

1. Purpose

- A. As a member of the National Association of Chemical Distributors (NACD), TLC Ingredients is committed to the Sustainability - Code of Responsible Distribution (RD-006-XX). This document, along with RD-006-XX, make up TLC's formal Environmental Policies.
- B. TLC takes seriously our responsibility to the chemical community and the community at large.
- C. TLC Ingredients is committed to responsibly distributing chemicals and food ingredients and to working with our suppliers and customers to protect the environment, support our employees, and give back to our community. We will strive to make the right decisions so that all of us are proud of our company and the impact that we have on the world around us.
- D. It might seem counterintuitive that a chemical distributor promotes sustainability. But it's really not; it is simply the right thing to do. We influence in small—yet important—ways how the products we distribute are selected and used.

2. Scope

- A. This policy applies to all TLC Ingredients Inc. employees.

3. Responsibility:

- A. The President of TLC Ingredients is responsible for establishing and maintaining this policy.

4. TLC Ingredients Policy:

- A. TLC President has formed the TLC Corporate Social Responsibility Committee.
 - 1. The CSR Committee will meet at least four times annually.
 - 2. It will be made up of volunteers.
- B. The theme for TLC's Corporate Social Responsibility Program is: "Caring ^{TLC} for the Needs of Our Community".
- C. At TLC Ingredients, Corporate Social Responsibility (CSR) includes our commitment to the following areas:
 - 1. Waste and pollution minimization, as well as sustainability initiatives
 - a. TLC CSR Committee will discuss ways to expand TLC's Sustainability initiatives, as well as to set new Sustainability and Corporate Social Responsibility goals.
 - b. Corporate sustainability goals will be recorded on Product Safety Objectives Record (LS-1100-02-XX).
 - c. We have implemented a number of energy-saving measures at our facility:
 - i. Occupancy sensors on light fixtures and low-energy LED fixtures for lighting have been installed throughout the building, and low-flow plumbing fixtures.
 - ii. TLC has installed a solar panel array, which was energized in the second half of 2022.
 - (a) We expect the solar array to provide enough electricity to offset at least 60 – 75% of our electricity needs

- (b) We will calculate the electricity generated and associated financial savings, on an annual basis, before February 1 of the following calendar year.
 - d. In conjunction with Responsible Distribution Code VI: Sustainability (RD-006-XX), TLC's policy is to handle and manage our waste in a safe manner, and to comply with all U.S. EPA standards.
 - i. Our waste management policy includes waste disposal requirements and waste reduction measures.
 - ii. TLC is considered a "small quantity generator", according to the EPA and TLC is registered with the IL EPA as 1970255071 and the Federal EPA as ILR000190389.
 - iii. Any hazardous waste generated will be profiled by a licensed 3rd Party contractor and said contractor will coordinate the recovery and proper disposal of the materials in question.
 - e. We have instituted a recycling initiative within our facilities to recycle paper, aluminum cans, and plastic, as well as batteries.
 - i. All employees are expected to comply with this program at work.
 - ii. TLC employees are encouraged to bring used batteries from home, to be recycled as part of TLC's battery recycling / universal waste program.
 - f. TLC conducts an electronics recycling event at least annually.
 - i. All obsolete electronics, including computer hardware, from TLC will be included.
 - ii. Employees are encouraged to bring electronics from home, as well.
 - g. In addition, TLC uses recycled packaging as much as possible. Examples include the use of rebottled tote bins for food-grade products and the use of reconditioned drums and totes for industrial-grade products.
2. Supporting educational programs, especially STEM and Food Science education
- a. We are very active in the Chemical Educational Foundation (CEF), supporting the organization's commitment to promoting science education to tomorrow's leaders. Specifically, we actively promote CEF's flagship program, the You Be the Chemist challenge.
 - i. TLC President is an active member of the Chicago Drug & Chemical Association (CD&CA) Education Committee. Through this affiliation, he helps coordinate funding for the CD&CA's sponsorship of the South Cook County You Be the Chemist regional challenge.
 - ii. TLC Ingredients is a co-sponsor of a regional You Be the Chemist challenge for Chicago area private elementary schools.
 - iii. Through our affiliation with the Chemical Industry Council of Illinois, TLC contributes to the Illinois Chemical Educational Foundation (ICEF), which funds and organizes the Illinois State You Be the Chemist Challenge
 - b. Employee Involvement in CEF programs
 - i. TLC President promotes CEF programs to Federal legislators during the Annual National Association of Chemical Distributors (NACD) Fly-In event.
 - ii. TLC purchases You Be the Chemist (YBTC) Activity Guides and distributes them to local schools, as well as encouraging TLC employees to distribute them to schools, or even present themselves the YBTC experiments in schools, in their communities.

- c. TLC Ingredients donates annually to the Chemical Educational Foundation and is a member of CEF's President's Club.
 - d. TLC Ingredients financially supports the Chicagoland Food Science Foundation
3. Encouraging and creating opportunities for philanthropy and volunteerism (i.e. community outreach) to give back to our community:
- a. TLC's philanthropic efforts are comprised of two programs:
 - i. TLC Corporate Contributions:
 - (a) TLC Ingredients supports many not-for-profit organizations throughout the year. Employees can submit requests to TLC Corporate Social Responsibility Committee.
 - (b) TLC contributions strategy may be discussed at TLC Corporate Social Responsibility Committee meetings.
 - (c) TLC President will set an annual budget for TLC contributions.
 - ii. TLC Contribution Matching:
 - (a) TLC Ingredients will match qualified employee contributions to not-for-profit organizations.
 - (b) TLC will match up to \$100 per employee per year, subject to the annual employee contribution matching budget set by TLC President.
 - (c) Employees wishing to have TLC match their donations must submit a request to the CSR Committee along with documentation of their contribution amount.
 - b. Community Outreach / Volunteerism:
 - i. We understand the importance of giving back to the communities in which we live and work. We encourage TLC employees to get involved in helping charities, schools, or other service organizations of their choice.
 - ii. The TLC Corporate Social Responsibility Committee will meet to identify community outreach and volunteer opportunities.
 - (a) TLC employees will be paid for their time if they choose to participate in these group volunteer activities.
 - (b) TLC employees are encouraged to invite their family members to participate in group volunteer activities.
 - iii. The CSR Committee will set annual corporate goals for community outreach and volunteer opportunities.
4. Sustainable Supply Chain
- a. TLC Ingredients sells and distributes food ingredients and chemicals in a variety of industries. Because we primarily resell products in the same form in which they come to us from the manufacturer, our sustainability impact is based largely on our suppliers and their sustainability practices.
 - b. TLC key stakeholders – namely our customers, suppliers, employees and members of our local community – expect TLC to take responsibility for the social and environmental practices of our supply chain.

- c. We believe in supporting U.S.-based companies and encouraging employment of U.S. workers; therefore, we elect to work with U.S.-based suppliers to the extent possible. We embrace the “buy local” concept to reduce the economic and environmental (i.e., greenhouse gas emissions) impacts associated with transporting products.
 - d. TLC has partnered with a number of key, forward-thinking suppliers to offer more sustainable and responsible product alternatives to the marketplace.
 - i. For example, we are proud to offer bio-based chemicals, which are designed to reduce greenhouse gas (GHG) emissions, to the food and industrial sectors.
 - ii. Where possible, we work with our customers to promote the use of more biodegradable and/or less toxic alternatives to traditional raw materials.
 - e. TLC has developed the Written Hazard Communications Plan (RD-002-02-XX) in place to inform employees, contract storage providers and customers of any potential risks associated with the chemicals and food ingredients that we distribute, as well as to ensure awareness of proper disposal methods.
 - f. TLC specifies to our third party contract packaging facility which packaging should be used when filling totes and drums.
 - i. Packaging is selected to meet all Department of Transportation regulations, related to Performance-Oriented Packaging Standards, so as to minimize the risk of product spills in transit or storage.
 - g. TLC has established expectations of all suppliers, in relation to their practices on the following topics: environmental management, safe working conditions, fair treatment of their employees and ethical business practices.
 - i. This document is called TLC Supplier CSR Code of Conduct (RD-006-03-XX).
 - ii. At least annually, TLC Ingredients staff members will distribute the document on to all suppliers and ask them to provide evidence of their compliance with TLC’s supplier CSR expectations and / or evidence of their own CSR programs.
 - iii. TLC will establish a corporate objective, measuring the number of suppliers providing evidence of CSR programs and / or acknowledgement of TLC’s Supplier CSR expectations. This objective will be documented annually on Product Safety Objectives Record (LS-1100-02-XX).
 - h. All TLC employees involved in the selection of suppliers, as well as those involved in purchase order transactions, will participate in training in Sustainable Supply Chain / Sustainable Procurement.
 - i. This training will be conducted within 180 days of hire for all applicable employees.
 - ii. This training is required at least every three years for all applicable employees.
5. Ethics and Fair Labor Standards
- a. TLC Human Rights and Labor Policy (RD-006-04-XX) outlines policies related to human rights and fair labor standards.
 - b. Business Ethics and Anti-Corruption Policy (RD-006-02-XX) outlines policies related to ethics and anti-corruption.

5. Associated Documents:

- RD Code VI: Sustainability (RD-006-XX)
- TLC Human Rights and Labor Policy (RD-006-04-XX)
- Business Ethics and Anti-Corruption Policy (RD-006-02-XX)
- Product Safety Objectives Record (LS-1100-02-XX)
- Written Hazard Communications Plan (RD-002-02-XX)
- TLC Supplier CSR Code of Conduct (RD-006-03-XX)

6. Reference Documents:

- IFS Logistics - Standard for Auditing Logistical Services in Relation to Product Quality and Safety Section 1.1. – Corporate Policy/Corporate Principles (see LS-1100-XX for most current version of the IFS Logistics Standard).
- NACD Responsible Distribution® Specifications and Guidance Document – Current version

7. Revision History:

Revision	Date	Description of Changes
1	04/05/2017	New Document
2	02/19/2018	Add Ethics and Fair Labor concepts to CST Committee purview. Added annual community outreach goals.
3	08/07/2018	Reference Document updated to reflect IFS Logistics 2.2 Standard. Combined with Sustainability and Corporate Social Responsibility Elements (LS-1100-05-XX), as well as Sustainability and Corporate Social Responsibility Policy (LS-1100-03-XX) and obsoleted those documents.
4	01/29/2020	<ul style="list-style-type: none"> • Updated references to NACD RD 7th Cycle. • Added energy reduction annual measurement. • Added EPA & IEPA registration information and “small quantity generator” designation. • Added details regarding recycling programs, including electronics. • Added reference to Written Hazard Communication Plan, to minimize risk of customer employee injury and material spills. • Added reference to adequate packaging materials and POP standards, as it relates to our 3rd Party packaging contractor. • Included references to environmental policy in Purpose section.
5	10/25/2021	Updated IFS Reference Document to “current version” instead of actual numeric version. Removed an Insperity Guide from Reference Documents.
6	07/05/2022	<ul style="list-style-type: none"> • Added references to TLC Supplier CSR Code of Conduct (LS-1100-08-XX). • Added requirement to train buyers in Sustainable Supply Chain.



TLC Corporate Social Responsibility Program

RD-006-01-08

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		<ul style="list-style-type: none">• Added the solar panel array and annual report on electricity savings.• Removed requirement to calculate impact of occupancy sensors and LED fixtures.• Established a corporate objective, measuring the number of suppliers providing evidence of CSR programs.
7	09/26/2022	<ul style="list-style-type: none">• Updated NACD RD Code VI from “Waste Management and Resource Conservation” to “Sustainability”.• Removed references to Code VIII as information from Code VIII was integrated into Code VI.• Updated Solar Panel Array to say it has been energized.• Renamed document to move it to RD Section 6, as TLC Corporate Social Responsibility Program (RD-006-01-XX)
8	02/09/2023	Updated reference document to Current version of Responsible Distribution.