



@RM

VIGILANCE PLAN

Appendix to the directors' report to the general shareholders' meeting

10th May 2021





Dear shareholders,

In accordance with the articles of French Law No. 2017-399, of March 27, 2017 concerning the duty of vigilance required of parent companies and companies commanding groups, and that apply to the Laboratoires de Biologie Végétale Yves Rocher company and its subsidiaries (hereafter 'Groupe Rocher' or 'group').

LABORATOIRES DE BIOLOGIE VEGETALE YVES ROCHER

Public limited company with capital of €4,377,767.85

Registered office: La Croix des Archers - 56200 La Gacilly, France

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RECONNECT PEOPLE TO NATURE

After a year marked by episodic lockdowns and an uncertain business environment, the irrepressible need to get closer to nature, to rethink it, to reintegrate it into our urbanized, digitalized lifestyles, has become a fundamental quest for each of us.

During this special and unique period, it is thanks to our resilience and adaptability that we have been able to strengthen our ties, tighten them, and reaffirm our values. These values, which drive us on every day, are the cornerstone of our mission: to reconnect men and women to nature.

Since 1959, our philosophy has remained intact. It is in order to keep it alive, particularly through our mission, that we will continue to surpass ourselves and give meaning to our commitments. We now know that it is by taking care of nature that we take care of ourselves.

In this singular context and this desire to constantly surpass ourselves, how can we reconcile our mission with our ambition for 2030? This ambition for 2030 has several essential aspects: taking care of our communities, being more transparent, reducing our environmental impact by developing frugal innovation and maintaining our territorial roots by protecting our local ecosystems. We should enter together into the era of post-mission brands, those that have put their raison d'être at the heart of their actions.

Bris Rocher

Chief Executive Officer, Groupe Rocher



INTRODUCTION

Groupe Rocher pursues a constant process of improvement of its economic, social and environmental impact. Over and above its CSR¹ initiatives recorded in the Appendix to the Directors' Report, 'Declaration of Extra-financial Performance', Groupe Rocher as parent company looks to ensure the effective implementation of its vigilance plan. In accordance with Article L. 225-102-4 of the French Commercial Code, the Vigilance Plan sets out the group's commitments with respect to the prevention of serious violations of Human Rights and Fundamental Freedoms, Health and Safety and the Environment resulting from the activities of the Company, its subsidiaries and its Suppliers. It also includes the identification and mapping of the group's main risks, as well as a summary of the deployment of systems to mitigate and prevent serious risks. It provides for a mechanism for alerting and collecting alerts and reports on its implementation.

This plan provides Groupe Rocher with an additional opportunity for the formalization and global coordination of initiatives already launched in conjunction with its various sites, subsidiaries, Suppliers and subcontractors.

Groupe Rocher has long acted as a company conscious of its responsibility towards its customers, employees, Suppliers, the environment and other relevant stakeholders. Groupe Rocher considers that the obligations of the Due Diligence Act are fully integrated into its ethical commitments and is committed to ensuring that these obligations are respected in its operations and in its value chain. In this respect, the group's Code of Conduct is in line with international reference texts on human rights and fundamental freedoms.

It should be explained beforehand that in the present document the term 'Supplier' refers to top-level Suppliers and subcontractors with which Groupe Rocher has a long-standing commercial relationship.

¹ CSR: Corporate Social Responsibility



AN APPROACH HISTORICALLY ROOTED IN THE GROUP'S ACTIVITIES

Group commitments

In line with its commitments under the Code of Conduct, Groupe Rocher has integrated into its vigilance approach the risks of serious violations of human rights and fundamental freedoms, the health and safety of persons and the environment, and more specifically on the following issues:

- Human rights and fundamental freedoms: child labor, forced labor, fair compensation, working hours, discrimination, freedom of association and collective agreements, rights of local populations, working conditions and harassment of any kind.
- Human health and safety: occupational health and safety, consumer health and safety.
- Environment: fight against climate change, water consumption and pollution, degradation of ecosystems and biodiversity.

If local legislation and/or the internal rules of subsidiaries and Suppliers provide for stricter standards than the group's rules, then these standards must prevail. If it is the other way around, the rules of the group prevail.

Extra financial risk management system

Identification of risks

The group is faced with a range of internal and external risks and for this reason, the Risk Management Department regularly maps the group's major risks in conjunction with the various group departments/subsidiaries. All types of risk are analyzed during the development of the plan: financial, operational, human, information technology, environmental, compliance with laws and regulations, health and safety, etc.

Groupe Rocher is obligated to publish an extra-financial performance statement. This document sets out the main risks and opportunities in terms of Corporate Social Responsibility and the way in which they can be identified.

In addition to this mapping of the group's major risks, several other actions were carried out throughout the year by certain group departments.

Summary of implemented actions

	Human Rights	Health and Safety	Environment
Group activities	<ul style="list-style-type: none"> - Mapping of major risks, analysis of the main extra-financial risks in 2019 - Updating the mapping of corruption risks in 2020 - 'We Care' survey carried out among all the group's employees in order to identify psychosocial risks and promote their well-being in the context of confinement - Survey of the group's global HR network to identify the processes put in place locally to circumscribe the risks related to the group's 10 principles of social responsibility 	<ul style="list-style-type: none"> - Risk analysis at the workstation level - Analysis of risks related to product quality - OHSAS 18001 and ISO 9001 certifications for the three Breton industrial sites 	<ul style="list-style-type: none"> - Identification of the main environmental risks at production and distribution sites
Suppliers' and Subcontractors' activities	<ul style="list-style-type: none"> - Analysis of risks related to purchasing categories - Proactive analysis of Suppliers through the risk assessment and qualification methodology deployed by the group (details in the following part of this document) 		

In view of the mitigation measures and preventive actions implemented within the group, it has become clear that although the risks of serious violations of human rights and fundamental freedoms, human health and safety and the environment exist, they relate primarily to the group's supply chain.

Mitigation of risks and prevention of serious harm


Groupe Rocher deploys risk mitigation measures adapted to the different situations arising from its activities. These systems are deployed at group level (Code of Conduct and Ethics Guide) and shared with its Suppliers and stakeholders.

Summary of the main actions

	Human rights	Health and Safety	Environment
Group activities	<ul style="list-style-type: none"> - Groupe Rocher Code of Conduct - Ethical Guide - 'Code of Conduct' E-learning training in 2020 for all group employees - 'Duty of Care' E-learning training in 2019 and 2020 for the main concerned employees (buyers, legal, etc.) - group's B Corp. certification process is underway for 2024 	<ul style="list-style-type: none"> - 'Travel & commuting' E-learning in 2019 for employees who travel regularly - Implementation of a worldwide psychological assistance unit for employees in the context of the Covid-19 crisis - QSE policy: product quality monitoring and staff health and safety monitoring (cosmetovigilance, crisis management system, customer complaint monitoring, etc.) 	<ul style="list-style-type: none"> - Actions implemented as part of the group's overall environmental strategy - Management of the environmental impacts of all the group's sites (water, energy and waste management)
Suppliers' and Subcontractors' activities	<ul style="list-style-type: none"> - Shared Code of Conduct on the Suppliers portal and the corporate website of the group - Contractual clauses for Suppliers recalling the group's commitments and ethical rules - Accompaniment and follow-up of Suppliers in the implementation of the duty of care (annual reviews, training, etc.) - Commitment by the group to associations aimed at improving the social and/or environmental practices of identified high-risk supply chains - Implementation of specific remediation actions following audits (details in the following part of this document) 		

Since 2019, Groupe Rocher has sought to increase the awareness of its employees through E-learning training. An initial training session on the Code of Conduct was offered to the group's employees, another training session on the specific theme of the Duty of Vigilance was conducted for the group's buyers and finally a training session on corruption and conflicts of interest was offered to the most exposed employees.

Finally, it should be remembered that Groupe Rocher has for many years deployed a robust internal control system that applies to all its entities/subsidiaries. There is a body of internal control procedures available on the



group's intranet, which enable all employees to know the imperative operating rules for several cross-functional processes (purchasing, human resources, treasury, etc.). The system is complemented by internal control audits, risk prevention audits and/or external audits. In 2020, given the exceptional circumstances related to COVID-19, the internal auditors were able to conduct five full internal control audits, whereas in 2019 twelve audits had been completed. They also conducted two distribution center audits. Two internal control self-assessment campaigns were organized and monitored, compared with only one in 2019. The thirteen internal control procedures have been updated, and a new 'site security' procedure has been drafted.

The audit plan validated each year by the Risk Committee provides for coverage of all its subsidiaries and controlled companies over 5 years.

Alert mechanism and collection of alerts

The alert mechanism (or ethics line 'ethics@yrnet.com') mentioned in the group's Code of Conduct is open to all internal, external and occasional employees of all Suppliers as well as to the group's partners and service providers with whom it maintains contractual relations.

The group's Code of Conduct calls for a reporting policy that calls on employees and third parties to report reports through the reporting line (for employees) or, if they so wish, to inform the Group of any suspicion concerning a practice or situation deemed contrary or incompatible with the code, the ethics guide or any legal or regulatory standard.

Full details of how to activate the ethics line can be found in the group's Code of Conduct, which can be consulted both on the group's intranet (HUB GR) and on the group's external website (www.groupe-rocher.com, under the Suppliers section). All reports deemed serious are analyzed and investigated internally, under the supervision of the group Chief Compliance Officer, who, depending on the main topic, reports to the Executive Vice President concerned.

Some subsidiaries have ethical guidelines that complement the group's overall system. This is the case in the subsidiaries of the Flormar (Turkey) and Arbonne (USA) brands. The employees of these subsidiaries can therefore use either system, knowing that at least once a year they must report cases handled locally to the group's Chief Compliance Officer. Groupe Rocher undertakes to ensure that no sanctions are taken against a person who has reported a breach in good faith.

For the year 2020, the group received 8 alerts mainly related to human resources and it turned out that none of them constituted a violation of human rights. None of the cases had a material impact on the group's consolidated financial statements.



Governance

Understanding the duty of care, and more broadly the issue of sustainable development, has been an integral part of the strategy deployed by the group's Operations Department for many years - and more particularly since 2017. For this reason, it is supported by Senior Management with the implementation of ethical and sustainable practices in relation to the group's Suppliers and supply chains.

Moreover, aware of the need to arbitrate on these issues at the appropriate level of responsibility, the group wished to set up a specific body made up of business experts and group decision-makers in the various areas concerned by the duty of vigilance: General Management, Legal Department, Purchasing Department, Responsible Development Department, Risk Management Department and Quality & Sustainability Department.

Its role is to validate the deployment of the approach and its results, as well as to ensure the necessary arbitration.

This Governance Committee therefore meets:

- On a regular basis, to evaluate the performance of internal sites and Suppliers;
- Exceptionally, to follow up on a field audit that highlighted practices that were not compatible with Groupe Rocher requirements.

A SPECIFIC APPROACH DEPLOYED FOR THE GROUP'S SUPPLY CHAIN

As the risks associated with the duty of care have been identified primarily in the supply chain, the group has developed and implemented a specific methodology for this area.

Scope of deployment

The year 2020 marks an important milestone in the deployment of the duty of vigilance within the group. Indeed, the due diligence methodology, detailed in this section, has been deployed for the target scope of the group's internal and external supply chains:

The group's internal production, storage and hotel sites are integrated into the process. These sites are mainly located in France, but also in the United States, Turkey, Israel and Morocco.

- The Supplier panels of the Rocher group subsidiaries are integrated into the approach.
- This work made it possible to strengthen the strategy for the operational implementation of the duty of care for the year 2021 based on the risk assessments of internal sites and Suppliers carried out by all subsidiaries.

The objective for the coming year is to strengthen the autonomy of the subsidiaries (Arbonne, Flormar, Sabon, Stanhome) in the process of compliance with the duty of care developed by the group, and to ensure centralized coordination of the approach at group level.

Presentation of the methodology and results obtained

Risk mapping

Presentation of the methodology

The group decided to incorporate all categories of purchases into its risk map. The group's different categories of purchases are therefore included: production, subcontracting and indirect procurement.

Three risk criteria were selected: **Activity Risk**, **Country Risk** and **Revenue Risk**.

A scoring system, which is used to assess potential social as well as environmental risks, is attached to each risk criterion.

Each Supplier is assessed based on these three criteria and is given a 'Supplier Vigilance' coefficient, which serves to determine the level of Supplier risk and, subsequently, to take suitable risk mitigation measures.

Activity risk

Groupe Rocher has established an internal rating method for the activities of its Tier 1 Suppliers and internal sites. The scoring system was created thanks to the expertise of the members of the CSR and Purchasing teams. The method is based on objective criteria which are used to assess each activity.

The following types of risk are addressed through the criteria retained:

- The environment
- The social - Business Practices
- The health and safety of workers and people

- The technical complexity of the activity
- The length of the supply chain

Country risk

To assess this risk, Groupe Rocher relies on the independent external body, EcoVadis, known for its expertise in CSR. The areas considered in the Country Risk Assessment are: environment, health, social, corruption, anti-competitive practices and human rights.

Turnover risk

The importance of the risk linked to turnover depends on the amount of turnover and is categorized in several thresholds.

Thanks to the three coefficients defined above, each Supplier and internal site of the group obtains a 'Supplier Vigilance' coefficient.

Results of risk mapping

Risk mapping takes place in two separate phases, whose results are presented in the following sections.

First phase: categorical analysis

In a first phase, the group analyzed the nature of the purchases made by the various entities in order to classify them in activity categories. Then, a rating of these different categories was made to identify the most at risk.

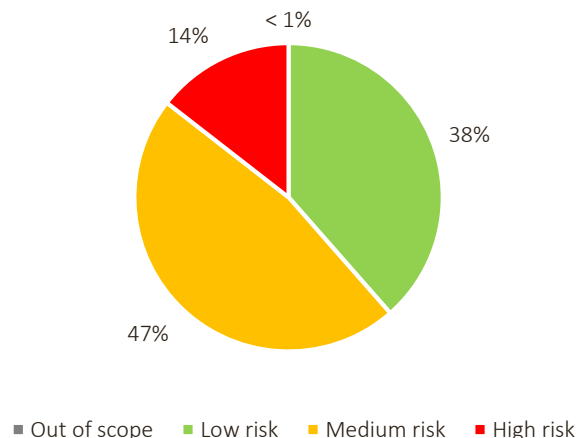
Categories of direct purchases such as gift purchases, production of components and raw materials - and in particular purchases of ingredients of plant origin on which the group is particularly vigilant due to its activity, but also certain categories of indirect purchases such as software, IT tools and logistics purchases, are identified as high-risk categories for Groupe Rocher.


This overview served to create a road map as well as to identify deployment priorities for certain activities. It is nevertheless completed by a more detailed analysis assigning a vigilance coefficient to each Supplier and internal site, as it is at this level that the next risk assessment stage (audit) will be deployed.

Second phase: analysis of the Supplier panel by category

At the end of the risk-mapping phase, as described in the method section, each Supplier on the panel is awarded a vigilance coefficient that determines the type of assessment that the Supplier must undergo. The breakdown of the panel, as shown below, is regularly monitored to ensure that the group's exposure to risk remains globally stable.

Result of the risk analysis of the supplier panel based on the supplier business volume of year 2019





The increase in the number of low-risk Suppliers compared to previous years is related to the extension of the scope of risk analysis coverage to all group Suppliers, and in particular to lower-risk categories of activities, such as indirect purchases.

Inventory of the group's internal sites

The risk analysis of the group's main sites has identified three high-risk sites that will be subject to field audits in 2021.

The other sites identified as medium or low risk will be reviewed through the renewal of the group's EcoVadis assessment that will take place in 2021.

Evaluation policy

Determination of the type of audit to be conducted

The evaluation policy for each Supplier and internal site derives from the global vigilance coefficient. Depending on the overall vigilance coefficient, and therefore the associated level of risk, a specific evaluation methodology is used, ranging from a documentary audit to a field audit.

The group uses the EcoVadis methodology for documentary audits. Indeed, EcoVadis offers two advantages: a methodology that covers all the subjects of the duty of care and an international footprint corresponding to the geographical location of the group. For the realization of the field audits, the SMETA methodology² has been chosen. Indeed, in a phase of launching of the approach, Groupe Rocher has chosen to use a unique methodology of field audits in order to simplify the piloting, the undertaking and the analysis of the field audits carried out on its supply chain. After a study of the various existing audit standards, the SMETA methodology, developed by the SEDEX initiative³, was chosen by Groupe Rocher because it covers all the themes of the duty of vigilance.

As such, the group adheres to the SEDEX initiative aimed at sharing SMETA audit reports within a circle of members including Suppliers and principals.

Assessment of the panel's performance

Documentary audits: volume and performance of evaluated Suppliers

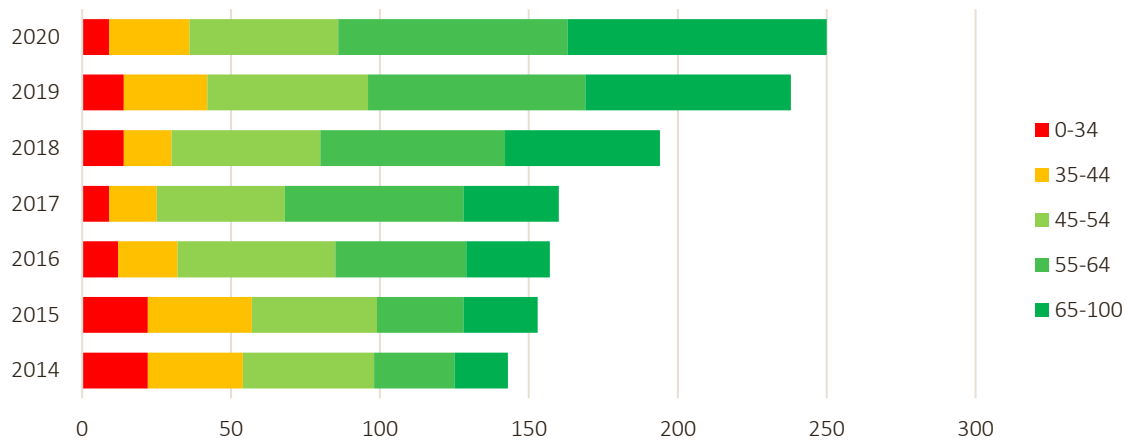
Documentary audits are one of the pillars of our system: in 2020, 47% of the purchasing revenue covered by the methodology was made from Suppliers subject to documentary audits. Consequently, the number of Suppliers monitored in EcoVadis as well as their performance are regularly monitored.

² Sedex Members Ethical Trade Audit

³ Supplier Ethical Data Exchange

Volume of EcoVadis audits:

Volume of EcoVadis audits carried out, per year, including updates to existing assessments



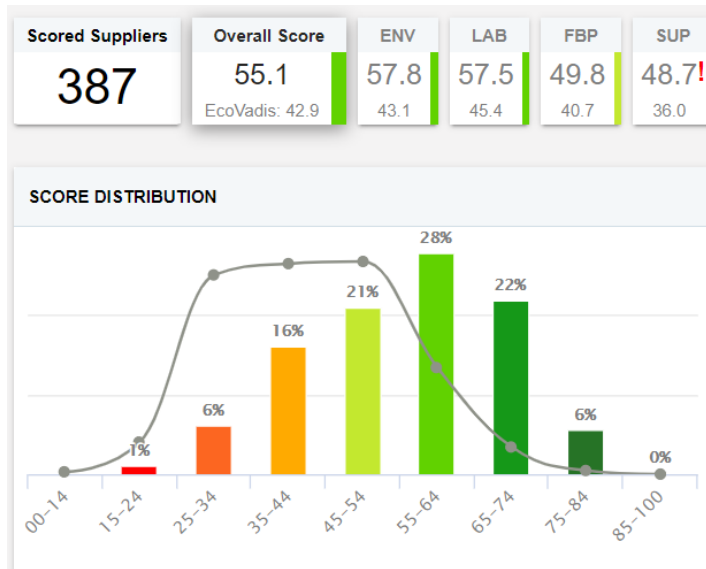
The integration of new subsidiaries into the project has a direct impact on the number of Suppliers monitored in EcoVadis. The increase seen in the years 2019 and 2020 is therefore a reflection of the deployment.

Results for the CSR performance of Suppliers evaluated by EcoVadis:

Currently, the group has 387 Suppliers listed on EcoVadis, including Arbonne, Petit Bateau, Groupe Rocher Operations and other subsidiaries. This figure is constantly rising (278 Suppliers in the database at the end of 2019).

A performance of the group’s supplier above the average:

Groupe Rocher wants to be an actor of change and wishes to be a source of inspiration in the management and support of its Suppliers. This ambition is shown by a global EcoVadis score for its Suppliers of 55.1, that is 12.2 points above the average of all the Suppliers referenced by EcoVadis.



Score distribution chart:

- The gray curve is the average score of companies assessed by EcoVadis.
- The color histograms represent the breakdown of the results of the Groupe Rocher Suppliers

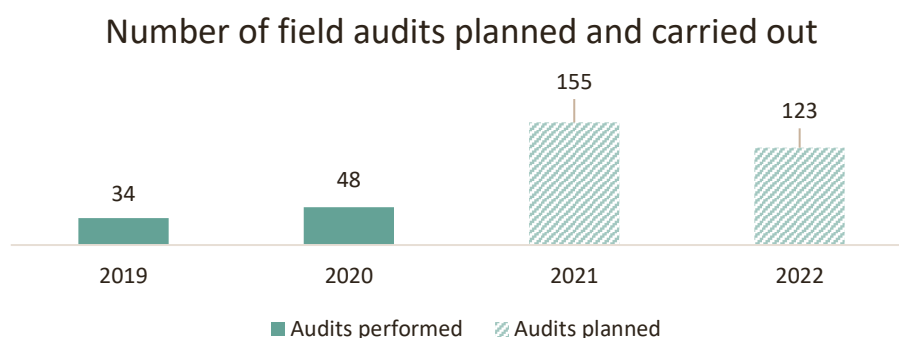
In addition, the average score of the Suppliers assessed for the group improved between 2019 and 2020 with an average score of 55.1 in 2020 compared to 54.5 in 2019, thereby testifying to the general progress made by the panel.

Field audits: Volume and performance of assessed Suppliers

This type of assessment concerns 14% of the group's purchases. In accordance with the situation described in the overview of risk mapping, certain geographical regions are particularly concerned (China, Russia, etc.). Local entities have therefore taken action by providing specific resources and budgets.

As is the case for documentary audits, a volume indicator is monitored, on the one hand, to ensure that forecasts match the deployment of the audits and, on the other, to foresee the resources that are required during the budget year.

- Volume of field audits:



2020 results: this year, the group carried out 48 field audits. Despite the health situation related to the Covid-19, the number of field audits carried out in 2020 is increasing compared to 2019.

The volume of audits to be carried out will increase over the coming years due to the ongoing deployment of the duty of care methodology on all Groupe Rocher subsidiaries, but also because the brands or subsidiaries that have recently adopted this methodology are in some cases located in high-risk areas or have less mature purchasing processes.

Performance evaluation of the group's internal sites

The group was evaluated by EcoVadis in 2018 and received a score of 60. This score places the group among the top 15% of companies in its sector of activity. A new EcoVadis evaluation of the group is planned for 2021.


Furthermore, the results of the field audits carried out at the internal sites will be known at the end of 2021.

Following these assessments, appropriate risk control and risk reduction actions will then be immediately implemented.

Implementation of action plans following evaluations

Following the documentary or field audits, leading to the determination of a performance rating, certain Suppliers and internal sites will be subject to the development of an action plan.

The level of monitoring implemented by the group's teams depends on the results of the assessment (audits), and depending on the different cases, may lead to the sharing of the good practices implemented, but also to the support in the implementation of actions to resolve the non-compliances observed, or, to the exit of the panel, for the group's Suppliers.



In addition, if it appears that the risk is not related to the practices of a Supplier, but rather to the maturity of a geographical area or to the practices inherent in an industrial sector, the group's teams may decide to implement alternative sourcing.

Finally, the group's objective is to control risks on its entire panel and its internal sites. Therefore, the methodology described above applies to the existing perimeter but has also been formalized in a qualification process for new Suppliers. This dual approach ensures that the scope is fully compliant at the end of the project set up.

Risk control and mitigation actions

Corrective action plan following the identification of a risk

The compliance: a collaborative dynamic

Following the various audits carried out, points for improvement may be identified for certain Suppliers and internal sites of the group. Depending on the criticality of the nonconformities discovered, some Suppliers were asked to set up action plans, in compliance with the method. Depending on the Supplier's maturity, it may benefit from support from the group's expert teams to help define the target to be reached and the associated action plan.

In all cases, Groupe Rocher opted for a cooperative approach. If the construction of the action plan remains the responsibility of the Supplier/Internal site, it can, at its request, accompany it from a technical and/or methodological point of view. The progress plan and the associated schedule are validated by both parties. Their implementation will be confirmed by a re-audit, if necessary.

High concern supply chains

The stakes of the Law are as high as they are complex to master for a large part of the partners, and despite the efforts made, certain sectors present particularly high risks. It is for this reason that Groupe Rocher implemented a specific process for some of these sectors. This process aims to:

- Analyze the risk and implement a watch,
- Reduce the risk by the animation of the Supplier panel and their actions,
- Reduce risk by looking for geographical, technical/technological alternatives,
- Implement direct improvement actions with the support of NGO partners.

The group is a member of the Responsible Mica Initiative in order to play a role in improving the conditions under which mica is mined in India. The group is also active in the palm and cotton sectors, through a partnership with the Earthworm Foundation, with which it is involved in local programs to support small producers.

The objectives of these sectoral initiatives are to:

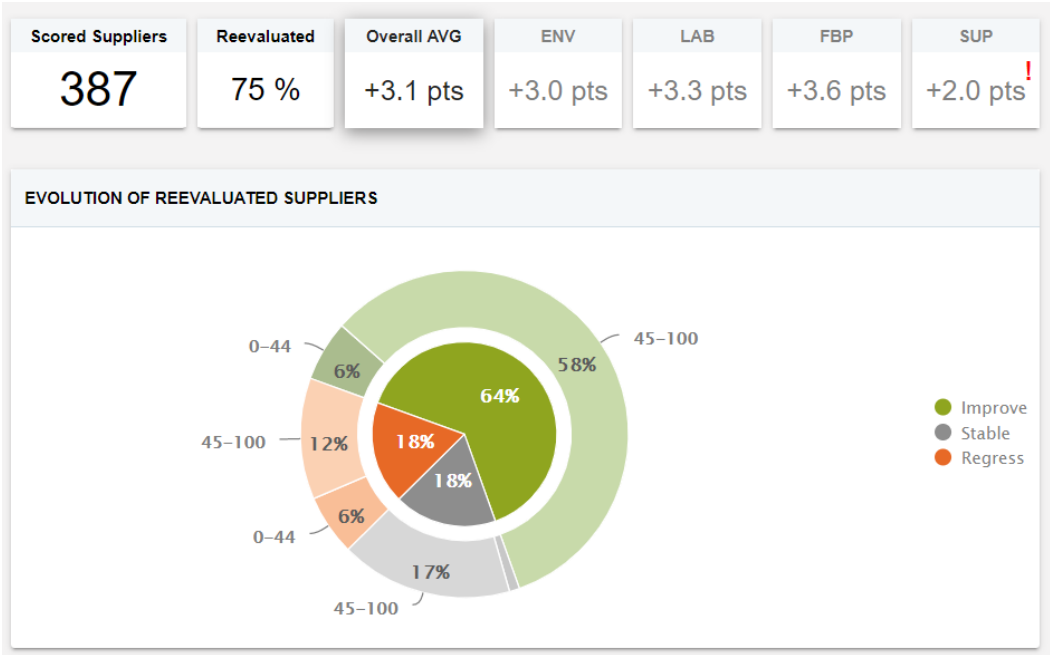
- Strengthen the action of cosmetic actors within certain sectors in order to initiate a positive change in practices;
- Align the expectations of clients to facilitate their implementation by Suppliers and thus ensure compliance with social and environmental practices in the value chain;
- Pool financial resources and allocate them to joint actions.

Follow up of the system's efficiency

Suppliers committed to a process of continuous improvement

Groupe Rocher naturally demands the very highest standards for the monitoring of its Suppliers. After an adapted follow up, the Suppliers have been reevaluated and the global group's panel has gained 3.1 points, and 64% of the Suppliers have improved their CSR performance, that is 186 Suppliers.

In the event of a slip in the Supplier's score, a corrective action plan may be launched with an obligation to take action if the score demonstrates insufficient performance with respect to the group's compliance requirements.



Organizational basis of the approach

A committed ecosystem

In order to establish a lasting dynamic, the group's challenge lies in mobilizing an entire ecosystem: its teams, on the one hand, but also its Suppliers and internal sites, on the other.

Commitment of the teams

Changes to the group's internal and external environment have given the Vigilance Plan a weight that now transcends the legal framework. The group has also reaffirmed, through its new status as a mission-driven company, its desire to place social, societal and environmental aspects at the heart of its concerns.

Our approach must integrate and build on this mandate, on the one hand, by making the tools available, as mentioned in the previous paragraph, and on the other hand, by accompanying the teams in a transition on their way of functioning. This dimension is at the heart of the strategy that the group has defined.

A network of experts

The deployment of the Vigilance Plan in each of the subsidiaries is comes along with the identification of project coordinators. Their role is to become experts in the method implemented. Training of the teams creates coordinators who are inured to the realities in the field and can therefore act as strong intermediaries. Once these coordinators have assimilated the method and the initiatives envisaged, they can transmit their knowledge to all the purchasing teams for deployment with Suppliers and in order to explain the group's Vigilance Plan.

An advanced training module for coordinators has been developed to enable them to acquire the skills and tools necessary for their coordination role. This module enables them to read and analyze an audit report, implement the necessary action plans and, more generally, embody the group's positions.

Meetings dedicated specifically to the vigilance plan have been organized throughout 2020 to support the implementation of the policy and thus enable everyone to become more independent and mature. These bodies monitor the implementation of the policy and its compliance within the group.

A systematic awareness-raising among all the teams

The group is also convinced that the duty of vigilance is a central problem that all purchasing teams need to be made aware of. In this way, it ensures that the importance of controlling Supplier risk is clearly identified and taken on board by all teams. For this purpose, several tools have been defined:

- E-learning: in order to promote awareness of the duty of vigilance law, the CSR and Risk Management teams have prepared an interactive module intended for the various functions of the group, including the Management team of each subsidiary and all the Purchasing teams. This 20-minute E-learning training session informs teams through quizzes and case studies. The aim is to explain the context to all participants and to help them to understand the duty of vigilance law.
- More comprehensive training meetings on the duty of care are regularly organized to mobilize the teams around these issues and to ensure that they are properly understood.

The suppliers ecosystem

Over and above the training of its teams, the challenge for Groupe Rocher is to raise the awareness of an entire ecosystem. This Supplier ecosystem is managed in such a way as to develop mutual awareness between the group and its Suppliers, associated in a process of sustained continuous improvement through a system of operational assistance. Groupe Rocher seeks to install a permanent climate of reciprocal trust.

Thanks to tools such as the Supplier portal, which contains the Code of Conduct as well as communication aids specially created for the group's various Suppliers, Groupe Rocher moves forward alongside them in its deployment of the Vigilance Plan. The group reference document will also provide guidance to Suppliers during

this process. In addition, the duty of vigilance is the subject of regular exchanges: Business Reviews, inspections, audits, etc. enable the parties to emulate one another and boost their expertise.

Finally, the group has committed, along with other companies in the cosmetics sector, to simplifying the approach to the duty of care for Suppliers. This sector initiative enables the companies involved to define common requirements that consider the specificities of the sector, and to work together to improve their practices.

Process and information system

Qualification process

In order to provide a suitable response to the new management challenges of our panels, the group revised its Supplier qualification process.

The revised qualification process details and outlines the various stages that form part of the process, the data to be collected and the dispensation tools and cases, as well as the arbitration bodies. It also enables several types of risk to be assessed while integrating a large number of parameters inherent to the Supplier's activity, its location, certificates and past performance.

This process is governed by a procedure that is disseminated while the Vigilance Plan is being deployed. A training module was specially developed and distributed among the purchasing teams of Groupe Rocher Operations and Arbonne in 2020. Deployment in the other subsidiaries shall continue in 2021.

Information system

The implementation of this process as well as the extension of the approach to the different entities of the group have brought out two key elements for the continuation of our approach:

- In order to guarantee a high standard of execution throughout the world, the process has to be as clear and as simple to apply as possible.
- The risk-mapping and assessment systems generate a very large amount of data that has to be easy to use to ensure that the project runs smoothly and that the system is effective.

In order to respond to these new challenges, the group introduced a specific information system that enables the automation of the approval process as well as the consolidation of all the data related to the risks and to the performance of each Supplier on the panel.


This information is available on a specific platform and can be accessed by the teams of the different group entities as well as by its Suppliers, enabling effective and iterative management of their performance.

Group requirements framework for audit standards

The start of the "post-audit" action-plan phase, which is key to meeting risk-reduction goals, revealed the need to make changes to the system. In the method developed by the group, the assessment systems and tools are defined for and common to all the entities: EcoVadis for the documentary audits and the SMETA standard for the field audits. However, the regular implementation of these tools among our Suppliers, in different activities and geographical regions revealed an additional need: the need to define and formalize the group's requirements regarding various areas of the duty of vigilance law.

The purpose of this reference document is to support several changes:

- Implementation of corrective action plans: in addition to evaluation, the provision of a document explaining the group's requirements will give the teams and our Suppliers a specific and homogenized goal.

- 
- Management of equivalent standards or certificates: in order to make the assessment system's implementation process more flexible in the various regions and activities.
 - Anchoring robust fundamentals and a common language, allowing the group's internal teams and its Suppliers to take ownership of an operational dimension.

It was built up in 2020 and will be deployed within the subsidiaries in 2021.



CONCLUSION

The implementation of the duty of vigilance within the group is now a robust process that is supported by organizational, methodological and operational principles that are defined and shared.

The year 2020 marks an important stage in the deployment of the duty of care within the group: the Groupe Rocher company and its subsidiaries, as well as the various Supplier panels of its subsidiaries, are integrated into the approach. The deployment and efficiency of the system are managed through applied procedures and/or regularly monitored performance indicators and rely on a network of experts committed to the approach. The group's activities, categories, zones, Suppliers and business lines at risk are identified and are subject to appropriate mitigation measures to ensure a positive overall change in behavior. The ethical contact point is in place and being used.

The group has always been a particularly committed actor in the construction and promotion of a sustainable ecosystem and has seized this new opportunity to work with its subsidiaries in all countries and to collaborate with its stakeholders to introduce more respectful practices in our today's world.

APPENDIXES

Appendix 1: Scope of deployment of the vigilance plan

I 10 main brands

On the **cosmetic**, the **textile** and the **home improvement** industry sectors.



Appendix 2: reference texts

Text	ECOVADIS	SEDEX - SMETA
International Labor Organization Conventions		✓
Principles of the United Nations Global Compact		✓
UN guidelines (Companies/Human Rights)		✓
Ethical Trading Initiative Base Code		✓
Global Reporting Initiative Standards	✓	
ISO 26 000 Standard	✓	
SA 8000 Standard		✓
ISO 14001 Standard		✓
CERES Principles (Coalition for Environmentally Responsible Economies)	✓	
Documentation for the Global Social Compliance Program (GSCP)		✓