



# **Reporting under the Anti-Forced Labor in Supply Chains Act**

**For the financial year ending December 31, 2023  
Clarins Canada Inc.**

## **Contents**

- Introduction
- Structure, activity and supply chains
- Due diligence policies and processes
- Risk of forced labor or child labor
- Steps taken to address loss of income
- Training
- Effectiveness assessment

## **INTRODUCTION**

This report was prepared in accordance with subsection 11(2) of the Act to combat forced labor and child labor in supply chains, SC, 2023, c.9 (the “Act”) and has been prepared on behalf of Clarins Canada Inc. As required by law, this report is addressed to the Minister of Public Safety and Emergency Preparedness and summarizes the actions we took during the fiscal year ending 31 December 2023, in order to prevent and reduce the risk of forced labor or child labor being used at any stage of the production of goods in Canada or goods imported into Canada by Clarins Canada Inc. When used in this report, the terms “forced labor” and “child labor” have the meaning given to them by law.

## **STRUCTURE, ACTIVITIES AND SUPPLY CHAINS**

### **Structure**

The Clarins Group is a French family business, a leader in natural skincare and makeup driven by an entrepreneurial spirit and a quest for permanent innovation that we put at the service of responsible beauty, all over the world. The Group has its head office at 12 avenue de la Porte des Ternes, Paris, France. Clarins Canada Inc. is a subsidiary of the Clarins Group. The Group operates as a global company, replicated regionally and locally. The Clarins Group's governance structure maintains a cohesive global business based on strong ethical principles. The company is founded on values that guide our daily actions. These cardinal values form the basis of our vision of responsible development and impose strong commitments on us.

### **Activities**

The Clarins Group is present in more than 150 countries and has 28 subsidiaries around the world. The subsidiaries, including the one in Canada, are legal companies that belong to Clarins. They are located all over the world to represent Clarins and distribute our products. Close to our consumers, they are experts in their markets. They implement the company's projects and brand strategies locally, adapting them to the specificities of the local market.

Clarins Canada Inc. distributes beauty products to retailers in all provinces of Canada and employs approximately 230 people across the country in various roles and functions, including sales, marketing, operations and management. We also operate a spa and sell our products on our website.

## **Supply chains:**

Clarins Canada Inc. benefits from the Clarins Group's integrated production model. The Pontoise site (France) houses the research and development (R&D) department and our production unit. It is currently the only Clarins production site in the world. All of our skincare products and the majority of our makeup line are designed and manufactured there. Since 1984, our plants have been delivered to the site to be incorporated into our products during the manufacturing process.

The factory is supervised by Clarins Operations, which is involved from design to distribution of products to points of sale. The Clarins Group relies on both direct and indirect suppliers around the world for raw materials. For this reason, the sourcing of each ingredient is outside of the scope of this report.

Clarins Canada Inc. works with suppliers for other products and services. For example, this includes suppliers of temporary staff and local in-store marketing materials.

## **DUE DILIGENCE POLICIES AND PROCEDURES**

The Group has developed and implemented policies and due diligence procedures to identify, address and prohibit the use of forced labor and/or child labor in the organization's operations and supply chains.

The Group's values lived on a daily basis by all employees are simple and authentic values. They are at the heart of a corporate culture which sets the main principles of an ethical approach as a society, employer and corporate citizen. Making life more beautiful, passing on a more beautiful planet, that is the mission of the Clarins Group.

The Clarins Group has implemented an ethics charter which is inspired by the principles of the Universal Declaration of Human Rights, the Principles of the Global Compact and the guiding principles of the OECD.

The Clarins Group is committed to a fair human resources policy, in compliance with the law, which promotes the diversity of talents, ensures the health and safety at work of all its employees and respects privacy.

The Clarins Group commits all of its partners to respect the highest ethical standards throughout their activity, in compliance with legal social requirements, respect for human rights and working conditions, environmental requirements and conduct of business. The Group provides them with the Ethics Charter and all codes of conduct and internal procedures concerning them.

The Group implemented the Supplier Charter in 2023. The charter stipulates that we expect our suppliers to carry out their activities in such a way as to respect, at a minimum, their fundamental obligations in terms of human rights, labor law, environmental law and the fight against corruption. By integrating the ten principles of the UN Global Compact into our Responsible Sourcing Charter, we are not only asking suppliers to fulfill their fundamental obligations to people and the planet, but we are also laying the groundwork for our success long-term.

## HUMAN RIGHTS

- 1- SUPPORT AND PROMOTE the protection of universally recognized human rights
- 2- ENSURE that suppliers are not complicit in human rights violations

## WORK

- 3- RESPECT freedom of association and recognize the right to collective bargaining
- 4- ERADICATE all forms of forced and compulsory labor
- 5- SUPPORT the effective abolition of child labor
- 6- ELIMINATE discrimination in employment and profession

## ENVIRONMENT

- 7- SUPPORT a preventative approach to environmental challenges
- 8- UNDERTAKE initiatives to promote environmental responsibility
- 9- ENCOURAGE the development and diffusion of environmentally friendly technologies

## FIGHT AGAINST CORRUPTION

- 10- FIGHT AGAINST corruption in all its forms, including extortion and bribery

The Group transmits in particular the Ethics Charter, the Anti-Corruption Code of Conduct and the Supplier Charter and expects transparency and sincerity from its partners in respecting the principles established in these various documents. Suppliers must require their own suppliers and subcontractors to comply with the standards and practices detailed in the Supplier Charter.

Socially responsible, the Clarins Group is committed to the partners and communities with which it develops its activity: combating forced labor, child labor, harassment, discrimination, promotion of decent work, emancipation of women, freedom of association, hygiene and safety.

A corporate citizen open to the world, the Clarins Group supports projects that are in line with its societal priorities: commitment to children, medical research, biodiversity and the environment. The Group cooperates with numerous non-governmental and humanitarian organizations.

We encourage our top suppliers, ranked by the value of their expenditure, to complete an EcoVadis survey. The EcoVadis survey evaluates suppliers based on a wide range of non-financial management systems, including environment, labor and human rights, ethics and sustainable sourcing. We build lasting relationships and work closely with our partners and suppliers to ensure they respect Clarins values.

This year, we made further progress in our approach to obtaining B Corp certification by 2024. Since its creation, Clarins has been driven by its values of respect for the environment and is convinced of the importance of Sustainable Development. We therefore set ourselves the ambitious goal of obtaining B Corp certification. B Corp certification measures the positive impacts of companies on their ecosystem in 5 areas: Governance, People, Community, Environment and Customers. It will allow us to enhance our current commitments and strengthen our approach to continuous progress within the Group.

The recruitment agency we work with is trustworthy. We carry out verifications to understand what workers will be paid by fully understanding the distribution of agency margins. This allows us to guarantee a fair rate of pay to everyone who works for us.

## **RISK OF FORCED LABOR OR CHILD LABOR**

No incidents of forced or compulsory labor, or child labor, were identified.

## **STEPS TAKEN TO ADDRESS LOSS OF INCOME**

To date, there have been no cases of loss of income for vulnerable families caused by measures taken to eliminate forced or child labor.

## **TRAINING**

All employees must read and sign our Ethics Charter and our Anti-Corruption Code of Conduct. In addition, all employees who make purchases on behalf of Clarins must complete mandatory training on Responsible Purchasing. This online training on our internal platform provides all the strategic and operational keys to making purchases at Clarins. We explain what responsible sourcing is, why it is an important lever in our CSR strategy, how to implement it within our companies and how to use the appropriate tools to better manage our relationships with our partners.

## **EFFECTIVENESS ASSESSMENT**

Employees can contact their manager, their human resources director, our general manager or even report any suspicion or misconduct anonymously and confidentially through our Whistleblowing system.

An internal audit of our suppliers was carried out by our office in Paris. This audit, among other things, verified that there was no forced labor or child labor among our suppliers.

---

*In accordance with the requirements of the Act, and in particular section 11 thereof, I certify that I have reviewed the information contained in the report for the entity or entities listed above. To the best of my knowledge, and after having exercised reasonable diligence, I confirm that the information contained in the report is true, accurate and complete in all material respects for the purposes of the Act, for the above-mentioned reporting year. »*

Lynne Hanna  
General Director, Clarins Canada Inc.  
June 6, 2024



---

*"I have the authority to bind "Clarins Canada Inc." »*