wellbeing

The highest standards for protecting
people through our products,
workplace standards, and beyond.



“Saving lives and helping people is the core of what we do. The outstanding potential to deliver impact working alongside other leaders who are equally committed to innovation, quality, and service is what attracted me to our organization after 25 years in healthcare at larger public companies. We challenge ourselves every day to be a leading force for better health and wellbeing in every life we touch—patients, colleagues, communities, and the world.”

Sean Gallimore,
SVP and General Manager,
PDI Healthcare


Health and wellbeing is where our mission meets our sustainability and corporate responsibility strategy

We develop essential products that clean and prevent infection, we set the highest standards for safety and quality, and we promote the link between health and environmental sustainability.

OUR APPROACH

Our stakeholders prioritize health and wellbeing. So do we.

In 2019, PDI and Nice-Pak conducted a materiality assessment facilitated by an outside firm. The process helped to reaffirm issues of greatest importance to our stakeholders that also have a large impact on company performance. Perspectives from our associates, management team, industry associations, customers, and numerous external frameworks were prioritized.

 Learn more about our sustainability and corporate responsibility governance practices on page 27

Across all of our lines of business there are key impacts on health and wellbeing that we manage, measure, and report:



We map our initiatives against the high standards and global lens of the United Nations Sustainable Development Goals (SDGs)

The SDGs are a set of 13 principles to create a more sustainable future for all.

All SDGs are critical to building a future that we can be proud to leave to the next generations.

The subset of SDGs highlighted throughout this report represent issues where we have the greatest ability to drive impact.

We support SDGs for health and wellbeing



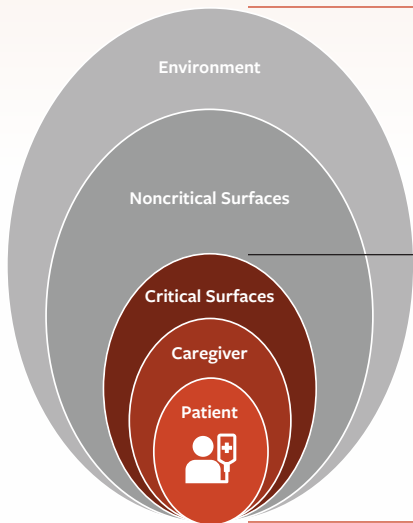
SDG 3 applies to our core product innovation priorities, safety and wellness programs for our associates, and to environmental practices which protect long term global health.

Stakeholder group	Issues we manage
Our associates and workers in our supply chain	<p>A safe and healthy workplace that supports a comprehensive view on wellness.</p> <p>Pursuit of the highest standards for ethical business, labor and human rights.</p>
Our customers and product end-users	<p>Products that support the health and wellbeing of clinicians, patients, families and caregivers.</p> <p>Audited quality and regulatory standards for quality and product safety.</p>
People worldwide	<p>Supporting human health by protecting clean air, biodiversity, and by addressing our climate impact and waste footprint.</p>

Innovative products working together to protect health and enhance life



On a mission to **Be The Difference®** by eliminating preventable illness and deaths from HAIs and CAIs worldwide.



Ultraviolet C Platform + Environment of Care Platform

Disinfecting/sanitizing/cleaning wipes and sprays
Smart UVC

Interventional Care/Patient Care + Guest Experience Platform

Skin antiseptics and medical device disinfectants
Hand hygiene, patient bathing & specialty products

PDI applies a multilayered, evidence-based approach to reduce the spread of infection and preserve the well-being of those touched by our products and solutions. Infections acquired in health care settings (HAIs) are the most frequent adverse event in healthcare delivery worldwide. Hundreds of millions of patients are affected each year, leading to significant mortality and financial losses.² Over 600 million people fall ill with community acquired infections (CAIs) after eating contaminated food and 420,000 people die every year.³

New product launches to fight infection

- **Profend® Nasal Decolonization Kit** combats Surgical Site Infections (SSIs) and other healthcare-acquired infections (HAIs).
- **Sani-HyPerCide™** disinfectants are a powerful solution to the most relevant pathogens, along with the ability to proactively disinfect against *C. diff*.*
- **Sani Professional® No-Rinse Sanitizing Multi-Surface Spray** is an all-in-one spray that replaces multiple products for cleaning, sanitizing and disinfecting.
- **Tru-D® SmartUVC** robot disinfection, is a safe, effective, eco-friendly way to address dangerous microorganisms in any environment.



Educational resources and industry partnerships to improve health outcomes

PDI IMPACT is a facility audit program that improves compliance and reduces infection risks.



Digital resources include training videos, downloadable product signage, a surface compatibility database and **33 continuing education courses.**

We share best practices, lead working groups, and collaborate as members and sponsors of:

AORN – Association of periOperative Registered Nurses

AVA – The Association for Vascular Access

HIDA – Health Industry Distributors Association

CSCMP – Council of Supply Chain Management Professionals

APIC – Association for Professionals in Infection Control and Epidemiology

SHEA – The Society for Healthcare Epidemiology of America

In 2019, a grant from PDI supported a series of educational workshops for OR nurses on new AORN guidelines, including benefits of PDI Easy Screen® Cleaning Wipes.

² World Health Organization, “Patient Safety.” https://www.who.int/gpsc/country_work/gpsc_ccisc_fact_sheet_en.pdf Accessed 1 May 2020

³ World Health Organization, “Food Safety.” <https://www.who.int/news-room/fact-sheets/detail/food-safety> Accessed 1 May 2020.

* *Clostridioides difficile* spores.

Our diversified product offerings and innovation platforms are built to promote good health across healthcare, foodservice, and consumer markets.



On a mission to keep families healthy and well, we earn and keep the trust of consumers while bringing leading brands and retailers new innovations.

We are constantly pushing the boundaries of what a wipe can do

Wipes play a pivotal role in keeping people safe. Surface disinfecting wipes and hand sanitizing wipes help prevent the spread of germs that can lead to serious illnesses.

Sani Hands Anti-bacterial Hand Wipes

provide up to six hours of protection from germs and bacteria and are an important weapon in the current worldwide campaign for improved hand hygiene.



Assuring ingredient safety and transparency

We safeguard the health of consumers by meeting and exceeding customer and regulatory requirements in every product we make, in every market we serve.

- Expanded raw material ingredient review process to assure compliance from the very first stages of development
- Enhanced clinical testing to include a sensitive subpopulation, enabling newer customer claims on baby, facial and moist toilet tissue
- Introduced online ingredient disclosures ahead of schedule for California SB 258 “Cleaning Product Right to Know Act”



Learn more about our approach to safe and sustainable wet wipe formulations in our 2020 white paper

Skin health is one of our key innovation platforms

Promising new launches include clinically proven health benefits leveraging prebiotic formulas to help maintain a healthy skin microbiome.



Our goal is to protect the skin as our wipes clean.

Pure water, prebiotic formulas, like those found in our Nice ‘n CLEAN® Aqualettes plastic-free baby wipes, are kind to babies’ skin and the planet.



Advanced R&D for safe, effective products leveraging naturally-derived formulas

Many of our products are benchmarked on health and sustainability

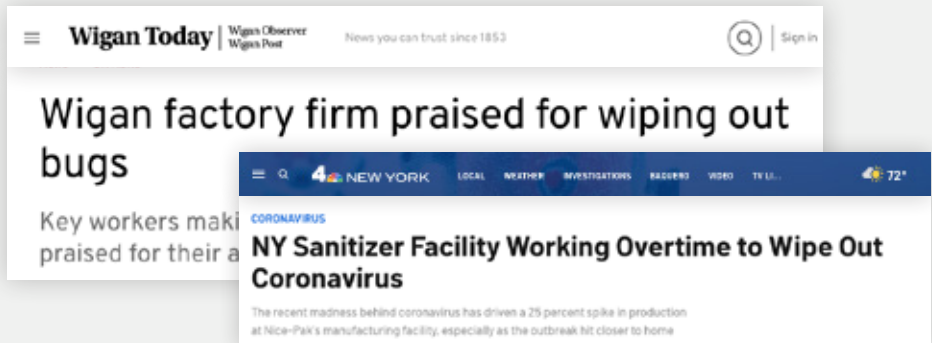
- The Sustainability Consortium **THESIS** consumer goods benchmarking platform
- **UL WERCSmart®** and **EPA Safer Choice** in North America
- **Öko-Test**, an independent German consumer protection and laboratory testing organization

We constantly evolve our sustainable chemistry practices by referencing leading frameworks that take into account both human health and environmental impact:

- The Joint Statement on Advancing Sustainable Products developed by the U.S. Green Chemistry & Commerce Council (GC3)
- The Charter For Sustainable Cleaning managed by the International Association for Soaps, Detergents and Maintenance Products (AISE)
- The “Net Positive” industry roadmap from the UK Cosmetic, Toiletry, and Perfumery Association (CTPA)

Working nonstop to meet today's community health needs while preparing for a future of heightened global health challenges.

Our response to COVID-19 as essential businesses



Government agencies worldwide designated our facilities essential businesses.

March through May of 2020 marked 3 of the 4 top production output months in our history.

Coordinating quickly to meet unprecedented demand for essential products that clean, disinfect, and ultimately save lives

Manufacturing, supply chain, regulatory, and logistics teams worked closely with government agencies and customers.

- ✓ Established product efficacy against SARS-CoV-2, the virus that causes COVID-19, through independent lab testing and expedited U.S. government approvals
- ✓ Obtained approval from the U.S. EPA to reclassify nonwoven wet wipe applicators as inert ingredients, providing additional supply chain flexibility
- ✓ Educated U.S. healthcare and consumer goods buyers on products approved for use against COVID-19
- ✓ Leveraged resilient supply chain planning tactics including supplier redundancy, production site flexibility, distributor relationships, and forecasting

To save lives in the community, we first need to protect our workforce

Comprehensive health and safety measures ensure safe working conditions:

1. Non-production roles shifted to remote work
2. Continuously sanitizing common areas through surface disinfection and fogging
3. Health status screening, temperature scans, and interviews prior to entering facilities*
4. 6 ft (2m) physical distancing and addition of protective barriers throughout facilities and production lines
5. Staggering shift start times to enable distancing
6. Distribution and use of company-supplied PPE
7. Expanding access to hand hygiene stations
8. Distributing disinfecting wipes for use by associates' families



We donated several million sanitizing and disinfecting wipes during the peak of the pandemic

- Sites worldwide made donations to first responders, charities, associates and their families.
- European sites donated over two million specially designed "Supporting the Community" sanitizing wipes to aid frontline workers and community organizations.

"The wipes are absolutely crucial to prevent the spread of infection and are being used throughout the hospice building."

– Rebekah Ashley, IPU manager at Wigan and Leigh Hospice, UK

Standards for health and wellbeing in our production facilities and supply chain

Safety, quality, and ethical business processes protect the wellbeing of all stakeholders – our associates, product end-users, and people in our supply chain.

We participate in dozens of internationally recognized quality management systems and production certifications

We are regularly audited and assessed by third parties on our governance practices and performance on a comprehensive set of social, environmental, quality, and safety standards. In addition, we audit many suppliers on social and environmental criteria.



Site	Quality Management Systems	Government Registrations and Other Third Party Certifications
Flint, Wigan and Magdeburg	ISO 9001 ISO 22716	BRC, RSPO, FSC, PEFC, AISE, LabCred
Jonesboro	ISO 9001	EPA Registered, UL-GMP for Cosmetics, FSC , PEFC
Mooreville	ISO 9001	FDA OTC Certified, UL-GMP for OTC, Cosmetics, and Non-Regulated Products, FSC, PEFC
Orangeburg & West Nyack	ISO 9001 ISO 13485	Licensed FDA Drug Establishment, Licensed FDA Medical Device Establishment

We report on ethical and sustainable business practices in our own facilities and in our supply chain



- **Since 2015** our European sites have shared data with customers through the EcoVadis platform. Nice-Pak receives a “GOLD” rating for disclosures of labor and human rights, business ethics, sustainable procurement, and environmental practices – scoring in the top three percent of all suppliers evaluated.
- **Since 2017** we have published our approach to combating forced labor and human trafficking in our business and supply chains in compliance with the UK Modern Slavery Act.



[Download our latest statement](#)

- As members of the Supplier Ethical Data Exchange (Sedex), we participate in the Sedex Members Ethical Trade Audit (SMETA) to certify our performance against a comprehensive slate of ethical and responsible business criteria.
- **In 2019** our global facilities passed 36 separate audits from customers, governments and standards bodies with “no findings” in most audits and a total of only 19 “minor findings.”

Aspirations to improve our engagement

We will continue to improve and align our worldwide policies and practices on business ethics and human rights both within our companies and throughout our supply chain. In addition to continuing to meet all regulatory standards, we are developing clearer KPIs and governance mechanisms.

Standards for health and wellbeing (cont.)

Safety is a top priority and integral part of our culture



Safety training begins at new hire orientation and continues throughout the career of every associate including monthly safety focus topics and targeted training run by EH&S staff, supervisors, and peers.



Safety managers execute detailed plans to investigate, record and prevent recurrence of accidents. Corrective action and improvement plans are led by supervisors and individual teams.



Production sites cross-train and share data, observations, and best practices through bi-weekly conference calls led by EH&S managers.

We provide access to comprehensive health and wellness programs on top of base healthcare benefits

Our objective: drive engagement across the workforce in order to maximize positive health outcomes.

Each site coordinates and promotes an ongoing calendar of wellness programming including on-site health clinics, free influenza vaccinations, smoking cessation support, team weight loss challenges, and more.

- Senior level commitment, monitoring, evaluation, and review of health metrics
- Management of all key preventable health issues in the workplace including mental health, tobacco use, substance abuse, physical activity, healthy eating, musculoskeletal disorders and more
- Use of technology to drive engagement, including apps for peer-to-peer competitions, wellness tracking and health coaching

Jonesboro offers annual on-site health fairs. Associates visit with a variety of health practitioners and wellness businesses.

Free on-site mobile health services include

mammograms, influenza vaccines, and a Red Cross blood drive.

Nice-Pak | United Kingdom

Earned the Bronze Corporate Health award

from Healthy Working Wales.

“This prestigious designation recognizes our support for specific health issues and our commitment to continuously improving wellbeing in the workplace, for example, our annual employee health screening programs. Our current goal is to achieve silver level accreditation.”

Deborah Thatcher,
HR Director, Nice-Pak International



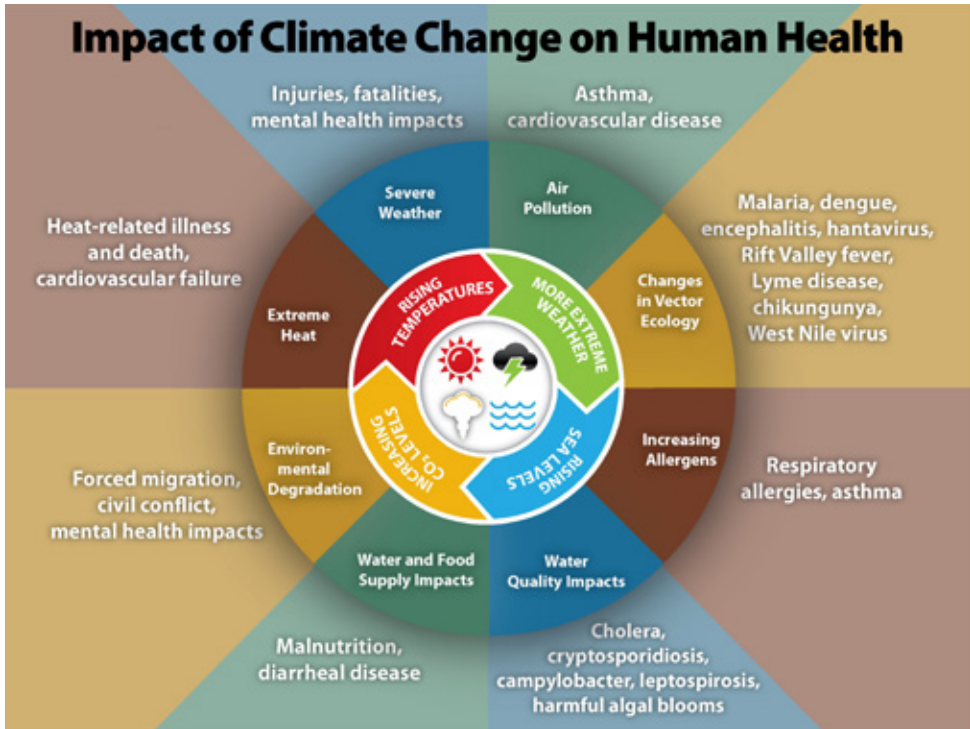
Across all worldwide sites that reported safety performance 2016–2019, Total Recordable Incident Rates (TRIR) were less than 1.0 every single year. This exceeds industry benchmarks and puts our organization on a trajectory to achieve our vision of zero workplace injuries.



Human health and the health of the environment are closely intertwined

To ensure the health of current and future generations, we take an active role mitigating the impacts of climate change, planning for resilience, and advocating for greater awareness of the link between human health and a healthy planet.

Science-based organizations including the U.S. Centers for Disease Control (CDC) highlight the critical overlap between our mission and necessary actions to combat climate change



Climate change and biodiversity loss are not just environmental issues. They are existential threats that contribute to inequality, spread preventable infections, and cause widespread injury and premature death.

Source: CDC.gov

Our aspirations for fighting climate change and ecosystem destruction

Healthcare Without Harm, a leading international nonprofit, developed a climate action framework that pertains to our business and vendor network:

- Mitigation**
Reducing our own carbon footprint and leveraging our supply chain to drive positive market transformation
- Resilience**
Preparing our facilities for climate impacts and helping to build community health and climate resilience
- Leadership**
Acting as critical messengers for rebranding climate change and deforestation as public health threats. Advocating for smart policy



Preventing deforestation is one of the ways we address climate change and biodiversity loss – two global issues that have major human health impacts

Unsustainable encroachment and exploitation of natural ecosystems are emerging public health threats contributing to epidemic spread of diseases including COVID-19.

We take action to assess risks and to eliminate the risk of deforestation from naturally-derived raw materials in our products.

Sustaining our environment

We continuously measure and improve our life cycle environmental impact, from raw materials through product end-of-life.



“Environmental stewardship is a major differentiator that will define the longevity of our organization. Our global operations team strives to continuously improve our environmental impact. Each of our associates plays a role. It starts with choices we make in product design innovation. Some of the most visible elements of our strategy play out across our manufacturing facilities where we operate with a mentality of ‘war’ on reducing waste and losses.”

Orhan Bazna,
Vice President Global Supply Chain
and Operations, Nice-Pak

Sustaining our environment through resource efficiency and innovation

To achieve the highest standards for our products and operations, we drive innovation in manufacturing and product design across the life cycle of our products.

OUR APPROACH

Our environmental management priorities are informed by our values and the priorities of our stakeholders. Threats such as deforestation, biodiversity loss, climate change, and ocean plastic pollution are paramount concerns. Our level of influence over these issues varies at each point in our supply chain and across the product life cycle.



Raw materials

Ensuring end-to-end responsible sourcing through supply chain engagement and use of naturally-derived, renewable, and circular materials whenever possible.



Manufacturing

Resource efficiency including water and energy conservation to fight climate-related impact; continuous improvement in process waste and zero landfill practices.



Packaging

Design and materials innovation promotes the circularity of single-use plastics and reduces the risk of environmental pollution at product end-of-life.



Transportation

Reducing GHG emissions through efficiency in upstream and downstream logistics.



Customer/Consumer Use

Education and engagement to increase awareness of responsible end-of-life performance, including flushability, recyclability, and compostability.



End-of-Life

Design innovation to improve impact.

The majority of our environmental priorities are addressed through innovation in three areas:

1. **Resource management** and process efficiency in manufacturing facilities
2. **Wet wipe innovation:** sustainable applicators and formulations
3. **Packaging innovation**

In 2019 we announced six global pledges to help accelerate progress to a more sustainable future:

1. Partner with customers to develop sustainable, plastic-free alternatives
2. Develop at least one **environmentally-preferable packaging option** in each of our major product categories
3. Utilize **sustainable materials** in our own brands and transparently label any plastics remaining in our branded products
4. Constantly **monitor chemicals of concern** and take action in the interests of both our customers and the consumer.
5. Continue to minimize environmental impact from our operations through natural resource conservation initiatives
6. Consistently advise and encourage our customers to comply with the industry Code of Practice on 'Do Not Flush' labeling and report annually toward a goal of **100% compliance**.

Upcoming reports will continue to share our implementation strategy and progress KPIs in relevant areas of our business.

We support SDGs for a sustainable environment

SDGs 7, 9 and 13 relate to our pursuit of best-in-class sustainability practices in our facilities and across our end-to-end supply chain.

SDGs 12, 14 and 15 relate to our continuous journey to measure and improve the footprint of our products across the entire lifecycle, from responsible materials to end-of-life.



Natural resource management performance in our manufacturing facilities

Sustainability is built-in to our comprehensive quality management and production efficiency practices worldwide. We track and report greenhouse gas emissions and resource consumption data internally. In addition, we report to a number of external stakeholders.

	2016	2017	2018	2019	% change, intensity, 2016-2019
GHG					GHG: →
Total (mtCO ₂ e)	17,850	17,748	19,895	19,112	6% decrease (Scope 1, Scope 2)
Scope 1 & 2 (mtCO ₂ e)	15,677	15,534	16,326	15,542	
Scope 3 - Air Travel (mtCO ₂ e)	2,173	2,214	3,570	3,570	
Scope 1 & 2 Intensity (mtCO ₂ e per 1M packs)	14.4	14.4	14.2	13.5	
Water					Water: →
Total (thousand gallons)	189,878	182,104	175,322	183,835	9% decrease
Intensity (gallons per thousand packs)	174	169	153	159	
Waste					Waste: →
Total (tonnes)	15,064	17,138	17,478	18,248	13% increase
Landfill (tonnes)	2,009	3,049	4,391	5,928	
Recycling (tonnes)	3,909	3,830	3,768	2,868	
Waste-to-Energy (tonnes)	9,145	10,259	9,319	9,452	
Intensity (tonnes per 1M packs)	13.8	15.9	15.2	15.8	
Renewable Energy					Renewable energy: →
% of total energy	5.3%	5.1%	5.0%	5.7%	7% increase % of total energy
% of total electricity	7.9%	7.9%	7.7%	8.3%	
On-site generated (kWh)	735,505	545,511	553,391	716,684	
Purchased RECs (kWh)	2,384,03	2,495,303	2,512,322	2,552,849	

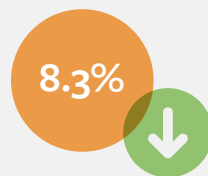
Global performance trends



Greenhouse Gas Emissions

Our Scope 1 & 2 GHG Emissions Intensity – which tracks from energy use across our facilities, has **decreased by 6.4% since 2016**.

Our scope 3 emissions reflect corporate air travel. In the future we plan to measure and report **Scope 3 supply chain emissions, commuting, and other categories** consistent with the GHG Protocol Corporate Standard.



Energy Intensity

Overall energy use Intensity has **decreased 8.3% since 2016**.

Since 2016 we used nearly 12.5 million kWh of renewable energy in our facilities globally, enough to power ~2,500 UK households for a year.



Waste

5 out of 6 plants are zero landfill facilities. In and around Jonesboro, there is presently no infrastructure to divert landfill waste. We are actively pursuing economically and environmentally sound landfill alternatives.

Progress: In 2019, Jonesboro and Mooresville diverted 300 tonnes of rejected dry roll towel through a local partnership to convert the material into sanitary product donations for people in need.



Water

Our water use intensity has **decreased by 9%** since 2016.

In the future we plan to disaggregate product and process water usage and assess water risk across our sites for a more granular approach to water stewardship.



2019 CDP score improves a full letter grade

In 2019, we achieved a “B” climate change disclosure score. For ten years, we have reported to the Carbon Disclosure Project (CDP) on global greenhouse gas emissions. We began reporting supplier engagement activities in 2016.

Responsible production highlights

Our new global reporting approach impacts our data

As one organization working for positive change, we now report our aggregate environmental impact after years of separate reporting by our North American and European sites. This approach reflects the increasingly global nature of our customer relationships and our sustainability governance structure. 2019 marks a new baseline year for our next generation of environmental goals and progress tracking.

European sites sustain aggressive total waste and waste intensity reductions

-  **Total waste: 34%**
-  **Waste intensity: 25%**

All three plants maintained zero waste-to-landfill status and reduced solid waste substantially, in total and as a proportion of production output. The recent improvements are on top of 20% waste intensity decreases in the prior reporting period (2010-2015).

- mtCO_2e = metric tons of CO_2 equivalent
- Air Travel (Scope 3 GHG emissions) 2018 data used as a proxy for 2019 pending data availability. 2018 increase reflects the inclusion of PDI data.
- Woodcliff Lake, Montvale and some West Nyack data pending as of publication date.
- 2016-2019, European sites. Intensity reported in tonnes per 1M packs.



“War on waste” reduces GHG emissions by 230 MTCO_2e per year

Jonesboro partnered with University of Memphis on a 2017 efficiency study identifying \$150,000 in annual OpEx savings opportunities: LED lighting retrofits, new compressors, ultrasonic air leak detection and repair, HVAC equipment and controls optimization.



75% of fiber for wet wipe applicators comes from renewable and naturally-derived materials

North American sites sourced approximately three quarters of fiber from natural raw materials that create high quality products with numerous environmental performance advantages (2017 through 2019).



Reduced over \$500,000 in shipping waste and product damage

Jonesboro and Plainfield implemented KickStop[®] cargo restraint devices for floor loaded pallets on trailers, reducing dunnage waste and in-transit damage.



20% of global renewable energy was generated by on-site solar panels

The 855 kW rooftop solar array in Orangeburg produced 2.5 million kWh of clean electricity from 2016-2019, reducing **greenhouse gas emissions** by approximately 1,080 tonnes CO_2e .



“Project Optimize” in Orangeburg led to \$5 million in savings

Process capacity increases and efficiency improvements drove the majority of savings.

All sites implemented manufacturing process improvements targeting waste reduction, capacity increases, and increased accuracy.



To assure responsible forestry practices in naturally-derived raw materials, certified materials standards can be applied to most wet wipe applicators, formulations, and paper-based packaging components

Most global sites are certified to **Forest Stewardship Council® (FSC®)** and **Programme for the Endorsement of Forest Certification (PEFC)** chain of custody (CoC) standards for pulp and paper packaging materials and naturally-derived applicator materials.

- 29% of Nice-Pak Europe naturally-derived applicator fibers were certified to either FSC or PEFC standards for sustainable forestry (2018).

As global members of the **Roundtable on Responsible Palm Oil (RSPO)** we support the use of only sustainable, traceable, deforestation-free palm oil. Overall, our use of palm oil and its derivatives comprises less than 1% by weight of the ingredients in our lotion formulations.

All Nice-Pak and PDI products meet legal requirements, regardless of certification status.

Sustainable innovation in wet wipes

Improving environmental performance of applicators and formulations



Recent rebranding of owned brand Nice 'N CLEAN® wipes demonstrates commitments to protecting people and planet, because Healthy starts with CLEAN™

- Trusted by healthcare professionals and hospitals for over 60 years
- Wipes made with 100% plant based fibers
- Convenient and effective solutions to clean everything from baby's bottom to countertops

World leading design innovation for responsible, flushable wet wipes

- All Nice-Pak flushable wipes meet or exceed EDANA/INDA GD4 industry technical performance guidelines for flushability and are **100% plastic-free**.
- In October 2019, Nice-Pak became the first manufacturer to be awarded the stringent UK Water Industry Standard (WIS) **"Fine to Flush" certification**. Over time, the same innovative technology we use to achieve this standard will become the new baseline for the European market.
- We continue to advocate for the use of "Do Not Flush" labeling on baby, facial, disinfecting and sanitizing wipes, and any other wipes which are not designed to be flushed.

Reducing plastic content in wipes

- Reengineered nonwoven fabric in one of our baby wipes lines **eliminated over 560 tonnes** of PET plastic since 2018
- Developed and launched **100% biodegradable facial wipes** for a leading UK brand, replacing all plastic fibres with cellulose-based alternatives



- For over six years Sani-Professional has helped foodservice customers **achieve landfill diversion goals** with a compostable, selectable size perforated dry day towel certified by Biodegradable Products Institute (BPI).

We are committed to continuously increasing our use of renewable, naturally-derived fiber in wet wipe applicators while educating customers and consumers on the environmental benefits.



Packaging innovation

Toward circularity: our progress on sustainable design and materials

Driving sustainable change in packaging is complex but necessary to protect our oceans and natural landscapes from pollution. Innovation involves cross-sector collaboration, consumer and customer education, and technical execution by our R&D, operations, regulatory, and marketing teams.

Reducing plastic in products and packaging is a global priority for the United Nations, many of our retail and brand customers, and numerous national governments

Our packaging innovation priorities align with 2025 horizon goals of international plastics frameworks including the United Kingdom Plastics Pact, the European Commission Plastics Strategy, and the MacArthur Foundation New Plastics Economy:

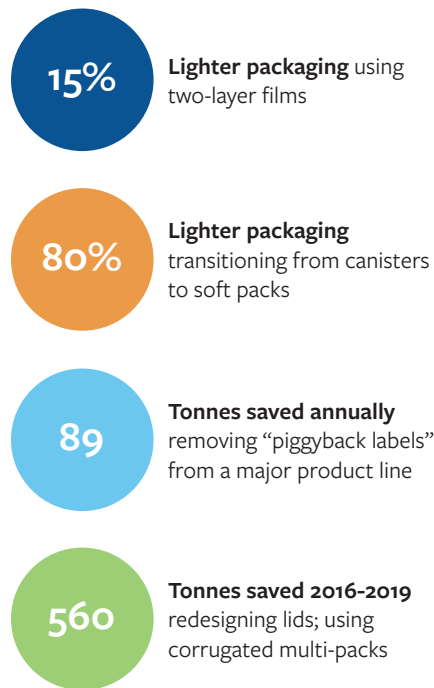
1. Eliminate problematic or unnecessary plastic through design innovation
2. Move toward 100% recyclable, reusable, or compostable plastic
3. Promote recycling rates of at least 70% through consumer education including on-pack labeling, plus improvements to global infrastructure
4. Achieve at least 30% recycled content in plastic packaging
5. Ensure that all wipes marketed as flushable continue to be 100% plastic-free



As members of the Sustainable Packaging Coalition (SPC) and the On-Pack Recycling Label (OPRL) we collaborate with others toward market transformation

- Over 90% of our European products are labeled with recycling instructions.
- We advocate for the use of on-pack recycling instructions in our owned brands and with our contract manufacturing and private label customers.

We are making progress on reducing plastic content through design innovation



Progress toward 100% recyclable plastic packaging

- In 2019, Nice-Pak UK announced the **first recyclable packaging** for wet wipes in owned brand Nice 'n CLEAN® Aqualettes™ baby wipes brand.



Progress toward maximizing recycled and third party certified packaging content

- Most sites and key packaging suppliers are certified to SFI, FSC, or PEFC chain of custody standards.
- In North America we target at least 30% post consumer recycled content in corrugated packaging, with many exceeding 50%.
- In Europe over 97% of our corrugated packaging contains recycled fiber and 100% is FSC certified.



To learn more about our commitments to product environmental performance, download our 2020 white paper on responsible production and consumption



The Sustainability Consortium (TSC)

As Tier 2 members we engage in sector specific educational and benchmarking programs. We report progress annually across all of our consumer product categories through the THESIS platform.

Customer Programs

Nice-Pak and PDI Contract Manufacturing collaborate with customers to drive sustainability performance. We recently helped several leading brands decrease packaging.

Educating and supporting communities

We support our associates, customers, consumers and global communities toward a healthier, more sustainable future for all.



“The concept of community speaks to togetherness—associate, employer, and neighbor, bound by common goals and aspirations individually and for society. Communities are the canvas on which our associates’ lives are ‘painted’—and create a unified ecosystem through which we can all develop and grow. Strong community partnerships not only align with our values, but represent a key, sustainable pathway to achieve success and advance our mission. Together, we can achieve so much more—aligned to a common mission, vision and future!”

David Eberson,
Senior Vice President, CHRO, PDI

Supporting growth, education, advancement, and impact for our associates and neighbors

Community is more than a place to live or work. It is not easily created, but when it exists, the bonds are unbreakable. We strive to protect equity and continuously invest in people through our policies, advancement programs, and longstanding community philanthropic partnerships.

OUR APPROACH

We define community broadly as the fluid relationship between the social and economic wellbeing of our neighborhoods, our workforce, and how we achieve our business goals. Being a leader means taking care of our family of associates and our neighbors.

Community stakeholders and the critical issues we manage

Our associates

- Creating career advancement opportunities for associates by supporting growth and development (education, training, promotion pathways)
- Strong values backed by policies and procedures to value and protect diversity, fight all forms of discrimination and racism, and set clear ethics guidelines
- Formal and informal grievance and whistleblowing mechanisms to report and remedy any form of misconduct

Our neighbors

- Contributing to local economic development as one of the largest employers in many of the communities where we operate
- Supporting our associates in their leadership, volunteerism and philanthropy on behalf of dozens of community-based organizations

- Creating apprenticeships and support for local workforce development.
- Helping our communities recover from emergencies such as natural disasters.

We support SDGs for sustainable communities



SDGs 5, 8, 10 and 11 relate to our initiatives for positive workforce and community development, equitable and ethical business practices.

Practices to live our values on diversity, equity and inclusiveness

- As an equal opportunity employer we recruit the best qualified person for each role and have a zero tolerance policy against discrimination.
- We encourage diverse fields of applicants when recruiting for all open roles in order to reflect the diversity of our communities.
- We benchmark compensation and gender equity internally across all sites and managerial levels in order to ensure equal pay for equal work.
- In the UK, we publish an annual gender pay gap report and strive to continuously outperform country and sector averages.



Confidential ethics audits, grievance, and misconduct reporting mechanisms

- All associates are encouraged to use their chain of command to immediately discuss unsafe, illegal or unwelcomed behavior without fear of reprisal.
- Associates may also discuss concerns with HR or may utilize ethics hotlines that are available at several sites.
- Third party ethical audits and customer-specific whistleblower policies are implemented regularly at our European sites.

Examples of our investments in education and community economic development

Companywide	Orangeburg	Jonesboro	Flint & Wigan
Each year local university students are awarded paid summer internships in a number of functional roles. Associates in current and future roles are encouraged to acquire additional skills to enhance their development.	In 2019, we launched a co-op program for college associates to help build critical skills. From 2016 to 2019, we invested over \$140,000 in education, staff development and tuition reimbursement.	In 2018 and 2019 we partnered with two public school systems to promote careers in state-of-the-art manufacturing. Since 2017 we have offered a STEM program to middle school students for lab-oriented work.	Since 2018, 25 apprenticeships were awarded across engineering, finance, marketing and R&D. Our associates volunteer as governors, host subject-specific site visits, and provide sponsorships and equipment.

Recognition for ethical and responsible business practices

Orangeburg: since 2012

PDI and Nice-Pak are formally recognized by the government of Rockland County, New York for “Be The Difference Day,” an annual community volunteerism and philanthropy initiative.

Flint and Wigan: since 2017

The Armed Forces Covenant supports veterans through assurance of equal employment opportunities.



Flint, Wigan, and Magdeburg: since 2013

Nice-Pak has been named a Top Employer through a robustly-audited international process that assesses culture, induction and workforce planning.



Nice-Pak: 2017

Recognized by Walmart for “Investing in American Jobs” and awarded “Private Label Supplier of the Year” for product innovation, thought leadership and consumer insights.



Pictured: In 2019 Jonesboro, Arkansas Mayor Harold Perrin recognizes CEO Robert Julius for economic and community impact

“In 11 years we added around 500 jobs through year-over-year growth. We will continue to be relentless in our community stewardship by educating on the health and wellness functions of pre-moistened wipes, developing new manufacturing career paths, and sustainability initiatives to reduce our footprint.”

Stanley Lichucki III
Site Director, Nice-Pak, Jonesboro

Making a difference, together

Our family of more than 2,850 associates give their time, financial support and expertise to dozens of community organizations worldwide.



“Part of our shared mission is to be active supporters of our communities by volunteering our time and making contributions to help those less fortunate. Year after year, support from the Julius family has helped us embed philanthropy and service into our DNA.”

Jon Kupperman
Executive Vice President, Global Development, PDI

Over

\$50,000 donated

by associates, 2016-2019

Approximately

\$1.5 million donated

in company matching funds and in-kind contributions, 2016-2019

“Every week for more than 9 years I have been chairing a teleconference that provides guidance and coaching to members of the national Society of Information Managers. We have helped hundreds of people find themselves and, in many cases – a new job.”

Joseph Puglisi
VP Business Technology, Nice-Pak

“You never know what someone is going through or the impact you will make but a SMILE goes a long way. Why not! The world is a better place by one simple act of kindness.”

Barbara Dugan
Project Specialist, PDI

Halton House Hospice ♥ Dean Wood Manor Care Home ♥ Joseph's Goal, Wigan, Holiday Toy Drive ♥ Osterweddingen Children's Nurseries ♥ Osterweddingen local football team ♥ PDI and associates support the following organizations with cash contributions, in-kind product donations, and volunteer support: American Heart Association - Annual Go Red for Women Day ♥ Montefiore Hospital - Nyack, 5k Run/Walk ♥ Susan G. Komen Foundation - Annual Wear Pink Day ♥ United Way Day - Annual Day of Caring ♥ Hacken



Associates “go pink” for breast cancer awareness month.

Associates from PDI and Nice-Pak sewed and distributed hundreds of face masks for health workers.



Photo by: Eleni Enotiades (pictured) and Harris Enotiades (Sr. Manufacturing Engineer, PDI)



Photo by: Peter Krivoshik (Business Analyst, Nice-Pak) and Carly Dickerson

the World - Hygiene Kits ♥ The Center for Safety and Change ♥ Good Samaritan Hospital Foundation ♥ Helen Hayes Hospital Foundation
 Keep Rockland Beautiful ♥ Leukemia and Lymphoma Society ♥ Nyack Hospital Foundation ♥ VCS of Rockland County ♥ Rockland Economic

Development Corporation ♥ Boy Scouts of America ♥ Rockland Community Foundation ♥ United Hospice of Rockland ♥ Alzheimer's Association ♥ Hire Heroes ♥ Susan G. Komen's Breast Cancer Foundation
 ♥ YAI ♥ Bhatt Foundation ♥ Delivering Good ♥ Doctors without Borders ♥ Operation Smile ♥ Lakelands Day Care Hospice ♥ MacMillan Cancer Support ♥ Marie Curie Cancer Care ♥ The Vale Hospice, Penarth



When disaster strikes, our associates are there to help

From 2018 to 2020, Nice-Pak and PDI responded to two major Atlantic hurricanes in the U.S. and a severe tornado that destroyed homes and property in Jonesboro, Arkansas. Associates mobilized to provide health, hygiene and personal care product donations and rapid transportation logistics.

- 44,000 cases of wet wipe products
- Product value and cash donations by associates and company match totaled approximately \$1 million

Our future of continuous improvement

We are never done innovating. As we look to the future, our goal is to deepen our engagement on our most critical priorities by formalizing our partnerships with our associates, customers, and external organizations.

We will release our next generation social and environmental impact S.M.A.R.T. goals and progress milestones (Specific, Measurable, Achievable, Relevant, Time-bound).

We will continue to educate, empower and support associates in key roles to take positive action through a collaborative and cross-functional governance structure accountable to our Board.

OUR NEW GLOBAL CSR GOVERNANCE STRUCTURE:



“I recently joined the organization as the first dedicated global director responsible for developing how our mission and our business strategy intersect. What I have found so far is a team that turns up every day thinking about how to make the company, the products and the world better. I could not imagine being part of a more essential or promising organization at this moment. I look forward to partnering with our team members, customers, and other stakeholders on continuous improvement initiatives that support our mutual goals for the future.”



Debora Fillis Ryba,
Global Director of Sustainability and Corporate Responsibility, Nice-Pak and PDI

Done

Establish board and senior management level oversight for environmental and social governance

In progress

Form expert working groups to drive progress on critical topics

2021

Launch next generation goals across critical impact areas

2022

Publish next corporate responsibility report

“Built on a foundation of trust and empowerment, we have a responsibility to teach and practice our following core values every day:

Respect for each other’s dignity,
The right to practice one’s own beliefs,
The right to equal treatment under the law,
The right to equal education and equal opportunity for advancement.

We must all play whatever role we can. That includes helping to silence those who teach hatred and intolerance, thereby making this a safer and more open world for all.”

Robert P. Julius,
Chairman, Nice-Pak and PDI