

October 2020

## Responsible and Ethical Sourcing Policy

Crown Holdings, Inc., through its worldwide family of companies, is committed to acting ethically and responsibly in all facets of our operations.

Sustainability is a basic value at Crown. One key driver of Crown's Supplier Code of Conduct is to ensure that our suppliers understand and are aligned with our sustainability values. We encourage our suppliers to continuously work to implement sustainable development principles like the ones in our Supplier Code in their own operations and in their supply chain.

At Crown, environmental commitment is a fundamental part of our business philosophy. Crown recognizes that the protection of human health and the environment is a sound business practice that conserves resources and safeguards employees, customers, the general public and the environment.

Any responsible enterprise should consider the potential environmental impacts of daily business decision-making processes along with opportunities for conservation of natural resources, source reduction, material recycling, and pollution control to ensure cleaner air and water and the reduction of landfill wastes. Crown requires its suppliers to conduct business in accordance with all applicable environmental laws and highly recommends that its suppliers adopt sustainable practices in the conduct of their operations so as to conserve natural resources and minimize their environmental impact.

Crown expects its suppliers to support and respect the protection of human rights and ensure they are not complicit in human rights abuses. Crown expects its suppliers to follow universally accepted employment practices and to prioritize health and safety. Suppliers are expected to comply with all applicable labor laws, including those related to wages, overtime, vacations, absences, disability, maximum working hours and legal right to work.

### Responsible and Ethical Sourcing

Responsible and Ethical Sourcing encompasses all steps designed and taken to ensure sourcing is done ethically and is socially and environmentally responsible. Now more than ever, people care about where their products come from and how they were produced (all the way back to the material source). Companies have been pressured by stakeholders to address these concerns or face reputational damage and possibly regulatory punishment. Additionally, public outcry, regulatory actions, and investor concern can all domino into costly production delays as suppliers scramble to secure more sustainable and ethically sourced replacements.

### Responsible and Ethical Sourcing goals:

The objective of Crown's Responsible and Ethical Sourcing program is to identify and eliminate any negative environmental and social practices misaligned with Crown's mission and vision. Crown's Responsible and Ethical Sourcing Program specifically focuses on the raw materials and services that are core and essential to our business. Below is a summary of our program goals:

## Responsible and Ethical Sourcing Goals

- By 2025, 75% of Crown's core raw materials and core service suppliers (by spend) have been assessed and comply with Crown Responsible and Ethical Sourcing policies and requirements
- By 2025, all suppliers that Crown determines as high risk under our Responsible and Ethical Sourcing standards have been assessed by third-party audits
- By 2030, 100% of core raw materials and core service suppliers (by spend) have been assessed and comply with Crown Responsible and Ethical Sourcing policies and requirements

### **Crown's Responsible and Ethical Sourcing Program Implementation Levers:**

Striving for excellence and continuous improvement is an important facet of how Crown conducts business. Crown encourages and recommends suppliers to:

- Continuously improve their products and/or services so as to improve quality, reduce cost and reduce the impact of their products on the environment.
- Maintain accurate supply chain records.
- Identify, set targets and implement action plans for reducing environmental impacts in the areas of water and energy use, wastewater discharge, greenhouse gas emissions, generation of waste, landfill use and packaging.
- Strive to reduce their environmental footprints, commit to continuous improvement on sustainability issues, and support the achievement of the goals of Crown's sustainability program.
- Source raw materials from sustainable sources where compatible with the needs of Crown's production processes.

Crown's Responsible and Ethical Sourcing Program continuous improvement process includes deploying the following implementation levers over time:

- 1- Crown will extend its ongoing responsible sourcing program globally, prioritizing the company's most frequent and/or largest purchase categories. These categories make up the biggest portions of our overall spend. Small changes to such purchases could significantly affect both the impacts caused, as well as the company's progress.
- 2- Crown will use the opportunity created by new contract negotiations or review/renew/reappraisal processes to incorporate social and environmental criteria into sourcing decisions. This includes, but is not limited to, ensuring Crown's Supplier Code of Conduct is understood and accepted, and any necessary questions are asked through our sourcing assessments.
- 3- For core goods and core services purchased by the company that Crown determines are most likely to have negative social and/or environmental impacts due to the influence of any of the below factors, Crown will consider deploying third-party assessments and audits:
  - a. lack of regulation and law enforcement in the region from which they are sourced.

- b. Intrinsic industry-specific challenges and reputational risks as identified by stakeholders, academia, industry and civil society organizations.
  - c. lack of supply chain transparency and/or traceability.
  - d. risk of continuity of supply of critical product inputs.
- 4- As proof of compliance with Crown's Responsible and Ethical Sourcing Program requirements Crown will accept third-party verifications offered by suppliers and/or their sub-suppliers when those third parties are deemed by Crown and stakeholders as a credible source of verification. Currently, that list would include Ecovadis, SEDEX and ASI, among others.
- 5- In accordance with our own agenda and in response to customers' requests, Crown will encourage our supplier partners to join and maintain membership in the Ethical Trading Initiative (ETI) or similar ethical trade organizations, and the Aluminium Stewardship Initiative (ASI).
- 6- Crown will deploy a Training Program on Responsible and Ethical Sourcing for its procurement teams globally.