

SUPPLY CHAIN MANAGEMENT AND RISK MITIGATION POLICY

JANUARY 2026

POLICY NUMBER: TMG-SEC-011

APPROVAL AUTHORITY: BOARD OF DIRECTORS



THE MAZI GROUP

1. PURPOSE

This Supply Chain Management and Risk Mitigation Policy establishes The Mazi Group's framework for managing supply chain operations, ensuring continuity, and mitigating risks across our diverse portfolio of brands. With operations spanning beauty products (Mazi Beauty), AI-enabled devices (Glam Switch), hygiene products (On The Go Mists), and technology solutions (Upvendo), effective supply chain management is critical to our success.

2. SCOPE

This policy applies to:

- All supply chain activities across The Mazi Group and its subsidiaries
- All brands: Mazi Beauty, Glam Switch, On The Go Mists, and Upvendo
- Procurement, manufacturing, logistics, and distribution operations
- All suppliers, contract manufacturers, and logistics partners
- All geographic markets: United States, Canada, European Union, and Latin America

3. SUPPLY CHAIN OBJECTIVES

The Mazi Group's supply chain objectives are to:

- Ensure reliable supply of quality materials and products
- Optimize cost efficiency while maintaining quality standards
- Build resilient supply chains that can withstand disruptions
- Maintain ethical and sustainable sourcing practices
- Enable agility to respond to market demands
- Ensure compliance with all applicable regulations

4. SUPPLY CHAIN STRUCTURE BY BRAND

4.1 Mazi Beauty

- Raw materials: Cosmetic ingredients, actives, fragrances
- Packaging: Bottles, jars, tubes, cartons, labels
- Manufacturing: Contract manufacturing partners (GMP certified)

- Distribution: Warehousing and fulfillment centers
- Channels: Direct-to-consumer, retail, wholesale

4.2 Glam Switch

- Components: Electronics, sensors, processors, batteries
- Materials: Plastics, metals, display components
- Manufacturing: Electronics assembly partners
- Software: AI models, firmware, mobile applications
- Distribution: Direct-to-consumer, retail partners

4.3 On The Go Mists

- Raw materials: Active ingredients, carriers, propellants
- Packaging: Spray bottles, aerosol cans, labels
- Manufacturing: Contract manufacturing (EPA registered)
- Distribution: Retail, wholesale, institutional

4.4 Upvendo

- Hardware: Kiosk components, displays, payment terminals
- Software: POS software, cloud infrastructure
- Assembly: Hardware integration partners
- Deployment: Installation and service teams
- Support: Ongoing maintenance and updates

5. SUPPLIER MANAGEMENT

5.1 Supplier Selection

- Conduct thorough supplier assessments before engagement
- Evaluate quality, capacity, financial stability, and compliance
- Assess ethical and sustainability practices
- Require compliance with TMG-SEC-007: Ethical Sourcing and Supplier Code of Conduct
- Obtain necessary certifications (GMP, ISO, etc.)

5.2 Supplier Classification

Category	Criteria	Management Approach
Strategic	High spend, critical materials, limited alternatives	Partnership, joint planning, executive engagement
Preferred	Significant spend, proven performance	Long-term agreements, regular reviews
Approved	Qualified, meets standards	Standard contracts, periodic audits
Conditional	New or underperforming	Close monitoring, improvement plans

5.3 Supplier Performance Management

- Establish key performance indicators (KPIs) for all suppliers
- Conduct regular performance reviews (quarterly for strategic suppliers)
- Maintain supplier scorecards
- Address performance issues through corrective action plans
- Recognize and reward high-performing suppliers

5.4 Supplier Audits

- Conduct risk-based supplier audits
- Annual audits for strategic and high-risk suppliers
- Quality, compliance, and ethical practice assessments
- Follow-up on audit findings and corrective actions

6. RISK MANAGEMENT

6.1 Risk Categories

Supply Risks

- Single-source dependency
- Supplier financial instability
- Capacity constraints
- Quality failures
- Raw material shortages

Operational Risks

- Manufacturing disruptions
- Equipment failures
- Labor disputes
- Process failures

External Risks

- Natural disasters
- Geopolitical events
- Pandemics and health crises
- Regulatory changes
- Currency fluctuations
- Trade restrictions and tariffs

Logistics Risks

- Transportation disruptions
- Port congestion
- Carrier capacity constraints
- Customs delays

6.2 Risk Assessment

- Conduct annual supply chain risk assessment
- Map critical supply chain nodes and dependencies
- Assess likelihood and impact of potential disruptions
- Prioritize risks for mitigation
- Update risk assessment when significant changes occur

6.3 Risk Mitigation Strategies

Diversification

- Qualify multiple suppliers for critical materials
- Diversify geographic sourcing
- Avoid over-reliance on single regions or countries
- Develop alternative logistics routes

Inventory Management

- Maintain safety stock for critical materials
- Implement demand forecasting and planning
- Balance inventory costs with supply security
- Consider strategic inventory positioning

Supplier Development

- Invest in supplier capability building
- Support supplier quality improvements
- Develop backup suppliers proactively

Contractual Protections

- Include supply assurance provisions in contracts
- Establish clear performance requirements
- Define remedies for non-performance
- Include business continuity requirements

7. BUSINESS CONTINUITY

7.1 Continuity Planning

- Develop supply chain business continuity plans
- Identify critical processes and dependencies
- Define recovery time objectives
- Establish alternative sourcing and production options
- Test and update plans regularly

7.2 Crisis Response

- Establish supply chain crisis response team
- Define escalation procedures
- Maintain emergency contact lists
- Develop communication protocols
- Conduct crisis simulations

7.3 Recovery Procedures

- Prioritize critical products and customers
- Activate alternative suppliers and routes
- Communicate with stakeholders
- Monitor recovery progress
- Conduct post-incident reviews

8. QUALITY IN SUPPLY CHAIN

8.1 Incoming Quality

- Inspect incoming materials per quality specifications
- Verify certificates of analysis
- Quarantine non-conforming materials
- Track supplier quality performance

8.2 Manufacturing Quality

- Ensure contract manufacturers meet quality standards
- Conduct regular quality audits
- Review batch records and test results
- Address quality issues promptly

8.3 Distribution Quality

- Maintain proper storage conditions
- Ensure cold chain integrity where required
- Protect products during transportation
- Monitor and address damage and loss

9. COMPLIANCE AND REGULATORY

9.1 Import/Export Compliance

- Comply with customs regulations in all markets
- Maintain accurate product classifications

- Ensure proper documentation for shipments
- Monitor trade regulations and restrictions
- Comply with sanctions and export controls

9.2 Product-Specific Requirements

- Cosmetics: FDA, EU Cosmetics Regulation, Health Canada compliance
- Electronics: FCC, CE, UL certifications
- Antibacterial: EPA registration, BPR compliance
- Payment systems: PCI DSS compliance

10. TECHNOLOGY AND VISIBILITY

10.1 Supply Chain Systems

- Implement supply chain management software
- Enable real-time visibility into inventory and shipments
- Integrate systems with key suppliers and partners
- Use analytics for demand planning and optimization

10.2 Traceability

- Maintain traceability from raw materials to finished products
- Enable lot tracking for quality and recall purposes
- Document chain of custody
- Support regulatory traceability requirements

11. SUSTAINABILITY IN SUPPLY CHAIN

- Integrate sustainability criteria into supplier selection
- Monitor supplier environmental and social performance
- Optimize logistics for reduced emissions
- Support sustainable packaging initiatives
- Align with TMG-SEC-006: Sustainability and Environmental Policy

12. ROLES AND RESPONSIBILITIES

12.1 Chief Operating Officer

- Overall accountability for supply chain performance
- Approve supply chain strategy and major investments
- Review supply chain risks and mitigation

12.2 Supply Chain Leadership

- Develop and execute supply chain strategy
- Manage supplier relationships
- Oversee logistics and distribution
- Lead risk management and continuity planning

12.3 Procurement

- Source and qualify suppliers
- Negotiate contracts and pricing
- Manage supplier performance
- Ensure compliance with sourcing policies

12.4 Quality Assurance

- Define quality requirements for suppliers
- Conduct supplier quality audits
- Manage incoming quality control
- Address quality issues

13. RELATED POLICIES

This policy should be read in conjunction with:

- TMG-SEC-002: Product Safety and Quality Control Policy
- TMG-SEC-006: Sustainability and Environmental Policy
- TMG-SEC-007: Ethical Sourcing and Supplier Code of Conduct
- TMG-SEC-014: Vendor and Supplier Management Policy
- TMG-SEC-015: Business Continuity and Disaster Recovery Plan

- TMG-SEC-050: Import/Export and Customs Compliance

14. POLICY REVIEW

This policy shall be:

- Reviewed annually by Supply Chain and Operations leadership
- Updated to reflect changes in business and risk environment
- Approved by the Chief Operating Officer after material changes
- Communicated to all relevant teams and partners

15. DEFINITIONS

- **Supply Chain:** The network of organizations, activities, and resources involved in creating and delivering products.
- **Single Source:** A supplier that is the only qualified source for a material or component.
- **Safety Stock:** Inventory held to protect against supply variability and demand uncertainty.
- **Lead Time:** The time between placing an order and receiving the goods.
- **Business Continuity:** The capability to continue critical operations during and after a disruption.

For questions about this policy, contact:

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