

## **CORPORATE SUSTAINABILITY & RESPONSIBILITY** **PROGRAM**

### **Environment**

#### **Commitment to Sustainable Forestry and Chain-of-Custody Standards**

Freedom, a direct mail printing and distribution company, is committed to the practice of environmental sustainability. Freedom encompasses five locations in the states of Wisconsin, Illinois, and Texas. Each location has implemented and is maintaining Chain-of-Custody (COC) standards set forth by the Forest Stewardship Council (FSC) and Sustainable Forestry Initiative (SFI). Implementing certification with these two organizations ensures that Freedom is a leader in developing and sustaining environmental and social responsibility. Each location is audited annually by a third-party certifier who ensures that accounting, training, internal auditing, and other COC practices are maintained and updated. Freedom's customers and the general population are guaranteed that all Freedom personnel from the President and CEO to the hourly wage employee will stay the course and continue to minimize these environmental footprints through all practices.

### **Energy & Emissions**

Freedom is committed to compliance with all applicable laws relating to environmental matters and encourages its employees to comply with the spirit as well as the letter of the laws protecting the environment. Only through continuous, diligent efforts can we be certain that Freedom is maintaining the highest standards of environmental protection.

### **Air Emissions**

Freedom currently operates at greater than 99.5% efficiency with its emissions.

Freedom's UV inks are zero- or low-VOC (Volatile Organic Compound) inks so they emit little, if any, pollutants into the atmosphere. Each ink is monitored to stay within EPA standards. Many of Freedom's sheet-fed inks, cleaners, and washes are the lowest VOC possible with soy and/or vegetable base products that are free from petroleum distillates. All waste ink, oils, drive waste, and universal waste are monitored and properly disposed of per State and Federal guidelines.

Freedom operates well under the State and Federal limits in all facilities. Freedom continuously searches for materials that are better for the environment.



## SmartWay Transport Partner

The SmartWay program is a voluntary partnership between the freight industry and the EPA to reduce air pollution and greenhouse gas emissions, improve fuel efficiency, and strengthen the freight sector. The ultimate goal of the program is to reduce between 3.3 and 6.6 billion gallons of diesel fuel per year from trucks and rail freight in order to achieve projected savings of 150 million barrels of fuel per year. Freedom partners with carriers that are in the SmartWay program demonstrating fuel-saving strategies and staying on the forefront of emerging technologies.

Environmental policies safeguard natural resources for future generations. Freedom is a responsible environmental steward and believes these practices are good for the communities in which it operates — and good for the future of its business.

**Waste** — Each facility works to minimize emissions and wastes that negatively impact the environment. Freedom’s philosophy is “Reduce, Reuse, Recycle, Recover” and recycles 100% of its paper waste.

**Facilities** — Painting, housekeeping, and outside storage standards help ensure that the facility appearances meet community values.

**Energy Efficiency** — Energy efficiency is a key factor in selection of operating equipment and support equipment throughout the company, and facilities are designed to minimize energy usage. Employees are alert to energy usage issues and are encouraged to reduce usage in all areas under their control.

**Air Quality** — Not all emissions can be eliminated, reused, or recycled. Sources of these byproducts are monitored, evaluated, and controlled for minimum environmental impact.

**Wastewater Management** — Freedom’s facilities are designed to eliminate, reduce, or recycle its wastewater streams.

**Storm Water** — Segregating drainage water reduces water contamination potential. As an added safety measure, Freedom-owned facilities also have containment and control systems in place, as needed.

**Spills** — Containment facilities for process, transfer, and storage spills are maintained to protect area surface water and groundwater from toxicity and other potential dangers.

**Supply Chain** — Use of environmentally friendly suppliers is encouraged for all incoming materials. For paper, all operations are COC certified by the Forest Stewardship Council (FSC) and the Sustainable Forest Initiative (SFI).



## **Labor Practices**

### **Equal Employment Opportunity**

Freedom is an equal opportunity employer and makes decisions on the basis of business necessity, ability to perform the job, and dependability once hired in accordance with all applicable law. No person is to be discriminated against because of race, religion, color, sex, age, national origin, ancestry, marital status, sexual orientation, military status or unfavorable termination from military service, citizenship status, or physical or mental handicap. Due to the sensitive and confidential nature of certain company customer contracts, including those with Federal agencies, Freedom is not allowed to hire or employ persons who have been convicted of a felony.

This policy applies to all terms, conditions, and privileges of employment including, but not limited to, hiring, introductory periods, training, placement, employee development, promotion, transfer, compensation, benefits, educational assistance, layoff and recall, social and recreational programs, employee facilities, termination, and retirement.

### **Environmental Health and Safety**

Freedom is dedicated to maintaining a healthy environment not only for its employees but for its clients and vendors as well. Freedom measures and monitors its ongoing compliance with Federal, State, and Local laws governing workplace safety. Freedom always strives to exceed the requirements of the laws and regulations focused on occupational health, safety, and welfare.

A Safety Manual has been designed to educate Freedom employees on safety in the workplace. The manual is provided to each employee. The manual is reinforced with classroom and workplace site training not only for new employees but for the entire workforce on a regular basis.

### **Community**

Freedom supports many community and charitable events in all of its locations nationwide. The company encourages employees to take active roles in community events that support neighbors and their families. Freedom contributes time and money to support its employees in collaborative events such as Walkathons, Bicycle Events, 5K Runs, Marathons, Iron Man/Women Competitions, and other fundraising events.

### **Non-Discrimination & Anti-Harassment Policy**

The Company is committed to a work environment in which all individuals are treated with respect and dignity. Each individual has the right to work in a professional atmosphere that promotes equal employment opportunities and prohibits discriminatory practices, including harassment. Therefore,



Freedom expects that all relationships among persons in the workplace will be business-like and free of bias, prejudice, and harassment.

These policies apply to all applicants and employees and prohibit harassment, discrimination, and retaliation whether engaged in by fellow employees, by supervisors or managers, or by someone not directly connected to Freedom (e.g. an outside vendor, consultant, or customer).

Conduct prohibited by these policies is unacceptable in the workplace and in any work-related setting outside the workplace, such as during business trips, business meetings, and business-related social events.

Retaliation is prohibited against any individual who reports discrimination or harassment, or participates in an investigation of such reports. Retaliation against an individual for reporting harassment or discrimination, or for participating in an investigation of a harassment claim is a serious violation of this policy and, like harassment or discrimination itself, will be subject to disciplinary action.

## **Education & Training**

Freedom provides its stakeholders (both clients and employees) education and training opportunities to expand not only their technical knowledge and foundation of the direct mail process but also focusing on personal growth and development. Freedom conducts both remote seminars (Lunch & Learn Sessions for its clients and equipment training at vendor locations for Freedom employees) and Freedom on-site programs (Direct Mail 101/102 for clients, as well as Freedom University, on-line Security, and hands-on equipment maintenance and operation training for employees).

## **Respect for the Individual**

Freedom believes everyone deserves to work in an environment where they are treated with dignity and respect. Freedom is committed to creating such an environment because it brings out the full potential in each of us, which in turn, contributes directly to business success. All talents should be fully utilized.

## **Create a Culture of Open and Honest Communication**

At Freedom, everyone should feel comfortable speaking his or her mind, particularly with respect to ethics concerns. Management has a responsibility to create an open and supportive environment where employees can raise such questions. Everyone benefits tremendously when employees exercise their power to prevent mistakes or wrongdoing by asking the right questions at the right times.



## **Fair Business Practices**

### **Confidential and Proprietary Information**

Integral to Freedom's business success is its protection of confidential company information, as well as nonpublic information entrusted to it by employees, customers and other business partners. Confidential and proprietary information includes such things as pricing and financial data, customer names/addresses or nonpublic information about other companies, including current or potential suppliers and vendors. Freedom will not disclose confidential and nonpublic information without a valid business purpose and proper authorization.

### **Accurate Public Disclosures**

Freedom will make certain that all disclosures made in financial reports and public documents are full, fair, accurate, timely, and understandable. This obligation applies to all employees and financial executives with any responsibility for the preparation for such reports, including drafting, reviewing, and signing or certifying the information contained therein. No business goal of any kind is ever an excuse for misrepresenting facts or falsifying records.

### **Corporate Recordkeeping**

Freedom creates, retains, and disposes of its company records as part of its normal course of business in compliance with all Freedom policies and guidelines, as well as all regulatory and legal requirements.

### **Gifts, Gratuities and Business Courtesies**

Freedom is committed to competing solely on the merit of its products and services. The company avoids any actions that create a perception that favorable treatment of outside entities by Freedom was sought, received or given in exchange for personal business courtesies. Business courtesies include gifts, gratuities, meals, refreshments, entertainment or other benefits from persons or companies with whom Freedom does or may do business. Freedom will neither give nor accept business courtesies that constitute, or could reasonably be perceived as constituting, unfair business inducements that would violate law, regulation, or policies of Freedom or its customers, or would cause embarrassment or reflect negatively on Freedom's reputation.

### **Proprietary Information**

Freedom respects the property rights of others. Freedom will not acquire or seek to acquire improper means of a competitor's trade secrets or other proprietary or confidential information. It will not engage in unauthorized use, copying, distribution or alteration of software or other intellectual property.



## **Competition**

Freedom is dedicated to ethical, fair and vigorous competition. Freedom will sell its products and services based on merit, superior quality, functionality and competitive pricing. Freedom will make independent pricing and marketing decisions and will not improperly cooperate or coordinate activities with competitors. Freedom will not offer or solicit improper payments or gratuities in connection with the purchase of goods or services for Freedom or the sale of its products or services, nor will Freedom engage or assist in unlawful boycotts of particular customers.

## **Build Trust and Credibility**

The success of this business is dependent on the trust and confidence earned from employees, customers, and shareholders. Freedom gains credibility by adhering to its commitments, displaying honesty and integrity and reaching company goals solely through honorable conduct. It is easy to say what must be done, but the proof is in the actions taken. Ultimately, Freedom will be judged on what it does.

## **Uphold the Law**

Freedom's commitment to integrity begins with complying with laws, rules, and regulations where it does business. Further, each employee must have an understanding of the company policies, laws, rules and regulations that apply to his or her specific roles.

## **Sustainable Procurement**

### **Paper Procurement Sustainability Policy**

#### **OUR VISION STATEMENT**

Through this policy Freedom is positioned as an environmental leader in the global printing and communications industries. Freedom will work in partnership with clients and supply-chain partners to promote sustainable forest management and responsible environmental practices.

Freedom recognizes that in order to maintain business leadership and long-term success it must consider the environment, including the world's forest ecosystems. Freedom is positioned to influence both supply and demand in the paper market, and thus contribute to the development of environmental solutions that conserve, protect and restore forests. Freedom fully supports responsible forest management practices that protect biodiversity and ecosystem integrity, to provide long-term social and economic benefits to communities.

In addition, Freedom will support initiatives to reduce greenhouse gas emissions where feasible and will play a role in mitigating climate change by participating in initiatives to reduce deforestation.

Freedom hereby establishes the following policy. This policy addresses the entire paper lifecycle, and supports principles that result in long-term environmental, social and economic benefits.

#### **OUR IMPLEMENTATION GOALS**

##### **Protect Ancient and Endangered Forests**

Freedom recognizes the impact of paper use and production on ancient and endangered forests<sup>1</sup>. Freedom will use reasonable efforts to influence its paper supply chain to use environmentally responsible practices.

Freedom will work to ensure that the paper sourced does not originate from endangered species habitat. If any papers do contain fiber from such habitat, Freedom will engage its suppliers to cease operations in that area or eliminate that supplier.

##### **Conservation of Ancient and Endangered Forests and Protection of Biodiversity and Ecosystems**

Freedom will give preference to suppliers that work toward conservation of ancient and endangered forests and the protection of biodiversity and ecosystems contained within these forests. Freedom also recognizes that certain regions have been identified as priority regions for forest conservation and biodiversity by the conservation science community and other stakeholders, and will work toward phasing out and finding suitable alternatives to any fiber sourced from these regions.

Freedom will work to eliminate the use of fiber from ancient and endangered forests in places such as: the Canadian Boreal Forests<sup>1</sup>; Temperate Rainforests of British Columbia, Alaska and Chile; and the Tropical Rainforests of Indonesia<sup>1</sup> and the Amazon. In portions of Canada's Boreal Forest and the Great

Bear Rainforest<sup>i</sup> where visionary agreements are currently being implemented, Freedom will work with Canopy to identify opportunities to support and encourage these initiatives.

### **Illegal Logging**

Freedom is committed to working with certified paper suppliers and other stakeholders to ensure that illegally sourced fibers are not used in the manufacture of paper purchased by Freedom.

### **Forest Certification**

Freedom will give purchasing preference to paper originating from Forest Stewardship Council (FSC) certified operations. Freedom only uses FSC and SFI certified sources in our supply chain.

### **Reduce Greenhouse Gas Footprint**

Freedom will strive to reduce its greenhouse gas footprint and the consequent impacts on climate change. Towards this end, it will implement the following strategies:

- support protection of high carbon value forest areas
- use recycled papers when economically feasible
- give preference to paper manufactured by suppliers that use effective strategies to actively reduce their greenhouse gas footprint.

### **Maximize Recycled Content**

Industry supported Life Cycle Analysis (LCA) shows sourcing recycled fiber can reduce overall pressure on forests and other important natural resources like water, as well as reduce the carbon footprint of the paper, especially when fibers from post-consumer waste are used in paper production. Therefore, Freedom Graphic Systems will:

- give preference to paper and packaging with high-recycled content and specifically post-consumer waste content, and to progressively set targets to increase recycled content while meeting the physical and performance demands required for the individual product;
- encourage suppliers to continuously improve and expand the availability of recycled content in papers;
- increase overall recycled fiber content by 50% over the next 3 years.

### **Increase Paper Efficiency and Decrease Consumption**

Freedom is committed to reducing its paper consumption by 10% or more as measured annually through the following measures:

- improving efficiency in paper use, including efforts to reduce waste from material handling, inefficient job layout, pressroom, binding and finishing, shipping and receiving and miscellaneous waste.

- promoting continuous technical advances in paper basis weight reduction, and design and printing methods that minimize process waste.
- supporting the use and development of appropriate technology platforms that help reduce paper consumption.
- closing the loop on paper use in North America, and supporting local paper recycling initiatives (such as selling waste and scrap paper to recyclers and recycled paper makers, advocating for recovered paper to be sorted where this is available, rather than mixed into a “single stream” system.)

### **Develop Agricultural Residue Fiber Sources**

Freedom Graphic Systems will work with suppliers and Canopy to explore and encourage the development of agricultural residues and fibers<sup>ii</sup> as a commercially viable fiber source for paper. Freedom anticipates this will be an area of rapid advance over the next few years, and will keep abreast of new developments and potential opportunities in this area.

### **Prevent Pollution**

Paper manufacturing is a resource-intensive process that can lead to air and water emissions that impact overall environmental quality.

- Freedom will give preference to suppliers that monitor and reduce overall emissions by adopting the latest technologies and practices to minimize air and water pollution.

### **Setting Benchmarks, Timelines, and other Accountability Mechanisms**

Freedom will establish benchmarks, timelines, and other accountability mechanisms to implement this policy, and to review this process annually.

### **Working with Incumbent Suppliers**

Freedom will work with current suppliers to encourage them to supply information so their practices can be compared to this policy. Freedom will work with suppliers on identified compliance matters.

### **Promote Industry Leadership**

Freedom recognizes the benefit of creating environmental awareness among its customers, employees, and peers. As implementation progresses:

- Freedom will note the post-consumer content of the paper and/or use the Ancient Forest Friendly logo where appropriate if approved by the customer/end user.
- Freedom will publish this policy on its website and electronic forums as appropriate.
- Freedom will commit to promoting ancient and endangered forest friendly paper procurement policies with other printers and paper buyers, suppliers, customers, and advertisers.



- Freedom will work with its partners in protecting endangered and ancient forests, improving forest management and production practices, and reducing demand on forests.

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TERRY BRADY, CFO  
FREEDOM HOLDINGS LLC

## **Forest Stewardship Council**

Established in 1993, Forest Stewardship Council (FSC) is a non-profit organization devoted to encouraging the responsible management of the world's forests. FSC sets high standards that ensure forestry is practiced in an environmentally responsible, socially beneficial, and economically viable way. FSC is now active in more than 50 countries.

Products carrying the FSC label are independently certified to assure consumers that they come from forests that are managed to meet the social, economic and ecological needs of present and future generations.

## **Sustainable Forestry Initiative**

The Sustainable Forestry Initiative was founded in 1994. With more than 160 million acres/65 million hectares certified across North America, the non-profit SFI sustainable forestry certification program is one of the largest in the world, with a standard based on principles and measurements that promote sound forest management including measures to protect water quality, biodiversity, wildlife habitat, species at risk and forests with exceptional conservation value.

As part of a broad commitment to corporate social responsibility, Freedom has certification to the independent COC standard at our five locations strategically positioned across the country: Grand Prairie, Texas; Milton, Wisconsin; and Aurora, Illinois.

## **Supplier Diversity Sub-Contracting Policy**

Whenever possible and when it makes good business sense (financially, timeliness, quality, etc.), suppliers that fall into the diverse categories (small business, women-owned, minority-owned, lesbian, gay, bi-sexual, transgendered, and/or disabled military veteran) should be utilized.

These diverse suppliers are determined and their status updated bi-annually, via submission of Freedom's diverse supplier questionnaire.

Indirect, second-tier diverse spend is reported to our clients quarterly.



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<sup>1</sup> Ancient and endangered forests are defined as intact forest landscape mosaics, naturally rare forest types, forest types that have been made rare due to human activity, and/or other forests that are ecologically critical for the protection of biological diversity. Ecological components of endangered forests are: Intact forest landscapes; Remnant forests and restoration cores; Landscape connectivity; Rare forest types; Forests of high species richness; Forests containing high concentrations of rare and endangered species; Forests of high endemism; Core habitat for focal species; Forests exhibiting rare ecological and evolutionary phenomena. As a starting point to geographically locate ancient and endangered forests, maps of High Conservation Value Forests (HCVF), as defined by the Forest Stewardship Council (FSC), and of intact forest landscapes (IFL), can be used and paired with maps of other key ecological values like the habitat range of key endangered species and forests containing high concentrations of terrestrial carbon and High Carbon Stocks (HCS). (The Wye River Coalition's Endangered Forests: High Conservation Value Forests Protection – Guidance for Corporate Commitments. This has been reviewed by conservation groups, corporations, and scientists such as Dr. Jim Stritholt, President and Executive Director of the Conservation Biology Institute, and has been adopted by corporations for their forest sourcing policies). Key endangered forests globally are the Canadian and Russian Boreal Forests; Coastal Temperate Rainforests of British Columbia, Alaska and Chile; Tropical forests and peat lands of Indonesia, the Amazon and West Africa. For more information on the definitions of ancient and endangered forests, please go to: <http://canopyplanet.org/solutions/ancient-forest-friendly/the-science-behind-the-ancient-forest-friendly-brand/>

<sup>ii</sup> Agricultural Residues are residues left over from food production or other processes and using them maximizes the lifecycle of the fiber. Fibers include: cereal straws like wheat straw, rice straw, seed flax straw, corn stalks, sorghum stalks, sugar cane bagasse, and rye seed grass straw. Where the LCA (life cycle analysis) shows environmental benefits and conversion of forestland to on purpose crops is not an issue, kenaf and other on purpose crops can also be included here. (Agricultural residues are not from on purpose crops that replace forest stands or food crops.)