

California Transparency in Supply Chains Act

Effective January 1, 2012, the California Transparency in Supply Chains Act will go into effect in the State of California. The Act was designed to increase the amount of information made available by companies regarding their efforts (if any) to address the issue of slavery and human trafficking, thereby allowing consumers to make better, more informed choices regarding the products they buy and the companies they choose to support.

BagcraftPapercon is committed to the highest standards of business conduct in our relationships with each other and with our customers, suppliers, shareholders and others. This requires that we conduct our business in accordance with all applicable laws and regulations and in accordance with the highest standards of business conduct. The Company's Code of Business Conduct and Ethics helps each of us in this endeavor by providing a statement of the fundamental principles and key policies and procedures that govern the conduct of our business.

Our business depends on the reputation of all of us for integrity and principled business conduct. Thus, in many instances, the Company's policies go beyond the requirements of the law.

The way we treat each other and our work environment affects the way we do our jobs. All employees want and deserve a work place where they are respected and appreciated. Everyone who works for the Company must contribute to the creation and maintenance of such an environment, and supervisors and managers have a special responsibility to foster a workplace that supports honesty, integrity, respect and trust.

The Company is an equal opportunity employer in hiring and promoting practices, benefits and wages. We will not tolerate discrimination against any person on the basis of race, religion, color, gender, age, marital status, national origin, sexual orientation, citizenship, Vietnam-era or disabled veteran status or disability (where the applicant or employee is qualified to perform the essential functions of the job with or without reasonable accommodation), or any other basis prohibited by law in recruiting, hiring, placement, promotion, or any other condition of employment.

BagcraftPapercon has these same expectations for those with whom we conduct business, including suppliers.

Our efforts to ensure the expectations under the Act are detailed below:

While BagcraftPapercon does not 1) verify, evaluate or proactively address the risks of human trafficking or slavery, 2) conduct audits of suppliers to evaluate supplier compliance with Company standards for human trafficking and slavery, 3) require direct suppliers to certify the materials incorporated into the product comply with laws regarding human trafficking or slavery, 4) maintain internal accountability standards and procedures for employees or contractors failing to meet Company standards regarding slavery and human trafficking, or 5) provide Company employees and management, who have direct responsibility for supply chain management, training on human trafficking and slavery, particularly with respect to mitigating risks within the supply chains of product, if BagcraftPapercon becomes aware of a supplier conducting business outside of our Code of Ethics or engaging in human trafficking or slavery, BagcraftPapercon will cease the relationship with the supplier.