

Closure Systems International Group Inc.:

Procurement-Supplier Code of Conduct



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PROCUREMENT & SUPPLIER CODE OF CONDUCT: INTRODUCTION

1. INTRODUCTION:

CSI is committed to doing business in a legal, ethical and socially responsible manner. Reflecting this commitment, all directors, officers and employees shall comply with the CSI Statement of Business Principles and Code of Conduct (“CSI Code of Conduct” or the “Code”) in conducting their business relationships:

https://csicmt.sharepoint.com/CSI%20Policies/CSI_Code_of_Ethics.pdf

To maintain these standards, CSI desires to do business with those suppliers whose practices are consistent with CSI Code of Conduct. This supplier Code of Conduct, as amended or modified from time to time sets forth the types of standards and practices that CSI expects of its suppliers.

1.1. COMPLIANCE WITH LAWS

Suppliers shall abide by all applicable laws and regulations applicable to them, its suppliers and to the Supplier’s relationship with CSI. These include laws regarding anti-corruption, anti-bribery, environmental matters, occupational health and safety, labor and employment practices, human rights, immigration, product safety, shipping and product labeling. CSI also expects that their Suppliers will comply with applicable guidelines and best practices for their industry. In the event there is any conflict with industry practice and applicable law, the higher standard will take precedence. We expect our suppliers to provide their employees with avenues for raising legal or ethical issues or concerns without fear of retaliation. Additionally, we expect our suppliers to take action to prevent, detect, and correct any retaliatory actions.

1.2. GIFTS AND BRIBERY

The CSI Code of Business Conduct restricts CSI employees from accepting gifts or favors from suppliers or prospective suppliers, and from using their status with CSI in order to obtain personal gain from those wishing to do business with CSI. There are limited exceptions to these restrictions for gifts of nominal value and customary hospitality or entertainment. We ask that our Suppliers do not place our employees in the difficult position of having to refuse gifts or favors that would conflict with the CSI Code of Conduct. Suppliers must not offer or provide gifts, entertainment, hospitality or favors, other than of nominal value, to CSI employees to obtain favorable treatment from such CSI employees. However, gifts, entertainment or hospitality may be offered or provided which are customary and proper in the circumstances, provided that no obligation could be, or be perceived to be, expected in connection with the gift, entertainment or hospitality.

PROCUREMENT & SUPPLIER CODE OF CONDUCT: ENVIRONMENTAL COMMITMENT

2. ENVIRONMENTAL COMMITMENT

CSI expects its Suppliers to conduct their businesses in a manner that preserves and protects the environment. To minimize or eliminate negative impacts of their operations on the environment, Suppliers should endeavor to minimize waste, avoid excess packaging, use nontoxic, recycled and recyclable materials where possible and promote energy efficiency. Suppliers that provide animal products should ensure that animals are treated in accordance with government and industry-accepted guidelines for humane treatment. CSI encourages Suppliers to have environmental policies and management systems which contain goals with targets that are focused on the continuous improvement of overall environmental performance.

PROCUREMENT & SUPPLIER CODE OF CONDUCT: EMPLOYMENT PRACTICES

3. EMPLOYMENT PRACTICES

The procedures and policies of Suppliers should reflect the commitment of CSI to fair and reasonable labor and employment practices as well as diversity in the workplace. Suppliers shall comply with all local and applicable labor laws and employment standards, such as compensating workers in compliance with all applicable wage, benefit and employment standards laws, maintaining reasonable employee work hours and a safe and healthy workplace, prohibiting unlawful discrimination and harassment, and requiring reasonable accommodations for individuals with disabilities. Suppliers shall take reasonable efforts to promote and achieve diversity in the workplace. CSI expects that Suppliers shall not inflict, threaten to inflict or permit corporal punishment or any other forms of physical, sexual, psychological or verbal abuse or harassment on any employees. **No Child Labor or Forced Labor**

Suppliers shall not use workers under the applicable legal age of employment or forced or involuntary labor or engage any supplier, vendor, contractor or partner that uses such workers. Where local standards are higher, no person under the legal minimum working age will be employed by Suppliers. Suppliers shall enact and enforce policies preventing human trafficking.

3.1. DISCRIMINATION

While CSI recognizes and respects cultural differences, Suppliers must ensure that employment (including hiring, remuneration, benefits, advancement, termination and retirement) is based on a person's ability. Employment with CSI's Suppliers may not be based on race, color, religion, sex, age, national origin, disability, pregnancy, marital or partnership status, sexual orientation, gender identity, veteran's status, caste, political opinion or any other personal characteristics protected by law in each locality. Suppliers must comply with all applicable country and local laws governing non-discrimination in employment.

3.2. FREEDOM OF ASSOCIATION/COLLECTIVE BARGAINING

Workers should be free to join organizations, such as trade unions of their own choosing, and to refrain from joining such organizations if that is their wish. Suppliers must not threaten or penalize workers for their efforts to organize or bargain collectively where permitted by the laws of the country where the worker is located, nor may they discriminate against workers as a result of any such organization affiliation.

3.3. IMMIGRATION/LEGALLY QUALIFIED TO WORK

Suppliers shall ensure that all of its workers, whether employees or contractors, are properly documented and legally qualified to work in the jurisdiction where such workers are providing services as required under local immigration, tax, and other related laws.

3.4. HEALTH AND SAFETY

Suppliers must provide their workers with a clean, safe and healthy work environment in compliance with all applicable, legally mandated standards for workplace health and safety in the countries in which they operate. This includes residential facilities, if applicable. In addition, CSI encourages Suppliers to strive to implement industry best practices, where applicable.

PROCUREMENT & SUPPLIER CODE OF CONDUCT: QUALITY & RESPONSIBILITY

4. QUALITY & RESPONSIBILITY

4.1. Quality Standards

Suppliers must take due care to ensure their work product meets our Company's quality standards. CSI expects suppliers to have in place quality assurance processes to identify defects and implement corrective actions, and to facilitate the delivery of a product whose quality meets or exceeds the contract requirements.

4.2. RESPONSIBLE SOURCING

Suppliers will be committed to the sourcing of raw materials, goods and services with the same fundamental support of human rights, labor, health and safety, environment, and ethics as set forth in this Code. Suppliers will develop and maintain the ability to identify all materials and the source of those materials utilized in the products manufactured or produced for CSI.

4.3. SUBCONTRACTORS

Suppliers may not use subcontractors in the production of CSI products or product components without CSI's prior written approval. Each subcontractor for any Supplier must agree, in writing, to comply with this COSC, as well as any other terms that CSI may require.

4.4. FREIGHT & LOGISTICS

Suppliers will ensure adequate controls are in place to safeguard against introduction of any non-manifested cargo. The United States Customs and Border Protection (CBP)'s C-TPAT Guidelines for Foreign Manufacturers is recognized as a best practice program.

4.5. CONFLICT MINERALS

We expect our suppliers to take steps to determine if their products contain conflict minerals (tin, tantalum, gold, and tungsten) and if so, implement supply chain processes to identify the sources of these minerals and support efforts to eradicate the use of conflict minerals which directly or indirectly finance, or benefit armed groups in the Democratic Republic of Congo or adjoining countries.

PROCUREMENT & SUPPLIER CODE OF CONDUCT: REVISIONS

6. CONFIDENTIALITY

Suppliers may from time to time be provided with or have access to confidential business information, trade secrets, formulations, recipes, specifications, or other sensitive information which belongs to CSI. Suppliers must keep all such information strictly confidential and shall only disclose it to those individuals within their own organizations with a need to have the information. Suppliers shall not disclose such information to any other party without the advance written permission of CSI.

7. MONITORING AND COMPLIANCE

CSI may periodically conduct announced and unannounced on-site inspections of Supplier premises and production facilities in order to monitor compliance with this Code. Suppliers must maintain on site all documentation necessary to demonstrate compliance with this Code. Suppliers must allow CSI's associates and/or its third-party monitoring firms with full access to premises and production facilities, worker records, and individual workers for confidential interviews in connection with monitoring visits.

8. APPLICATION OF SUPPLIER CODE OF CONDUCT

This Code applies to all CSI Suppliers and should not be read in lieu of, but in addition to, the Suppliers' obligations as set out in any agreements between CSI and/or its affiliates and the Suppliers. In the event of a conflict between this Code and an applicable agreement, the agreement shall govern. In addition, Suppliers shall ensure that all suppliers and subcontractors used by them to provide goods or services directly or indirectly to CSI also respect and follow this Code. CSI reserves the right to take appropriate remedial action in the event a Supplier violates the Code. CSI reserves the right to terminate our relationship with any supplier under the terms of the existing procurement and/or purchasing agreement.

9. COMMUNICATION

Suppliers must communicate the provisions of this Code to their workers and supervisors.

DEFINITIONS OF KEY CODE TERMS:

The standards embodied in the CSI Code of Supplier Conduct are generally objective, measurable, and tied to applicable local laws. In order to clarify certain terms, following is a list of definitions applicable to the requirements set forth in the Code.

1. DISCRIMINATION:

-- the practice of unfairly treating a person or group of people differently from other people or groups of people based upon beliefs or any other personal characteristics.

Beliefs and other personal characteristics include, but are not limited to, the following:

- Race
- Color
- Religion
- Sex
- Age
- National origin
- Disability
- Pregnancy
- Marital or partnership status
- Sexual orientation
- Gender identity
- Veteran's status
- Caste
- Political Opinion

2. HEALTH AND SAFETY:

-- Providing a clean, safe, and healthy work environment in compliance with all applicable, legally mandated standards

Clean, safe, and healthy work environment includes all requirements of the applicable local law — e.g., OSHA for factories in the United States. The principal areas of focus in this regard will initially comprise:

- Fire Safety
 - Fire Extinguishers
 - Fire Exits
 - Evacuation Plans
 - Fire Drills
- Machine Guards
- Personal Protective Equipment
- Lighting, Temperature and Ventilation
- Toilet facilities

3. SUBCONTRACTING:

--Refers to subcontractors in the manufacture of CSI products to whom the Code will apply. In scope:

- All factories producing finished goods for CSI including those in final form but not yet packaged;
- All factories handling or producing any products/components that are Avon branded (items where the name/logo of any Avon brands is present or items that are recognizably connected to CSI in any way).

4. COMMUNICATION:

--*Suppliers are required to communicate* this Code and the provisions to workers and supervisors.

Suppliers must take the necessary steps to ensure the terms of the Code are presented to employees in languages understood by all employees. This can be accomplished through meetings and presentations on the requirements, and/or posting of the Code.

PROCUREMENT & SUPPLIER CODE OF CONDUCT: REVISIONS

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