



December 14, 2022

Dear Valued Customer,

Novolex wants to update you on our phase-out of the use of intentionally added per- and polyfluoroalkyl substances (PFAS) in our stock line and make to order micro-flute clamshell packaging from Bagcraft and Burrows.

Consumer safety is a Novolex priority when designing and manufacturing products. All Novolex foodservice products are subject to U.S. Food and Drug Administration (FDA) guidance and follow applicable agency standards. PFAS chemistry has been used for decades across the industry in food packaging materials, in compliance with FDA standards, to enhance their ability to resist oil and grease absorption.

While the PFAS materials used in our products are FDA compliant, Novolex has recognized the public debate surrounding PFAS materials. In 2018, we started working with paper mills to develop alternatives. Currently, we are fielding new foodservice paper products developed without intentionally added PFAS as rapidly as the mills can deliver the paper to us. Concurrently, over the past couple of years several states have passed laws mandating the phase-out of foodservice packaging that uses intentionally added PFAS. While we are still fielding these new alternative papers, we are also committed to complying with these regulations that will ban FDA-approved PFAS.

Novolex's goal is to phase out production of all packaging with added PFAS throughout the US before 2023, but supply chains for new non-fluorinated papers have not kept pace with our aggressive target. Nevertheless, we will continue to work to phase out the use of intentionally added PFAS in all of our manufacturing facilities by the end of 2022. More importantly, we will end the use of intentionally added PFAS in micro-flute clamshells that will be sold by Novolex Bagcraft and Burrows for use in New York, California, and Washington state in compliance with their PFAS bans noted below.

Key regulatory dates customers should be following:

- December 31, 2022 – New York ban on the sale or distribution of intentionally added PFAS in foodservice paper packaging
- January 1, 2023 – California ban on the sale or distribution of intentionally added PFAS in foodservice paper packaging
- February 1, 2023 – Washington state ban on the manufacturing, sale or distribution of intentionally added PFAS in foodservice paper packaging

Novolex Holdings, LLC, 101 East Carolina Avenue, Hartsville, South Carolina 29550

BAGCRAFT® BURROWS™ DE LUXE® DURO® ECO-PRODUCTS® HERITAGE™
HILEX® POLAR PAK® SHIELDS® WADDINGTON™ NORTH AMERICA WADDINGTON® EUROPE



Key dates for micro-flute clamshell PFAS phase out:

- December 16, 2022 – stop shipments of current stock line and make to order SKUs to New York, California and Washington state prior to the bans taking effect
- December 17, 2022 – begin taking orders / switch over existing orders for new non-fluorinated SKUs in New York, California and Washington state

Initial non-fluorinated SKU shipments are anticipated to start <in January> pending paper availability from the mills. All other non-regulated areas will continue with current SKUs until PFAS paper inventory is depleted in early 2023 at which time we will transition to the non-fluorinated SKUs.

STOCK LINE

<u>Current SKU</u>	<u>New Non-Fluorinated SKU</u>
NAT-F542RAVMWF	NFN-F542RQVMWF
NAT-F663RAVTWF	NFN-F663RQVTWF
NAT-F808RAVTWF	NFN-F808RQVTWF
NAT-F505RAVF	NFN-F505RQVF
NAT-F505RAVTWF	NFN-F505RQVTWF
NAT-F608RAVF	NFN-F608RQVF
NAT-F608RAVTWF	NFN-F608RQVTWF
NAT-E883RAVF	NFN-E883RQVF
NAT-E883RAVTWF	NFN-E883RQVTWF

MAKE TO ORDER (MTO)

<u>Current SKU</u>	<u>New Non-Fluorinated SKU</u>
NAT-F344CRISPVF	NFN-F344CRISPQVF
NAT-F542CRISPVF	NFN-F542CRISPQVF
NAT-F312VF	NFN-F312QVF
NAT-F344RAF	NFN-F344RQF
NAT-F434AVF	NFN-F434QVF
NAT-F771VWF	NFN-F771QVWF
NAT-F882VWF	NFN-F882QVWF

Please note that we will not accept returns of unused products containing FDA approved PFAS after January 1, 2023 from New York, California or Washington as they are still allowed for use in other states. We are eager to work with you to support a smooth transition to products with non-fluorinated grease resistant paper. As part of that commitment, we will continue to inform you of the status of the transition process as needed. In the interim, please do not hesitate to speak with your Sales Representative or Customer Service Teams if you have any questions.

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