



## KDC/ONE SUPPLIER CODE OF CONDUCT

*This kdc/one Supplier Code of Conduct supersedes any current or prior code of conduct, policy, statements and procedures on this subject matter that could have been adopted by kdc/one or any of its subsidiaries.*

### INTRODUCTION

Knowlton Development Corporation, Inc. and its subsidiaries ("kdc/one", "we" or "our") are committed to expertly deliver integrated global end-to-end solutions to our customers. As part of this commitment, we require all our Suppliers (defined below) to fully comply with our kdc/one Supplier Code of Conduct ("Code of Conduct").

This Code of Conduct sets forth kdc/one's general requirements, standards and expectations for any person, company, corporation or other entity that sells or supply, or seek to sell or supply, a product, component, software, material, equipment, good or service to kdc/one, as well as their affiliates, subsidiaries, suppliers, vendors, service providers, independent contractors, consultants, and subcontractors (each, a "Supplier," and collectively, "Suppliers").

We expect all our Suppliers to be able to demonstrate compliance with this Code of Conduct upon our request and to take action to correct any noncompliance. If we determine the Supplier is not in compliance, then the remedies may include, among other things, termination of business with kdc/one or the development and implementation of a corrective action plan that would need to be implemented within a certain fixed time period. Kdc/one may follow such implementation by a follow-up audit, as it deems appropriate. Supplier shall be solely responsible for all liability incurred related to kdc/one's termination of its relationship with the Supplier due to a non-compliance with the Code of Conduct.

### SCOPE

This Code of Conduct is defined to help our Suppliers to operate in accordance with the best practices in the industry regarding to social accountability including but not limited to employment conditions, child and women labor, health and safety, wages and benefits, environmental performance, etc. It also helps to protect the reputation of kdc/one and its clients by ensuring that their products are sourced via fair and ethical business standards.

This Code of Conduct defines and sets forth the basic requirements we expect of our Suppliers, and their entire supply chain, as a condition of doing business with kdc/one. In accordance with the global sourcing opportunity, we can encounter different cultural, traditional and religious environments, which set forth different requirements on social responsibility throughout the world. kdc/one understands these issues and we will support and assist our Suppliers to rectify non-conformance issues, as well as educate Suppliers to enable them to continuously improve and maintain their own compliance systems.



## LEGAL COMPLIANCE

In addition to the requirements in this Code of Conduct, all Suppliers have a legal obligation to comply with all applicable federal, national, local, state, municipal laws, rules, regulations, standards and orders in effect in the countries and jurisdictions in which they operate, as well as applicable international laws and treaties, as amended from time to time (collectively, “Applicable Laws”). In addition, Supplier acknowledges that Applicable Laws are subject to revision, amendment and the release of new regulations or laws from time to time. Supplier is required to monitor and comply with the most recent Applicable Laws in the industry. Supplier is also responsible for ensuring that its own vendors, suppliers, service providers, independent contractors, consultants, and subcontractors throughout the supply chain comply with the same requirements applicable to Supplier.

Supplier acknowledges that kdc/one has company-wide policies and procedures in place setting standards for its employees, which meet or exceed Applicable Laws, including, without limitation, ethical standards (“KDC Policies”). Supplier shall comply with the kdc/one Policies, including kdc/one Code of Business Conduct and Ethics, to the extent applicable to Supplier, and shall not cause any employee, agent or contractor of kdc/one to violate the kdc/one Policies in any way, including, without limitation, offering or providing gifts, compensation, benefits or payment of any kind, or any other consideration that is or could be considered a bribe, “kickback,” or similar payment.

Suppliers must follow the higher or more stringent requirements if they discover any variations between Applicable Laws and this Code of Conduct. Suppliers are welcome to contact kdc/one if they encounter any such conflicts. kdc/one is always willing to discuss and implement the most appropriate course of action that will help to foster respect for fundamental human rights, labor standards and the environment.

## STANDARDS

This Code of Conduct is based on internationally recognized standards, including the following standards:

- The SA8000 requirements from Social Accountability International (SAI)
- The Fundamental Conventions of the International Labor Organization (ILO)
- The United Nations Universal Declaration of Human Rights
- UN Guiding Principles for Business and Human Rights
- Modern slavery Act 2015 (UK)
- Bribery Act 2010 (UK)
- Fighting against Forced Labour and Child Labour in Supply Chains Act (Canada)
- OECD Guidelines for Multinational Enterprises

## GOVERNANCE

Suppliers are expected to:

- Comply with the minimum standards set out in this document and in the kdc/one Responsible Partner Policy (available at <https://www.kdc-one.com/>);
- Undertake due diligence risk assessments to identify negative business integrity, human rights or environmental protection impacts on people; including vulnerable groups such as children, women, indigenous communities and migrants within the supply chain;
- Prioritize and focus on the supply chains containing the materials, locations and industries where the risk is highest;
- Implement measures to prevent and mitigate actual or potential negative impacts and monitor the effectiveness of the actions taken;
- Provide grievance mechanisms for workers or others to raise concerns; and respond accordingly to concerns raised, including agreeing remedies where appropriate;
- Be transparent about the impacts identified and the actions taken or proposed.

## CODE OF CONDUCT PRINCIPLES

### *1. Bribery and Corruption*

Suppliers and their officers, directors and employees must adhere to the highest standards of ethical business conduct and must not engage in bribery or corruption in any form, either directly or through third parties. We expect kdc/one Suppliers to promote anti-bribery and anti-corruption compliance in their organizations through developing their own standards, which should be designed to facilitate compliance with legal requirements, including the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act 2010.

### *2. Gifts and Entertainment*

Suppliers must not give gifts or entertainment to kdc/one employees or representatives, that create a conflict of interest or the appearance of a conflict. Modest gifts and hospitality may be permissible so long as they are not provided as a quid pro quo are modest in value, infrequent, unsolicited, given on a customary gift giving occasion, reasonable and customary in our business and comply with Applicable Laws. Cash and cash equivalents such as gift cards and gift checks are never acceptable. Gifts of tickets for entertainment of any nature (theater, sporting event, etc.) require that the donor attend the event with the recipient.



### *3. Conflicts of Interest*

Suppliers must not enter into any type of transactions with kdc/one employees, directly or indirectly, that create a conflict of interest. Suppliers must not, directly or indirectly, endeavor to entice away, entice away or solicit for employment, whether on a full-time, part-time or independent contractor basis, any kdc/one employees while such employees are employed by kdc/one.

### *4. Fair Competition*

Suppliers must conduct their business in a fair and ethical manner and in compliance with all applicable fair competition and antitrust laws.

### *5. Confidentiality and Privacy*

Suppliers must respect and safeguard kdc/one's confidential information (including personal information) at all times. Suppliers shall only use kdc/one's confidential information for the purposes for which it was provided. Suppliers must promptly notify kdc/one if they become aware of any intentional or unintentional improper disclosure or use of kdc/one's confidential information. Suppliers must comply with Applicable Laws related to the protection and use of personal information.

### *6. Financial Integrity*

Suppliers must keep accurate records of all matters related to their business with kdc/one in accordance with standard accounting practices such as Generally Accepted Accounting Principles (GAAP) or International Financial Reporting Standards (IFRS).

### *7. Child Labor and Young Labor*

Suppliers must not employ child labor. The term "child" means any person employed under the age of 15 or under the minimum age for employment in the country, whichever is greater. Suppliers employing young workers (workers above the minimum age of employment but under the age of 18) must comply with Applicable Laws and regulations regarding hours, compensation and must avoid conditions or restrictions that could be harmful to their morals, health, safety and development.

### *8. Forced Labor and Human Trafficking*

Suppliers must not use or benefit from any form of human trafficking, or forced or compulsory labor of any kind, be it prison, bonded, indentured or otherwise in accordance with the ILO Convention No. 29 and No. 105. Furthermore, mandatory overtime is not permitted, and workers must be allowed to leave their employment after giving reasonable notice. Imposing monetary fines, withholding identity papers (such as passports), work permits, remuneration or requiring recruitment deposits or other constraints as a condition of employment, is not allowed.

## *9. Labor Contract and Working Hours*

The labor contract must be written in a language understood by the employees. Suppliers must communicate the contents of the labor contract to the employees. Suppliers must uphold the local legal or contractually agreed-upon limit on hours worked, and where no limit is imposed, not engage workers for more than 60 hours a week at most, outside of extraordinary circumstances. Workers must receive at least one day off in seven days, or the local legal standard (whichever is greater), receive any legally required daily rest periods, and must not be required to take work home.

## *10. Fair Wages*

Suppliers must pay their employees any legally prescribed, contractually agreed upon or applicable prevailing industry minimum wage (whichever is higher), as well as any legally prescribed benefits. Workers must not be subject to financial penalties as a disciplinary measure or for poor performance or to illegal deductions for benefits payments. Suppliers must communicate applicable provisions of the Code of Conduct to their employees.

## *11. Harassment-free Environment*

All Suppliers' workers must be treated with dignity and respect. All Suppliers' workers must be free from harassment and abuse, and not be subject to any physical, sexual, psychological or verbal harassment, abuse or other form of intimidation. Suppliers must have policies and procedures in place that prohibit any form of harassment or abuse and which are communicated clearly to all workers, with regular training on how to recognize and prevent harassment and other forms of intimidation.

## *12. No Discrimination and Equal Opportunities*

Suppliers must provide equal opportunities, in all aspects of employment and must not subject their workers to any illegal discrimination. Supplier must have written policies against discrimination on the basis of race, color, gender, language, religion, political or other opinion, national or social origin, property, birth, union affiliation, sexual orientation, health status, family responsibilities, age, disability or other distinguishing characteristics applicable to all stages of employment from recruiting and hiring through termination and retirement, in accordance with Applicable Laws, including without limitation ILO Conventions No. 100 and No. 111. Suppliers' employees must be trained on such policies and, when using labour/recruitment agencies, regular due diligence must be conducted to ensure they are practicing responsible recruitment as well. Recruitment fees or related costs must not be charged to or otherwise borne by recruited workers and jobseekers. All fees must be borne by the employer.

Supplier must make decisions based on relevant and objective criteria for hiring, remuneration, benefits, training, advancement, discipline, termination, retirement or any other employment-related activities. Supplier must not require or allow pregnant employees to perform any tasks which are not allowed to be



performed by pregnant women under Applicable Laws. Pregnancy testing or any other medical testing must not be conducted as a condition of employment, unless permitted by Applicable Laws.

Actions must be implemented to promote diversity and inclusion within the workplace by ensuring a balanced workforce, management representation and equity in terms of pay and other benefits. Periodic reviews of workforce composition, management representation and compensation to ensure equity should be conducted.

### *13. Freedom of Association*

Suppliers must recognize the right of employees to freely associate and must comply with all Applicable Laws governing the right of employees to select or not to select workplace representatives. Worker representatives shall not be discriminated against and shall have the ability to carry out their functions in the workplace.

### *14. Health and Safety*

Suppliers must meet and strive to exceed requirements of applicable health and safety laws and regulations. Suppliers must maintain a clean, healthy and safe workplace. Any residential facilities must be similarly maintained. Work areas must be of a standard to prevent accidents, injuries and illnesses and to ensure an adequate level of sanitation. Suppliers must reduce the potential for injuries and illnesses in the workplace by eliminating or minimizing workplace hazards and providing health and safety training to workers.

Clear and effective policies and procedures must be in place for occupational health and safety, and be updated regularly. Occupational health and safety policies and procedures must be widely communicated and cascaded effectively throughout the organization, with a mechanism to ensure relevant information is provided to all visitors.

### *15. Environment Protection and Sustainability*

Suppliers must meet all requirements of applicable environmental laws and regulations related to their products' development, manufacturing, sourcing, and distribution. Suppliers must strive to continually improve their environmental footprint including the promotion of sustainability initiatives such as energy and water conservation, waste minimization, recycling practices and Green House Gas reduction programs. Suppliers are expected to contribute through their sustainability programs and efforts to kdc/one sustainability targets, to participate actively to kdc/one initiatives where required and to cooperate to achieve measurable improvements against the goals defined.

To learn more about kdc/one's commitment to sustainability please visit our website at <https://www.kdc-one.com>.



## COMPLIANCE

As a condition of doing business with kdc/one, Supplier is required to first sign and return the Acknowledgement attached to this Code of Conduct within 30 days of its issuance, acknowledging Supplier has read, understands, and agrees to abide by all terms and requirements of the Code of Conduct. Without limiting the foregoing, by undertaking any business relationship or accepting any orders submitted by or on behalf of kdc/one, Supplier will be deemed to be bound by this Code of Conduct regardless of whether the Acknowledgement is signed and returned.

[ACKNOWLEDGMENT LETTER APPEARS ON LAST PAGE]

Kdc/one may also verify compliance with the Code of Conduct through the following ways:

- Through request asking Suppliers to complete a sustainability assessment to demonstrate compliance with our Code of Conduct, and to develop a baseline of sustainability performance and potential improvements.
- Through audits following a reasonable request, with the expectation that Suppliers will correct any identified deficiencies in a timely manner, implementing a remediation and improvement plan.
- Through the investigation of any reported concerns.

In addition, Suppliers should self-report to kdc/one any significant regulatory noncompliance or significant news events that may negatively impact public or governmental views of our company or jeopardize our legal compliance.

Suppliers are also expected to make all reasonable efforts to communicate the Code of Conduct to their workers, as appropriate, and provide workers with the opportunity to ask questions and raise concerns.

## REPORTING A VIOLATION

Individuals or entities should promptly notify kdc/one of any actual or suspected violations of the Code of Conduct.

Please use this link to report any concerns or violations of the Code of Conduct: [EthicsPoint](#). The information submitted to *EthicsPoint* will be sent in a format that protects your confidentiality and you may choose to remain anonymous.

Your questions or concerns will be taken seriously, and we will not tolerate retaliation against anyone who in good faith raises questions or concerns about a potential violation of the Applicable Laws, our Code of Conduct, or KDC Policies, or who assists in an investigation of a reported violation.

**QUESTIONS** If you have questions, please email [communications@kdc-one.com](mailto:communications@kdc-one.com).



## ACKNOWLEDGEMENT

### KDC/ONE SUPPLIER CODE OF CONDUCT

I hereby acknowledge, on behalf of the Supplier, that I have received, read and understand the requirements set forth in the kdc/one Supplier Code of Conduct.

I confirm, on behalf of the Supplier, that

- I'm an authorized signatory of the Supplier; and
- The Supplier will abide to, and comply with, all terms and requirements set forth in the kdc/one Supplier Code of Conduct and the laws referred to therein; and
- All information, in any form, provided to kdc/one by or on behalf of Supplier is, and shall remain, true and correct, including all certifications and disclosures regarding: (i) any relationships between Supplier and any government officials; (ii) Supplier's use of subcontractors that interact with government officials; (iii) the scope and content of Supplier's anti-corruption program; and (iv) the accuracy of Supplier's books and records as they relate to services performed on behalf of kdc/one.

SIGNATURE: \_\_\_\_\_

NAME IN BLOCK LETTERS: \_\_\_\_\_

POSITION/TITLE: \_\_\_\_\_

SUPPLIER NAME: \_\_\_\_\_

DATE: \_\_\_\_/\_\_\_\_/\_\_\_\_